

MAY 6, 2019

The Regular Meeting of the Lake Benton City Council was held on Monday, May 6, 2019 at 5:30 P.M. in the Heritage Center/City Office. Mayor Bob Worth, Trustees Rosie DeZeeuw, Mark Dunn, Dave Enke, and Daryl Schlapkohl were present. City Attorney Mike Cable was absent. City Administrator/Clerk Eileen Christensen, Police Chief Tony Sievert, Police Officer Dallas Cornell, Nathan Kinner-Kinner and Company, Fred and Lisa Schmidt, Joyce Miller, Kim Tiedemann, Kim Gates, Sam Hedge and Dean Lueck-Lake Benton Lake Improvement District, Lisa Willert, and Shelly Finzen from the Lake Benton Valley Journal were also present.

Mayor Bob Worth called the meeting to order.

The Pledge of Allegiance was recited by all present.

Mayor Bob Worth then asked if anyone in attendance had an item, not on the agenda, to bring up during the Open Forum part of the meeting. If so they had two minutes to state their concern. No items were brought forward at this time.

The minutes of the Regular Meeting of April 15, 2019 were reviewed. **MOTION** by Daryl Schlapkohl, seconded by Rosie DeZeeuw to approve the minutes of the Regular Meeting of April 15, 2019. Motion carried.

CLAIMS PRESENTED AGAINST THE CITY OF LAKE BENTON:

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|----------------------|-------------|---------------------|-------------|
| OTTERTAIL | \$ 2,581.80 | ITC | \$ 327.25 |
| USTI | \$ 370.28 | QUARNSTROM/DOERING | \$ 2,292.42 |
| RETHWISCH & SON | \$ 6,682.91 | RICK'S WELDING | \$ 25.00 |
| GOPHER STATE | \$ 9.45 | LINCOLN CTY AUDITOR | \$ 7,244.00 |
| MN WEST COLLEGE | \$ 1,075.00 | S & E AUTO | \$ 350.00 |
| TODD DRAPER | \$ 32.00 | MN POLLUTION CNTRL | \$ 1,450.00 |
| PAT HAYNES | \$ 250.00 | MN LIFE | \$ 6.80 |
| CHAMBER-CVB | \$ 97.47 | JOHANSEN REPAIR | \$ 2,078.75 |
| KJERGAARD SPORTS | \$ 80.62 | PETERSEN GRAVEL | \$ 660.00 |
| KINNER & COMPANY | \$ 9,975.00 | CORE & MAIN | \$ 254.19 |
| SW SANITATION | \$ 3,575.08 | GRAHAM TIRE | \$ 540.00 |
| GARY NORDMEYER CONS | \$ 1,330.00 | BIOAG ENERGY | \$ 634.27 |
| CARDMEMBER SRVCS | \$ 338.36 | TROY NORDMEYER | \$ 32.00 |
| VERIZON | \$ 35.01 | ONE OFFICE SOLUTION | \$ 302.12 |
| A & C EXCAVATING | \$ 4,084.00 | KIBBLE EQUIPMENT | \$ 155.23 |
| AMAZON CAPITAL SRVCS | \$ 336.15 | PLUM CREEK LIBRARY | \$ 29.81 |
| DVL FIRE & SAFETY | \$ 436.20 | | |

MOTION by Mark Dunn, seconded by Dave Enke to approve payment of the claims presented against the City of Lake Benton. Motion carried and the Mayor authorized the City Administrator/Clerk to make payment.

The next item of business was to meet with Fred and Lisa Schmidt, Owners of the Lake Benton Bar & Grill. Fred and Lisa Schmidt addressed the Council and asked them to reconsider approving their 2:00 AM closing license. Fred and Lisa informed the Council the extra hour is critical in making the bar profitable. They talked with customers that stated they come to Lake Benton around 11:00 PM after attending another establishment because they know the Lake Benton Bar & Grill will be open until 2:00 AM. Fred and Lisa have zero tolerance for fighting, have not had any issues, and they currently stop serving at 1:30 AM and close the bar at 2:00 AM. The bar employs ten (10) employees which is a benefit to this town.

The Council stated if the establishment is responsible for meeting the terms of the license, the license might be granted. However, the Council took the step to decline the permit based on the owners not being responsible for the 2:00 AM closing. Although the Police Department has not had any issues with the bar lately, the problems the bar had were with the previous manager and concerns with DWI's in town. This is not an issue for the Police Department to decide. There is nothing written in the City's Ordinances that states if they stay open or not; the Council needs to decide to either let them have the license or not.

After further discussion, a **MOTION** was made by Mark Dunn to approve the 2:00 AM Closing License to the Lake Benton Bar & Grill. Due to the lack of a second, the motion died.

The next item of business was to review/act on the Lake Benton Lake Improvement District (LBLID) funding request. Chairman Sam Hedge and Dean Lueck came to the Council to discuss a couple items. Sam and Dean passed out a copy of a letter that was sent to the Mayor in September 2018 requesting the Council to consider an appropriation of \$7,500.00. The City did not make an appropriation for 2018 and the LBLID inquired why. The City of Lake Benton did not receive the letter sent in September 2018. Chairman Sam Hedge informed the Council that the City had an agreement with the Lake Benton Lake Improvement District in 2003 or 2004. Chairman Sam Hedge and Dean Lueck then presented the Council with the 2018-2019 valuation of the lake. The LBLID informed the Council that the City of Tyler and Stony Point contribute funding towards the treating of the lake, and hoped the City of Lake Benton would do the same. Although the LBLID did not know they were going to treat the lake until February 2019, they are requesting funding from the City of Lake Benton for 2019.

The Council stated the City of Lake Benton has a limited budget in 2019. The Council then requested the LBLID inform the Environmental Office to send the letter to the City Administrator/Clerk sometime in June or early July, and have a representative of the LBLID attend a Council meeting in June or July to present their funding request so the City can include it in their budget process.

The next item of business was to review/act on the 2018 Audit with Nathan Kinner from Kinner & Company. Nathan presented the 2018 Audit to the Council and explained his audit staff worked January, February and March to get the City's audit complete. It went very well and Nathan and his staff would like to thank Administrator/Clerk Eileen Christensen and the Council for their assistance.

Nathan explained the Management Comment Letter for non-public data. Nathan passed out a Graph Analysis which shows the comparison of where we've been where we're going. The purchase of the Event Center and the issue with the previous Police Chief skewed the numbers some. Nathan reminded the Council the audit is officially a draft until approved by the Council.

Nathan then went through the report with the Council and explained the Independent Auditor's Report which included qualified and unmodified opinions, and other reporting required by Government Auditing Standards.

The Statements of Net Position was reviewed which is a basic financial statement that showed the City's ending net position at \$3,734,463.00. Nathan explained the net pension is relatively new as it includes the City's share of a net liability at the State of Minnesota as it relates to the pension plan which was underfunded at the State. A share of the debt is shown on the City's audit as a debt.

Nathan then reviewed the City's Statement of activities which includes the balance sheet for governmental funds (General and Fire Funds), and the non-governmental funds (Library, Revolving, EDA and TIF Funds).

The net position classification is displayed in three components: Net investment in capital assets, restricted net position, and unrestricted net position. The City's policy is to maintain a minimum unassigned fund balance between the ranges of 35%-50% of budgeted operating expenditures for cash flow needs. On December 31, 2018, the unassigned fund balance of the General Fund was 49% of the subsequent budgeted expenditures. The Council took action to commit the funds for the unassigned funds which were at 79% in 2017.

Nathan then explained the comments on the current year findings which consisted of an inadequate segregation of duties among its accounting personnel due to the fact the City has a limited number of employees to perform financial reporting duties. This is the same finding as the prior year. The second finding in 2017 was a compliance finding that was reported due to insufficient collateral over deposits. This finding has been resolved for the 2018 audit.

MOTION by Daryl Schlapkohl, seconded by Dave Enke to approve the 2018 audit completed by Kinner and Company. Motion carried.

The next item of business was to review/act on renewing Palisades LP Contract. The City currently has a contract with Palisades which expires on May 31, 2019. The Council may want to consider renewing the contract with Palisades for 17,500 gallons of LP at \$1.149 per gallon for the 2019-2020 heating season. Palisades also provided the City a contract for the 2019-2020 heating season which includes a prepaid contract or a 20% down contract at \$1.199 per gallon. **MOTION** by Dave Enke, seconded by Rosie DeZeeuw to renew the prepaid LP contract with Palisades for the 2019-2020 heating season for 17,500 gallons of LP at \$1.149 per gallon. Motion carried.

POLICE REPORT

The Police Report for April was given by Police Chief Tony Sievert. Police Chief Tony Sievert presented the calls for April to the Council which totaled 41 calls. Police Chief Tony Sievert and Police Officers Dallas Cornell and Guy Harding completed their annual firearms qualifications shoot last week. Police Chief Tony Sievert then informed the Council the department's Taser is in need of being replaced. The approximate cost to replace it is \$3,000.00. Police Chief Tony Sievert then informed the Council the quote the City received from Guardian to install and mount the equipment in the new squad is going to be slightly higher. The old squad should be decommissioned and returned to the City of Lake Benton in the next week or two. **MOTION** by Rosie DeZeeuw, seconded by Dave Enke to approve the April Police Report. Motion carried.

PUBLIC WORKS UPDATE

Mayor Bob Worth informed the Council the City has paid quite a bit of money to A & C Excavating for using their 8" pump and he talked with Maintenance Supervisor Todd Draper and discussed purchasing our own. Todd found a used 6" pump for the sewer lift station from a company in Pelican Rapids, MN for \$20,000.00. New hoses will be needed for approximately \$1,000.00. The pump has 900 hours on it with a one year warranty. If the City has problems with the pump, it can be taken to Sioux Falls to be fixed. The individual selling the pump will meet Todd half way to get it delivered. Mayor Bob Worth requested the Council to consider approving the purchase of the used 6" pump up to \$20,000.00. **MOTION** by Daryl Schlapkohl, seconded by Dave Enke to approve up to \$20,000.00 to purchase the used 6" pump for the sewer lift station. Motion carried.

Clean up week is scheduled for May 20-24, 2019 with appliance pickup on Tuesday, May 21, 2019.

Trustee Daryl Schlapkohl informed the Council that when the Council approved the Police Union Contract it included that the Police Chief can take the squad home when on call. Daryl felt the Council should consider approving Maintenance Supervisor Todd Draper to take the City truck home when he is on call every other weekend – Friday through Sunday. This will improve the

ability for the employees to answer to emergencies in the City. **MOTION** by Daryl Schlapkohl, seconded by Rosie DeZeeuw to approve Maintenance Supervisor Todd Draper to take the City truck home to drive back and forth while on call every other weekend. Motion carried.

The next item of business was to review/act on the Lease with Ashly Nordmeyer to lease the kitchen at the Event Center. City Attorney Mike Cable drew up the Lease Agreement between the City of Lake Benton and Ashly Nordmeyer. The Lease agreement states the tenant will pay the Landlord at the office of the City Administrator/Clerk \$500.00 a month for rent and \$200.00 a month for utilities commencing May 1, 2019. The Council will need to approve the Lease and authorize the Mayor's and Administrator/Clerk's signature. Ashly Nordmeyer signed and paid the rent, utilities and a \$250.00 security deposit on May 1, 2019. Trustee Daryl Schlapkohl informed the Council the school is looking into purchasing new kitchen equipment and they have a convection oven if the City would like to consider purchasing it for the Event Center. Trustee Daryl Schlapkohl will talk with the School Board about selling the oven, and talk with Ashly Nordmeyer to see if this will work for her in her business. **MOTION** by Dave Enke, seconded by Rosie DeZeeuw to approve the Lease with Ashly Nordmeyer to lease the kitchen at the Event Center for \$500.00 a month for rent and \$200.00 a month for utilities. Motion carried.

The next item of business was to review/act on the allocation to the Diner's Club for the appliance and rummage sales. In previous meetings, the Council discussed allocating funds to the Diner's Club after the sale of the appliances and the rummage sale of the smaller items at the Community Center. The Diner's Club made \$530.00 on their rummage sale last weekend and the City received \$851.00 for the sale of the appliances (mixer, stainless steel table, steam table, dishwasher, sink and refrigerator). **MOTION** by Daryl Schlapkohl, seconded by Dave Enke to approve allocating \$1,000.00 to the Diner's Club for the sale of the appliances and items at the Community Center, and request Kay Finzen give the Council a quarterly report on the Diner's Club. Motion carried.

The next item of business was to review/act on a building permit for Rick's Welding to build a 56' x 42' steel structure warehouse to house overflow inventory at 1482 200th Avenue. Rick's Welding was given the setbacks from the property lines on which they can build a steel structure. Maintenance Supervisor Todd Draper confirmed there were no setback concerns and everything is in compliance with the City's ordinance and the State's setbacks. The fee of \$25.00 has been paid. **MOTION** by Dave Enke, seconded by Rosie DeZeeuw to approve the building permit for Rick's Welding to build a 56' x 42' steel structure warehouse at 1482 200th Avenue. Motion carried.

The next item of business was to review/act on the notice of water rate increase. City Administrator/Clerk Eileen Christensen previously informed the Council that Lincoln-Pipestone Rural Water System Board of Commissioners approved a \$0.10 increase per thousand gallons in municipal and community water rates. In the past, the Council has added the increase to the citizens of Lake Benton's utility billing.

The Council discussed their frustration at the increase in water each year. It was suggested someone from Lincoln-Pipestone Rural Water attend a Council meeting and explain to the Council why there is an increase each year. The City's water rate of \$2.56 per thousand gallons will be increased to \$2.66 per thousand gallons effective June 1, 2019 to appear on the July utility billing. **MOTION** by Daryl Schlapkohl, seconded by Dave Enke to approve increasing the resident's water \$0.10 per thousand gallons effective June 1, 2019 to appear on the July utility billings. Motion carried.

The next item of business was to review/act on a Resolution Accepting Donations to the Library. The Library received the following donation:

- Town and Country Study Club - \$25.00

The donation will be designated towards Collections. Minnesota Statutes state the Library can accept donations for the benefit of recreational services. The Council needs to pass a resolution accepting the donations to the Library. **MOTION** by Dave Enke, seconded by Rosie DeZeeuw to approve the Resolution Accepting Donations from the above group for \$25.00. Motion carried.

COMMITTEE REPORTS:

Trustee Mark Dunn – No report.

Trustee Rosie DeZeeuw – No report.

Trustee Dave Enke – The Library Board met last month and approved the purchase of a new color printer. Over the past 12 months the Library has received several inquiries from patrons to send a fax. The board approved Pat Haynes to connect the fax with the printer so patrons are able to send a fax from the Library. The SRP is ready to go forward. The board discussed the request from the two Library employees to attend a camp in August. The board tabled this discussion to further evaluate on whether to send one employee or both of them. The upcoming programs include Recycled Book Art and Creating Stuffed Animals out of Socks on May 9, 2018. On May 18, 2019 Erik Harper will be speaking on “The Homefront effort in Minnesota during WWI” and how the state attempted to enforce patriotism and support for the war effort.

Trustee Daryl Schlapkohl – The Opera House Board will be meeting this Thursday. The play “Mary Poppins” will be performed this weekend.

ADMINISTRATOR/CLERK REPORT:

Administrator/Clerk Eileen Christensen received a letter and form to participate in the Lake Benton Saddle Horse Parade on Sunday, June 16, 2019. If anyone on the Council wants to be in the parade, please complete the form and mail/deliver to Janel Stuefen at the Bank.

The Southwest Regional Development Commission (SRDC) extended an invitation to the Council to attend a Public Hearing on their budget for fiscal year 2020 (July 1, 2019 through June 30, 2020) at the Cottonwood Community Center on Thursday, May 9, 2019 at 3:30 PM.

Amber Scholten, Lincoln County EMS, informed Administrator/Clerk Eileen Christensen she declared a state of emergency in Lincoln County. Eileen prepared the information she will be providing to Homeland Security and Emergency Management on May 7, 2019 at 9:00 AM at the Ivanhoe Highway Department. Mayor Bob Worth will accompany Eileen to the meeting.

MAYORAL REPORT:

Mayor Bob Worth said the City owes Administrator/Clerk Eileen Christensen a huge thank you for her work on the audit. The Cemetery Board, Jean Carr, Roger Rudebusch and John Lichtsinn, requested to meet with the Council to give them ideas on generating funding for the cemetery as they are in need of financial assistance.

Mayor Bob Worth, Trustee Dave Enke and Administrator/Clerk Eileen Christensen met with the Commissioners last month and expressed the City’s concerns with the recycling. There have been some improvements and Waste Management has visited with Eileen. If the City has any issues, the Commissioners said to just give them a call.

There being no further business to come before the Council at this time, a **MOTION** was made by Rosie DeZeeuw, seconded by Daryl Schlapkohl and carried, the meeting adjourned.

MAYOR

ADMINISTRATOR/CLERK