

Minutes

Kennedy City Council Meeting
October 10, 2017

CALL TO ORDER: Mayor Todd Truedson called the meeting to order at 7:10 P.M. Council members present included Jon Pietruszewski, Cindy Urbaniak, and Matt Casper. Council member Kevin Hanson was absent. City employees Jason Christian and Mary Cooney were present, as was city engineer J. Paulsen from Bolton & Menk and city auditors Colleen Hoffman and Marit Knudson.

PLEDGE OF ALLEGIANCE: Recited.

ADDITIONS TO THE AGENDA: None

PUBLIC FORUM: None.

AUDITOR'S REPORT: Auditor C. Hoffman presented the audit report to the council and conveyed that they, the auditors, worked with the city's management, Mary Cooney. Hoffman reported that Cooney provided everything that was asked for in a timely basis and that the material provided was accurate. The auditors had no disagreements about any implementation, auditing or accounting issues with Cooney. Hoffman further stated that they worked well with Cooney and they had no complaints or issues for concern regarding working with her.

On the issue of timeliness, the audit was done on time of the September deadline and the city was not and is not in any danger of losing any aid. The reason the audit was delayed until September is because of the disagreement the state auditor's office has been in with six auditing firms, including theirs. The disagreement includes a law suit and thousands of hours of their firm's time. As a result, seven of their firm's city clients' audits were delayed beyond the original June deadline. The City of Kennedy was one of these seven cities. And, that, Hoffman stated, is the whole reason why the City of Kennedy's audit was done at such a late date.

She also noted that Kennedy used QuickBooks for accounting in 2016 and when she stopped by the city's office to pick-up the city's audit documents she informed Cooney she could not take the files in the electronic format that was prepared and requested Cooney print paper copies of all the materials she needed. Hoffman stated Cooney did print the materials, got them to the audit firm, and their firm did get the audit done on time.

Hoffman further stated they did not have to make any audit adjustments to the city's books and, also, the financial documents the council receives from Cooney on a monthly basis are reliable and accurate. Additionally, the city's new financial software, which is fund accounting software, will better serve the city and the city should continue on its path to get down to one check book and one savings account.

She stated there are two old debt service funds (audit page 16) that are paid off and those funds should be closed and the remaining dollars in them should be used to pay down debt. The auditor stressed, the funds can only be used for debt service/paying down debt.

Fire relief pension money could be moved to a public employee retirement fund and the result would be no more relief audits and most of the relief reporting would also disappear. This would also eliminate the need for an actuarial audit.

Hoffman stated it was the council's responsibility to report to her any fraud, waste or abuse they may be aware of, and, she also encouraged the council to read the audit report.

The council had no questions or comments with regard to the audit. Auditors Marit Knudson and Colleen Hoffman left the council chambers at 7:40 p.m.

ENGINEER'S REPORT: Engineer J. Paulson reported that two water projects and one sewer project applications were submitted to Minnesota Public Facilities Authority. One water project was to replace pipe and the sewer project was to replace the parallel sewer pipe. The other water project was to address the water tower issue. The sewer project was scored in the grant fundable range, but Kennedy did not qualify on the water side of the project because our median household income is too high.

However, USDA Rural Development has an emergency water fund with money left over from last year and they are looking to award that money. Paulsen spoke to them and was told our water tower project would be a good project to get funded by Rural Development. He suggested Kennedy keep its underground storage, since it is already there, but address the pump issues to utilize it. He recommends we apply for the maximum amount of \$175,000 for the water booster station, even though the project may actually end up lower. Regardless of the exact request amount, it will most likely be funded at 100% grant. The timing will be to move forward immediately. We should be able to have all of the Rural Development paperwork and application done by the end of October. Plans and Specs should

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be ready for bid by the first part of November. Potentially, if we get a late fall, we can have a contractor start, and otherwise we will wait until spring. M. Casper requested a SCADA (Supervisory Control and Data Acquisition) system be a part of the project. Paulsen confirmed state-of-the-art equipment will be a part of the project.

The water pipe replacement project will remain for a future date. However, if the funding from the PFA remains tied to household median income Kennedy will probably have trouble qualifying for funding.

J. Pietruszewski made a motion to pass a resolution to apply for the emergency funds available from Rural Development for the City of Kennedy's "Booster Station Water Project". C. Urbaniak seconded. All in favor and the motion carried.

Engineer J. Paulsen left the council chambers at 8:10 p.m.

APPROVAL OF MINUTES: C. Urbaniak made a motion to approve the September 11, 2017, Floodplain Ordinance Public Hearing minutes, and, the September 11, 2017, monthly council meeting minutes as presented. J. Pietruszewski seconded. All in favor and the motion carried.

CLERK'S REPORT: Clerk presented a corrected version of the August 14, 2017, council minutes reflecting a change to the Fire Department Report as was requested by M. Casper. Clerk also presented a copy of the *Kennedy Klips* to reference the front page story. At the July council meeting the clerk had stated that she thought the kids in the Kennedy Green Team may have over fertilized some of the flower pots around town. Now, however, she wanted to make sure the council was aware that she had been wrong and based on the results of a plant tissue test it has been confirmed the plants were in fact killed by high levels of glyphosate, the active ingredient Round-Up. The loss to the community garden's perennial collection will, in all likelihood, total over \$1000.

Projects the clerk completed in September 2017 included: August monthly meeting minutes, August 28th special meeting minutes, as well as the compilation and delivery of the rest of September's council packet; J. Christian personnel paperwork; researched numerous water bill questions due to the irregularities with water billing that resulted during the period with no maintenance person and the clerk's suspension; continued to work on city obligations that had become delinquent, or problems created, during clerk's suspension, including PERA delinquency's, and July 2017 payroll and severance overpayment documentation; 2 bi-weekly meetings with C. Urbaniak and 2 memos regarding the city's "Performance Improvement Plan" for the clerk; September issue of *Kennedy Klips*; input September water meter readings; utility billing; and utility disconnection notices and disconnection notice fees.

Clerk presented R. Bucholz's e-mail verifying the completion of this year's City of Kennedy Workers Comp Audit.

Clerk presented Matthew Muir's e-mail requesting council participation in a "public officials' letter opposing bigger trucks" on the nation's roads. The concern is the impact bigger trucks would have on the public safety and infrastructure.

Clerk presented e-mail correspondence from Ottetail employees Don Schuler and Scott Sigette responding to clerk's request for information on LED street lighting in the City of Kennedy. Per Sigette, "Our current plan (goal) is to begin completing City lighting projects in or around the 2nd quarter of 2018. As soon as I have a more concrete date I will make contact with you to let you know when you can expect this to be completed in your City."

Clerk inquired if the council would like her to assess mowing fees again this year and she was directed to do so.

M. Casper made a motion to accept the Clerk's Report as presented. C. Urbaniak seconded. All in favor and the motion carried.

TREASURER'S REPORT: The City's monthly financial report was presented, including 9/1-9/30/2017 Check Register; the 10/3/2017 Council (unpaid bills) Approval Report; 10/3/2017 Cash Balance Sheet; 09/27/2017 Bank Statements; and, 10/3/2017 AR Aged Receivables Report. There were no large receivables during the month of September. Large payables due in the month of October, 2017, included: \$5,000 to the Hallock Ice Arena; \$4830.42 to Pemberton Law Firm; and, \$2573.55 to Kittson Co. for special assessments.

J. Pietruszewski reported that with regard to the letter to Kevin Balstad requesting repayment of his severance overpayment amount, he stated K. Hanson texted him that T. Truedson said to hold off on the letter. T. Truedson stated he had called K. Balstad and Balstad was going to come in to discuss the overpayment, but never did. J. Pietruszewski and Urbaniak will go ahead and get the letter out per the council approved plan with J. Pietruszewski writing the letter and C. Urbaniak proofing and printing on letterhead. The previously council

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approved payment plan of \$73.23/month for the next ten months will stand. A copy of the letter will be brought to the office for K. Balstad's personnel file.

C. Urbaniak made a motion to accept the Treasurer's Report and to pay the bills in the amount of \$16,690.41, as amended. J. Pietruszewski seconded. All in favor and the motion carried.

MAINTENANCE REPORT: J. Christian presented his written report. He has recently shot four muskrats at the ponds. There are still a lot more out there. He continues to communicate with former maintenance superintendents Greg Mitziga and Arnold Christian. His laptop and printer are up and running and new licensed software has been purchased. Bryant Swenson of the Minnesota Pollution Control Agency was in town to inspect facilities and record keeping. His largest concern was delinquent reports and outdated testing supplies and equipment. He will be sending a report in two or three weeks.

C. Urbaniak made a motion to accept the Maintenance Report as presented. J. Pietruszewski seconded. All in favor and the motion carried.

FIRE DEPARTMENT REPORT: J. Christian has rejoined the fire department, effective 9/20/2017. J. Pietruszewski made a motion to accept the Fire Department Report as presented. C. Urbaniak seconded. All in favor and the motion carried.

COMMITTEE REPORTS:

School Report. School door permanent closures still pending.

Parks, Recreation & Celebrate Kennedy Report. None.

UNFINISHED BUSINESS: See above ENGINEER'S REPORT by J. Paulsen.

NEW BUSINESS/NEXT MEETING DATE: The November council meeting will take place at 7:00 P.M. on Monday, November 6, 2017.

ADJOURN: There being no further business brought forward for the Council's attention, the meeting was adjourned at 8:45 P.M. with a motion made by J. Pietruszewski and second by C. Urbaniak. All in favor and the motion carried.

Signed 12/11/17

Mary Cooney, Clerk (Attest)

Signed 12/11/17

Todd Truedson, Mayor