

City of Bigfork

Regular City Council Meeting

May 9, 2016

9:30 a.m.

Edge Center for the Arts

Members Present: Amy Pifher, Andrew Francisco, Eric Storlie

Members Absent: Peter Johnson, Randy Nei

Also Present: Doug Host, Becky Passeri, Scott Patrow, Curt Meyer, Susan Myers, Mrs. Maxa's 6th Grade Class, Mrs. Francisco's senior high math class, Mr. Kaczor's senior high physical education class, Mrs. Carnahan's 5th Grade Class, Mr. Johnston's 8th grade math class, Mr. McGuire, Mr. King's senior high composition class

Mayor Pifher called the meeting to order at 9:30 a.m. and welcomed all in attendance, particularly the students from Bigfork School and the teachers who had taken the time to bring their classes to observe and participate in the meeting. Pifher requested that Mrs. Carnahan's 5th grade class lead in the Pledge of Allegiance, which they did. After the Pledge was recited, Mayor Pifher opened the public forum. As no one wished to address the Council, the public forum was closed.

Motion by Francisco to approve the agenda, seconded by E. Storlie, motion carried unanimously (MCU).

Consent Agenda: Motion by Francisco seconded by E. Storlie and carried unanimously to approve the consent agenda including:

- 1. minutes of the April 12th regular City Council meeting,***
- 2. City Clerk's office report for April 2016,***
- 3. Financial reports for April 2016,***
- 4. Public Works Department report for April 2016,***
- 5. payroll and timecards for April 8th and 22nd and May 6th paydays in the amount of \$9,317.07***
- 6. claims paid in the amount of \$6,685.36 and claims for payment in the amount of \$14,169.80***
- 7. Approval of Resolution 2016-06 authorizing transfers to correct fund balances.***

Clifton-Larson-Allen 2015 Audit Report: Doug Host of CliftonLarsonAllen presented the 2015 audit report to the Council. For the benefit of the student audience, Host gave a brief description of how a city audit works and why it is performed. He gave information on the team that worked on Bigfork's audit. Host noted three material weaknesses including lack of segregation of duties, audit adjustments and controls over financial reporting. These are weaknesses that will always exist due to the small size of City staff. There were no significant deficiencies found during the audit. There was one finding on legal compliance. The City failed to obtain an IC 134 form from

one contractor before issuing final payment for a project. Host went on to review the financial analysis. The General Fund has 113 days cash on hand. This is less than the 150-day recommendation of the Minnesota State Auditor, however it is an improvement from the 12/31/2014 amount of 70 days. The General Fund enjoyed the second consecutive year of an excess of revenues over expenditures and a positive year-end fund balance. The Water Fund has just over one and a half years of cash reserves on hand and has shown operating income for 5 out of the last 6 years. There was a significant increase in revenues in 2015 due to a rate increase. The Sewer Fund maintained consistent operations in 2015 and has just over two years of reserves. It has shown operating income for the last 8 consecutive years. The City did not issue any new debt in 2015. One existing bond is scheduled to be paid off in 2018. A new Governmental Accounting Standards Board rule requires that cities report their proportionate share of the Public Employee's Retirement Association's unfunded liability. The City of Bigfork's portion relevant to the enterprise funds in \$61,744. Host reviewed that the City is required to report its financial statements to the Minnesota State Auditor's Office by March 31st of each year and this was completed on time for 2015. Host noted that the City has done a much better job in recent years of correctly recording transactions. Host finished up with a few recommendations for the Council. The first was to require strong passwords. The second was for the Council to increase its control over manual adjustments made in the water and sewer funds by reviewing those each month. The final discussion point was for the Council to ensure that it is following union contracts and agreements and not providing additional benefits beyond the contracts. Host was thanked for his report and he thanked the Council and staff for the opportunity to work with them.

UNFINISHED BUSINESS

Engineering Update: Curt Meyer of Widseth Smith & Nolting presented an update to the Council on the Well #6 project after giving a brief introduction of himself and his role with the City. He reviewed that the City is searching for funding to drill a backup well and to convert the water treatment plant from using chlorine gas to liquid chlorine. Two funding sources are being solicited, the Iron Range Resources & Rehabilitation Board and Public Facilities Authority. The application to IRRRB was submitted in January and funding awards will be announced in mid-June. The PFA application was submitted last week and those funding awards are announced in the fall. PFA funding is either a low interest loan or a loan forgiveness/grant. The type of funding is determined at the time of the award. Meyer was thanked for his update and will report again at the July Council meeting.

NEW BUSINESS

Fire Department Report: Fire Chief Travis Lovdahl was not able to attend but sent an update which Pifher read. He reported that the truck committee is trying to find a used mini pumper and to put together a truck and pump to replace the aging portable pumps for more reliable system of water transfer.

Schedule for Budget Committee Meetings: The Budget Committee is made up of Pifher, Johnson, Clerk Storlie and Public Works Lead Joe Zimmer. *Motion by E. Storlie, seconded by*

Francisco to have Minnesota Rural Water Association conduct a free rate assessment and for the Budget Committee to meet the third Tuesday of each month starting in June until such time as the 2017 budget is finalized, MCU.

Training Request: Clerk Storlie requested permission to attend an Athenian Dialogue on Friday, June 10th in Minnetonka, MN. ***Motion by E. Storlie, seconded by Francisco to approve the training request, MCU.***

OTHER

The annual community clean-up days will be Friday and Saturday May 20th and 21st.

Mayor Pifher opened the public forum again. The Council answered questions from students on reserve balances, the process of how to propose a project to the City Council and how long a project typically takes to complete. There was specific interest in a skating rink and skate park from the younger students.

Motion to adjourn by Francisco at 10:11 a.m., seconded by E. Storlie, MCU.

Angela L. Storlie
City Clerk/Treasurer