

## **Minutes of the May 4, 2015 Good Thunder City Council Meeting**

The May 4, 2015, meeting of the Good Thunder city council was called to order, at 7:00 p.m., by Mayor Robert Anderson. The meeting convened in council chambers located at 130 Ewing Street, Good Thunder, Minnesota. Council members in attendance were: Kenton Giese, Sarah Karels, Kim Hernandez, Jim Prom. Staff in attendance were: Jerry Birr, City Maintenance; Phil Klammer, Fire Chief; Cheryl Barnard, Clerk-Treasurer.

The Pledge of Allegiance was recited.

Council member Jim Prom, made a motion to approve the agenda as distributed with the addition of Zoning Permit, GT-04-15. Council member, Kim Hernandez, seconded the motion. Motion carried unanimously.

Council member, Kim Hernandez, made a motion to approve the minutes of the April 6, 2015, city council minutes; and minutes of the Special Meeting of April 28, 2015. Council member, Sarah Karels, seconded the motion. Motion carried unanimously.

Greg Burkhardt, Burkhardt & Burkhardt LTD, presented the 2014 Audited Financial Statements for the city. The Independent Auditor's Report was reviewed with the council, and the city was consistent in all material respects with the audited financial statements. Mr. Burkhardt commended Clerk-Treasurer, Cheryl Barnard, on a wonderful, impeccable job that she performs regarding the city's financial duties. The following points were reviewed.

- The city's cash and cash equivalent assets in the governmental activities and business-type activities were up \$27,000 from 2013.
- The unassigned fund balance for the city is at 97% which is excellent as this money is set aside as a portion of the city's budgetary finances.
- The total General Fund balance as of December 31, 2014 was \$788,408 which is a \$44,641 increase from the 2013 Financial Statement.
- The total General Revenue balance as of December 31, 2014 was \$601,073. This is an increase from 2013 of approximately \$10,000. The increase was partially due to delinquent payment of property taxes.
- The total General Expenditures as of December 31, 2014 was \$564,583 down \$9,413 from 2013 expenditures. Net change in Fund Balance was a profit of \$36,490.
- In 2014 principal bond payments of \$59,000 were paid. This brings the city's principal bond responsibility to \$519,000. (this figure excludes interest and fiscal agent fees)
- The Water Fund receipts for 2014 were \$60,515 with expenditures of \$92,452 resulting in a loss of (\$31,937). This deficit was the result of major water main breaks in 2014 and the purchasing of the new radio read water meters at a cost of \$39,132.
- The Sewer Fund receipts for 2014 was \$94,259 with expenditures of \$21,792 resulting in a net income of \$21,792.
- The Refuse Fund receipts for 2014 was \$47,237 with expenditures of \$48,194 resulting in a loss of (\$957). (\*\*Spring Clean-up is not a set fee charged to the residents of Good Thunder)
- The city has a G.O. Revenue bond that had a year-end balance of \$304,000 (maturing in 2019) and a G.O. Improvement Bond that has a balance at year-end of \$215,000 (maturing in 2022).

Mayor Anderson asked if a street contingency fund could be set up for street improvements. City Attorney, Chris Kennedy, was present and stated that Minnesota Statutes may limit what the city may do in establishing a street improvement fund fee.

Council member, Jim Prom, made a motion approving the 2014 Financial Statement as presented by Greg Burkhardt. Council member, Kim Hernandez, seconded the motion. Motion carried unanimously. The council thanked Clerk-Treasurer for a job “well done.”

City Attorney, Chris Kennedy, was present to address questions regarding ATV’s and permits within the city. Council member, Ken Giese, asked if there could be an amendment to the city’s current ordinance. He explained that he had been to Hermantown and informed the council of this city’s requirements. Mr. Kennedy explained that in northern Minnesota there are different regulations in ordinances compared to our area due to “tourism”. Mr. Kennedy stated that the current city ordinance states that anyone that is on city streets, within the city of Good Thunder, is required to have a permit issued by the city even if they do not live in Good Thunder. Council member, Kim Hernandez, questioned how this would affect people riding ATVs, outside of city limits and then coming into town to get gas or food. Mr. Kennedy again stated that the city needs to be consistent with how the ordinance is enforced for both residents and non-residents. You cannot direct police officers to not stop someone if they are from out of town and do not have a permit. Mayor Anderson suggested that the city waive the permit fee and return fees to the people who have paid such a fee. Mr. Kennedy stated that at this time, the fees should be kept and permits issued until it is decided how, or if, an amendment to the current ordinance is enacted. Council member, Sarah Karels, reminded the council that in a letter dated March 21, 2014, Mr. Kennedy had addressed permits for such vehicles and it was stated, “MN Statute 169.045 and 169.3022 which indicates that while the cities can allow these types of vehicles, they must have a permitting process in place, In other words, in order for us to be compliant with State law to allow these vehicles in any area of town, a permit must be in place failure to do so would actually invalidate the City’s ordinance allowing the vehicles to be used. Again, remember, that under State law, if the City does not take actions, it is illegal to use these vehicles inside the City limits.” This is why the ordinance was adopted. Ms. Barnard informed the council that snowmobiles do not need a permit under this ordinance. Discussion followed. City Attorney Kennedy stated that after listening to the council, and their concerns, he felt that he had an understanding of what they are looking for and will draft something for the next council meeting.

Chris Kennedy, City Attorney, discussed with the council Social Media. He explained that three council members need to follow the open meeting laws when using Social Media. There is the possibility of making a decision, if there is a quorum texting and this would be in violation of the open meeting law.

Council member, Jim Prom, made a motion approving the following Zoning Permits:

**GT-02-15**, 200 S. Houk St. removing rock & dirt, changing grade/landscaping/tree removal

**GT-03-15**, (extension of GT-04-14) 245 Ewing St. changing fence from 6’ off property line to 4’ on south side. Doors to outside of house, interior chimney in garage through roof.

**GT-04-15**, 106 S. Ewing St., 8’x 12’ garden shed (SW corner of property) 6’ privacy fence Ewing side placed behind the tree approximately 8’ from sidewalk along south and west side. (Same requirements as approved 5-2012)

Council member, Ken Giese, seconded the motion. Motion carried unanimously.

City Maintenance, Jerry Birr, recommended that the city purchase three (3) additional green garbage containers (as on Main Street) for the Ball Park and Main Street Park. (Whole dome style)

Council member, Ken Giese, made a motion to purchase three (3) green dome garbage containers. Council member, Sarah Karels seconded the motion. Motion carried unanimously. These containers will be ordered for the city by Mr. Birr.

The City Council thanked Jerry Birr for his years of service to the city. Council members also thanked him for the assistance he provided in events and fundraisers throughout the years.

Fire Chief, Phil Klammer, informed the council that the Good Thunder Volunteer Fire Department responded to six (6) calls during the month of April 2015. There were four (4) medical calls, and two (2) grass fire calls. The Pancake Feed was very successful. Fire Chief Klammer informed the council that the check from the Lyra Township United Fund totaled \$4192.72 and as requested will be used towards the purchase of an air pack for the Fire Department.

Greg Burkhardt, Burkhardt & Burkhardt, informed the council of a change in pension accounting standards that will apply to fire department relief pensions. New GASB pronouncements 67 and 68 (new pension standards) will have an impact on fire reliefs and cities for the next two (2) years. Pension plans (Fire reliefs and PERA) are required to provide additional footnote disclosures for the audit report and disclose any funded or unfunded portion of the pension plan so it can be recorded as an asset or liability for the employer (the city) as applicable on the city's financial statement. GASB 67 is required to be implemented by the pension plan for their 2014 audit report. GASB 68 is required to be implemented for the city's 2015 audit report. GASB 67 specifically states that the total pension liability is based on the actuarial present value of projected benefit payments. This means that an actuarial needs to be performed. GASB 67 does not allow an alternative measurement so the Schedule I & II (state reporting forms) do not meet the GASB requirements as an actuarial valuation. If the fire relief doesn't get an actuarial valuation, the audit will not be a "clean" audit opinion. The State of Minnesota will accept a modified opinion and will not withhold any funding if the relief presents a modified opinion for the financial statements of the relief association. However, the issue comes on the city's side and what impact the fire relief not following the pension standards will have on the city's audit opinion. This would then be labeled as "modified" which would have an impact on the city's bond rating. Any decrease in the city's bond rating will increase the city's bonding ability. The Relief Association can perform an actuarial valuation and provide the city with pension information needed for the 2015 financial statements allowing the city to keep its "clean" audit opinion. To comply with the new standards, the city/fire relief association has two options. 1. The relief association can perform an actuarial audit every two years and provide the city with pension information needed for the audit. It was estimated that this actuarial audit could cost \$5000. 2. The fire relief association could place all their investments with the State Board of Investment and join the Statewide Volunteer Firefighters Retirement Plan. If this option is chosen, there is no need to perform an actuarial audit. Disadvantages are giving up control of the fire relief's assets to the State. Once this control is given up, it may be difficult to gain back. A second possible disadvantage of joining the statewide plan is that the plan only has twenty (20) possible benefit levels. This would be difficult for small entities to increase benefit levels in small increments in the State plan. Possible Advantages for joining the State Plan is the assumed investment earnings rate of 6% in the State Plan is higher than the 5% rate set in statute for local relief associations. Once the fire department's volunteers are covered by the State Plan, the fire relief association board will no longer need to file various financial reports, outside audits, and various statements with the State Auditor's Office. Investments will be completed by the State Board of Investment. The relief association will no longer

need to pay benefits and filing the paperwork to receive the Department of Revenue reimbursement for the supplemental piece of the benefit. The decision whether to join in the State plan must be made jointly by the Fire Department Relief Association and the city council. Mr. Burkhardt suggested that a cost analysis be requested. Individual firefighters cannot join the State Plan on their own. This is a request to PERA for a cost analysis of the prospective retirement coverage. The cost analysis will provide the city an estimate of future annual contributions with will be required to provide the benefits selected. There is no charge for this service. Once the cost analysis is received, there is a 90 day time frame to approve the coverage in the State Plan. Discussion followed.

A citizen was present to discuss a letter received from the Tri-City Police Department informing him of nuisances on his property that was in violation of the city's nuisance ordinance. However, the letter did not inform him of what his nuisance was. He was informed that a second letter was to have been sent to him informing him of the nuisance that was found on his property. Council member, Sarah Karels, explained that no citation will be issued at this time as the letter was to be a friendly notice informing people that they do have items that need to be removed from their property and that spring clean-up is coming up and may be helpful in correcting these situations. Approximately forty (40) letters had been mailed out by the Tri-City Police Department.

Council member, Kim Hernandez, made a motion approving the bills as presented and distributed. Council member, Sarah Karels, seconded the motion. Motion carried unanimously.

#### Miscellaneous:

- Council member, Kim Hernandez, presented photos of signs for Thunder Valley Park. The council asked that more samples be obtained for review at the June council meeting.
- Council member, Ken Giese, informed the council that ten (10) telephone poles have been delivered to the Archery Range.
- The council received estimates from Boening Brothers and Minnesota Pipe and Equipment Company for the 340' 6" water main to be placed in the alleyway between Ewing Street S and Halladay St. The cost estimated for Boening Brothers Construction, labor to excavate and construct, install the water main and all necessary connections to the homes presently served by a 3/4" cooper water service and the compaction of excavated materials is \$15,200. Cost of materials from Minnesota Pipe & Equipment is \$10,485.54.
- The council also received from Boening Brothers and Minnesota Pipe and Equipment Company for 600 feet of installation of storm sewer on Chapel Street. Boening Brothers Construction cost for labor to excavate and install PVC storm sewer and five (5) PVC surface catch basins estimated cost is \$6,000. Minnesota Pipe & Equipment estimated bid cost for materials is \$24,085.60.
- Mayor Anderson suggested that Dick Barnard be asked if he will "fill in" and work with Jerry Jerry Birr, during Jerry's last week of work to see what is done during the day. The council gave the Personnel Committee the "go ahead" to see, and set up, with Mr. Barnard what would be required if he would do this for the city.

Council member, Jim Prom made a motion to approve the Boening Brothers Construction and Minnesota Pipe and Equipment estimates for the two projects discussed. The 6" water main to be placed in the alleyway between Ewing Street S and Halladay St. and the storm sewer installation on Chapel Street. Council member, Ken Giese, seconded the motion. Motion carried unanimously.

- Council member, Kim Hernandez, informed the council that the Cutting Edge Salon will give monthly \$10 gift certificates for haircuts and Thunder Restaurant will give \$10 monthly gift certificates. It was approved that the city will give \$25 per month in Thunder Bucks?

Council member, Ken Giese, drew the names of Gary and Sandy Cooper, 850 Chapel Street, as being selected for May's Yard of the Month. Council member, Kim Hernandez, seconded the motion. Motion carried unanimously.

Respectfully submitted by,

Cheryl A. Barnard  
Clerk-Treasurer

## **Personnel Meeting – May 4, 2015**

The Personnel Committee, Kim Hernandez and Robert Anderson, contacted Dick Barnard after the May 4, 2015, council meeting and asked to meet with him to discuss the possibility of him filling in to help with the city's maintenance. Mr. Barnard agreed and came to city hall. He was asked if he would help the city by working with Jerry Birr, during his final week of work, to see what daily routines are done; and to then fill in for the city until the city maintenance position is filled. The Personnel Committee stated that they would pay \$15 per hour for this position. Discussion followed. Mr. Barnard agreed to "fill in" until he is no longer needed in assisting the city's maintenance position.

Respectfully submitted by,

Cheryl Barnard  
City Clerk-Treasurer