

Minutes of the City Council of the City of Rushmore in the County of Nobles and the State of Minnesota including all accounts audited by said Council.

Regular Meeting – October 14, 2019

The City Council of the City of Rushmore met in regular session on September 9, 2019 in the Council Chambers of City Hall.

**Call to Order:** Acting Mayor Bruce Boltjes called the meeting to order at 7:00 P.M. Roll call indicated the following members present: Acting Mayor, Bruce Boltjes, Ben DeVries, Mark Schutte and Nikki Reiter.

**City Staff Members Present:** City Clerk Coleen Gruis, Maintenance- Larry Lupkes. **Guests:** Dennis Rick, Michael Harberts, Stan Fagerness, John Fagerness, Matt Schlichte, Wendall Wagner.

**Minutes:** A motion was made by Councilmember DeVries to approve the regular meeting minutes of the September 9, 2019 City Council meeting as presented at the meeting. Seconded by Council member Schutte, all members voted in favor, motion carried.

**Accounts Payable:** After discussion of the accounts payable list, a motion was made by Council member Reiter to pass the following resolution: Acting Mayor Boltjes and Clerk Gruis are instructed to make payment of all regular accounts payable. Seconded by Councilmember Schutte, all members voted in favor, motion carried.

**Pledged Securities:** A motion was made by Councilmember Schutte to approve the September 2019 Pledged Securities. Seconded by Councilmember DeVries, all members voted in favor, motion carried. A motion was made by Councilmember Reiter to redo the maturing Sewer WIF Replacement certificate of deposit. \$50,000.00 to start a WIF replacement MMDA to pay for the engineering and reconstruction of Pond C. Accrued interest from the CD to be deposited in the Sewer Fund checking and the balance of \$136,286.43 will be made into a new 13-month CD for 2.0% interest with First State Bank Southwest. Seconded by Councilmember DeVries, all members voted in favor, motion carried.

Acting Mayor Boltjes turned the meeting over to Dennis Rick, with the auditing firm of Dennis L. Rick, LTD. Mr. Rick gave an overview of the audit process and explained the sections of the 47-page City of Rushmore financial audit report prepared by his firm for the 2018 financial year. In 2018 the City's net position from operations increased by \$36,640.00. The governmental activities increased the City's net position by \$32,695.00. The city's business-type activities increased the net position by \$3,945.00. Mr. Rick explained that the State of MN recommends a 67% general fund balance on hand, the City of Rushmore has 113% general fund balance. A motion was made by Councilmember Schutte to accept the 2018 Financial Audit as presented. Seconded by Council member Reiter, all members voted in favor, motion carried.

Michael Harberts was the spokesman for three homes outside of Rushmore city limits that would like to hook on to the City of Rushmore sewer system. Nobles County ordinance requires septic drainage systems be brought up to code upon the sale of the property. Michael Harberts pointed out that the code changes from time to time, so a property may have to update their septic system multiple times. Three homes are requesting to hook onto City of Rushmore sewer system for a one time hook up fee and would then pay a monthly sewer fee as all Rushmore homes pay. Wendall Wagner shared that the Fagerness property has City of Rushmore storm water tile running through their property granted though easements over the years and has tried to be a good neighbor to the City by allowing this. The Fagerness property is currently hooked up to the City of Rushmore water and electric services. Discussion included the fact that the City of Rushmore residents have paid for parts of the city sewer system though their property taxes over the years. Clerk Gruis asked if these properties were open to

being annexed into the City of Rushmore. The property owners did not feel that would be their best option. Discussion was held regarding where the connections could possibly be made to the city sewer system. These costs would not be a part of the connection fee. Consensus of Council was to have staff check into what would be a fair hook up fee for each home without annexing the properties, and a minimal hook up fee if the homes were to be annexed into the City. The matter will be discussed at the next regular Council meeting.

Brian Gacke had notified Clerk Gruis earlier in the day that he would not be attending the Council meeting as he had scheduled.

Discussion was held regarding the process to apply for a USDA Rural Development grant/loan application to replace the water tower and to upgrade the existing water plant or connect to a rural water system. The first step is to prepare a proposal of our project and submit this to three engineering firms. The City would then interview each firm and choose one to prepare a preliminary scope of our water project. The firm the City chooses will do the engineering study to submit to USDA. This can cost up to \$20,000.00. This is an upfront cost to the City, but if the project is funded the cost can be put into the funding of the project. After discussion of different firms, a motion was made by Councilmember Schutte to send requests to Bolton & Menk; Widseth, Smith & Nolting; and Nero, engineering firms. Seconded by Councilmember Reiter, all members voted in favor, motion carried.

The administrative contract with SW MN Housing Partnership for the Rehab Housing Grant from MN DEED was discussed. A motion was made by Councilmember Reiter to sign the City of Rushmore Contract for Administrative Services with the SW MN Housing Partnership. Seconded by Councilmember Schutte, all members voted in favor, motion carried.

After discussion of the request for a deck, a motion was made by Councilmember Schutte to approve a land use permit to Gene Hieronimus for a 16' by 8' attached deck to the front of his home at 216 N. Ludlow Avenue. Seconded by Councilmember DeVries, all members voted in favor, motion carried.

Maintenance items were discussed:

1. Henning Construction completed the reconstruction of pond C. They will wait for the cement to cure before discharging the pond.
2. The fire hydrant at 4<sup>th</sup> Street and Seney Avenue was replaced. It needed an extension to bring it to the proper height, that has also been completed.
3. The grader needs a tire replaced. They are looking for a used tire.
4. An estimate from Buysee Roofing to repair or replace the school building roof was looked at. Council would like information on replacing the flat roof with a rafter roof before any decision is made.

Five applications for the temporary part time office assistant were received. Council discussed the applications. A motion was made by Councilmember Schutte that a special meeting that will include Councilmembers Ben DeVries, Nikki Reiter, and Mark Schutte be held in November to interview three candidates; Katana Bieseimer, Vickie Boltjes, and Nancy Feecken. Seconded by Councilmember DeVries, with Councilmember Boltjes abstaining from the vote, all other members voted in favor, motion carried.

Clerk Gruis shared the email from Minnesota DEED that our application for the Child Care Economic Development Grant has been denied. Clerk Gruis contacted DEED regarding our application and they will send us pointers to help improve other grant applications.

Discussion was held regarding rescheduling the November Council meeting due to our regular meeting date falling on Veteran's Day. A motion was made by Councilmember Schutte to hold the

November regular council meeting on Wednesday, November 13<sup>th</sup>. Seconded by Councilmember DeVries, all members voted in favor, motion carried.

There being no other business, the meeting was adjourned.

Acting Mayor \_\_\_\_\_ Clerk \_\_\_\_\_