

TAYLORS FALLS CITY COUNCIL MEETING MINUTES
City Hall, Council Chambers
Monday, March 13, 2023

The Agenda for this Meeting was posted Thursday, March 9, 2023, at City Hall and the Post Office. Copies were emailed to residents requesting such, and the Press was notified.

CALL TO ORDER

The Meeting was called to order at 7:00 pm by Mayor Brandon Weiberg

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the United States flag was recited.

ROLL CALL

Council Members Present: Mayor Brandon Weiberg, Vice Mayor Lee Samuelson, Tim Grote, Larry Julik-Heine, Troy Aanonsen.

Others Present: Clerk-Treasurer Mary Tomnitz, Legal Counsel Knaak, Brad Falteysek, Brian Berg, Sandra Berg, Diane Dedon, Denise Martin, JoAnn Kuntemeier, Diane Nelson, Barbara Nelson, Geri Aanonsen, Fay Caneday, Becky Caneday, Darrel Caneday, Julie Samuelson, Nick Arens, Sue Kirchner, Lynn Longnecker, Molly Irish, Jake Vodenka-Reed, Annette Bethke, Anne Ofstead, Brenda Weiech

ADOPTION OF AGENDA

Moved by Council Member Aanonsen, second by Council Member Grote, to add the fire department training request to New Business. Motion passed unanimously.

APPROVAL OF CONSENT AGENDA

Council Member Aanonsen asked about 24 voided checks listed on the audit journal entry report. Clerk-Treasurer Tomnitz replied there are multiple invoices for each check, and these were checks Abdo found in the audit that had not been cashed, and so they were voided.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Corrections to the February 27, 2023 minutes. Under New Business, "Schedule Closed Meeting:" 1) change the Clerk/Treasurer's last review from December 2023 to December 2022. 2) Strike the word "friendly" from "friendly all-staff workshop."

Moved by Council Member Julik-Heine, second by Council Member Aanonsen, to accept the February 27, 2023, minutes as amended. Motion passed unanimously.

STAFF REPORTS

Council Member Grote asked if liaison reports should be written when presented to Council. Mayor Weiberg responded verbal reports are fine. If there are committee minutes, they should be given to Clerk-Treasurer Tomnitz.

Council Member Julik-Heine expressed condolences to the family of Leo Nelson on behalf of the council. He stated Leo did a tremendous amount of work for the city, especially with Parks & Rec commission. Leo embodied the aspect of giving back to the community.

COMMISSION, BOARD OR COMMITTEE MINUTES/REPORTS

Library Board

Motion: no motion was made regarding the Consent Agenda.

PUBLIC FORUM

The following persons requested to speak to Council:

Diane Dedon - Two issues: 1) Thanked Mary Tomnitz for her work and Paul Stenger for all hours he has worked this winter. 2) She expressed her concern that now is the time to put the past to sleep and look to the future. She said everyone should work together even through differences.

Geri Aanonsen - According to the audit, it looks like we are getting close to the end of the small city grant fund. The grant in 2006 was \$308,000. Resolution 10-04-01 established a small city development fund. She said she would like the businesses to know the money is available to them.

Molly Irish - Three concerns: 1) Made a request for deer crossing signs at First & Folsom Streets, First & West Streets, and along Chestnut Street. 2) Expressed her thanks to Council Member Grote for finding a Public Works Supervisor. She read from the Municipal Code, Personnel Policy, Section 400.3, Subd. 5 that states Council can delegate interviewing applicants, and recommendations are brought to the Council, but only Council or the Mayor make job offers. She is concerned Council will get in the habit of not following policy. 3) Municipal Code, Section 200.06, Subd. 1, #6, 7 states Council is required to have a public forum as part of the agenda, and Council is required to report on previous public forum requests.

NEW BUSINESS

Annual audit - Brad Falteysek from Abdo Eick and Meyers

Mr. Falteysek began his report by reviewing the process of an audit and then reviewing the printed summary. The Auditor's Opinion is an adverse opinion under GAAP basis and unmodified under Regulatory basis. Nine areas were discussed. They are explained in greater detail in the Executive Summary of the audit report.

- 1) Limited segregation of duties. Need more checks and balances over cash receipts, cash disbursements, payroll, utility billing, financial reporting, and capital assets. Auditor recognizes that the city staff is not large enough to eliminate this deficiency and Council was advised to closer monitor all financial information.
- 2) Preparation of financial statements. It is management's (city staff) responsibility to provide "statements and footnotes" that the auditor uses in preparing the audit.
- 3) Material year-end audit adjustments. Adjustments were needed to correct coding and reclassify amounts to correct funds. City did not properly monitor the financial statement and footnote presentation to ensure there are not material exclusions.
- 4) Late fines. Late payment of quarterly payroll taxes to the Minnesota Department of Revenue.
- 5) Council approval of disbursements. Funds were disbursed without Council approval as required by Minnesota statute.
- 6) Supporting documentation. Of the 25 invoices selected to review, eight invoices had no documentation to support the payment.
- 7) Council meeting minutes. No approved written records of City Council meetings for multiple meetings in 2022 as required by Minnesota statute.
- 8) Declaration for payment. Lack of special statement on the back of some accounts payable checks stating "I declare under the penalties of law that this account, claim, or demand is just and correct and that no part of it has been paid."
- 9) Contracting and bidding. City did not retain quotes for the sewer project. Minnesota statute requires contracts be let on sealed bids for contracts exceeding certain thresholds and they must be kept on file for at least one year.

At this point, Council was given opportunity to ask questions or make comments about the findings. These included: Can a liaison approve time cards? (Yes.) Can Council double check invoices? (Yes.) Mr. Falteysek commented one person can open the bank statement and review it, and another person reconcile it. Because of the size of the city, will internal control processes always be of concern? (Yes.) An employee can spend up to \$1,000 without prior approval, does that expenditure always come before Council? (Yes.) Asked Mayor Weiberg if there is an invoice attached to each check he signs. (Yes.) Relating to the statement on the back of checks, has the City done that in the past? (Yes.) Is payroll approved prior to Council? (Payroll is approved during the budget process.) We use a paper system. Understand Banyan does not accept digital invoices. (There is a module they are rolling out, but unaware of any cities using it. Don't know that it's working that well yet.) Regarding contract bids, if there is only one vendor, is only one bid acceptable, unless over \$175,000? (Yes.) Regarding the first three

items in the findings, do we get a pass on them because of the size of our city? (They will show in the findings, but are common to other cities as well.) Many times there is only one vendor, do we still need four bids? (Two bids, unless there is only one vendor. In this case, the issue was pumps. There are many companies selling pumps. Show documentation that you needed an item in a hurry and didn't have time to get more quotes, or that someone made an effort to get more quotes.) The audit includes a list of adjustments. Did Abdo do those, or Abdo Financial Solutions? (Abdo, as part of the audit.) If we asked for it, can Abdo tell us the 25 invoices that were asked for and not provided? (Yes.) When this audit is completed, it goes to the State, correct? (Yes.) Regarding the findings, how do we compare to other cities? (Not all that out of the ordinary. Missing minutes is big; don't see that very often. Eight out of 25 missing invoices is more than normal.) Why are missing minutes a big deal? (What happens at the Council meeting needs to be documented.) Should Council be approving transfer of funds between accounts, like we do in approving disbursements? (Yes, if not budgeted.) Have we spent all of the ARPA funds? (No. Have until December 31, 2024 to spend the funds unless entered into a contract that allows for expenditure in 2025.) If we cross train another employee to help with the segregation of duties, do they have the same title? (No. Another employee should be trained enough that they can catch if something is wrong.) RE: someone else opening a bank statement. How do we handle electronic bank statements? (Have more than one person receive the digital statement.) Will future accounting practices have a zero impact on how we do business? (They are not going to have an impact.) When this audit is submitted to the State, what are the odds of us getting fined? (You will not be fined. State may follow up on the findings to make sure you're going in the right direction.)

Mr. Falteysek then began speaking to the issue of financials, beginning with the general fund balances of which there are eight (8).

- 1) Page 6 of the 2022 Financial Statement Audit. This chart shows the general fund met or exceeded the adopted policy of maintaining 35-50% of budgeted expenses in reserves until this year. The current year of 2022 is now at 17.2%. These reserves will need to be built up.
- 2) Page 32: the City spent \$238,568 over budgeted expenditures.
- 3) Page 33: Funds with deficit fund cash balances — Business Park (\$73,932); Street Improvements (\$66,169); Park (\$251); Mitigation Flood Project (\$53,090).
- 4) Page 75: the General Fund balance is \$138,412.
- 5) Page 78: Two outstanding bonds, principal value of \$360,000 and \$625,000.
- 6) Page 79: Loan from Chisago County for Bench Street project balance is \$145,000.
- 7) Page 79: Maturity date for the Chisago County loan should be correct to read: 12/31/2026.

Motion by Council Member Grote, second by Council Member Julik-Heine, to approve the Taylors Falls 2022 audit prepared by Abdo Eick and Meyers. Motion passed unanimously.

**2. *Diane Nelson - Community Garden
Community Garden Proposal***

Diane Nelson and Nick Arens presented their proposal for a community garden for residents of Taylors Falls. They envision using land north of the settling ponds, near the current yard waste site. Advantages of this site are: faces south, well drained, room to expand, and yard waste site could provide compost material and be a location for garden waste. They envision each planting lot be 200-300 square feet. It would require a perimeter fence (against deer) and prepping beds. They requested a simple survey be sent out to get an idea of the level of interest, with ground breaking in the spring of 2024.

Council Member Julik-Heine stated there are liability issues with the garden being near the settling ponds, and asked if they had considered the business park. He stated the City's insurance agent, Jim Stein, will address the liability at the next Council meeting.

Example from City of Lindstrom - Sue Kirchner, master gardener

Sue explained their garden started in 2014, with no city monies involved; they receive grant money. Their garden is surrounded by 6' metal garden fencing. They have added a garden shed. The gate is locked at all

times, and gardeners have a key. The Chisago County Master Gardeners provide financial and educational support. The Master Gardeners have given \$500/year to gardens that are supported by a city.

Council Member Julik-Heine asked if the project would be run through a city agency, such as Park & Rec. Nick Arens responded he doesn't think it needs that. Sue Kirchner said the project should have a 5-10 year commitment by the City. The Lindstrom maintenance man turns on water in the spring and clears the pipes in the fall.

Mayor Weiberg expressed concern about children getting in the ponds, so would need to figure out how to fence off that area. Council Member Grote suggested involving Parks & Rec and new Public Works Supervisor. Next steps: the project will be brought up at the Parks & Rec committee meeting; community garden representatives will be at next Council meeting when Jim Stein reports on the liability; a post card to be created for surveying the residents.

3. *Nominations from East Central Regional Development Commission*

East Central Regional Development Commission has requested a representative from the Taylors Falls City Council on their board.

Moved by Mayor Weiberg, second by Council Member Samuelson, to nominate Council Member Grote to the East Central Regional Development Commission. Motion passed unanimously.

4. *Fire Department Request*
Request for funding

Fire Department Chief Jake Vodenka-Reed requested funding to send two people to the FDIC conference in Indianapolis. His original request was for funds to not exceed \$5,000, but is comfortable with a limit of \$4,000. When asked if this was budgeted, or if there were grants to cover cost, he said the expense could technically come under the training budget, which is \$5,000. He said they can get some reimbursement for training up to \$3,000. This is the first time they are sending someone to the conference in more than 15 years.

Motion by Council Member Grote, second by Council Member Julik-Heine, to approve the request to send two department members to this year's FDIC conference in Indianapolis at a cost not to exceed \$4,000. Motion passed unanimously.

4. *Public Forum*

Council Member Aanonsen stated the opportunity for public comments is provided in city code.

Therefore, he wrote a resolution to that effect. Clerk-Treasurer Tomnitz said the resolution would be number 2023-03-01. While discussing protocol/rules of order/behavioral expectations, Council was made aware of rules on the open forum document that people sign when requesting opportunity to speak. Legal Counsel Knaak referred Council to the League of Minnesota Cities (LMC) mayor handbook as well.

There was some discussion as to which meetings would have Public Forums.

Motion by Council Member Aanonsen , second by Council Member Grote, to create Resolution 2023-03-01 to have Public Forum at all Public City Council meetings. Motion passed unanimously.

Resolution 2023-03-01 is attached.

OLD BUSINESS

1. *Health Officer Update*

Mayor Weinberg reached out to LMC, and learned a 1987 state statute ended this position. The statute was amended in 2014 to eliminate health boards. The League said cities should utilize county resources when there are issues. Citizen Lynn Longnecker suggested dropping the Health Officer requirement when next reviewing ordinances.

2. *Shafer Fire Contract Update*

When Council Member Aanonsen first submitted numbers to Shafer Township, he used all sections in the township, rather than just those numbered in the contract. He has redone the numbers, which should lower the contract by \$6,000. When he hears back from the township, he will forward the contract to Legal Counsel Knaak for review.

3. *City Coordinator/Zoning Administrator Update*

Mayor Weiberg reported the position is posted in two places, with no applicants. The posting will run another two weeks. If there are no applicants at that time, they will look at the job description again.

4. *Administration Liaison Vacancy*

Council Member Aanonsen referred everyone to the City's organizational chart included in the packets, pointing out a liaison was needed for the Clerk/Treasurer. Council Member Grote stated assigning this liaison should be added to the duties assigned at the first meeting of each year.

Motion by Council Member Aanonsen, second by Council Member Grote, to assign an Administration liaison. Motion passed unanimously.

Motion by Council Member Grote, second by Council Member Julik-Heine, to nominate Mayor Weiberg as the Administration liaison. Motion passed unanimously.

5. *Hotel Contract Update- still within 30 days of letter*

A letter was sent by Legal Counsel Knaak on February 15 to the potential buyer. Mayor Brandon reported the potential buyer has requested a Zoom meeting with him and Legal Counsel Knaak. They will listen and report back to Council. The thirty days will have been met before the next Council meeting.

6. *Website Update*

Council Member Grote reported on the recent training meeting with Bolton & Menk. Included in the training was Mayor Weiberg, Clerk-Treasurer Tomnitz and resident Becky Caneday. They can manage the site, but City staff uploads documents, etc. An engineering firm who does web design was interviewed. They will go in and look at the site, and provide a package on getting the site up and running. Michelle Hansen, office assistant, will get the same training as Clerk-Treasurer Tomnitz had, and will start putting things on the website. Mayor Weiberg has not reached out to other interested parties for website development. He expects a bid in time for the next Council meeting. A resident asked if we could get back some of the \$7,000 spent on designing the site. Mayor Weiberg responded that that company had done exactly what the previous Council asked them to do. Council Member Grote explained their design was common to municipalities, is complicated, and is not managed by them. Staff will be trained to be super users, with the possibility of an outside firm to help as well. Council Member Aanonsen said having a working website can be one of the easiest ways to let the public see this Council is serious about keeping the public informed.

7. *Streaming of Council Meetings Update*

Council Member Grote and Council Member Samuelson have been researching this issue. They have received one proposal that is about \$13,000. One local city spent \$40,000. Council Member Grote contacted Jack Depke, the coordinator for Public Access TV for what is basically the boundaries of our school district. It is funded by fees on subscriptions to cable TV. It is not satellite and not streaming but is hard-wired cable. When residents get their cable bill, they see a franchise fee. We've been receiving those fees, totally around \$4,000 a year, and going into our general fund. Jack Depke gave Council Member Grote ideas on some inexpensive ways to live stream. If we move forward with this it will be an unbudgeted expense. Depke's company has a meeting on March 27 that Council Member Samuelson may attend. Council Member Samuelson reported he has been in contact with Music Connection out of Forest Lake, and has requested a proposal.

LIAISON OR COUNCIL MEMBER REPORTS

There were no reports.

ADJOURNMENT

Moved by Council Member Aanonsen, second by Council Member Grote, to adjourn the meeting of the Taylors Falls City Council held this Monday, March 13, 2023. Motion passed unanimously.

Being there was no further business to come before the Council, the meeting adjourned at 10:09 pm.



Brandon Weiberg, Mayor



Fay Caneday, Secretary Pro Tem

APPROVED
March 27, 2023