

TIMBER LAKE CITY BOARD
REGULAR MEETING
AUGUST 7, 2023
6:00 PM
CITY FINANCE OFFICE

- 1) Board President Tom Hermes called the meeting to order at 6:00 PM.
 - Board Present: Tom Hermes, Jess Schlosser, Michael LaCompte (by telephone), and Sandra Koenig
 - Board Absent: Brent Biegler
 - Employees Present: Karla Nordyke
 - Guests/Others Present: Trent Baumeister, Sheriff Ashley Arpan, and Ann LaCompte (by telephone)
- 2) Declaration of Conflict of Interest
None of the Trustees self-disclosed a conflict of interest on any agenda item. No conflict of interest was identified by the Board.
- 3) Approval of Agenda:
Koenig motioned to approve the agenda with no changes. LaCompte seconded. Motion carried.
- 4) Public Forum and Visitors: None
- 5) Public Hearing – Liquor Licenses (Timber Lake Investment Group, LLC)
At 6:05 PM, Board President Tom Hermes opened the meeting to hear public comment regarding the Timber Lake Investment Group’s application for Package (Off-Sale) and Retail (On-Sale) liquor licenses owned by the City of Timber Lake. The Notice of Hearing was published in the *Timber Lake Topic* on July 27, 2023 and August 3, 2023. No persons appeared to be heard concerning the granting or the rejecting of the Group’s license applications. The public hearing was closed at 6:10 PM.
- 6) Approval of Last Meeting Minutes:
Schlosser motioned to approve the minutes of July 10, 2023 with no corrections. Koenig seconded. Motion carried.
- 7) Financial Report:
 - A) Reconciliation Report

The Board reviewed and discussed the reconciliation summary, detail, and bank statement for the City's checking account for the month of July.

B) Cash Flow Report

The Board reviewed and discussed the monthly financial report. Koenig motioned to approve the July Cash Flow Report. LaCompte seconded. Motion carried.

	GENERAL FUND	ENTERPRISE FUNDS WATER FUND	SEWER FUND	TOTAL
Beginning Balance (Checking Account) (As of 07/01/2023)	854,199.66	303,237.37	100,705.75	1,258,142.78
Total Receipts (Income)	48,846.74	12,299.54	7,529.04	68,675.32
Total Expenditures	39,563.79	12,564.79	3,441.62	55,570.20
Ending Balance (Checking Account) (As of 07/31/2023)	863,482.61	302,972.12	104,793.17	1,271,247.90
Savings Account Balance (As of 07/31/2023)	57,463.55			57,463.55
Cash Value of Certificate of Deposits (As of 07/31/2023)	28,000.00			28,000.00
Petty Cash (As of 07/31/2023)	150.00			150.00
TOTAL FUND BALANCES (As of 07/31/2023)	949,096.16	302,972.12	104,793.17	1,356,861.45



**Daily Ledger Balance (Bank) -- Checking Account
(As of 07/31/2023)** 1,270,383.71

C) 2022 Audit Report

The Board reviewed and discussed the Independent Auditor's Report and Financial Statements, completed by ELO CPAs & Advisors. The Board also reviewed

correspondence from the SD Department of Legislative Audit, dated July 18, 2023, reporting the audit report has been reviewed and accepted in their office. It was noted the audit finds no material weakness in internal controls. The audit finds two significant deficiencies (less severe) as a result of 1) lack of segregation of duties and 2) internal control over financial reporting. Discussion occurred. It was agreed the Board needs to continue being cognizant of the lack of segregation of duties for revenues, expenditures, payroll, and all financial entries and attempt to provide compensating internal controls whenever and wherever possible and practical. Nordyke stated she will prepare the financial statements when completing the next annual report; the completion of this additional task may resolve the second significant deficiency. The Auditor's Report and Financial Statements for the City of Timber Lake's 2022 fiscal year is on file in the City Finance Office, the SD Department of Legislative Audit, and is posted to the City's website.

8) Accounts/Claims Payable:

Schlosser motioned to approve the claims presented for payment totaling \$42,634.32 and \$20,065.79 payroll expenses. Koenig seconded. Motion carried. See Attachment 1.

9) OLD BUSINESS – None

10) NEW BUSINESS

A) Water Project Planning – Update (Trent Baumeister, IMEG Engineering)

Trent Baumeister, from IMEG Engineering, was present to discuss the water distribution and collection infrastructure improvement project. Much discussion occurred. The original planning involved 4 phases where phases 1 through 3 were intended to be watermain replacements and phase 4 was going to be building the new tower and demolishing the old. This phased schedule was discussed in relation to the federal funding requirements. ARPA funding must be obligated by the end of calendar year 2024 and expended by the end of calendar year 2026. It was agreed the original phasing schedule may not be the best approach, with the final phase not scheduled for bid until early 2027. It was also agreed that the City needs to fully utilize the ARPA funding so it is necessary to comply with time requirements. It was agreed to shorten the project from 4 phases to 3 so the final phase of the project can be schedule for completion in 2026. Phases 1 and 2 involve watermain improvements and phase 3 involves the water tower(s). It was also agreed to bid phases 1 and 2 as a single project/contract with a two construction seasons schedule. This change may make the project more attractive to bidders/contractors and puts the City in position to meet the federal requirement to spend ARPA monies by the end of 2026. Trent also reported he

is making final edits to the project design and it is scheduled for IMEG internal review in September and submission to the SD Department of Agriculture and Natural Resources (SD-DANR) by early-to-mid October. The Board discussed the site of the new water tower and requested a correction to the proposed site. Currently, it is mapped to be on grounds shared with the City Maintenance Shop. The correct preferred site is either on grounds shared with the Dewey County Soil Conservation Plant (old cheese plant) or on the southwest corner of the rodeo grounds property.

Trent and the Board also discussed the current status of the City's wastewater infrastructure improvements project. As soon as Trent receives the jet washing and televising report, he can begin evaluating the City's sewer system for relining and/or replacing needs, which will include some additional survey work. It was reported that A-1 Sewer and Drain is scheduled to complete the project's Phase I by the end of August.

B) Property Availability and Development: Lot by Rodeo Grounds and "Cheese Plant" Lots (Roger Hieb)

Roger Hieb did not present to discuss this matter with the Board. Discussion occurred. The Board agreed these lots have potential for future housing development. Water and sewer infrastructure is necessary.

C) West Nile Prevention Grant (SD Department of Health)

The Board reviewed and discussed the Recipient Contract between the City and the South Dakota Health of Health. This contract is an agreement for an award of non-federal financial assistance for the purpose of enhancing mosquito control efforts. The State Department of Health awarded the City a \$2,422 grant. Discussion occurred. Koenig motioned to accept the grant award and approve the contractual agreement. Schlosser seconded. Motion carried.

D) Liquor License Applications & Municipal Operating Agreements – Package and Retail Licenses (Timber Lake Investment Group, LLC)

After hearing no public comment in regards to the granting or rejecting of the Timber Lake Investment Group's applications for new Package (Off-Sale) and Retail (On-Sale) liquor licenses, the Board reviewed the Group's applications. Koenig motioned to approve each application and the related municipal operating agreement. Schlosser seconded. Motion carried.

E) Right-of-Way Easement (Moreau Grand Electric Cooperative)

The Board reviewed and discussed a perpetual right-of-way easement, prepared by Moreau-Grand Electric Cooperative, Inc. This easement involves the east 300 feet of City-owned property along Section 19 and Section 30 ("Airport Road"). The purpose of this easement is to bore underground electric transmission or distribution line.

Schlosser motioned to approve the right-of-way easement. Koenig seconded. Motion carried.

F) Insurance Coverage and Renewal 2023-2024 (SDPAA)

The Board reviewed and discussed the South Dakota Public Assurance Alliance (SDPAA) 2023-2024 Anniversary Rating Supplement. This document is a renewal packet for the City's liability and property insurance coverages. It was noted the City recently completed a thorough property, content, and equipment evaluation. It was agreed no changes are needed. Koenig motioned to approve the renewal document as is. Hermes seconded. Motion carried.

11) Department Reports:

A) Custodial (Char Boysen)

Char was not present as she has no concerns to discuss with the Board. Karla discussed the following matters with the Board:

i) Meeting Room Table and Chairs (Quotes): Karla presented a quote from Biegler Equipment for folding tables. They quote 6-foot folding tables at \$100 each and 8-foot folding tables at \$160 each. They also quote 6-foot folding tables at \$80 (3 available). Karla also presented a quote from A & B Business for 6-foot folding tables at \$185 each and 8-foot folding tables at \$225 each. Discussion occurred. It was agreed the meeting room needs six (6) tables to accommodate 20-25 persons. Koenig motioned to approve the Bieger Equipment quote for 6-foot tables (3 at \$80 and 3 at \$100). Schlosser seconded. Motion carried. The Board also discussed the need for chairs and reviewed the quote received from A & B Business. It was agreed twelve (12) chairs are needed to replace the guest chairs in the finance office. The existing chairs will be moved to the meeting room. Koenig motioned to purchase 12 chairs from A & B Business at a cost of \$51.60 each. Schlosser seconded. Motion carried. The Board also directed Karla to coordinate with Joel Schweitzer for equipping the new meeting room with audio-visual components.

ii) Divider Replacement: No update.

B) Maintenance (Jerimiah Garon)

Jerimiah was not present. The Board did discuss the following matters.

i) Streets: No discussion.

ii) Water: Discussion occurred in regard to the Lead-Free SD requirement recently announced by the SD-DANR Drinking Water Program. This requirement is part of a nationwide initiative that water systems are expected to inventory water service connections, on both public and private sides of the connection, for lead pipe. Karla reported she and Jerimiah have begun completing the required spreadsheet

document and DANR has given operators short-notice to “substantially” complete the first section of the public (service provider) inventory.

iii) Sewer:

(1) A-1 Sewer and Drain (Updated Quote) – The Board reviewed an updated quote from A-1 Sewer and Drain to clean and televise sewer mains (now \$1.85 per foot) and for root cutting and protruding tap removal, as needed (now \$160 per hour). The wastewater infrastructure project is federally funded so the contractor must comply with Davis Bacon Act wage rate requirements. It is noted that the A-1 quote remains the lowest bid for the sewer main jet-washing and televising. Schlosser motioned to approve the update quote. Koenig seconded. Motion carried.

(2) South Lift-Station Fence: Quote (Levi Long) – The Board reviewed and discussed a quote received from Levi Long to construct a new fence with a 12-foot gate at the South Lift-Station. Discussion occurred. It was agreed it was necessary to promote access to the facility. Koenig motioned to approve the quote at a cost of \$3,150 for the fence, gate, concrete, and labor. Schlosser seconded. Motion carried.

iv) Landfill: No discussion.

v) Park: No discussion.

vi) Other Matter(s): No discussion.

C) Law Enforcement Activity Report (Sheriff Arpan):

Sheriff Arpan presented the Sheriff Department’s written report for law enforcement activities performed in July. Their report details 95 service calls. Sheriff Arpan and the Board discussed some activities in more detail, including the Days of 1910 Celebration. It was agreed Sheriff Arpan and the Deputies are serving Timber Lake well.

D) Finance (Karla Nordyke)

Karla discussed the following matters with the Board:

i) 2024 Budget Planning (Discussion) – Karla reported she is making edits to the budget plan documents. She requested the Board’s input regarding equipment funds in this year and next year’s budget plans. The Board directed Karla to find out the loan (blade) pay-off through Western Dakota Bank and to project retiring the loan early and to transfer remaining funds to the savings account at year-end. The Board directed Karla to plan \$80,000 in the 2024 budget for equipment needs. Discussion also occurred about the current inflation rate; it was agreed a 4% increase is reasonable in preparing the 2024 budget plan. Karla reported she will have a first draft of the 2024 budget ordinance at the next meeting. She also requested everyone to provide her input.

- ii) Policy Revision: Cell Phone Reimbursement – Karla reported it is necessary to revise the cell phone reimbursement policy. The revision will change the procedure so that reimbursement is processed through payroll as a taxable fringe benefit. Discussion occurred. The Board directed Karla to table this matter to the next meeting.
- iii) Project(s) Funding and Next Steps: Update – Karla reported all documents are processed. A-1 Sewer and Drain is scheduled to complete Phase 1 of the sewer project by month-end. Then, Phase 2 of the sewer project can be designed (relining and/or replacement) of sewer lines. The final water system project design is getting finalized by the engineers. See also the engineer’s update (New Business, Item A).
- iv) Delinquent Accounts: Karla reported the following information regarding customer accounts.
 - (1) Late Payment Charges & Disconnect Warnings (31-60 days past due) – 2 accounts were assessed a \$10 late payment charge and 8 accounts were assessed a \$10.00 late payment charge and provided a disconnection warning.
 - (2) Disconnections – 2 service disconnections are scheduled.
 - (3) Due Process Notice(s) – 3 customers received a first notice. 0 customers received a second notice. 0 customers received a final notice.
 - (4) Financial Arrangements – 2 accounts have an approved financial arrangement. 2 are in compliance.
 - (5) Legal Action Status – 2 account remains referred to CRST Small Claims Court and 1 account remain referred to CRST Civil Claims Court. No change.
 - (6) Delinquent Account Status (61+ days past due) -- Overall, the delinquent account balance total shows a small increase from last month (\$38.76).
 - (7) Uncollectable Debt and Board Write-Off: None.

12) Schedule Next Meeting:

The next regularly scheduled meeting is set for Monday, September 11, 2023, at 6:00 PM, in the City Finance Office.

13) Adjourn:

At 7:42 PM, Koenig motioned the meeting be adjourned. Schlosser seconded. Motion carried.



APPROVED: Tom Hermes
Tom Hermes, Board President

Karla Nordyke
Karla Nordyke, City Finance Officer

Recorded: August 10, 2023

Published: August 17, 2023

Published at an approximate cost of _____

CITY OF TIMBER LAKE
ACCOUNTS/CLAIMS PAYABLE: JULY 2023

APPROVED: AUGUST 7, 2023

GENERAL GOVERNMENT
 SD Dept of Labor, Reemployment Division
 SD Dept of Revenue
 SD Retirement System
 US Treasury (Internal Revenue Service)
 VISA
 A&B Business Solutions
 American Solutions for Business
 Biegler Equipment
 Century Link
 CRST Telephone Authority
 Dewey County Treasurer
 ELO Prof., LLC
 FP Mailing Solutions
 G&O Paper and Supplies
 Health Pool of SD
 Moreau Grand Electric Coop.
 Penfield Law
 Plunkett's Pest Control
 Servallj Uniform & Linen Supply
 Slater Oil
 Timber Lake Topic

0.95 Already Paid: 7/17/23; EFT
 280.57 Already Paid: 7/17/23; EFT
 620.64 Already Paid: 7/25/23; Check #32222
 1,827.23 Already Paid: 7/25/23; EFT
 30.08 Already Paid: 7/25/23; Check #32223
 108.32
 85.80
 18.99
 203.72
 346.90
 5,000.00
 5,580.00
 81.90
 112.40
 813.38
 599.55
 300.00
 230.16
 170.47
 706.30
 666.86
17,584.22

Administrative Fees (2nd Quarter)
 Sales Tax Liability (June)
 Employee Benefits: Retirement (Payroll Liabilities & Employer Match)
 Payroll Liabilities & Employer Payroll Taxes (July)
 Office Supplies: Microsoft & Adobe
 Printer Maintenance (July)
 Office Supplies
 Community Center: General Supplies
 Telephone & Fax Lines
 Internet
 Law Enforcement Services (August)
 Cloud Fees (June) & Audit Services
 Postage Meter & Scale Rental (3rd Quarter)
 Community Center: Cleaning Supplies
 Employee Benefits: Health & Life Insurance
 Electricity: Community Center, Fire Hall
 Legal Services (July)
 General Pest Control (Library & Community Center)
 Mats & Mops & Linens
 Propane: Fire Hall e
 Publishing: (June & July)

STREETS/PARKS/LANDFILL
 SD Dept of Labor, Reemployment Division
 SD Retirement System
 US Treasury (Internal Revenue Service)
 AT&T Mobility
 Biegler Equipment
 Bridge City Small Engine & Rentals
 Health Pool of SD
 Heartland Waste Management
 Herman's Service
 Jensen Rock & Sand
 Levi Long
 Moreau Grand Electric Coop.
 Warno Chemical & Equipment
 Western Dakota Bank

0.86 Already Paid: 7/17/23; EFT
 281.42 Already Paid: 7/25/23; Check #32222
 529.12 Already Paid: 7/25/23; EFT
 38.20
 1,070.44
 256.49
 326.19
 4,380.00
 154.98
 3,593.50
 320.00
 1,224.09
 193.71
 1,605.35
13,974.35

Administrative Fees (2nd Quarter) 40%
 Employee Benefits: Retirement (Payroll Liabilities & Employer Match) 40%
 Payroll Liabilities & Employer Payroll Taxes (July) 40%
 iPad Connectivity (40%)
 Supplies, Tools, Equipment: Maintenance, Street Painting
 Maintenance: Mower
 Employee Benefits: Health & Life Insurance (40%)
 Garbage Collection (July)
 Fuel (July)
 Street Maintenance: Cold Mix (18.5 ton @ \$175)
 Park: Sign Installation
 Electricity: Airport, City Shop, Street Lights, Camper Site
 Maintenance: Fogger
 Loan Payment #32/60 (Blades): Principal (1,456.50) & Interest (148.85)

WATER/SEWER
 SD Dept of Labor, Reemployment Division
 SD Retirement System
 US Treasury (Internal Revenue Service)
 AT&T Mobility
 Biegler Equipment
 Dakota Pump & Control
 Health Pool of SD
 Herman's Service
 IMEG
 Milbank Winwater Works
 Moreau Grand Electric Coop.
 Running Supply, Inc.
 SD 811
 Sue Sherwood

1.29 Already Paid: 7/17/23; EFT
 422.14 Already Paid: 7/25/23; Check #32222
 793.68 Already Paid: 7/25/23; EFT
 57.30
 940.59
 1,254.08
 489.29
 112.69
 4,900.00
 1,061.76
 680.09
 273.94
 76.16
 12.74
11,075.75

Administrative Fees (2nd Quarter) 60%
 Employee Benefits: Retirement (Payroll Liabilities & Employer Match) 60%
 Payroll Liabilities & Employer Payroll Taxes (July) 60%
 iPad Connectivity (60%)
 Supplies, Materials, Generator Maintenance
 Maintenance: South Lift-Station
 Employee Benefits: Health & Life Insurance (60%)
 Fuel (July)
 Engineering Fees: Water Project (6/12/23 to 7/9/23)
 Maintenance: Curb Stop
 Electricity: Well Houses & Lift Stations
 Maintenance: Lagoon
 Locate Fees (2nd Quarter)
 Deposit Refund (minus final bill)

Grand Total 42,634.32

PAYROLL & BENEFITS SUMMARY -- BY DEPARTMENT
July 2023

	Board Trustees		Board President		Financial Administration		General Government		Streets, Parks, Landfill		Water		Sewer		Total
Gross Pay	1,625.00		600.00		4,403.59		953.00		2,860.23		1,758.89		1,758.89		13,959.59
SD Retirement System															
Employee Contribution	0.00		0.00		264.22		46.10		140.71		105.53		105.53		662.10
Employer Contribution	0.00		0.00		264.22		46.10		140.71		105.53		105.53		662.10
Federal Tax Withholding															
Employee Contribution	0.00		0.00		588.00		79.23		138.80		104.10		104.10		1,014.23
Employer Contribution	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00
Social Security Tax Withholding															
Employee Contribution	100.75		37.20		273.03		59.09		177.33		109.05		109.05		865.49
Employer Contribution	100.75		37.20		273.03		59.09		177.33		109.05		109.05		865.49
Medicare Tax															
Employee Contribution	23.56		8.70		63.85		13.82		41.47		25.50		25.50		202.41
Employer Contribution	23.56		8.70		63.85		13.82		41.47		25.50		25.50		202.41
Medical & Life Insurance															
Employee Contribution	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00
Employer Contribution	0.00		0.00		813.38		0.00		326.20		244.64		244.64		1,628.86
SD Reemployment Assistance Tax (Employer)	0.00		0.00		0.55		0.40		0.86		0.65		0.65		3.11
Workers' Compensation Insurance (Employer)	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00
Other Payroll Liabilities (Employee)	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00
	1,873.62		691.80		7,007.72		1,270.65		4,045.11		2,588.44		2,588.44		20,065.79