

TIMBER LAKE CITY BOARD
REGULAR MEETING
JULY 10, 2023
6:00 PM
CITY FINANCE OFFICE

- 1) Board President Tom Hermes called the meeting to order at 6:02 PM.
 - Board Present: Tom Hermes, Jess Schlosser, Michael LaCompte (by telephone), Sandra Koenig, and Brent Biegler
 - Board Absent: None
 - Employees Present: Karla Nordyke
 - Guests/Others Present: Kathy Nelson, 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:
Schlosser motioned to approve the agenda with no changes. Biegler seconded. Motion carried.

- 4) Public Forum and Visitors: None

- 5) Approval of Last Meeting Minutes:
Koenig motioned to approve the minutes of June 5, 2023 with no corrections. Schlosser seconded. Motion carried.

- 6) Financial Report:
 - A) Reconciliation Report – Checking Account (June)
Board reviewed and discussed the reconciliation summary, detail, and bank statement for the City’s checking account for the month of June.
 - B) Reconciliation Report – Savings Account (Second Quarter 2023)
Board reviewed and discussed the reconciliation summary, detail, and bank statement for the City’s savings accounts for the months of April, May, and June.
 - C) Cash Flow Report
Board reviewed and discussed the monthly financial report. Koenig motioned to approve the June 2023 Cash Flow Report. Schlosser seconded. Motion carried.

	GENERAL FUND	ENTERPRISE FUNDS WATER FUND	SEWER FUND	TOTAL
Beginning Balance (Checking Account) (As of 06/01/2023)	869,680.57	309,953.67	98,302.17	1,277,936.41
Total Receipts (Income)	62,971.69	12,194.68	6,566.48	81,732.85
Total Expenditures	78,452.60	18,910.98	4,162.90	101,526.48
Ending Balance (Checking Account) (As of 06/30/2023)	854,199.66	303,237.37	100,705.75	1,258,142.78
Savings Account Balance (As of 06/30/2023)	57,463.55			57,463.55
Cash Value of Certificate of Deposits (As of 06/30/2023)	28,000.00			28,000.00
Petty Cash (As of 06/30/2023)	150.00			150.00
TOTAL FUND BALANCES (As of 06/30/2023)	939,813.21	303,237.37	100,705.75	1,343,756.33

**Daily Ledger Balance (Bank) -- Checking Account
(As of 06/30/2023)** 12,585,652.68

D) Quarterly Reports (April, May, and June 2023)

- i) Top 10 Revenue & Expense Accounts: Board reviewed the top 10 revenue and top 10 expense accounts for the second quarter of 2023 as compared to the second quarter of 2022. There were no unexpected outcomes.
- ii) Fund Balance Trends Report: Board reviewed the second quarter-end fund balances for the Water and Sewer enterprise funds. Board also reviewed the second quarter-end fund balances for the Community Center, Solid Waste/Garbage Collection, and the Landfill/Restricted Use Site General fund accounts. Discussion occurred in regards to the Water Fund's net income showing significant decrease over the past

two quarters. Nordyke explained that water project engineering cost makes up almost half of the expenses shown, and the materials and equipment purchased to upgrade to the Syntrex system are also reflected in the first six months of this year.

iii) Taxable Sales: Board reviewed the SD Department of Revenue statistics showing taxable sales subject to the city tax rate for the months of January to May 2023. There were no unexpected outcomes.

iv) Budget versus Actual Comparison Report

Board reviewed the Budget vs. Actual Report for January 1 through July 8, 2023. Discussion occurred. It is noted that total General Fund revenue is better than expected (74%); Water Fund revenue is 16% of expected; Sewer Fund income is 4% of expected. Expenditures to date by fund are as follows: Sewer Fund (4%); Water Fund (22%); and General Fund (30%). It is noted the City has not received any grant or loan funds for either the water or sewer projects which is causing the revenue to appear lower than expected at mid-year. The City has not yet expended project construction funds which causes the expenditure percentage to appear lower than expected at mid-year.

7) Accounts/Claims Payable:

Koenig motioned to approve the claims presented for payment totaling \$45,009.35 and \$16,888.93 payroll expenses. Biegler seconded. Schlosser abstained. Motion carried. See Attachment 1.

8) OLD BUSINESS

A) Building Permit (Carol and Frankee Ducheneaux)

The Board reviewed and discussed the building permit submitted by Carol and Frankee Ducheneaux in combination with the survey of Lot 5 and 6 of Block 18. Ducheneaux's are applying to construct a 28' x 36' garage on their property located at 801 E Street. It was determined the structure planned is contained within the property lines. Schlosser motioned to approve the building permit. Biegler seconded. Motion carried. A copy of the Permit is on file in the City Finance Office, the Dewey County Equalization Office, and with the Permittee.

9) NEW BUSINESS

A) Open Sealed Bids: Surplus Property (Tin Roofing)

Nordyke reported the City received one (1) sealed bid in response to the Notice to Bidders and Advertisement for the selling of approximately 4,594 square feet of R&R metal (tin) roofing, ribbed, 26-gauge, up to 1-inch, removed from the Library building. This Notice was published in the *Timber Lake Topic* on June 15 and June 29, 2023. At

6:10 PM, the Board directed Nordyke to open the received bid. Roger Hieb bid \$11.01 for all the tin. Discussion occurred. Biegler motioned to accept Hieb's bid. Schlosser seconded. Motion carried.

B) Building Permit (Joe & Sheila Scherer)

The Board reviewed and discussed a New Construction & Improvements – Building Permit submitted by Joe and Sheila Scherer. They applied to construct a 24' x 12' pergola on their property located at 702 F Street on Block 23 Lots 7 & 8. No encroachment issues are evident. Schlosser motioned to approve the Building Permit. Biegler seconded. Motion carried. A copy of the Permit is on file in the City Finance Office, the Dewey County Equalization Office, and with the Permittee.

C) Building Permit (Lyle & Kim Anderson)

The Board reviewed and discussed a New Construction & Improvements – Building Permit submitted by Lyle and Kim Anderson. They applied to construct concrete pillars for the placement of a mobile home on their property located at 705 C Street on Block 25 Lots 4 & 5. No encroachment issues are evident. Schlosser motioned to approve the Building Permit. Biegler seconded. Motion carried. A copy of the Permit is on file in the City Finance Office, the Dewey County Equalization Office, and with the Permittee.

D) Space Agreement (Meals on Wheels Western South Dakota)

The Board reviewed and discussed the Space Agreement between the Western South Dakota Senior Services and the City of Timber Lake. This Agreement details the responsibilities of the Senior Services program and the responsibilities of the City. The terms are for one (1) year at a monthly rate of \$200 paid to the City. Koenig motioned to approve the Space Agreement. Schlosser seconded. Motion carried.

E) Syntrex System Cost-Share Agreement (Timber Lake and Isabel)

The Board reviewed and discussed the Cost-Share Agreement between the City of Timber Lake and the Town of Isabel. This Agreement details the terms of cost-sharing the Sentryx system in both municipalities. Schlosser motioned to approve the Agreement. Biegler seconded. Motion carried.

F) Syntrex System Cost-Share Agreement (Timber Lake and TC&G Water System)

The Board reviewed and discussed the Cost-Share Agreement between the City of Timber Lake and the Trail City and Glencross Water Association. This Agreement details the terms of cost-sharing the Sentryx system in both entities. Schlosser motioned to approve the Agreement. Biegler seconded. Motion carried.

10) Department Reports:

A) Custodial (Char Boysen)

Char was not present. No discussion. Karla discussed the following matters with the Board.

- i) Window and Door Replacement (House of Glass Quote): Karla reported the window at the east end of the meeting room has been broken and the exit door – also on the east side - is in need of replacement. The Board discussed the need and reviewed the House of Glass (Quote #104779). It is noted the existing hardware can be utilized. Koenig motioned to approve the quote and schedule the repairs at a cost of \$3,956.00. Schlosser seconded. Motion carried.
 - ii) Divider Removal and Replacement: Karla reported she has been unable to make any progress on this needed building maintenance.
- B) Maintenance (Jerimiah Garon)
- i) Streets: Jerimiah was not present. No discussion occurred.
 - ii) Water: Jerimiah was not present. No discussion occurred.
 - iii) Sewer: Jerimiah was not present. No discussion occurred.
 - iv) Landfill: Jerimiah was not present. Discussion occurred in regards to the landfill’s current condition and its capacity to hold more refuse. It is full. It was agreed resolution will be needed soon.
 - v) Park: Jerimiah was not present. It was noted the donor appreciation signs are placed.
 - vi) Quarterly Reports: The Board reviewed the Maintenance Department’s quarterly reports for the months of April, May, and June 2023. Reports include: Water Consumption and Loss Ratio; Well-House Inspection Logs; Lift Station Inspection Logs; and Lagoon Inspection Logs.
 - vii) Other Matters: No discussion occurred in regards to equipment needs.
- C) Law Enforcement Activity Report (Sheriff Arpan):
- Sheriff Arpan presented the Sheriff Department’s activity report for the month of June. He and the Board reviewed the report and held additional discussion. Sheriff Arpan also mentioned he will be reviewing the contract between the City and the County for law enforcement services.
- D) Finance (Karla Nordyke)
- Karla discussed the following matters with the Board.
- i) Auto-Supplement 2023 Budget (Recoverable Depreciation): Karla reported the City has received payment from Claims Associates for the recoverable depreciation from the Library and Rodeo Club building roof replacements. She requested the Board’s approval to auto-supplement the 2023 Budget, as follows:
- | | | | |
|----------|------------|---------------|----------------------------------|
| Revenue | \$3,560.90 | 101-391.04 | Compensation on Loss (Insurance) |
| Expenses | \$1,224.86 | 450-455-425 | Library: Building Maintenance |
| | \$2,336.04 | 410-419.2-425 | Rodeo Club Building: Maintenance |
- Biegler motioned to auto-supplement the 2023 budget as detailed. Schlosser seconded. Motion carried.

- ii) 2024 Budget Planning – Projected Year-End Balances: Karla provided the Board a 2024 budget planning document that details the 2023 ordinance; the 2023 actual revenue and expenses as of June 30, 2023; and the projected revenue and expenses at year-end. Karla requested everyone’s assistance with the projected revenues and expenses. Discussion occurred. She explained she will be fine-tuning the projections and preparing a draft 2024 budget plan for the Board’s consideration at the next meeting.
- iii) Project(s) Funding and Next Steps – Update:
 - (1) Water Project -- Karla shared an email from the project engineer which provides an update on the water project. He remains committed to filing the final project plan with the SD Department of Agriculture and Natural Resources (SD-DANR) in October. The engineer also mentioned the possibility of designing and bidding the entirety of the watermain project as a single contract. He explained designing and bidding the entire project, and allowing the contractor two years to complete the work, could potentially attract more bidders with better prices and might also help complete the project faster. Karla also shared the Paul Melhaff’s (Central SD Enhancement District) suggestion to combine the water and wastewater construction together when bidding the construction using two schedules. Discussion occurred. The Board directed Karla to inform both the engineer and the CSDED planner that the Board is open to further discussion on these suggestions.
 - (2) Sewer Project – Karla reported that SD-DANR has provided the required documentation needed from A-1 Sewer and Drain. This document has been sent to A-1 but not yet returned. Karla also reported that federal monies are involved in the funding package so the Davis-Bacon Act applies. This mandate results in A-1 Sewer and Drain needing to increase their quote by 10-cents per foot. Karla is expecting to receive an updated quote, as well. A-1 Sewer and Drain remains the lowest quote. She shared A-1 Sewer and Drain’s tentative schedule to complete Phase I (jet washing and televising) by the end of July. Karla reported the City can now draw-down loan funds to reimburse expenses for publishing, bond counsel, and engineering fees retroactive to February 7, 2022. She reports \$25,682 has been expended to date. Discussion occurred. It was agreed to reevaluate the need after Phase I is complete. It is noted that loan payments become effective upon the initial draw-down of funds.
- iv) Delinquent Accounts: Karla reported the following information regarding customer accounts.
 - (1) Late Payment Charges & Disconnect Warnings (31-60 days past due) – 4 accounts were assessed a \$10 late payment charge and 13 accounts were assessed a \$10.00 late payment charge and provided a disconnection warning.

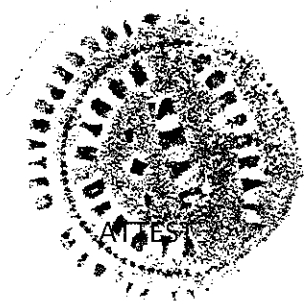
- (2) Disconnections – 2 service disconnections are scheduled if payment is not made by deadline.
- (3) Due Process Notice(s) – 0 customers received a first notice. 0 customers received a second notice. 0 customers received a final notice.
- (4) Financial Arrangements – 3 accounts have an approved financial arrangement. 2 are in compliance and 1 has defaulted on their agreement.
- (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 (\$456.15).
- (7) Uncollectable Debt and Board Write-Off: None.

11) Schedule Next Meeting:

The next regularly scheduled meeting is set for Monday, August 7, 2023 at its regularly scheduled time and place.

12) Adjourn:

At 7:00 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: July 13, 2023
Published: July 20, 2023
Published at an approximate cost of _____

ACCOUNTS/CLAIMS PAYABLE: JUNE 2023
CITY OF TIMBER LAKE

APPROVED: JULY 10, 2023

GENERAL GOVERNMENT
SD Dept of Revenue
SD Retirement System
VISA
US Treasury (Internal Revenue Service)
Postalis
A&B Business Solutions
American Solutions for Business
Anytime Heating & Cooling
Biegler Equipment
Country Link
Country Market
CRST Telephone Authority
Dewey County Treasurer
ELO Prof., LLC
FP Mailing Solutions
Health Pool of SD
Herman's Service
Karia Nordyke
Moreau Grand Electric Coop.
Penfield Law
Plunkett's Pest Control
Servall Uniform & Linen Supply
Three Seasons Tent Rental

356.64 Already Paid: 6/20/23; EFT
560.56 Already Paid: 6/23/23; Check #32170
1,172.39 Already Paid: 6/23/23; Check #32171
1,342.37 Already Paid: 6/26/23; EFT
400.00 Already Paid: 7/5/23 (EFT)
107.90
251.67
223.13
40.07
210.22
11.38
146.90
5,600.00
86.00
147.80
813.38
261.11
90.00
494.20
300.00
219.31
451.79
498.49
13,119.31

Sales Tax Liability (May)
Employee Benefits: Retirement (Payroll Liabilities & Employer Match)
Office Supplies: Microsoft & Adobe; Quickbook Upgrade; Lodging
Payroll Liabilities & Employer Payroll Taxes (June)
Postage
Printer Maintenance (June)
Office Supplies
Maintenance: Library
Community Center: General Supplies
Telephone & Fax Lines
Library: Cleaning Supplies
Internet
Law Enforcement Services (July)
Cloud Fees (May)
Office Supplies: Inkjet Cartridges for Postage Meter
Employee Benefits: Health & Life Insurance
Fuel: Swimming Bus
Cell Phone Reimbursement (2nd Quarter)
Electricity: Community Center, Fire Hall
Legal Services (June)
General Pest Control (Community Center & Library)
Mats & Moops & Linens
Library: Gutter Replacement

STREETS/PARKS/LANDFILL

SD Retirement System
VISA
US Treasury (Internal Revenue Service)
Biegler's Timber Lake Service
AT&T Mobility
Biegler Equipment
Country Market
Display Sales
Health Pool of SD
Heartland Waste Management
Herman's Service
Jeremiah Garon
Moreau Grand
Moreau Grand Electric Coop.
Roger Hieb
Runnings
Sign Solutions
VanDiest Supply Company
Western Dakota Bank

297.23 Already Paid: 6/23/23; Check #32170
35.88 Already Paid: 6/23/23; Check #32171
544.61 Already Paid: 6/26/23; EFT
973.84
38.20
750.37
22.45
1,681.00
326.19
8,760.00
20.12
56.00
27.41
1,240.41
36.00
24.75
911.71
1,169.25
1,605.35
18,500.77

Employee Benefits: Retirement (Payroll Liabilities & Employer Match) 40%
West Nile: Sprayer Certification
Payroll Liabilities & Employer Payroll Taxes (June) 40%
Fuel: General & Streets Maintenance & Mowing (May & June)
iPad Connectivity (40%)
Supplies, Tools, Equipment: Maintenance, Street Painting
City Shop: General Supplies
Holiday Decorations (Flagpole Mounts)
Employee Benefits: Health & Life Insurance (40%)
Garbage Collection (May & June)
Fuel (June)
Cell Phone Reimbursement (2nd Quarter) 40%
Maintenance: Street Light
Electricity: Airport, City Shop, Street Lights, Camper Site
Cell Phone Reimbursement (2nd Quarter) 40%
City Park: Supplies
Street Sign Maintenance
Mosquito Control Spray
Loan Payment #31/60 (Blade); Principal (1,456.56) & Interest (148.79)

WATER/SEWER

SD Retirement System
US Treasury (Internal Revenue Service)
AT&T Mobility
Biegler's Timber Lake Service
Dakota Pump & Control
Dakota Supply Group
Hawkins, Inc.
Health Pool of SD
Herman's Service
IMEG
Jeremiah Garon
Kakana Bartlett
Milbank Winwater Works
Moreau Grand Electric Coop.
ND Dept. of Health
Nicholas Bad Warrior
Roger Hieb
Schlosser Ditching & Plumbing

445.85 Already Paid: 6/23/23; Check #32170
816.91 Already Paid: 6/26/23; EFT
57.30
271.47
828.57
1,414.80
942.50
489.29
30.17
5,700.00
54.00
50.30
984.30
666.40
23.00
56.69
54.00
503.72
13,389.27

Employee Benefits: Retirement (Payroll Liabilities & Employer Match) 60%
Payroll Liabilities & Employer Payroll Taxes (June) 60%
iPad Connectivity (60%)
Fuel (May & June)
Maintenance: South Lift-Station
Material: Curb-Stop
Water Treatment Chemical
Employee Benefits: Health & Life Insurance (60%)
Fuel (June)
Engineering Fees: Water Project (5/8/23 to 6/12/23)
Cell Phone Reimbursement (2nd Quarter) 60%
Deposit Refund (Minus Final Bill)
Meter
Electricity: Well Houses & Lift Stations
Water Analysis
Deposit Refund/Lost Check Replacement
Cell Phone Reimbursement (2nd Quarter) 60%
Maintenance: Well & Pump

Grand Total

45,009.35

PAYROLL & BENEFITS SUMMARY -- BY DEPARTMENT
June 2023

	Board Trustees	Board President	Financial Administration	General Government	Streets, Parks, Landfill	Water	Sewer	Total
Gross Pay	0.00	0.00	4,061.82	808.41	2,552.92	1,914.69	1,914.69	11,252.54
SD Retirement System								
Employee Contribution	0.00	0.00	243.71	36.57	148.62	111.46	111.46	651.82
Employer Contribution	0.00	0.00	243.71	36.57	148.62	111.46	111.46	651.82
Federal Tax Withholding								
Employee Contribution	0.00	0.00	518.00	79.23	154.00	115.50	115.50	982.23
Employer Contribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Social Security Tax Withholding								
Employee Contribution	0.00	0.00	251.83	50.12	158.29	118.72	118.72	697.67
Employer Contribution	0.00	0.00	251.83	50.12	158.29	118.72	118.72	697.67
Medicare Tax								
Employee Contribution	0.00	0.00	58.90	11.72	37.02	27.76	27.76	163.16
Employer Contribution	0.00	0.00	58.90	11.72	37.02	27.76	27.76	163.16
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)								
Workers' Compensation Insurance (Employer)								
Other Payroll Liabilities (Employee)								
	0.00	0.00	6,502.08	1,084.46	3,720.96	2,790.71	2,790.71	16,888.93