

TIMBER LAKE CITY BOARD  
REGULAR MEETING  
AUGUST 7, 2024  
6:00 PM  
CITY FINANCE OFFICE

- 1) Board President Tom Hermes called the meeting to order at 6:07 PM.
  - Board Present: Tom Hermes, Jess Schlosser, Michael LaCompte (by telephone), and Brent Biegler
  - Board Absent: Tanner Kraft
  - Employees Present: Karla Nordyke and Jerimiah Garon
  - Guests/Others Present: Kyle Nilson
  
- 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 add a matter to New Business, Item D: Building Permit, Sewer Connection Permit, and Water Connection Permit (Jose Ignacio Garcia). Biegler seconded. Motion carried. Schlosser motioned to approve the agenda with the addition. Biegler seconded. Motion carried.
  
- 4) Public Forum and Visitors: None
  
- 5) Approval of Last Meeting Minutes:  
Biegler motioned to approve the minutes of July 9, 2024 with no corrections. Schlosser seconded. Motion carried.
  
- 6) Financial Report:
  - A) Reconciliation Report (July)  
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. Biegler motioned to approve the July Cash Flow Report. Schlosser seconded. Motion carried.

**ENTERPRISE FUNDS**

	GENERAL FUND	WATER FUND	SEWER FUND	TOTAL
<b>Beginning Balance (Checking Account)</b> (as of 07/01/2024)	795,656.78	109,167.57	107,020.09	1,011,844.44
<b>Total Receipts (Income)</b>	59,785.21	12,868.89	16,558.79	89,212.89
<b>Total Expenditures</b>	39,539.18	8,905.82	2,337.19	50,782.19
<b>Ending Balance (Checking Account)</b> (as of 07/31/2024)	815,902.81	113,130.64	121,241.69	1,050,275.14
<b>Savings Account Balance</b> (as of 07/31/2024)	57,894.55			57,894.55
<b>Cash Value of Certificate of Deposits</b> (as of 07/31/2024)	28,000.00			28,000.00
<b>Petty Cash</b> (as of 07/31/2024)	150.00			150.00
<b>TOTAL FUND BALANCES</b> (as of 07/31/2024)	901,947.36	113,130.64	121,241.69	1,136,319.69

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**Daily Ledger Balance (Bank) -- Checking Account**  
(as of 07/31/2024) 1,052,768.22

C) Quarterly Reports (2<sup>nd</sup> Quarter)

Budget versus Actual Comparison Report

The Board reviewed the 2024 Budget vs. Actual Report for January 1 through August 7, 2024 which was tabled from the last meeting. Discussion occurred. It is noted that total General Fund revenue is as expected (80%); Water Fund revenue is as expected to date (5%); Sewer Fund income is also as expected (12%). It is also noted that expenditures to date by fund are as follows: Sewer Fund (11%); Water Fund (13%); and General Fund (51%). Water and Sewer revenues and expenses are low because the infrastructure improvements have not progressed as planned.

D) Draft Audit Report (2023)

The Board reviewed and discussed the Independent Auditor's Report and Financial Statements, completed by ELO CPAs & Advisors. 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. The Auditor's Report and Financial Statements for the City of Timber Lake's 2023 fiscal year is on file in the City Finance Office, the SD Department of Legislative Audit, and is posted to the City's website.

E) Financial Oversight Concerns (Discuss/Identify/Resolve)

The ELO auditor recommended the Board document its financial oversight at least once annually. The Board discussed acts that might evidence concern, such as general financial management and compliance with policies and procedures. No concerns were identified.

7) Accounts/Claims Payable:

Schlosser motioned to approve the claims presented for payment totaling \$26,900.91 and \$19,659.93 payroll expenses. Biegler seconded. Motion carried. See Attachment 1.

8) OLD BUSINESS

A) 6<sup>th</sup> and B Streets (New Hope Church, Pastor Bryce Schaffer)

The Board discussed this matter, again. No decisions were made.

9) NEW BUSINESS

A) SDPAA Insurance Renewal

The Board reviewed and discussed the South Dakota Public Assurance Alliance (SDPAA) 2024-2025 Anniversary Rating Supplement. This document is a renewal packet for the City's liability and property insurance coverages. The Board agreed upon changes where appropriate. Biegler motioned to approve the coverages with edits. Schlosser seconded. Motion carried.

B) West Nile Grant Acceptance

The Board reviewed and discussed the Recipient Contract between the City and the SD Department of Health. This contract is for the purpose of enhancing local mosquito control efforts. The SD Department of Health awarded \$2,790 to the City. Hermes motioned to accept the grant award and approve the Recipient Contract. Biegler seconded. Motion carried.

C) Resolution #2024-08-01: IM-28 Opposition

The Board reviewed and discussed Resolution Number 2024-08-01, a resolution to oppose Initiated Measure 28 (IM-28) and its' repeal of the sales tax on consumable products. The Board also reviewed and discussed fiscal analysis from the SD Legislative Audit office and email correspondence received from the SD Municipal League and the City Attorney. Initiated Measure 28 will be on the November 2024 General Election Ballot. If passed, it will remove state, municipal and tribal taxes on all items sold for human consumption except alcohol and prepared food. The projected revenue loss to Timber Lake is \$43,000 and \$646,245,968 to the State of SD. The Board agreed to not act on the Resolution at this time. More information is needed. The Board did agree that the passage of IM-28 is very concerning and would be detrimental to the City. Board members each expressed their opposition to IM-28. Further discussion is planned.

D) Permit Applications (Jose Ignacio Garcia)

- i) Building Permit: The Board reviewed and discussed a New Construction & Improvements – Building Permit submitted by Jose Ignacio Garcia. He applied to construct one to four (1-4) cabins on his property located at 901 F Street (Block 8 Lots 4-5-6). Schlosser motioned to approve the Building Permit contingent on a property survey being filed with the permit application. Bieger 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. The Board also discussed concerns for storm water drainage. It was agreed Garcia needs to dig out ditches and use that dirt to further elevate the property. Doing so will lessen the probability of his property flooding and erosion of the street(s). The Board expressed their appreciation for Garcia's improvement on these lots.
- ii) Sewer Connection Permit: The Board reviewed and discussed a Utility Connection – Sewer permit application submitted by Jose Ignacio Garcia. He applied to create a new sewer connection on his property located at 901 F Street (Block 8 Lots 4-5-6). It was agreed the property has been built up sufficient to support a sewer connection. Schlosser motioned to approve the Sewer Connection 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.
- iii) Water Connection Permit: The Board reviewed and discussed a Utility Connection – Water permit application submitted by Jose Ignacio Garcia. He applied to create a water service connection on his property located at 901 F Street (Block 8 Lots 4-5-6). Schlosser motioned to approve the Water Connection 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.

10) Department Reports:

A) Custodial (Char Boysen)

Char was not present for discussion. The Board did review a quote received from Dakota Foam and Electric to install LED lights throughout the Community Center and Library. The Board discussed the need and the budget for such building maintenance. Schlosser motioned to approve the quote from Dakota Foam and Electric and to install LED lights in the Community Center and Library at a cost of \$3,910.89. Biegler seconded. Motion carried.

B) Maintenance (Jerimiah Garon)

Jerimiah discussed the following matters with the Board.

- i) Streets: Jerimiah reported he is aware the streets need his attention. He has recently received training and he will blade when he can and when moisture is sufficient. He needs to patch the potholes on Main Street very soon, as well.
- ii) Water: Jerimiah reported he has taken Well #5 off-line. It is only pumping 2,400-3,000 gallons per day and it is drawing unreasonable electricity. He determined taking the well off-line was necessary to avoid burning the pump. The well needs a new pipe. He hopes to have that maintenance scheduled soon. He also reported that water usage is lower than usual. He is flushing hydrants to clean sediment from lines as needed.
- iii) Sewer: Jerimiah reported the sewer system is functioning effectively.
- iv) Landfill: Jerimiah reported the landfill is in good shape.
- v) Park: Jerimiah reported the Park facilities are in good shape and the fence has been repaired. The City did not file an insurance claim because the repair cost was less than the deductible.
- vi) Other Matter(s): Jerimiah requested the Board's approval to attend the SD Water and Wastewater Association's 2024 Annual Conference scheduled for September 11-13, 2024 in Deadwood. Discussion occurred. Hermes motioned to approve Jerimiah's registration, lodging and per diem expenses. Biegler seconded. Motion carried.

C) Law Enforcement Activity Report (Sheriff Arpan):

Deputy Sheriff Kyle Nilson presented to discuss law enforcement services with the Board. The Board reviewed the Dewey County Sheriff's Office law enforcement report for the months of July. The following services are reported: total records of 116 and a total time of 98:49:12 hours. The Board reiterated its expectation to have patrol present in the school zone, both morning and afternoon.

D) Finance (Karla Nordyke)

Karla discussed the following matters with the Board:

- i) Project(s) Funding and Next Steps – Update

- (1) Sewer Project: Karla reported the SD Department of Natural and Agricultural Resources (SD-DANR) engineer and the City's engineer have been discussing the proposed lift-station. The City's engineer reports he is in the process of adding an additional valve pit adjacent to the station to satisfy DANR. He intended to have that change submitted within a few days. SD-DANR's final approval is expected shortly thereafter. Karla said she will notify Hermes and Schlosser when the final approval letter is received. The Board can then publish bid advertisement notice(s) for the sewer project. The Board indicated they would be willing to hold a special meeting to publish as soon as possible.
  - (2) Water Project: Karla reported the Memorandum of Agreement (MOA) is finally fully executed. Completion of the environmental review is now being processed. The Governor's Office on Economic Development (GOED) and the SD-DANR each require a Findings of No Significant Impact (FNSI) be published. Each agency's FNSI is being published August 8, 2024. Each agency requires a thirty-day (30) comment period. Once that date passes, the City can close on the SD-DANR State Revolving Fund (SRF) loan. The project bid advertisement(s) can be published as soon as the loan is secured. Karla said she would try to have loan closure documents available at the next regularly scheduled meeting.
- ii) 2025 Rates and Charges Planning (Discussion): Karla presented a comprehensive list of service items and rates for services. It was agreed that further discussion is needed regarding garbage services and water rates with respect to the water debt surcharge being implemented once the DANR-SRF loan closes or January 1, 2025. The Board also discussed the need to establish a charge for building permit applications. Schlosser motioned to establish a \$25 building permit application fee, effective January 1, 2025. Biegler seconded. Motion carried.
  - iii) 2025 Budget Planning – 2025 Budget Plan and Actual as of June 30, 2024 (Discussion): Karla provided the Board a 2025 budget planning document that details the 2024 ordinance; the 2024 actual revenue and expenses as of June 30, 2024; 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 2025 budget plan for the Board's consideration at the next meeting.
  - iv) Delinquent Accounts – Update and Action: Karla reported the following information regarding customer accounts.
    - (1) Late Payment Charges & Disconnect Warnings (31-60 days past due) – 7 accounts were assessed a \$10 late payment charge and 7 accounts were assessed a \$10.00 late payment charge with disconnection warning.
    - (2) Disconnections – 3 service disconnections are scheduled if not paid by deadline.

- (3) Due Process Notice(s) – No customers received a first notice. 0 customers received a second notice. 0 customers received a final notice.
- (4) Court Collection Process – 3 customers are delinquent sufficient to begin court proceedings. Discussion occurred about each account. The Board directed Karla to file a claim on one of the accounts.
- (5) Financial Arrangements – 2 accounts have an approved financial arrangement and both are compliant.
- (6) Legal Action Status – 2 accounts remain referred to CRST Small Claims Court and 1 account remains referred to CRST Civil Claims Court. No change.
- (7) Delinquent Account Status (61+ days past due) -- Overall, the delinquent account balance total shows an increase from last month (\$2,371.41).
- (8) Uncollectable Debt and Board Write-Off – None

11) Schedule Next Meeting:

The next regularly scheduled meeting is set for Monday, September 9, 2024 at 6:00 PM in the City Finance Office.

12) Adjourn:

At 7:55 PM, Schlosser motioned the meeting be adjourned. Biegler seconded. Motion carried.



APPROVED:

*Tom Hermes*

Tom Hermes, Board President

*Karla Nordyke*

Karla Nordyke, City Finance Officer

Recorded: August 9, 2024

Published: August 15, 2024

Published at an approximate cost of \_\_\_\_\_

CITY OF TIMBER LAKE  
ACCOUNTS/CLAIMS PAYABLE: JULY 2024

APPROVED: AUGUST 7, 2024

**GENERAL GOVERNMENT**

SD Dept of Revenue	283.57	Already Paid: 07/22/24; EFT	Sales Tax Liability (June)
SD Retirement System	707.98	Already Paid: 07/25/24; Check #32716	Employee Benefits: Retirement (Payroll Liabilities & Employer Match)
VISA	30.00	Already Paid: 07/26/24; Check #32718	Office Supplies: Microsoft; Adobe;
SD Dept. of Labor	0.92	Already Paid: 07/26/24; EFT	Reemployment Assistance Admin Fees
US Treasury (Internal Revenue Service)	2,107.59	Already Paid: 07/26/24; EFT	Payroll Liabilities & Employer Payroll Taxes (July)
Postalia	800.00	Already Paid: 07/29/24; EFT	Postage Download
A&B Business Solutions	96.42		Printer Maintenance (July)
Biegler Equipment	132.15		General Maintenance: Community Center
Century Link	216.96		Telephone & Fax Lines
Country Market	2.43		Library: Cleaning Supplies
CRST Telephone Authority	146.90		Internet
Dewey County Treasurer	5,000.00		Law Enforcement Services (August)
ELO Prof.	166.00		Cloud Fees (June & July)
G&O Paper and Supplies	115.20		Cleaning Supplies: Community Center & Library
Health Pool of SD	882.34		Employee Benefits: Health & Life Insurance
Moreau Grand Electric Coop.	662.99		Electricity: Community Center, Fire Hall
Penfield Law	300.00		Legal Services (July)
Plunkett's Pest Control	229.96		General Pest Control: Community Center & Library
Servall Uniform & Linen Supply	471.75		Mats & Mops & Linens
Timber Lake Topic	233.07		Publishing (July)
	<u>12,586.23</u>		

**STREETS/PARK/LANDFILL/SANITATION**

SD Dept. of Labor	0.60	Already Paid: 07/26/24; EFT	Reemployment Assistance Admin Fees (40%)
SD Retirement System	236.08	Already Paid: 07/25/24; Check #32716	Employee Benefits: Retirement (Payroll Liabilities & Employer Match) 40%
VISA	55.43	Already Paid: 07/26/24; Check #32718	Fuel
US Treasury (Internal Revenue Service)	456.60	Already Paid: 07/26/24; EFT	Payroll Liabilities & Employer Payroll Taxes (July) 40%
Air Kraft Spraying	110.00		Weed Chemical
AT&T Mobility	38.20		iPad Connectivity (40%)
Automotive, Inc.	309.25		Equipment Maintenance
Biegler Equipment	217.90		Supplies, Equipment Maintenance
Biegler's Timber Lake Service	140.90		Fuel (June)
Health Pool of SD	352.94		Employee Benefits: Health & Life Insurance 40%
Heartland Waste Management	5,625.00		Garbage Collection (July)
Herman's Service	174.53		Fuel (June): Maintenance & Swim Bus
Levi Long	380.00		Park Fence Repair
Moreau Grand Electric Coop.	1,267.61		Electricity: Airport, City Shop, Street Lights, Camper Site
Premier Equipment	50.00		Mower Maintenance: Clutch Disks
Western Dakota Bank	1,605.35		Loan Payment #44/60 (Blade): Principal (1,516.37) & Interest (88.98)
	<u>11,020.39</u>		

**WATER/SEWER**

SD Retirement System	354.12	Already Paid: 07/25/24; Check #32716	Employee Benefits: Retirement (Payroll Liabilities & Employer Match) 60%
SD Dept. of Labor	0.90	Already Paid: 07/26/24; EFT	Reemployment Assistance Admin Fees (60%)
US Treasury (Internal Revenue Service)	684.90	Already Paid: 07/26/24; EFT	Payroll Liabilities & Employer Payroll Taxes (July) 60%
AT&T Mobility	57.30		iPad Connectivity (60%)
Biegler Equipment	25.47		Supplies
Biegler's Timber Lake Service	128.11		Fuel (June)
Health Pool of SD	529.40		Employee Benefits: Health & Life Insurance 60%
Herman's Service	36.94		Fuel (June)
Moreau Grand Electric Coop.	865.19		Electricity: Well Houses & Lift Stations
ND Dept of Health	25.00		Water Analysis
SD Public Health Lab	550.00		Water Analysis (VOC's)
South Dakota 811	36.96		Locate Fees (April, May, June)
	<u>3,294.29</u>		
	<u>26,900.91</u>		
Grand Total			



