

Mayor Beyer called the April 26, 2011 regular council meeting to order at 7:05 p.m. in the Council Chambers of City Hall, 6031 Main Street, Rockford, MN.

**Roll call**

Roll call was taken and the following members were present: Beyer, Graner, Hafften, Martinson and Wenz. Absent: none. Also in attendance were: Andrew Berg Auditor/Abdo, Eick and Meyers, Administrator Carswell, Public Works Supervisor Dennis Peterson, Street Maintenance Worker John Quirk and Gordon Hopkins Asst. Fire Chief.

The Pledge of Allegiance to the Flag was given.

**\*CONSENT AGENDA/SET AGENDA**

MOTION was made by Martinson, seconded by Wenz to approve all items on the consent agenda.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND WENZ.

**\*Approve Regular Council Minutes /April 12, 2011**

MOTION was made by Martinson, seconded by Wenz to approve the minutes of the April 12, 2011 regular council meeting.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND WENZ.

**\*Approve Payment of Claims**

MOTION was made by Martinson, seconded by Wenz to approve the payment of claims #019038-#019080 in the amount of \$84,964.76.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND WENZ.

**Open Forum**

Clint Robinson who resides at 7007 Jenks Drive was present to ask the city council when the Parkwood Park was going to be developed. The park commission reviewed the comments from the residents at their last meeting on March 7, 2011. The residents provided the city a list of items they would like to see be installed in the park and prioritized those. The engineer and parks employee have met with the contractor this spring to discuss the final grade of the park land, top soil and seed. The park commission will be discussing this further at their next meeting on May 2, 2011 at 6:00 p.m. Mr. Robinson questioned the money the city will receive from the developer instead of installing the wood chip trails. The developer's agreement was approved by the city council outlining the trail reimbursement required by the developer. The park commission will be made aware of this as this money will be earmarked for Parkwood parks and trails.

**2010 Audit Results/Abdo, Eick & Meyers**

Andrew Berg from Abdo, Eick & Meyers was present to review the Management Letter in regards to the 2010 Financial Statements for all city funds.

There was vacation paid to two employees last year that was paid into deferred comp account that should have included the payment of social security/Medicare taxes. The 941 tax return will be adjusted as well as the W-2's and W-3 for the city.

There was also a discussion about a few invoices that were paid from a credit card without receipts and there was also some interest paid on the credit card in 2010 incurred from paying late. The staff is changing the Chase credit card to be paid automatically in 2011 so no interest charges will be added. The staff have been made aware that they must include receipts with all credit card expenditures. The credit card is mainly used for conference registrations, online purchases, local purchases and there is no annual fee on this business account.

The general fund reserve balance increased \$146,930 and is approximately 65.7% of the budget for 2011. Revenues exceeded expenditures in 2010 due to unexpected revenues from the Wright Sherburne Cable Commission franchise fees paid to the city, a fund transfer from assessments paid on a bond that was prepaid, and an insurance dividend check from LMCIT.

Mayor Beyer stated that knowing there was a large reserve we can utilize this in our upcoming budget process. Mayor Beyer also stated that increasing the fund reserves may better our bond rating.

Special fund balances were reviewed which showed a total increase of the fund balances of \$34,968.

Debt Service funds were reviewed and it was noted that currently all funds have sufficient resources to meet their debt obligations. The staff will present a debt management report at a future council meeting and include recommendations.

Capital project fund balances were reviewed and compared with previous year balances. The total fund balances increased \$70,551 over the past year. The City hall building fund deficit balance of \$133,739 was paid off.

Enterprise funds which are made up of Water and Sewer were reviewed. The water fund had an operating income of \$65,166. The sewer fund had an operating loss of \$44,574 due in part to more expenses than revenues and the debt payments. The city council wants staff to make a recommendation regarding the sewer rates to council by June this year.

Ratio analysis was reviewed which shows the percentage of debt, taxes, capital expenses, capital assets and the % remaining to depreciate. The ratios shown show the changes from each year going back to 2007 and how we rank according to other cities our size.

It was noted that a future account standard change has taken affect June 15, 2010 with the GASB 54 standards. GASB 54 will distinguish fund balances that are restricted, committee, assigned or unassigned.

The park dedication fund will be moved from a special fund to a Capital Improvement Fund.

Motion was made by Hafften, seconded by Graner to accept the 2010 Financial Audit Report as prepared by Abdo, Eick & Meyers, LLP.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND WENZ.

### **2011 Seal Coat Project**

John Quirk presented the City Council with a proposal for the 2011 seal coat project plans and specifications. The project includes the north section of the city including: Winfield Ponds Additions 3 and the Woodhill Ridge Additions. The streets are listed on the plans presented. The standard engineering practice recommends that the roads are seal coated every 5-7 years to maintain the average life of the road which is approximately 25 years.

The estimated cost for the job is 37,645 square yards x 1.25 = \$47,056.25

Quirk is requesting council authorization to obtain bids for the project. He is proposing a bid opening for May 5, 2011 and the City Council would award the contract at the next Council meeting scheduled for May 10, 2011.

MOTION was made by Hafften, seconded by Graner to authorize staff to obtain bids for the 2011 seal coat project.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND WENZ.

### **Schedule Goal Setting Meeting**

Council scheduled a goal setting workshop meeting for May 23, 2011 at 4:30 pm to be held at the Public Works facility at 6551 Utility Drive.

MOTION was made by Hafften, seconded by Graner to schedule a goal setting workshop meeting on May 23<sup>rd</sup> at 4:30 p.m. at the Public Works Facility and to invite all of the staff.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND WENZ.

### **Update Boy Scout/Special Event License**

Council was updated on the status of the Special Event/Large Assembly Licenses for the Boy Scout events coming up in May. Originally the Council was told a large number of Boy Scouts would be sleeping over night at Wright-Hennepin Electric, requiring a Large Assembly License. After reading the Large Assembly License requirements, the Boy Scouts have decided to limit the number to around 200 people, no longer requiring the Boy Scouts and Wright-Hennepin Electric to apply for the Large Assembly License.

The Special Event Permit is complete and is in the process of being signed by staff.

### **Administrator's Report**

Council reviewed the administrator's report including the following items: Deputy Clerk to attend IIMC Conference in Nashville, TN for free, residential market survey has been mailed to all the Rockford residents, part time summer park's employee position has been advertised, compost site is open, Stork House air quality testing, US Homes was mailed unsafe excavation site letter, quote to change city website, Clean-Up Day is scheduled for May 7<sup>th</sup> and volunteers are needed, and monument sign to welcome people to Rockford.

**Welcome Sign Committee**

Volunteers for the new city welcome sign committee were Martinson and Graner.

**Snow Plow Complaint**

Council discussed a complaint from a resident in regards to the snow plow damaging their sod. The city council requested that the public works supervisor follow up with the resident.

**Adjourn**

Motion to adjourn was made by Graner, seconded by Hafften.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND WENZ.

Mayor Beyer adjourned the meeting at 8:50 p.m.

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Mike Beyer, Mayor

Attest:

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Nancy Carswell, Administrator