

**MINUTES from the P&D Meeting
Harris Township Board
Wednesday, August 25, 2010 at 7:30pm**

The P&D Meeting of the Harris Town Board was held on Wednesday, August 25, 2010. The meeting was called to order at 7:30pm, at the Harris Town Hall, with the following officers present: Supervisors Dennis Kortekaas, Gary Rosato and Larry Key, Treasurer John Jokela and Clerk Michele Smith. Absent: None.

Also at tonight's meeting: Julie Kennedy – township road engineer from SEH, Deborah Medlin, auditor from Eikill and Schilling, and Mike Hendricks, recreational advisor for the township.

1. **Pledge to the flag**, was followed by the reading of the township mission statement
2. **Audit Report 2009** – by Deborah Medlin, CPA with Eikill & Schilling Ltd.

Deborah Medlin met with the Board and presented each officer with a bound copy of the 2009 audit results and two communication letters. (A copy of these will be on file in the Clerk's office.) The report was reviewed and explained in detail, section by section. Some of the items mentioned were as follows:

- Ms. Medlin explained that the audit report was done on an **accrual basis this year**, in accordance with GASB No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.
- **"Notes to financial statement"** were reviewed (page 12-19). Included in the notes was that the 2008 audit was incorrectly prepared by Glorvigan on a cash basis – rather than an accrual basis. Therefore, Ms. Medlin **had to go back and correct the 2008 yearend balance**, which adjusted the beginning balance of 2009. The adjustment made was for \$43,079.
- The Statement of Net Assets showed that the township's **net assets (assets minus liabilities) = \$1,405,585**, but this does not include net assets of property, plant and equipment purchased prior to 2009.
- The **2009 budget to actual reports** (page 20) were noted, which were by fund and line item. Overall, the township had a **large excess in fund balances**; more money came in than went out. Supervisor Rosato asked if this was a concern. Ms. Medlin said that while a government is not in the business to make money, and that they should only be levying what it takes to run the government for a year, the town board knows best what is needed for future expenditures.
- For the **Capital Improvement fund**, Ms. Medlin **recommended showing items that the township is saving for** / planning to purchase.
- The township financials were tested for compliance with various laws (page 34). One item was noted, where a **"brokers acknowledgement form" is needed, from American Bank** where we have our Certificates of Deposit. These are required from any place the township has investments. Ms. Medlin commented that this was a minor issue. With regards to being in compliance with contracting and bidding laws, the township did exceptionally well – no problems at all.
- The **Auditors Opinion** was reviewed (page 2-3). One item noted was that the township has not recorded capital assets, which includes property, plant, and equipment (this would include infrastructure, such as roads). The fund balances were noted as **"unqualified" (which is good)**; the other statements are "no opinion".
- There was **one "Material weakness"** reported: An adjustment was made to correct the allocation of **"market value credit"** money to the Capital Improvement fund. These funds **need to be allocated across all funds**, in the same percentage as was levied, as they are actually part of the levy (its part of the property tax). Market value credits are paid by the state rather than the resident so the money comes in, in one lump sum, rather than split by fund as is done for County apportionments. Ms. Medlin gave an example of when a resident receives a homestead credit; the

total property tax is the same, but the state pays a portion (the market value credit) and the resident pays the balance (a reduced rate for him).

- There was also one **“Significant Deficiency”** noted (these classifications are less severe, but are things that the auditor wants to bring to the board’s attention): There is a **lack of proper segregation of accounting functions between the clerk and treasurer**; i.e. the Treasurer is doing all duties (depositing the money, writing and mailing the checks, and reconciling the bank statements). The **suggestion given** by Ms. Medlin was to have the Clerk receive the bank and investment statements, and do the reconciliations. This will provide a proper segregation of duties, and protect the treasurer.
- **Another recommendation** by Ms. Medlin was to **develop a capitalization policy for fixed assets**. The board could determine a dollar amount threshold (perhaps \$5,000 and over), and useful life threshold (perhaps 5 or more years) and then keep an inventory list of all capital assets which meet both thresholds. It was recommended that this include the purchase price/value, and where the asset is located. Each item should be tagged/numbered, and then that number can correspond to numbers on the inventory list. It was noted that this list should include infrastructure (roads).
- On one of the two **memos**, shared with the board, the **adjustments were listed of each fund, to convert them from a cash basis to accrual basis**. Also, on page 2 of that memo are the actual **adjustments** made to each fund **for the market value credit**, and **interest on CDs** that had matured.
- Ms. Medlin commented that the **state reporting form has been completed**. It will go to the state auditor tomorrow – **in time for Aug 31, 2010 deadline**.
- **Overall, the audit report was very good.**

3. Business from the Floor

None

4. Roads

Updates by Julie Kennedy – SEH (see attached memo)

- **Bids for Underwood Turn Around Project**
 - Bid opening was today for the Underwood turnaround project; only one bid was received from Casper Construction in the amount of \$74,991.00. The bid abstract and recommendation letter were provided to the board by Julie, who recommended approval of the bid.
- **Underwood Road – email from D. Gunderson, with regard to the easement for cul de sac**
 - Doug Gunderson emailed Attorney Shaw with some concerns regarding the easement request for snow placement when removed from the proposed Underwood Road turn around. Because a general easement would make the property available for public use, he has concerns of allowing others on the property.

Attorney Shaw has recommended that we do a maintenance agreement on the easement, stating that we would only need the property for snow placement. There is a meeting scheduled with Julie Kennedy, Andy Shaw, and Doug Gunderson on Friday, August 27th at 11:00am to show him the exact area that they are talking about for an easement.

Doug Gunderson also expressed a concern about building a turnaround on Underwood Road but not fixing the rest of road. However, the board discussed that it makes more sense to fix the end of the road first, and haul equipment over the old road, than to fix the road first, and ruin it by driving over it with heavy equipment to get to the end. This concept will be shared with Mr. Gunderson. The Board agreed that the road is in bad shape, and that crack filling is not a permanent solution. The board discussed that they may need to consider doing a paved prep and overlay – at some time in the future. The board concurred that they do not want to remove current road surface of the Underwood Road, due to the high water table.

A motion was made by Supervisor Rosato to proceed with the Underwood Road turn around project, with the easement condition for Doug Gunderson, and to award the project to Casper construction for their low bid amount of \$74,991.00. The motion was seconded by Supervisor Key and passed upon roll call.

Julie will proceed with an award letter and contracts with Casper Construction.

○ **Apache/Isleview culvert replacement project**

- Hammerlund Construction submitted their IC-134 form and therefore the 5% retainage on the project may be paid, and the project closed out.

Supervisor Key made a motion, seconded by Supervisor Rosato, to approve the final pay application #2 in amount of \$335.20 to Hammerlund construction. Motion carried.

Supervisor Key then made a motion, seconded by Supervisor Rosato, to close out this Apache/Isleview culvert replacement contract. Upon roll call, motion carried.

○ **Sunny Beach Road (SBR) drainage problem**

- Today, Casper Construction completed the driveway culvert replacement at 30586 SBR. The seeding and mulching should be completed in the next few days. Julie will provide inspection documentation at the next meeting. A 15" culvert was installed, with 2 aprons.

○ **Future Community Complex Project:**

- The ICC Engineering Department is interested in continuing the internship program with the Township, where interns work with the town board on the design of the future community complex project for the Service Center and cemetery properties. The proposed program would allow the hiring of up to 3 students at \$10/hour for 10 hrs/week (\$300/week), beginning now and continuing either through December 2010, or through May 2011. Total cost, if continued through May 2011, would be \$9,600. Should the board choose to continue with the program, the scope for the upcoming project would be drafted by Julie, and reviewed for agreement at an upcoming board meeting.

After a discussion around the benefits of having the interns work on the community complex design, a motion was made by Supervisor Key, seconded by Supervisor Rosato, to continue working with the ICC engineering students – 3 interns, for 10/hours a week, \$10/hour, through May 2011. The board discussed doing the work in phases, and putting a priority on the maintenance facility. Upon roll call, motion carried.

Julie will work on the scope of the project and prepare a draft agreement for presentation to the board at the September 8th, 2010 Regular meeting. The board requested that the interns come to the P&D meeting to meet the board, and then attend each subsequent P&D meeting with updates. These off-camera meetings would allow more freedom to explore all design options.

● **Bear Creek East End Drainage Problem**

- Julie has obtained documentation showing the legal road easement for the end of Bear Creek Road, and the survey crews will perform a topo survey of the area in the next week. She will present the proposed improvement design to the board at the next meeting on September 8th for approval to continue with construction.

● **Buried Telephone Cable Permit – Qwest Job #MM1002130 (Sunny Beach Rd)**

- The diagram for the buried telephone cable permit was reviewed by the board, near 32345 Sunny Beach Road, as provided in their agenda packets. There were no concerns expressed by the board.

A motion was made by Supervisor Key, seconded Supervisor Rosato, to approve the Qwest buried telephone cable permit. Upon roll call, motion carried.

- **Salo's driveway**
 - The board asked when the Salo's driveway would be fixed; Julie confirmed that it would be part of the Underwood Road project.
- **Striping of roads**
 - The board discussed if they were going to do any township road striping this year, as the City and County have already completed the striping of their roads. Julie will check to see if the city/county will be bringing back the striper (they contract the service, from out of town). If not, striping will have to wait until next year.

5. Recreation

- Mike Hendricks, Recreational Advisor for the Township reported to the board, as follows:
 - All projects discussed for 2010 have been completed, including resetting the tennis net posts, adding the emergency exit to the Crystal Park tennis court fencing, and paving and striping the Crystal Park parking lot. Mike added that the drainage at the parking lot is working great.
 - A tour of both Wendigo and Crystal Parks was conducted by Mike Hendricks and Supervisor Key, and maintenance issues were discussed.
 - One project still being considered is the hard play surface at Wendigo Park. No decision was made on what to do with it. Perhaps they will revisit the issue again this fall – and Mike will prepare some cost options. One idea is to remove all the blacktop and put in a concrete half court area.
 - Quotes for herbicide application this fall were solicited and one was received. Both the current contractor, Tournament Turf LLC (formerly T-Shot) and the local contractor (Green Again Lawn & Aeration) were contacted to submit a proposal, but only one quote was received from Tournament Turf. Mike did give the request letter that was sent to Green Again to the Board, for their records, which outlined the areas for application, and the type of herbicide to be applied, with a foam applicator. That letter will be attached to these minutes.

The proposed herbicide and areas are identical to last year: Spray application at Crystal Park, the town hall, and Wendigo ballpark. And, at the cemetery, a granular material would be applied.

The total quote from Tournament Turf was for \$1,534.46. They can perform the herbicide applications in about two weeks, just as soon as kids are back in school. The parks will need to be closed for 8 hours – just as a precautionary safety measure; it's not dangerous.

A motion was made by Supervisor Key, seconded by Supervisor Rosato to approve the application of herbicide by Tournament Turf as presented in the quote, for \$1,534.46. upon roll call, the motion carried.

A copy of the Tournament Turf quote will be attached to these minutes.

- Supervisor Rosato complimented Supervisor Key and the maintenance crew on the appearance of the township parks this year; he has received many compliments, especially on Crystal Park.
- Rosato commented that it might be nice to have a hard walking surface/sidewalk at Crystal Park from the parking lot to the pavilion, for rolling carts/coolers and wheelchairs or walkers used by the elderly. The board agreed to consider this.
- Another observation by Rosato was that the posting board at Crystal is not very noticeable at its current location; the reservation notices would be more visible if the posting site was near the park entrance. Supervisor Key agreed to have the maintenance crew move the posting box near the

entrance. Key added that enter/exit signs will be posted at the openings in the Crystal Park fence, as they are hard to see if you don't know where to go.

6. Town Hall Report

- The town hall report was reviewed, as submitted by the town hall caretaker. There were 10 rentals from July 14 to Aug 6, 2010, in the amount of \$375. There were no accidents or damages reported.

7. Maintenance Report

No report was received.

8. Old Business

- The board thanked Julie for great presentation at the August Township Association Meeting
- **Computer for maintenance crew**
 - Clerk Smith updated the board that the laptop computer for the maintenance crew has been ordered, for just over \$1,000 along with a new printer/scanner/copier for \$40, and a wireless mouse. The long distance phone line has been installed (1.5mg). Instead of ordering Microsoft Office, Treasurer Jokela will help the guys set up forms on Google, for free. Doing so will allow John to access their time cards, and the Clerk to access their cemetery forms. A wireless modem has not yet been purchased.
- **Update on cemetery field**
 - The new cemetery field had oats planted in it this past spring, by the Johnsons. However, thistles have come up in mass amounts, making it almost impossible to plow. The cemetery is white when the wind blows. Supervisor Key thinks that the fertilizer they used caused the weeds. He's not sure what will happen.
- Supervisor Key updated the board on the following:
 - He is working on getting winter **pricing** fixed for **Ferrell Gas**
 - He is also working with the DNR on **Mishawka landing**; the drainage area needs work.
 - A **grave heater** is needed before this winter. A used one costs about \$12,000, plus they would need a generator (approximately \$2-\$3,000). Previously, a ground heater that was considered (the type used by construction sites) but Key found that it was much too large. A new grave heater is about \$48,000. Key has found ads for used grave heaters available in Savage, MN, and in Iowa. **The Board approved Supervisor Key to continue on with the purchase of a grave heater, in whatever style/size he feels would work best for the township cemetery**
 - **Township grader** – what should the board do with the grader, now that it's no longer used?
A motion was made by Supervisor Rosato, seconded by Supervisor Key, to put the used grader up for sale on Craig's list, for \$5,500. Upon roll call, motion carried.
 - The maintenance crew **student worker** was done for the season on Aug 20th. He is interested in coming back again next summer.

9. New Business

- Supervisor Rosato requested permission for a quorum to meet at a round table meeting, which is a continuation of the South Central Planning Board. The round table will be held Sept 8th at 11:30a.m. at the Pokegama Golf Course. The meetings may become a regular occurrence after that.

10. Adjourn

A motion was made by Supervisor Key at 10:01p.m. to adjourn tonight's meeting, and seconded by Supervisor Rosato. Meeting adjourned.

Respectfully submitted,
Michele Smith, Clerk of Harris Township