

On Tuesday, July 8, 2008, at the Stockton City Hall, Mayor Jack Roberts called to order the Stockton City Council meeting at 7:00 P.M. Council members in attendance were Lisa Gibbs, Mark Potter, Rick Przytarski and Cheryl Beeman.

The Pledge of Allegiance was said.

The Clerk under new business made addition to the agenda: LMCIT liability waiver and 10% donation from the Promotional Group. Mark Potter made a motion to accept the agenda with additions, seconded by Cheryl Beeman. Motion passed.

Corrections to the June 2008 minutes on page 5 there were four spelling corrections, and on page 6, paragraph one it should state, "residents should call the LEC". Rick Przytarski made a motion to accept the Public Hearing and the June 2008 minutes, with a second from Cheryl Beeman. Motion passed.

Rick Przytarski made a motion to accept the Financial Report and pay all bills, with a second from Mark Potter. Motion passed.

Mark Potter made a motion to accept the Flood Financial Report, with a second from Rick Przytarski. Motion passed.

Bill Trygstad faxed pay estimates and change work orders for the 5 projects Winona Mechanical are doing in town. The first one is for Garvin Brook Drive Water/Sewer project. The pay estimate is \$16,322.71 and Mr. Trygstad is requesting payment of this amount. The estimate includes a 5% retainage fee and the work remaining on the project is the blacktop surfacing and sodding of yard areas. Lisa Gibbs made a motion to pay this amount, with a second from Mark Potter. Motion passed.

Discussion was held on the 4 flood projects that had a due date of June 15, 2008 that Winona Mechanical still needs to finish. Pay estimates for those are as follows:

1. "E" Street Culvert & Street Repair: Payment in amount \$20,528.55 – work remaining is the street surfacing and sod work. Mark Potter made a motion to pay this pay estimate, with a second from Cheryl Beeman. Motion passed.
2. East Ninth Street Erosion repairs (West): Payment amount \$26,552.55 – work remaining includes completion of the slope construction, placement of the erosion control mats on the slope, seeding, placement of rip-rap at the bottom and street repairs. Mark Potter made a motion to pay this pay estimate, with a second from Lisa Gibbs. Motion passed.
3. East Ninth Street Slope erosion repair (East): Payment amount \$11,618.50 – work is completed on this project and payment amount is 5% less for the retainage fee. Rick Przytarski made a motion to pay this pay estimate, with a second from Cheryl Beeman. Motion passed.
4. Retention Pond Cleaning: Payment amount \$26,536.16 – work remaining includes additional silt/soil removal from North ponds, and seeding of area, work is completed on the South Pond. Mike Wadewitz still holds the storm water permit, and the banks were suppose to be restored within three days,

Winona Mechanical is in violation of Federal laws at this time by not having this finished. Mr. Wadewitz also stated the South Pond is not done correctly, as it didn't drain properly on the last rain. Rick Przytarski made a motion to hold payment until further review, motion seconded by Lisa Gibbs. Motion passed, Mark Potter abstained due to conflict of interest. Bill Trygstad needs to be sure the Ponds are redone by MPCA specs.

Mr. Trygstad also sent along three Change Orders:

1. Retention Pond Cleaning – additional work that is required to clean out, reseed, and rip-rap the ditch from the pond for the Garvin View Estates 2nd addition, cost for this change is \$10,598. This was approved at the last council meeting, just needs signature from Mayor Roberts.
2. Retention Pond Cleaning – additional repairs to the inlet apron and area around the apron for Garvin View Estates 2nd addition, cost of \$3,182. This was approved at the last council meeting, just needs the signature of Mayor Roberts.
3. “E” Street Culvert and Street Repairs – covers the cost of rock that was placed by Shaun Wehlage in the driveway on the west side of “E” Street. Cost decreased by \$193.07. This was approved at the last council meeting and is just waiting for Mayor Roberts's signature.

Discussion was held on the Water Project. Residents requested this to be put on a referendum; it would need to be approved by the Council to add to the ballot at least 56 days before the November 7th election. Council has no new information on the \$700,000 grant, the 2% Dept. of Health loan or the \$3.2 million grant that has been applied for. Ron Volkman stated the City could buy out residents, the residents would pay the City a sum and the City wouldn't make the resident hook up, until their property is sold. Mike Wadewitz made the mention that until the project goes out to bid, residents would find out the actual cost of the project. Gene Streich stated a petition would need at least 5% of the last voting numbers; Clerk to check with Karl Sonneman to discuss petition rules and regulations. Ron Volkman also stated if this does go to a referendum, the City would need to exclude the Mobile Home Park and Garvin View Estates since they are not in the original plans. Lisa Gibbs requested the residents use the latest figures on the water project and begin a petition regardless of how many signatures are needed, because if it were presented at the next council meeting, the Council would need to vote on the petition. If put onto the ballot, the Council would get the numbers needed to have it settled once and for all. The preliminary plans for water mains is finished, the next step would be paying the engineer to draw up a final plan and put it out for bids. The current plans do not include the two properties on West Main Street by the Mobile Home Park, or the Mobile Home Park, the line would stop at TDI. Lisa Gibbs brought up the City would need to see three new homes per year to guarantee the project in the black, if the City doesn't see that improvement, the Council would need to raise the rates to keep up with the expenses, and it would be a big gamble to guarantee that. Ms. Gibbs would like to see a pro forma with no new homes to see what the final costs would be then. Colleen Bambenek asked why the Council would injure people now, since the flood has taken a lot out of the residents, City would lose more residents if the project goes through.

Request from the residents to have the Council vote on it tonight to put it on a referendum question. Residents requested for the Clerk to get the petition process from the City Attorney, Karl Sonneman to see what percentage of signatures are needed and what the petition question would need to be. Mark Potter made a motion to have Karl Sonneman at the August 2008 meeting to discuss referendum or petition questions. Seconded by Lisa Gibbs. Motion passed unanimously.

Lynda Rickoff of Russell & Associates discussed the 2007 Audit.

Financial Statements:

1. Statement of Net Assets: increased by \$1 million due to adding the Garvin View Estates streets, water and sewer lines from 2005 & 2006. (page 13)
2. General Fund has Unreserved money, there is enough for 8 months of expenses covered, but the Council need to designate this money. (page 15)
3. Budget to Actual monies spent: Intergovernmental has excess money from the Promotional Group donation and monies from FEMA. Public Safety is over the budget dues to flood related expenses. Capital Outlay is over; the Council will need to amend the budget when buying equipment. And there was a large transfer out to the Blacktop fund from previous years levies. (page 38)
4. Statement of Net Assets: Proprietary Funds: Sewer operating fund had a large increase from other funds due to flood money for infrastructure. There is a relative increase in the Capital assets due to developer additions. There is an increase in expenses since \$91,000 was used from FEMA for sewer lift station repairs. Under the water-operating fund, depreciation of \$16,737 is not an actual cash amount, and the water-operating fund is making money by \$12,871. Expenses were down this year since no televising or repairing of sewer lines were done. (pages 19 & 20)
5. Uncollateralized cash in the amount of \$514,656 in NOT insured by Winona National. Mrs. Rickoff and Clerk Winchester have already discussed this, if Winona National cannot or will not insure the extra amount, the City will need to pull money out and place in various banks. (page 42)

Auditor's Communications:

Page 6 is the advisory comments:

1. Computerize Account records: Lisa Gibbs made a motion for the Clerk to buy Quick Books and the payroll unit and to begin using it, seconded by Mark Potter. Motion passed.
2. Lack of Segregation of Duties: request someone from the Council receive the bank statements, this could also be done on line as well.
3. Check signing policy: Cheryl Beeman made a motion to destroy the Mayor stamp and have actual signatures on all checks, seconded by Lisa Gibbs. Motion passed. Mrs. Rickoff also stated Council could also appoint a third signer as well. The second signer would be responsible for reviewing all supporting documentation.
4. Automatic Payment for recurring bills: benefits would include reduced time spent on processing payments, less chance for clerical

errors, and lower postage costs. Council requested the Clerk look into this option.

5. Use of Lock Box: would help improve controls over cash receipts, this could be done at the bank or a separate P.O. Box.
6. Minor errors in payroll accounting that Mrs. Rickoff and Clerk have already discussed.

Leasah Lilla asked if it would be possible to get a part-time person to get the checks and make the deposits and to have the office open when the Clerk is on vacation or gone. The person would need to be bonded through the City's insurance. Mark Potter made a motion to accept the 2007 Audit with a second from Lisa Gibbs. Motion passed.

The culvert under Scenic Ridge Drive needs to be dug deeper as the water runoff is running across the street and not down to where East Ninth Street and Wacholz Drive connect. Mark Potter will take a look at this to determine what needs to be done.

Mark Potter has a dirt pile on his property; there is no permit for this on record. Mr. Potter stated Bill Huber came down to discuss it with him and since it's a temporary pile, he would not need a permit. This pile is for building up the lot where the new house will go.

Stockton Area Promotional Group donated \$15,000; 10% of that will need to be donated. Mark Potter made a motion to give Stockton First Responders, Salvation Army and Red Cross each \$500, motion seconded by Lisa Gibbs. Motion passed unanimously.

Rick Przytarski made a motion to not waive the monetary limits on municipal tort liability limits, seconded by Mark Potter. Motion passed.

Chad Larson was not in attendance, and did not have any business.

Sewer & Water minutes are attached.

Planning & Zoning committee did not meet this month.

Mark Potter asked about the concrete slab being put in the west parking lot of the City Hall. HBC is putting in their four-foot cabinet there; council agreed it was suppose to be right next to the building and not at the entrance. Mayor Roberts will call Gary Evans, and Clerk Winchester will pull the file.

Cheryl Beeman made a motion to close the Stockton Council meeting, with a second from Lisa Gibbs. Motion passed, meeting adjourned at 9:16 P.M.