

AGENDA
HARMONY CITY COUNCIL
Regular Meeting

May 9, 2017
7:00 P.M.

Council Room
Community Center

1. Call To Order
2. Roll Call
3. Public Forum
4. Consent Agenda
 - a. Minutes
 - b. Claims
 - c. Administrator Report
 - d. Financial Report
 - e. CD
 - f. Policies
 - g. Liquor License
 - h. LCCMR Grant Resolution
5. Reports
 - a. Firemen Memorial
 - b. Building & Maintenance Report
 - c. EDA Board
 - d. Park Board
 - e. Library Board
 - f. Arts Board
6. Adjourn

**BACKGROUND INFORMATION
HARMONY CITY COUNCIL
REGULAR MEETING**

**May 9, 2017
7:00 P.M.**

**Council Room
Community Center**

1. Call To Order
2. Roll Call
3. Public Forum
4. Consent Agenda
 - a. Minutes
 - b. Claims
 - c. Administrator Report-See report.
 - d. Financial Report-See report.
 - e. CD-Cash in CD #43608.
 - f. Policies-Investment Policy. See attached.
 - g. Liquor License Renewals-The Stop Light.
 - h. LCCMR Grant Resolution-See enclosed Resolution 17-03.
5. Reports
 - a. Firemen Memorial-Consider approval of land for firemen memorial at firehall.
 - b. Building & Maintenance Report
 - c. EDA Board
 - d. Park Board
 - e. Library Board
 - f. Arts Board
6. Adjourn

APRIL 11, 2017

REGULAR MEETING

HARMONY CITY COUNCIL

A Regular meeting of the Harmony City Council was called to order by Mayor Steve Donney at 7:04 PM. Present were Mayor Donney, Councilmembers Debbie Swenson, Kyle Morem and Steve Sagen; Attorney Greg Schieber, Administrator Jerome Illg, Troy Case, Brian Hoff, Craig Britton, Richard Keith, Tom Olinger, Chris Johnson, James Haugerud, Kris Torgerson, Julie Lau, Jay Masters, Melissa VanderPlas, Hannah Wingert and Eileen Schansberg. Absent was Councilmember Lynn Mensink.

Mayor Donney closed the Regular Meeting and opened the BOARD OF APPEALS AND EQUALIZATION HEARING. Fillmore County Assessor Brian Hoff gave an update on sales ratios of Commercial and Residential properties. It was noted that there was little change in the Commercial valuations but about a 7.5% increase in the Residential valuations.

The Harmony Residents were given a chance to ask questions regarding their properties.

As there were no further questions, Mayor Donney closed the hearing at 7:35 PM and re-opened the REGULAR COUNCIL MEETING.

PUBLIC FORUM:

No one appeared.

CONSENT AGENDA:

Motion by Swenson and seconded by Morem to approve the Consent Agenda which consists of the Minutes, the Claims, Administrator's Report, Financial Report, cashing in CD #43607 to the General Fund, Approving the Fillmore County Ambulance Subsidy Contract, approving the Federal Grant Policy as recommended by the Auditors. All present voting yes. Absent was Mensink. Motion carried.

AUDIT REPORT:

Abdo, Eick & Meyers Auditor Tom Olinger presented the 2016 Audit Report. Motion by Swenson and seconded by Morem to approve the 2016 Audit Report. All present voting yes. Absent was Mensink. Motion carried.

FILLMORE CENTRAL SCHOOLS:

School Board member Craig Britton presented a proposal and layout for the city to sell a lot south of the Community Center parking lot for them to place a garage which is approximately 88' X 32'. Two of the bays would be drive thru with access from the community center parking lot. Discussion held on the value of the property that we would sell. It was mention that the assessed rate for commercial land is \$2.30/square foot and \$1.50/square foot for residential. Motion by Morem and seconded by Donney to draft an agreement to sell the property to the school at \$2.30 per square foot for \$22,862. Voting yes was Morem. Voting no was Sagen, Swenson and Donney. Absent was Mensink. Motion failed.

Mayor Donney stated it was the consensus of the Council that they were comfortable with the project but have the Building and Utility Committee meet with the school to discuss and come to an agreement.

PLANNING & ZONING:

The Planning & Zoning Committee met and reviewed a Variance Request from Monster Bash, Inc. The information from the planning and zoning meeting was reviewed. Motion by Donney and seconded by Sagen to grant a variance for a side yard setback for Monster Bash to place a breezeway on the west side of their building including pouring a sidewalk to make it handicapped accessible. All present voting yes. Absent was Mensink. Motion carried.

HAMMEL HOUSE & COMPANY:

A proposal was received from Hammel House & Company requesting that the city utilize its city engineer, Stantec, for design services related to their proposed development and they agree to reimburse the city for those engineering services. Motion by Swenson and seconded by Morem to approve engineering services proposed from Stantec. All present voting yes. Absent was Mensink. Motion carried.

WATER MAIN:

A water main loop proposal from Stantec was reviewed and recommended for approval by the Utility Committee. The six inch water main would be looped from the intersection of Third Street SE/Garden Road west along Garden Road and connecting to the existing water main in the boulevard just west of the fire hall. Also a six inch water main will also be installed south across Garden Road to the Wastewater plant yard with a hydrant. The water main would be directionally drilled due to the number of private utilities in the area of desired installation. Engineering services would be done on an hourly basis. Quotes would be solicited for the project since it is anticipated to be under the competitive bid threshold. Motion by Sagen and seconded by Morem to proceed with the water main loop engineering proposal. All present voting yes. Absent was Mensink. Motion carried.

BUILDING & MAINTENANCE:

A generator maintenance 3-year contract with Interstate Power System was reviewed. It was mentioned that during the warranty period of the generators it was best to have the authorized distributor handle the maintenance. The contract would cover the generators for the lift stations, firehall, well, and trailer generator. Motion by Swenson and seconded by Morem to approve the contract. All present voting yes. Absent was Mensink. Motion carried.

It was the consensus of the Council to contract for 25 ton road salt using the state bid for 2017-2018 similar to past years.

Sealed bids were received for selling the 2004 Chevy pick-up. Highest of four bids was \$3,251. Motion by Donney & seconded by Swenson to sell the truck to the highest bidder. All present voting yes. Absent was Mensink. Motion carried.

WHV inspected roofing on the Wastewater Plant, Visitor Center and Well House #2. All were in need of roofing repairs to repair or prevent leaking. Cost estimate was \$1,722 for Visitor Center, \$4,570 for WWTP, and \$422 for Well House #2. Motion by Donney and seconded by Swenson to have WHV make the repairs. All present voting yes. Absent was Mensink. Motion carried. Well house #1 roof will need some minor repairs in the near future once some other general maintenance repairs are complete.

The Building Committee members met at the Visitor Center and discussed the doors with a contractor. A proposal for replacing the front (north) door with a handicapped accessible 42 inch door with opener, the west door and east door would be replaced, with other two doors west and north being replaced with windows was given by Decorah Mobile Glass Company in the amount of \$12,672. A card reader for the front door would be installed by Custom Alarm in the amount of \$1,557.66. Motion by Donney and seconded by Swenson to proceed with the Decorah Mobile Glass Company's and Custom Alarm's proposal. All present voting yes. Absent was Mensink. Motion carried.

EDA REPORT:

EDA had not met yet. Mayor Donney stated a marketing company would be presenting sample city logo designs.

PARK BOARD REPORT:

Did not meet.

LIBRARY BOARD REPORT:

There was none.

ARTS BOARD REPORT:

Does not meet this month.

MAINTENANCE STAFF POSITION:

The personnel committee is recommending hiring a maintenance staff person to cross train and obtain licensures for water and wastewater. The position would assist with water maintenance, sewer maintenance, and parks maintenance due to the nearing retirement of our current staff. The position would be 40 hours per week and the applicant would be required to have or obtain a Water and Sewer License within 5 years. Motion by Donney and seconded by Sagen to begin the application process. All present voting yes. Absent was Mensink. Motion carried. It was noted that once a current staff member retires, we would not hire a replacement.

Upon no further business, Mayor Donney adjourned the meeting.

Mayor Steve Donney

Eileen Schansberg, Deputy Clerk

CITY OF HARMONY
City Council Claims for Review

05/05/17 2:57 PM

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May 9, 2017

Fund Descr	Department	Object of Expense	Vendor	Comments	Amount
Fund 101 General Fund					
General Fund		Union Central Pension Fund	CENTRAL PENSION FUND	Pension contribution Brian/Chris	\$176.00
General Fund		Health Insurance	I.U.O.E. LOCAL 49 FRINGE BENEF	Union health ins	\$2,340.00
General Fund		Union Dues	IUOE LOCAL #49	Union dues-Brian/Chris	\$68.00
General Fund		NCPERS Insurance	NCPERS GROUP LIFE INS	511800	\$48.00
General Fund		Life Insurance	USABLE LIFE	101421301G	\$81.50
General Fund	Administration	Dues	SE MN LEAGUE OF MUNICIPALITIES	dues for 17-18	\$40.00
General Fund	Administration	General Operating Supplies	1 SOURCE	copy paper/business cards/pen fillers	\$87.61
General Fund	Civil Defense	Telephone	HARMONY TELEPHONE COMPANY	Sirens/DSL Phone	\$87.25
General Fund	Community Center	Cleaning Supplies	SCHILLING PAPER CO.	bathroom supplies	\$29.16
General Fund	Community Center	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Comm Ctr	\$2,126.39
General Fund	Community Center	Gas Utilities	MINNESOTA ENERGY	monthly gas service-Comm Ctr	\$213.33
General Fund	Community Center	General Operating Supplies	KINGSLEY MERCANTILE	chair tips	\$5.58
General Fund	Community Center	Sewer Utilities	HARMONY PUBLIC UTILITIES	sewer-Comm Ctr	\$35.00
General Fund	Community Center	Small Tools and Minor Equip	KINGSLEY MERCANTILE	wastebasket	\$24.99
General Fund	Community Center	Telephone	HARMONY TELEPHONE COMPANY	Admin Phone/DSL	\$208.46
General Fund	Community Center	Water Utilities	HARMONY PUBLIC UTILITIES	water-Comm Ctr	\$21.48
General Fund	Community Events	General Operating Supplies	BERGE, ROSIE	coffee for Sr Room	\$12.99
General Fund	Community Events	Program Services	MILNE, DRUCILLA	Program 5/24/17	\$50.00
General Fund	Legal Services	Legal Fees	NETHERCUT SCHIEBER ATTORNEYS	Legal services for April	\$594.50
General Fund	Personnel Administration	General Operating Supplies	CULLIGAN	wellness program	\$52.90
General Fund	Personnel Administration	General Operating Supplies	ILLG, JEROME	Wellness	\$80.31
General Fund	Police Department	Equipment Parts	EMERGENCY AUTOMOTIVE TECHNOL	light bar lens kit	\$150.80
General Fund	Police Department	Other Equipment	WATCH GUARD VIDEO	camera for Squad	\$4,820.00
General Fund	Police Department	Telephone	HARMONY TELEPHONE COMPANY	Police Phone	\$50.66
General Fund	Public Works Buildings	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Shop	\$196.02
General Fund	Public Works Buildings	Gas Utilities	MINNESOTA ENERGY	monthly gas service-Shop	\$124.28
General Fund	Public Works Buildings	General Operating Supplies	KINGSLEY MERCANTILE	brush/tire spray/window wash	\$21.95
General Fund	Public Works Buildings	General Operating Supplies	MISSISSIPPI WELDERS SUPPLY CO	oxygen cylinders	\$15.90
General Fund	Public Works Buildings	Taxes, Licenses & Permits	MN DEPT OF LABOR & INDUSTRY	air compressor tank licensure	\$10.00
General Fund	Public Works Buildings	Water Utilities	HARMONY PUBLIC UTILITIES	water-Shop	\$16.59
General Fund	Streets	Landscaping Materials	S & S AUTOMOTIVE	street marking paint	\$221.85
General Fund	Streets	Repair/Maint Machinery/Equip	HAMMELL EQUIPMENT	tractor grill assembly	\$2,197.00
General Fund	Streets	Street Maint Materials	BRUENING ROCK PRODUCTS, INC	Alley Rock	\$562.32
General Fund	Visitor Center	Cleaning Supplies	HARMONY FOODS	bleach	\$3.38
General Fund	Visitor Center	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Vis Ctr	\$200.74
General Fund	Visitor Center	Gas Utilities	MINNESOTA ENERGY	monthly gas service-Vis Ctr	\$201.95

CITY OF HARMONY
City Council Claims for Review

May 9, 2017

Fund Descr	Department	Object of Expense	Vendor	Comments	Amount
General Fund	Visitor Center	Sewer Utilities	HARMONY PUBLIC UTILITIES	sewer-Vis Ctr	\$26.45
General Fund	Visitor Center	Water Utilities	HARMONY PUBLIC UTILITIES	Water-Vis Ctr	\$16.09
Fund 101 General Fund					\$15,219.43
Fund 202 CDBG Rehab Loan Program					
CDBG Rehab Loan Progr	Loan Programs	Management Fees	CEDA	retainer services for SCDP Grant	\$1,206.08
Fund 202 CDBG Rehab Loan Program					\$1,206.08
Fund 211 Library Fund					
Library Fund	Library	Media-Audio	INGRAM LIBRARY SERVICES, INC	audio book	\$10.99
Library Fund	Library	Media-Audio	INGRAM LIBRARY SERVICES, INC	audio books	\$155.59
Library Fund	Library	Media-Audio	INGRAM LIBRARY SERVICES, INC	audio books	\$32.99
Library Fund	Library	Media-Books	BAKER & TAYLOR	books	\$208.87
Library Fund	Library	Media-Books	BAKER & TAYLOR	book	\$10.80
Library Fund	Library	Media-Books	CENTER POINT LARGE PRINT	lg print books	\$43.14
Library Fund	Library	Media-Video	AMAZON CAPITAL SERVICES	Dvds	\$29.92
Library Fund	Library	Media-Video	AMAZON CAPITAL SERVICES	Dvds	\$177.90
Library Fund	Library	Media-Video	AMAZON CAPITAL SERVICES	Dvds	\$14.96
Library Fund	Library	Motor Fuels/Lubricants	KWIK TRIP,INC	gas-Van	\$9.92
Library Fund	Library	Office Accessories	QUILL CORPORATION	dividers	\$2.59
Library Fund	Library	Office Accessories	QUILL CORPORATION	folder tabs	\$14.07
Library Fund	Library	Office Accessories	QUILL CORPORATION	money receipts	\$14.06
Library Fund	Library	Postage	SOUTHEASTERN LIBRARIES COOP	postage on mailers	\$23.46
Library Fund	Library	Printed Forms	SOUTHEASTERN LIBRARIES COOP	mailers & SMS Notices	\$15.90
Library Fund	Library	Software Service Fees	SOUTHEASTERN LIBRARIES COOP	Basic services & PC Support	\$577.36
Library Fund	Library	Telephone	HARMONY TELEPHONE COMPANY	Library Phone	\$49.11
Fund 211 Library Fund					\$1,391.63
Fund 222 Fire Fund					
Fire Fund	Fire Department	Equipment Parts	KINGSLEY MERCANTILE	batteries	\$8.99
Fire Fund	Fire Department	General Notices and Pub Info	BLUFF COUNTRY NEWSPAPER GROUP	Thank you-Volunteers	\$125.00
Fire Fund	Fire Department	Repair/Maint Machinery/Equip	PRESTON EQUIPMENT CO.	balance due Chain saw carberator	\$9.00
Fire Fund	Fire Stations and Bldgs	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Firehall	\$305.19
Fire Fund	Fire Stations and Bldgs	Gas Utilities	MINNESOTA ENERGY	monthly gas service-Firehall	\$132.59
Fire Fund	Fire Stations and Bldgs	Repair/Maint Bldg/Structures	CONNIES CARPET CLEANING	carpet cleaning at Firehall	\$176.40
Fire Fund	Fire Stations and Bldgs	Sewer Utilities	HARMONY PUBLIC UTILITIES	sewer-Firehall	\$21.50
Fire Fund	Fire Stations and Bldgs	Telephone	HARMONY TELEPHONE COMPANY	Fire Phone	\$41.60
Fire Fund	Fire Stations and Bldgs	Water Utilities	HARMONY PUBLIC UTILITIES	water-Firehall	\$12.93

CITY OF HARMONY
City Council Claims for Review

May 9, 2017

Fund Descr	Department	Object of Expense	Vendor	Comments	Amount
Fund 222 Fire Fund					\$833.20
Fund 223 Ambulance Fund					
Ambulance Fund	Ambulance Service	Cleaning Supplies	SCHILLING PAPER CO.	garbage bags	\$71.86
Ambulance Fund	Ambulance Service	Financial Services Fees	EXPERT T BILLING	billing services for March	\$324.00
Ambulance Fund	Ambulance Service	General Notices and Pub Info	BLUFF COUNTRY NEWSPAPER GROUP	Thank you-Volunteers	\$125.00
Ambulance Fund	Ambulance Service	Medical Supplies	EMERGENCY MEDICAL PRODUCTS	medical supplies	\$336.19
Ambulance Fund	Ambulance Service	Medical Supplies	MISSISSIPPI WELDERS SUPPLY CO	oxygen	\$32.34
Ambulance Fund	Ambulance Service	Medical Supplies	PETTY CASH-CITY	alcohol swabs	\$2.59
Ambulance Fund	Ambulance Service	Motor Fuels/Lubricants	KWIK TRIP, INC	diesel-Amb	\$353.46
Ambulance Fund	Ambulance Service	Motor Fuels/Lubricants	S & S AUTOMOTIVE	diesel exhaust-Amb	\$24.00
Ambulance Fund	Ambulance Service	Repair/Maint Other Equipment	ANCOM TECHNICAL CENTER	belt clip for pager	\$14.10
Ambulance Fund	Ambulance Service	Repair/Maint Other Equipment	PETTY CASH-CITY	clean cot covers	\$19.50
Ambulance Fund	Ambulance Service	Repair/Maint Vehicles	NINETY FOUR SERVICES, INC	front end alignment for Amb	\$228.98
Ambulance Fund	Ambulance Service	Telephone	VERIZON WIRELESS	monthly cell service	\$47.72
Ambulance Fund	Ambulance Service	Training Fees	ELAN FINANCIAL SERVICES	3 CPR Schools for school	\$15.18
Ambulance Fund	Ambulance Service	Training Fees	GOLD CROSS AMBULANCE	Intercept chgs JH	\$191.24
Ambulance Fund	Ambulance Service	Training Fees	SE MINNESOTA EMS	CEVO for Damingo Kingsley	\$50.00
Ambulance Fund	Ambulance Service	Travel Expenses	BIGALK, TERRY	Conference parking	\$9.50
Fund 223 Ambulance Fund					\$1,845.66
Fund 251 Park Fund					
Park Fund	Parks	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Parks	\$102.62
Park Fund	Parks	General Operating Supplies	KINGSLEY MERCANTILE	snap hook	\$3.29
Park Fund	Parks	Repair/Maint Machinery/Equip	HAMMELL EQUIPMENT	mower tune-up	\$195.56
Park Fund	Parks	Repair/Maint Machinery/Equip	RUN RIGHT POWER LLC	mower tune up	\$457.38
Fund 251 Park Fund					\$758.85
Fund 423 2017 Street & Utility Project					
2017 Street & Utility Pro	2017 Street & Utility Proje	Engineering Fees	STANTEC CONSULTING SERVICES, I	engineering Street/Utility Imps '17	\$6,460.59
Fund 423 2017 Street & Utility Project					\$6,460.59
Fund 601 Water Fund					
Water Fund	Water Utility Administratio	Legal Notices Publishing	BLUFF COUNTRY NEWSPAPER GROUP	Employment ad	\$46.50
Water Fund	Water Utility Operation	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-pumphouses	\$1,092.00
Water Fund	Water Utility Operation	Gas Utilities	MINNESOTA ENERGY	Monthly gas service-pumphouses	\$79.50
Water Fund	Water Utility Operation	General Operating Supplies	KINGSLEY MERCANTILE	concrete mix/window wash	\$28.37
Water Fund	Water Utility Operation	Laboratory & Testing Fees	UTILITY CONSULTANTS, INC	Water Testing Lab Fees	\$40.00
Water Fund	Water Utility Operation	Repair/Maint Bldg/Structures	FREERKSEN, ROBERT	repair Soffit/facia door #2 well	\$323.44

CITY OF HARMONY
City Council Claims for Review

May 9, 2017

Fund Descr	Department	Object of Expense	Vendor	Comments	Amount
Fund 601 Water Fund					\$1,609.81
Fund 602 Sewer Fund					
Sewer Fund	Sewer Administration	General Notices and Pub Info	BLUFF COUNTRY NEWSPAPER GROUP	Employment ad	\$46.50
Sewer Fund	Sewer Administration	Postage	PETTY CASH-CITY	mailed MPCA licensure renewal	\$13.30
Sewer Fund	Sewer Operation	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-WWTP/Lifts	\$1,511.19
Sewer Fund	Sewer Operation	Gas Utilities	MINNESOTA ENERGY	Monthly gas service-WWTP	\$405.56
Sewer Fund	Sewer Operation	Laboratory & Testing Fees	UTILITY CONSULTANTS, INC	Wastewater Testing Lab Fees	\$812.40
Sewer Fund	Sewer Operation	Repair/Maint Other Improve	CANTON HEATING & COOLING, LLC	jet primary clarifier line at sewer plant	\$230.00
Sewer Fund	Sewer Operation	Repair/Maint Other Improve	KINGSLEY MERCANTILE	auger line @ WW plant	\$225.00
Sewer Fund	Sewer Operation	Sewer Utilities	HARMONY PUBLIC UTILITIES	sewer-WWTP	\$1,902.13
Sewer Fund	Sewer Operation	Telephone	HARMONY TELEPHONE COMPANY	Lift Stations Dialer/DSL Phone	\$137.95
Sewer Fund	Sewer Operation	Utility Maint Materials	KINGSLEY MERCANTILE	elbow	\$4.29
Sewer Fund	Sewer Operation	Water Utilities	HARMONY PUBLIC UTILITIES	water-WWTP	\$1,203.99
Fund 602 Sewer Fund					\$6,492.31
Fund 604 Electric Fund					
Electric Fund		Street Lights	MOREM ELECTRIC, INC	set new poles 4th/2nd SE	\$1,302.05
Electric Fund		Electric Service Upgrades	MOREM ELECTRIC, INC	underground to 65 Main Ave N	\$1,580.37
Electric Fund	Electric Utility Operation	Electric Power for Resale	MI ENERGY COOPERATIVE	Power for Resale	\$54,954.84
Electric Fund	Electric Utility Operation	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Town clock	\$12.76
Electric Fund	Electric Utility Operation	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Streetlights	\$2,502.13
Electric Fund	Electric Utility Operation	Repair/Maint Other Improve	GOPHER STATE ONE CALL, INC	locates/no locates	\$24.30
Electric Fund	Electric Utility Operation	Repair/Maint Other Improve	MOREM ELECTRIC, INC	Streetlight repair	\$318.73
Electric Fund	Electric Utility Operation	Repair/Maint Other Improve	MOREM ELECTRIC, INC	underground to 920 2nd Ave NE	\$568.30
Electric Fund	Electric UtilityAdministratio	Postage	PETTY CASH-CITY	mailed deposit	\$0.47
Fund 604 Electric Fund					\$61,263.95
Fund 620 Economic Development Authority					
Economic Development	Economic Development	Advertising	TULIP TREE STUDIOS, LLC	1/2 design fee for Logo	\$750.00
Economic Development	Economic Development	Telephone	HARMONY TELEPHONE COMPANY	EDA Phone	\$21.48
Fund 620 Economic Development Authority					\$771.48
					\$97,852.99

ADMINISTRATOR'S REPORT

For the Period from April 11, 2017 to May 9, 2017

ADMINISTRATION

Developing investment policy.

Have been working with MNDOT and Harmony Historical Society to get the approvals necessary for the installation of the historical sign project that they received a grant for.

Sent past due fire call invoices to customers. May need to review process for collecting non-payment of fire calls.

Mailed out liquor license renewals to licensees.

Assembling information for Well #3 DNR appropriation permit. Will need to update Wellhead Protection Plan for this well. Will need to do a water supply plan that needs to be submitted by October 10, 2017.

Accepting job applications for full time maintenance worker. Position has been advertised.

UTILITY/BUILDING COMMITTEE

Met with school and discussed storage and maintenance facility. They are updating a new site location to make sure it will work for helipad.

Contracts have been signed for the 2017 Street Project. A preconstruction meeting will be held on May 12.

MNDOT will be doing a mill and overlay on TH139 from Hwy 52 to State Line in 2017. They will also be replacing some sidewalks along TH139 to make them ADA compliant. Signed agreements have been submitted to MNDOT. We have received funds for temporary right-of-way and right-of-way acquisitions.

Materials have been ordered for doors/windows at Visitor Center.

Will be closing grant out with USDA soon for generator projects.

WASTEWATER

Staff is monitoring dechlorination equipment with adjustments to record levels so we can show history of potential compliance for when we apply for wastewater license renewal. Wastewater plant renewal license has been submitted to MPCA.

City of Harmony
Cash Balance Report
March 2016 and March 2017

Fund Description	March-16	March-17
General Fund	703,077.62	692,767.61
Revolving Loan Fund	104,398.43	19,807.73
Commercial Rehab Fund	(1,259.96)	4,156.42
Library Fund	(29,948.10)	(27,223.83)
Fire Fund	43,710.74	36,824.98
Ambulance Fund	162,178.70	12,095.30
Park Fund	51,905.96	49,905.38
Arts Fund	3,380.58	1,149.39
GO Improvement 2010A-3rd St SW	28,139.54	32,958.29
GO Tax Abatement 2013A-Comm Cntr	2,656.07	4,487.52
GO Improvement 2013B-Heritage Grove	(6,836.15)	(5,842.60)
GO Improvement 2014A-1st Ave SW	97,341.34	106,638.35
Capital Projects Fund	537,718.03	646,553.24
TIF District #5-Antique Mall	114.88	125.29
TIF District #6-HECO	174.57	179.42
First Ave SW Project	-	-
Well No. 3 Project	-	-
2017 Street and Utility Project		(32,056.59)
Water Fund	82,137.80	213,533.25
Sewer Fund	(1,126.50)	23,371.42
Solid Waste Fund	(3,727.82)	2,729.25
Electric Fund	650,235.63	545,738.81
Storm Water Fund	1,557.80	5,927.02
Economic Development Fund	66,461.01	60,524.10
Total	2,492,290.17	2,394,349.75

Investment Policy for the City of Harmony

Scope:

This investment policy applies to the activities of the City of Harmony with regard to investing the financial assets of all funds, including the following:

- General Fund
- Special Revenue Funds
- Debt Service Fund
- Construction Funds
- Capital Improvement Funds
- Enterprise Funds

Investment Objectives:

Funds of the City of Harmony will be invested in accordance with Minnesota Statutes 118 A. Where silent, issues involving Investment and Cash Management will be handled in such a manner consistent with the City of Harmony Investment Policy. This Cash Management & Investment Policy will be reviewed by the City Administrator. The objectives (and priorities) of the Investment Policy shall be safety, liquidity, yield, and marketability (in that order). The investment portfolio shall be managed in a manner consistent with these objectives and priorities.

Delegation of Authority:

The City Administrator is the designated position as the Investment Officer of the City of Harmony. The City Administrator staff is responsible for the development and maintaining written administrative procedures for the operation of the investment program consistent with these policies. The City Administrator shall develop and maintain investment policies consistent with Minnesota Statutes 118 A. In order to assure that these policies and objectives are maintained, resources shall be allocated to the cash management and investment management program. This commitment of resources shall include financial and staffing considerations.

Prudence:

The standard of prudence to be applied, by the investment officer, shall be the “Prudent Investor” rule. Investments shall be made with due judgment and care under the prevailing circumstances. Such investments should be exercised with discretion and intelligence. Such decisions should be driven by the consideration of probable safety of capital as well as the probable income to be derived and “not” for speculation. The investment officer shall not be personally responsible for a specific security’s credit risk or market price change provided that the security’s purchase was in accordance with the investment policy. All significant deviations in credit risk should be reported immediately, and the appropriate action should be taken to control adverse developments.

Monitoring & Adjusting the Portfolio:

The City Administrator will routinely monitor the contents of the portfolio as well as the current interest rate market. The City Administrator will review the available markets and the relative values of competing instruments, and will adjust the portfolio accordingly.

Internal Controls:

The City Administrator will establish internal controls as necessary. Such controls should be reviewed by the independent auditor. The safeguarding of assets, through internal controls, should be designed to prevent the loss of funds due to fraud, error, misrepresentation, or imprudent actions.

Portfolio & Maturity Scheduling:

Investment maturities for the City of Harmony funds should be scheduled to coincide with projected cash flows of the City. Timely communication, from the various departments of the City is necessary & encouraged to accomplish this objective.

Pooling of Funds:

The investment officer may, for convenience, pool funds for investment purposes. Individual fund identity, in the financial ledgers, shall be maintained. Pooling practices should accomplish maximum volume benefits which come with investments in larger blocks or to meet the liquidity needs of any fund.

Approved Investments & Diversification:

The following securities are approved by M.S. 118 A. The assigned percentage reflects the maximum percentage allowed (for each category) within the total investment portfolio. There is no mandated requirement for assets to be invested in any of the categories as listed below:

* Demand Deposits (FDIC or NCUSIF backed) . . . checking accounts	75%
* Time Deposits (FDIC or NCUSIF backed)	100%
* Municipal Depository Funds (Local Government Investment Pool)	50%
* Super NOW Accounts (FDIC or NCUSIF backed)	50%
* Certificates of Deposit (FDIC or NCUSIF backed)	50%
* Sweep Accounts	50%
* Commercial Paper (Rating of A1,P1, or F1)	50%
* Repurchase Agreements (30 day maturity & FDIC backed)	50%
* Federal Government Direct Obligations	100%
U.S. Treasury Bills	
U.S Treasury Notes	
U.S. Treasury Bonds	
* Federal Financing Bank Obligations	100%
GNMA I	
GNMA II	
GNMA Mortgaged Backed Securities	
GNMA Participation Notes	
Maritime Merchant Marine Bonds / Notes / Obligations	
* Government Sponsored Securities	100%
Farm Credit Consolidation Notes	
Farm Credit Bank Consolidation Bonds	
Farm Land Bank Consolidation Bonds	
Federal Home Loan Bank Obligations (FHLB)	
Federal Home Loan Mortgage Corporation (FHLMC)	
Federal National Mortgage Association (FNMA) Debentures	
Federal National Mortgage Association (FNMA) Notes	
Student Loan Marketing Association (SLMA)	

Selection of Investment Instruments:

The City Administrator will select a preferred maturity period when evaluating a potential investment. This date will consider either potential cash flow requirements or conformance to a maturity guideline. When selecting certificates of deposit, the City Administrator will inform the financial institution if pledged collateral will be required prior to obtaining an interest rate quotation. If no specific maturity or cash flow need is required, then the market trend or yield curve may be used to determine an advantageous maturity.

Maturity:

The City Administrator will attempt to maintain a minimum of thirty days cash flow requirement in the master checking account or a government approved money market fund. Available funds exceeding the thirty day cash flow requirement will be defined as “available excess funds” subject to the following desired maturity schedule. The following guidelines may be deviated from if so directed by the City Administrator. The available excess funds shall be scheduled to coincide with projected cash flow needs.

Maturities in this category shall be timed to comply with the following minimum guidelines:

Under 1 year	10 % minimum
Under 2 years	30 % minimum
Under 3 years	50 % minimum
Under 4 years	60 % minimum
Under 5 years	70 % minimum
Under 10 years	80 % minimum
Under 15 years	90 % minimum
Under 20 years	100 % minimum

If at the year of any fiscal year, the above minimum percentages are exceeded, then the City Administrator shall execute all new investment transactions in shorter term instruments until the minimum standards are met.

Investment Strategy:

The following factors reflect the underlying basis for investment practices. They are:

Safety Considerations

The investment officer should identify financial institutions which carry the FDIC designation. FDIC backing is available for the first two hundred fifty thousand (\$250,000) of consumer deposits. Should the City of Harmony have more than \$250,000 invested at any one financial institution, then the investment officer shall obtain pledged collateral for all funds exceeding the \$250,000 threshold.

The financial institution shall provide the investment officer a designated list of pledged securities. The financial institution may substitute these securities as long as they provide a new designated listing or schedule.

The investment officer may select a broker dealer for the purpose of investing in securities as listed prior in this policy. The broker dealer shall have an office located within the State of Minnesota or an investment officer that actively executes investment trading within the State of Minnesota and agrees to execute investment trading consistent with Minnesota Statute 118 A.

Liquidity Considerations

Liquidity involves the City of Harmony's ability to expedite the sale of a security for cash. Liquidity considerations include the ability to "market" the investment instrument. The investment officer may also use the staggering of investment maturities to accomplish liquidity as well as cash flow objectives.

Yield Considerations

The investment officer will contact financial institutions to obtain investment yields. It will be understood that if an amount over two hundred fifty thousand dollars is invested at any financial institution, then the pledging of collateral is required. Such pledging may result in the “discounting” of a yield quotation by the financial institution. Historically, these discounts have tended to range from 25 to 125 basis points depending upon the financial institution and market conditions. This discounting, by the financial institution, may render the yield quotation non-competitive. The investment officer will disclose the financial institution, the approximate value of funds currently invested at the financial institution and if pledging will be required.

Safekeeping:

All certificates of deposit purchased at local financial institutions will be held by the City of Harmony. All securities purchased from Broker Dealers may be held in safekeeping by the Broker Dealer or (at the discretion of the City of Harmony) may be held in third party safekeeping by an institution designated as primary agent. The primary agent shall issue a safekeeping receipt to the City of Harmony listing the specific instrument, rate, maturity and any other pertinent information.

Reporting:

The investment officer will generate reports for management purposes. These reports will include data identifying the investment instruments being held as well as the interest rate yield of the security and its maturity. All investment information shall be provided to the independent auditor for review. All investment information is available and will be submitted for inclusion in the Comprehensive Annual Financial Report and any Financial Statements and Supplementary Information. Reports are available and submitted for review upon request.

Resolution 17-03:
LOCAL GOVERNMENT RESOLUTION
LCCMR ENVIRONMENT AND NATURAL RESOURCES TRUST FUND
APPLICATION

BE IT RESOLVED that the City of Harmony act as the legal sponsor for project contained in the 2018 LCCMR Environmental and Natural Resources Trust Fund Application to be submitted on or before May 15, 2017 and that the Mayor and City are hereby authorized to apply for funding of this project on behalf of the City of Harmony.

BE IT FURTHER RESOLVED that the City of Harmony has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure that the project will move forward as proposed.

BE IT FURTHER RESOLVED that the City of Harmony has not violated any Federal, State, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Harmony, may enter into an agreement with the State of Minnesota for the above-referenced project, and that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that the City of Harmony will the repay the grant if milestones are not realized by the completion date identified in the Application.

NOW, THEREFORE BE IT RESOLVED that the Mayor and City Administrator, or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

The foregoing resolution was introduced and moved for adoption by Council Member _____ and seconded by Council Member _____.

- Voting for the Resolution:
- Voting Against the Resolution:
- Abstained from Voting:
- Absent:

Motion carried and resolution adopted this 9th day of May 2017.

Steve Donney, Mayor

ATTEST:

Jerome Illg, Administrator