

Clerk's Report
March 22nd, 2021

A date has been set for the special meeting where the Auditor's give their report. The meeting has been set for Monday, 29th at 4:00 p.m. The meeting should only take an hour or so.



On Saturday, March 27th I will be working with our technology firm on installing the BenQ DuoBoard in the public library basement, setting up Liv's new computer, and installing the VPN at City Hall. We set 5 ½ hours for this but I doubt that it will take this long.



As directed, I have checked on the Building permit issued in 2014 for the portable classrooms for District 316. The permit application describes dirt work, utilities, concrete and moving in portable schools for classrooms. There is no indication that the permit is temporary or when it would expire, although that probably would have been the intent.

I would suggest someone reach out to the school district and inquire.



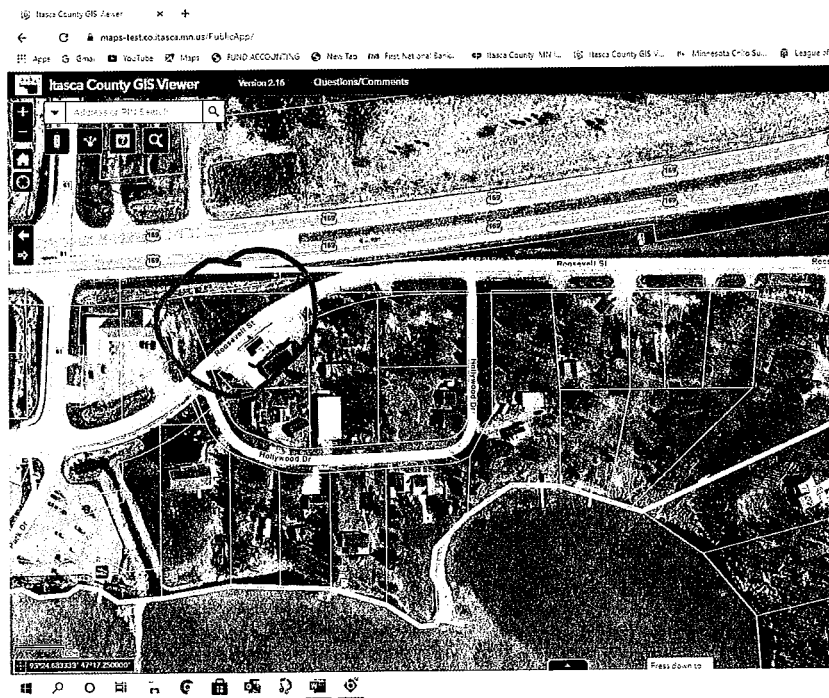
The final plans for the CSAH 61 and Hwy 169 intersection work with the new street lights and enhanced crosswalk have been submitted to MnDOT for approval. The anticipated start date is June 2021.

The existing light in the NW quadrant will be moved to the new pole with flashers on it. Another light will be added to the SW quadrant. The existing light is the City's responsibility. On November 9, 2020 the City consented to also take care of the new light being added long term.

In working with the County Engineer and MN Dot it has been discovered that the billing never got switched with over with the executed agreement in 2006 when the NW quadrant light was put in. I have since contacted Minnesota Power and have had the billing account transferred to the City. MnDOT is not asking for reimbursement for prior years; the billing to the City will start March 4th. The average cost has been \$12.00 per month. ☹️ At this time, there is no need to change the budget, just something that you should be aware of.

The current MnDOT sticker on the lighting cabinet will be removed to avoid any future confusion about the system.





So . . . this little piece of property was taken by the State back when the four lane highway was put in. There is a long process to get it back in the City's name. The state gives it back to the next lowest level of government (Itasca County) and then Itasca County gives it back to Coleraine. Anyway, this is another project that got dropped several years ago and I am trying to get cleared up

so that the City can figure out how they want to allow Mr. Vekich to put up a sign there. In this process it was also discovered that what we refer to as Roosevelt (old Cty Rd 10 before 4 lane was put in) never got transferred to the City either.

All that said, I've been working with the County Engineer, Karin Grandia, to get both issues resolved. (Approval granted by previous Council) We are almost there!!

- 1) There needs to be an official transfer of jurisdiction (MN Stat. 163.11 subd. 9) of Roosevelt Street from CSAH 61 to CSH 10 to the City of Coleraine. This can be done in the form of a resolution from each agency. (Coleraine accepting and Itasca County transferring).
- 2) A quit claim deed will need to be executed for the ROW to be turned back.

The resolutions, drawings and other paperwork are being drafted, the County Attorney's office will need to review and approve – then can be submitted to both councils for approval. I hope to have this all resolved by the end of May so that you can make a decision on how to move forward with the sign request.



Another little fyi: For the sign to go on that property, either the City or Mr. Vekich needs to own it AND it must be zoned commercial AND the signage must have MnDOT approval. The city could own the property and either just let the sign go in or could set up a long-term lease for that little section of property that the sign would be on. What to allow and how to allow it, will be the next step.

Another fyi: I'm not aware of any documented or verbal promises made to anyone regarding this triangle piece of property. Four Seasons Market does

border and own the property to the west that was not taken by the state as part of the right of way.

Yes, nothing could be simple, right?



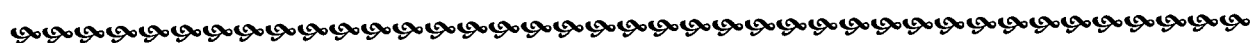
American Recovery Rescue Plan Act (ARRP) and the Local Fiscal Recovery Fund (LFRF) – I attended a webinar on the ARRP/LFRF which provided some preliminary information for me to share with you.

It is estimated that the City will receive between \$200,000 and \$220,000; this is still an estimate and not an actual figure. These monies are what the federal government is giving out to government entities as part of the ARRP due to the covid pandemic.

Details and specific guidance has not yet been given by the Department of the Treasury, but I will be attending and keeping an eye on it all as I will have to certify that the rules will be followed in order for the City to receive the monies.

So . . . I can't tell you a lot but I can tell you that:

- Funds are granted as a response to the covid pandemic.
- Detailed documentation showing how an expense is related to covid will be required, but looks like definitions are much broader.
- The time frame for expenditures is March 1, 2021 to December 31, 2024.
- There will be two payments to the City. One should be within 60 days or so and another 12 months from then.
- Funds can be used for revenue replacement; no guidance yet whether this can be used for 2020 replacements (unlikely) and what documentation would be required.
- Some of the funding could be used for water, sewer, and broadband infrastructure and not be directly related to the covid pandemic like everything else has to be.
- I have confirmed, however, that any stormwater project will NOT qualify.
- It is not yet determined how cities could provide some help to their municipal liquor stores and municipal golf courses (Eagle Ridge Golf Course)—municipal enterprises are ***much trickier***. But I will keep you posted.



Our IT people are suggesting some upgrades/changes to our Internet network. This would be a more robust wireless option for the City and would provide faster throughput over the WiFi for higher performance on things like laptops, cell phones and duobords. It also would provide improved security over the air for the wireless transmissions. This would be considered part of a broadband infrastructure project so could be paid for out of ARRP Act dollars.

What we have now is a 'home grade' router. What they are suggesting, is that this be replaced with actual enterprise-grade hardware and would be a big improvement to the city broadband infrastructure. A ballpark figure just for equipment would be about \$600 not including installation. What they are suggesting, though, would only be an improvement for City Hall and the Nyberg.

It's possible that the street shop and library get what is called a "Metro Ethernet" connection to be able to access the fiber (that is if I understand this correctly). I do know that it has been talked about putting in fiber optic to the Library; this would be a City expense and it's far enough away from City Hall that this makes sense. At the same time, perhaps it should go to the street shop too. Or maybe the "Metro Ethernet" is all that would be necessary. The Metro Ethernet would be supplied by SCI – basically what it means is that the three buildings share 1 Gig of fiber.

Some of this is quite complicated. As part of the franchise agreement that was just renewed with SCI, although there is not a non-compete clause, the agreement does stipulate that the City receive internet free, but does not really stipulate what kind of internet that would be. The details of that are somewhat unclear to me.

Because ARRP Act monies could be spent on broadband infrastructure, perhaps the City would like the IT people to assess other needs the city may have (including the above) for modernization/security/infrastructure, where they could provide a written report with some costs to provide solid information for you to plan on. I could also work on getting solid cost estimates from SCI on putting in fiber to other city locations.

Should you want this to be pursued, ***please make a motion for the Clerk to engage the IT people and whomever else necessary for a thorough assessment of technology needs—City wide.*** Only an assessment is suggested at this time. This would include what Public Utilities might need for all their SCADA and other alert/alarm systems.



A new flooring quote has been provided by Floor to Ceiling for the installation of the same flooring as the common area in the bathrooms and kitchen, not including the removal and replacement of appliances and toilets.

This is being presented for re-approval for two reasons:

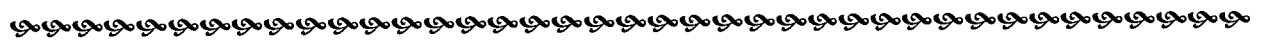
- 1) It has been so long since the original quote with the insurance claim that the cost is 40 cents a square foot higher.
- 2) Approve payment out of the "special projects" fund so as not to impact budgets.

This is on the agenda under unfinished business.



When you get the audit report you will find that the City needs to continually work on developing written financial policies (and procedures). Eventually, the City will have to move to 'accrual based' accounting and reporting instead of the 'cash basis' that we operate under now.

This is an ongoing process and will take lots of time. That said, I have attached a draft of a Capital Asset Policy for the City. It is not complete and not ready to submit for approval. I've attached it for any questions or comments as I finish the draft up. I would appreciate your comments and any input you wish to provide.



More things are opening up a little and capacity limits have been increased, but the County is currently seeing a surge in positive cases.

For the safety of staff, City Hall will remain locked unless there is a public meeting. Administrative staff is following CDC, MN Governor, and LMC guided rules/suggestions.

Face masks are required; cloth and disposable masks are available upon entering. Hand sanitizing stations are also available.

The office is still waiting for a plexiglass screen with a hole cut in it for the counter.



As always, should you have any questions on anything, please let me know.

Respectfully submitted,

Briana

CITY OF COLERAINE

CAPITAL ASSET POLICY

PURPOSE

This policy is intended to provide a standard system of control for all fixed assets owned by the City of Coleraine.

DEFINITIONS

Asset Life (or useful life): The standard estimated useful life of an item. To be considered a fixed asset, an item must have a useful life greater than one year.

Asset Value (or historical cost): The value of an item. Value is based on the invoice amount (purchase price) plus additional costs of preparing the asset for use. Infrastructure value will be based on any contract amount paid, engineering costs, and any other expenditure necessary to put a structure into its intended state of operation.

Book Value: Original costs less depreciation.

Buildings and Structures: A building is a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or movable.

Building Improvements: Capitalized costs that materially extend the useful life of a building or increase the value, or both, beyond one year. Building improvements should not include maintenance and repairs done in the normal course of business.

Capital Asset: All land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, easements, works of art and historical treasures acquired by the City for use in providing services to its citizens. A capital asset is to be reported and depreciated in the City's government-wide financial statements. For the City of Coleraine, an asset must cost \$5,000 or more to be considered a capital asset.

Depreciation: The process of allocating the cost of assets over a period of time, rather than deducting the cost as an expense in the year of acquisition.

Depreciation Method: The method used to calculate the allocation (depreciation) of the cost of a capital asset over its estimated useful life. For the City of Coleraine the straight life method is used, meaning depreciation is calculated by taking the value of an asset and dividing by the useful life.

Infrastructure Assets: Assets that are long lived and normally can be preserved for a significant greater number of years than most capital assets and are normally stationary in nature. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems.

https://cityofcoleraine-my.sharepoint.com/personal/banderson_cityofcoleraine_com/Documents/Desktop/Financial Assets policy.doc

Land: Any parcel of land that is City owned whether developed or undeveloped. Included in historical costs any professional fees, demolition, interest, taxes, commissions, etc.

Land Improvement: Items such as grading, roads and parking lots on city owned land that will be capitalized.

Machinery & Equipment: Includes motorized and non-motorized equipment that has a primary function of a city street, park, building inspections, engineering, administration, or utility maintenance. It includes items such as tractors, mowers, vehicles, office equipment, etc.

Park Improvements: Improvements made to a city park that will be capitalized. This category would include items such as playground equipment, back stops, bleachers, etc.

Salvage Value: The value an asset is anticipated to hold at the end of its useful life .

CAPITAL ASSET ACQUISITION

A capital asset is a real or personal property that has a value equal to or greater than \$5,000 and has an estimated useful life greater than one year. The city will report capital assets in the following categories:

- Land/Land Improvements
- Buildings/Building Improvements
- Machinery & Equipment
- Infrastructure/Other Improvements

Capital assets should be recorded and reported at their historical costs, which include the vendor's invoice (plus the value of any trade-in or allowance, if reflected on the invoice) plus sales tax, initial installation costs, modifications, attachments, accessories or apparatus necessary to make the asset usable and render into service. Historical costs also include charges such as freight and transportation, site preparation costs and professional fees.

For assets acquired by donation, the cost will be the fair market value on the date of the gift and any costs of preparing the asset for use.

Property acquired under eminent domain will have a costs determined by the court plus any additional attorney fees, or costs associated with preparing the land for the intended use.

Assets acquired by forfeiture/seizure are based on the fair market value on the date of the forfeiture/seizure and additional costs associated with preparing the asset for intended use.

See also Fixed Asset Procedures for more details on entering capital assets into the computerized system.

PROPERTY CONTROL PROCEDURES

https://cityofcoleraine-my.sharepoint.com/personal/banderson_cityofcoleraine_com/Documents/Desktop/Financial Assets policy.doc

The City of Coleraine has not tracked capital assets prior to 2021. It is the intention of this policy to begin to record and value the City's capital assets starting with current purchases and creating a listing and report from historical data. This will be a work in progress until all City assets are accounted for. As the list is being developed and at least once a year, reports from the capital assets system will be given to the responsible departments to verify that all assets are still accounted for.

DEPRECIATION

Since the implementation of GASB 34, all capital assets are depreciated, except land and construction in progress. The City of Coleraine will eventually use the straight line method for depreciation, meaning the asset is written off evenly over the useful life. The amount depreciated can never exceed the asset's historic cost. See Fixed Asset Procedures for useful life of common items. If an item is not on the list, the useful life should be given by the person responsible for maintaining the asset.

CAPITAL ASSET DISPOSAL

A department head or responsible person for an asset, should notify the Council of any capital assets that are to be disposed of. They should also notify the finance department of the method of disposal, whether the item was a trade in, destroyed, etc. The information can then be entered into the capital asset system. (see procedures for more details)

No assets owned by the City shall be sold to an officer or employee of the city unless the sale conforms to Minnesota Statue 15.054. Property, except real property, may be sold to an employee after reasonable public notice at a public auction or by sealed bid, if the employee is the highest bidder and is not directly involved in the auction sealed bid process.

Approved by Coleraine City Council on: _____

Thomas Nielsen, Mayor

Briana Anderson, City Clerk-Treasurer