



Regular Meeting and Board of Audit
Wednesday February 28, 2024 - 7:00PM

The Orrock Township Board met in regular session, on Wednesday February 28, 2024 at 7PM at the Orrock Town Hall, 26401 – 180th St. NW, Big Lake, Minnesota.

In attendance were Chair Bryan Adams, Supervisors Paul Ellinger, Anne Felber, Gary Goldsmith, Bob Hassett, Treasurer Janine Arnold and Clerk Chris Weber. Also, in attendance were Kevin Krueger – Town Engineer, Sergeant Derek Barrett, two audience members and the Patriot News

A quorum was present, the meeting was called to order by Chair Bryan Adams, at 7:00PM and the Pledge of Allegiance to the United States of America was recited.

Meeting Agenda Approval

Motion/Second to accept the February meeting agenda as presented by: Hassett/Ellinger. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None.

Motion prevailed, and the meeting proceeded in accordance with the agenda as presented.

Approval of Consent Agenda

Treasurer's Consent Items

All treasurer's items were electronically sent to the Board for review and were available for public review during the meeting.

A. Routine Claims

The amount of February routine claims was \$115,508.62.

These claims will be retained as a part of the Official Minutes, which are available in the Clerk's Office.

B. Supplemental Claims

The amount of February supplemental claims was \$193.65.

These claims will be retained as a part of the Official Minutes, which are available in the Clerk's Office.

C. Report of January Disbursements Not Paid Through Claims

Treasurer Arnold had emailed to the board a memo and documentation regarding one credit card transaction that occurred in January. The disbursement was for the board approved purchase of a mat for the entryway. This disbursement occurred after the approval of January routine claims and did not go through routine claims. The total amount of this disbursement, made to American Floor Mats, is \$149.60. No motion to approve is needed as the township adopted a credit policy authorizing automatic approval of these claims.

This disbursement will be retained as a part of the Official Minutes, which are available in the Clerk's Office.

D. Payroll Claims – February 2023

The February payroll claims were in the amount of \$2,677.17.
These payroll claims will be retained as a part of the Official Minutes, which are available in the Clerk’s Office.

E. Cash Control Statement

Ending cash balance after reconciling the books with the bank statements: \$ 1,763,516.45. This amount included 4M fund balance.
Financial Reports are retained as part of the Official Minutes, which are available in the Clerk’s Office.

F. Investment Update

As of January 31, 2024, the Sherburne State Bank Checking was earning 1.31%, the Sherburne State Bank Debit Card Checking earned 1.29%, the money market account was earning 5.12%, the CD was earning 3.938%, and the 4M fund was earning 5.220%.

G. Treasurer’s Report

Town Funds balances as of January 31, 2024:

General Fund:	\$194,459.40	Road & Bridge:	\$ 994,947.37
Fire:	\$132,221.29	Capital Reserve:	\$ 116,358.70
ARPA Fund:	\$ 0.00	Driveway Escrows:	\$ 12,000.00
Pine Crest Estates Escrow	\$ 2,077.56	SOEL Escrow:	\$ 24,394.91

All remaining escrows are unchanged.
Financial Reports are retained as part of the Official Minutes, which are available in the Clerk’s Office.

H. Report of January Sherburne State Bank Securities Pledge Validation

Treasurer Arnold transmitted to the board electronically the Report of January Sherburne State Bank Securities Pledge Validation to the board. The required pledge amount was \$1,003,338.22 The securities pledge amount was \$1,636,101.64 which was \$652,163.42 over the required pledge amount.
This report will be retained as part of the Official Minutes, which are available in the Clerk’s Office and are attached to the minutes.

Motion/Second to approve the Consent Agenda Items listed above and as presented to the board by: Goldsmith/Felber. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None.

Regular Meeting Agenda

Sheriff’s Report

Sergeant Derek Barrett reported that there were 58 traffic stops in Orrock Township in January of 2024, compared to 74 traffic stops in January of 2023. Most speeding citations are being issued on CSAH5 and CSAH15. The department has placed extra patrol on CSAH75 to monitor speeds. Sergeant Barrett is reminding people to lock their vehicle doors when they are not in them. There was a vehicle that was broken into in the North Sand Dunes parking lot.

Open Forum

There were no open forum items.

Approval of Meeting Minutes

Motion/Second to approve the January Regular and Reorganizational Meeting Minutes by: Ellinger/Hassett. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Motion Prevailed.

Regular Business

Consideration of 2023 Audit Engagement Letter with Schlenner Wenner

Clerk Weber presented a 2023 Schlenner Wenner Audit Engagement Letter for consideration by the board. The 2021-2023 Audit Arrangement Letter was entered into in 2021 and needs to be ratified for the 2023 audit. The estimated audit fees are \$16,085 for the 2023FY audit with additional costs for OSA filing and adoption of SBITA's. While preparing the letter, Molly Thompson, from Schlenner Wenner, found that they failed to invoice the township for the OSA filing for the past two years. These fees are in addition to the audit fees. Molly estimated that the preparation of such filing for the year ended 2023 will be \$1,190. The estimated fees for the past two years should have been \$1,710. They do not intend to invoice the township for the omitted two years as it was their error. Molly wanted to make us aware of the fee that will be charged this year. Additionally, the time incurred to assist with the adoption of SBITA's will be billed at our standard hourly rates. This amount is impossible for them to estimate as it varies significantly entity to entity and agreement to agreement. The best that the township can do to curb any excessive fees is to read our instructions carefully related to this new standard and provide the information requested as timely and completely as possible. The only SBITA's (*subscription-based information technology arrangements*) that the township may have that would be subject to this standard are Office 365 and Webex.

The audit has begun as the Clerk and Treasurer have received requests for documentation. The field audit is scheduled for Wednesday, May 15th.

Motion/Second to approve and sign the 2023 Schlenner Wenner Audit Engagement Letter by: Goldsmith/Ellinger. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Motion Prevailed.

Motion/Second to direct the clerk to contact the auditor for pricing for performing the audits for FY2024 and FY2025 by: Goldsmith/Adams. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Motion Prevailed.

Sherburne County Building and Estimated Population Report

Clerk Weber presented the Sherburne County Building and Estimated Population Report. There were 25 new home permits in Orrock Township in 2023, which was the greatest number of permits amongst Sherburne County Townships. The 2023 estimated population is 4,674. The estimated population is determined as a rate of 2.5 people per residence. Orrock Township is fifth on population amongst the ten Sherburne County townships. The new home permits issued were valued at \$6,644,000. All other building permits had a value that totaled \$2,287,000. The township has a total of 3,765 platted acres and 19,449 unplatted acres. Orrock Township has a total of 16% platted acres.

Most of the lots have been built out in Shores of Eagle Lake has been completed, so it is expected the new homes built will decrease in the upcoming years.

MATIT Insurance Coverage Extension

Clerk Weber told the board that MATIT has sent an endorsement to townships extending the current bond, property, automobile and liability coverage through June 30, 2024. There is no additional cost for the change. The next renewal period will be July 1, 2024. The township will receive a renewal proposal by May 1st at which time the coverages will be reviewed.

Minnesota Benefits Association Group Term Life/Disability Insurance

The Minnesota Benefit Association offers township an option for Group Life/Disability insurance. Past boards have chosen not to enroll in the program. All officers must apply together for the same level of coverage. Clerk Weber presented the letter, enrollment form and pamphlet to the board and asked if they wanted to opt into this insurance. The board declined the insurance.

Pine Crest Estates West Irrevocable Letter of Credit (Updated)

Clerk Weber presented an updated irrevocable letter of credit for the Pine Crest Estates West development. This letter of credit reflects the letter of credit amount of \$114,547.50, as approved by the board at their October, 2022 board meeting. Town attorney, Bob Ruppe, has approved this letter of credit.

Motion/Second to approve the updated Pine Crest Estates West Irrevocable Letter of Credit in the amount of \$114,147.50 by: Hassett/Ellinger. In favor: Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: Adams. Motion Prevailed.

Hopes Up North Security Deposit

Since October of 2021, Hopes Up North has been using the town hall facility on the weekly basis for their recovery meetings. The group will be moving their meetings to Hope Lutheran Church.

Town Hall Use of Facilities Agreement

Clerk Weber did extensive research on town hall agreements for use of facility and drafted an agreement. The finance/agreements committee met, make tweaks, and recommended that the board approve the agreement for use of a town facility. Town Attorney, Bob Ruppe, reviewed the draft and make a recommendation for the insurance requirement wording that is in the agreement. A motion was made to approve the Town Hall Use of Facilities Agreement. Supervisor Ellinger stated that he has concerns with charging township home residents for using the town hall. Supervisor Goldsmith responded that he believes \$35 is a minimal charge and there are additional costs that are incurred by the township for the rental of the town hall. There is a \$300 security deposit required for all rentals. After further discussion, a motion was made to modify the agreement.

Motion/Second to the modify the use of facility agreement to state that the township home residents rental fee shall be \$0 by: Ellinger/Goldsmith. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Motion Prevailed.

Motion/Second to approve the Town Hall Use of Facilities Agreement as modified by: Goldsmith/Hassett. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Motion Prevailed.

Town Hall Building Project

Project Update

- Certificate of Occupancy was issued on 1/30/2024.
- All items are complete and final payment is being made to RAM Construction.
- Landscaping and any other optional items to be completed by the township.
- Clerk Weber asked if the board wanted to implement native plantings into the landscaping plan.
- Darryl Waletzko has offered to donate his time and equipment for the landscaping project. An irrigation system will need to be installed. The irrigation system was a project that was going to be installed prior to the building project. If Darryl can get pricing, he would present a proposal at the March meeting.
- Supervisor Ellinger stated that the township should install a fence to hide facilities equipment on the north side of the building. He also likes the idea of putting in some sort of native mixture.

Project Budget

An updated project budget was presented to the board. The project budget estimate as of January 31, 2024 was \$750,074.19. The final contract payment, in the amount of \$31,657.48 is being paid this month. Landscaping is to be completed by the township in the spring at an estimated cost of \$5,000.00. The total allowable budget, as approved by the electorate at the 2023 March annual meeting, is \$823,000.00. Clerk Weber stated that the original budget amount post bid-opening was \$742,112.18.

Open House

Clerk Weber recommended ordering appetizer platters or bars from Style Catering and provide bottled water for the event. Set up for the event will be done on March 12th.

Motion/Second to purchase two meat and cheese trays, one party pinwheel tray, one tray of bars and provide bottled water for the open house by: Adams/Goldsmith. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Motion Prevailed.

Smoker's Receptacles for Outside Entry

The finance/agreements committee recommended the purchase of a Smoker's Receptacle for the outside entries. Clerk Weber recommended the purchase of a Commercial Zone Smoker's Outpost Site Saver Cigarette Receptacle at an approximate cost of \$59.39.

Motion/Second to purchase one smoker's receptacle by: Ellinger/Hassett. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Motion Prevailed.

Garbage Receptacle Outside the Building

Supervisor Felber recommended the placement of a trash can outside the front entryway. The clerk will put a smaller trash can in the entryway.

PNP Election Update

Clerk Weber reported that the Public Accuracy Test was completed on February 28th at 8:30 am. All election judges have been trained. There will be three shifts of election judges. Weber will be running a maximum of two shifts at the August Primary and November General elections. Changing shifts of election judges during the election day disrupts the election process and she is trying to keep that disruption to a minimum. Food for the election judges will be ordered from Style Catering.

Annual Meeting Agenda

The proposed agenda for the March 12, 2024 Annual Meeting was presented to the board for review.

Roads

2024 Road Projects– Discuss/Action

Kevin Kruger told the board that he reviewed the pavement management plan to determine if there were any roads that could be added to the 2024 road improvements projects. The roads that made the most sense to consider adding to the road project are 258th Avenue and 187th Street in Hidden Ponds. The rating of those roads has dropped off a little bit. One of those roads is currently rated at an 80. Supervisor Goldsmith stated that he believed it would not make sense to add a road to the project that is rated at an 80. Supervisor Ellinger asked if it would make sense to add 253rd Ave NW going east off CSAH5, as that has a lower PCI rating. After further discussion, the board decided to complete the road projects as currently planned and accepted.

Weight Restrictions

Kevin Kruger stated that it would take approximately two hours to produce a map with current road weight limits. Clerk Weber told the board that weight restrictions became effective on Monday, February 26th. There have been two inquiries regarding road weight restrictions. Kevin Kruger stated that the weight limits restrictions will probably be on for the full eight weeks this year.

Supervisor Updates / Committee Reports

Supervisor Adams – Met with Steve Mockenhaupt, Ann Lake Improvement Club President, to discuss drainage issues at the Ann Lake boat landing, which is owned by the township. Darryl Waletzko will grade the boat landing when he grades the roads.

Supervisor Ellinger – None

Supervisor Felber – Attended Two Inlets Park informational gathering, finance committee, Big Lake polar plunge, fielded phone calls from constituents and attended caucus night. Felber asked that everybody take a pause when they get home to remember the first responders that recently lost their lives.

Supervisor Goldsmith – None

Supervisor Hassett – Attended caucus.

Treasurer’s Business

2024 Budget Analysis and Discussion

Treasurer Arnold presented the proposed 2024 budget framework as follows and noted that they are non-binding:

General Fund – Proposed total revenue budget is \$172,705.00 which includes the levy revenue amount of \$130,000.00. The proposed expenditure budget is \$139,708.00.

Fire Fund – Proposed revenue budget is \$140,000.00 and the proposed expenditure budget is \$136,216.97.

Road and Bridge – Proposed revenue budget is \$712,798.73 which includes the levy revenue amount of \$650,000.00, and the proposed expenditure budget is \$679,100.00. The capital fund transfer into the road and bridge fund is budgeted at \$200,000.00. The finance committee budgeted \$95,000.00 for ice and snow removal, \$435,000.00 for road projects and \$52,000.00 for road projects engineering.

Capital Fund – Proposed revenue budget is \$200,000.00 and the proposed expenditure budget is \$48,000.00. The transfer of \$200,000.00 from the Capital Fund to the Road and Bridge fund is budgeted at \$200,000.00. This transfer is to pay back the funds that were transferred from the Road and Bridge Fund to the Capital Fund in 2023 to temporarily finance the town hall building project.

Motion/Second to adopt the proposed 2024 fund budgets by: Goldsmith/Felber. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Motion Prevailed.

2025 Levy Recommendation

Treasurer Arnold presented an Orrock Township Levy Analysis by fund for years 2015-2024 along with the proposed amounts for 2025. The finance committee is proposing a levy of \$1,125,000, an overall levy increase of 0.4% from 2024.

Treasurer Arnold then presented an Orrock Township Property Value and Tax Analysis for 2015-2025. The levies are actual amounts for years 2015-2024.

The proposed 2025 levy by fund is as follows:

General Fund:	\$135,000
Fire Fund:	\$140,000
Road & Bridge Fund:	\$850,000
Capital Fund:	\$ 0
TOTAL:	\$1,125,000

Motion/Second to approve the 2025 recommended levy amounts for presentation at the annual meeting by: Goldsmith/Felber. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Motion Prevailed.

Transfer of Funds from the Money Market Account to the Checking Account

Treasurer Arnold requested that the board authorize the transfer of \$50,000.00 from the money market account to the checking account.

Motion/Second to direct the treasurer to transfer \$50,000.00 from the money marketing to the checking account by: Ellinger/Hassett. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Motion Prevailed.

Board of Audit

Treasurer Arnold explained that the Board is now sitting as auditors of the town's records of 2023. She noted that the Treasurer performs the bank reconciliation monthly and the Board reviews/audits all receipts, disbursements and the bank statements each month. Arnold printed out a report of receipts within CTAS and Clerk Weber confirmed those receipts matched the receipts in the Clerk's receipt book and CTAS. The Clerk had also received reports from the County of all payments made to the town. The Clerk and the Treasurer each matched those payments against reports generated from the Town's accounting software, CTAS. Seated as the Board of Audit, from the registers, the board will choose three random receipts and disbursements to review individually, on the receipts register or disbursements register and on the bank statements.

The Board chose three (3) receipts for review:

#362300 paid to the town by – Sherburne County - \$181,017.87

#897302 paid to the town by – Lakes State Recycling - \$17.00

#897314 paid to the town by– Modern Construction- \$3,250.00

All three were verified to be accurate.

The Board chose three (3) disbursements for review:

#11652 paid to Plaisted Companies - \$4,017.36

#11667 paid to NetVPro – \$1,056.00

#11757 paid to WSB – \$1,225.75

All three were verified to be accurate.

The clerk will record the items audited and keep the record on file.

The board had previously reviewed the 2023 receipts and disbursements registers and confirmed the 12/31/2023 cash balances.

Announcements

Clerk Weber Announced:

- PNP Election – Tuesday, March 5th – 7AM—8PM
- Town Hall Open House – Tuesday, March 12th – 5PM-7PM
- Annual Meeting – Tuesday March 12th Commences @ 7PM, Town Hall
- March Board Meeting – Wednesday, March 27th @ 7PM
- Local Board of Appeal and Equalization – Wednesday, April 10th @4PM, Town Hall
- MAT Spring Courses – In-Person Training
- Couri and Ruppe Township Legal Seminar – Date is yet to be determined
- Minnesota Housing Home Ownership Workshop – Wednesday March 13th – 5:30PM-6:30PM Sherburne County Government Center Maple Room

Adjournment

Motion/Second to adjourn the regular and board of audit meeting by: Ellinger/Hassett. In favor: Adams, Ellinger, Felber, Goldsmith and Hassett. Opposed: None. Abstained: None. Absent: None. Motion Passed, adjourning the Regular Monthly and Board of Audit Meeting, on Wednesday February 28, 2024 at 8:33PM.

Respectfully Submitted,
Chris Weber
Town of Orrock, Clerk

Accepted this 27th day of March 2024 by the Orrock Township Board of Supervisors.

Bryan Adams, Chair

Attest: _____
Chris Weber, Town Clerk