

Minutes of the regular meeting of the City Council of Rush City held Monday, June 27, 2022, in the City Hall Council Chambers at 6:30 p.m.

Mayor Dahlberg called the meeting to order with the following members present: Councilors Frank Storm, Mick Louzek, Dan Meyer, Tom Schneider; Mayor Dan Dahlberg.

Others present included auditor Paul Burkhardt of Burkhardt and Burkhardt (over Zoom) and interested citizens.

Additions to the agenda included a Builder's Escrow Agreement.

Motion by Louzek, second by Storm: To approve the minutes of June 13, 2022. MC

Motion by Storm, second by Schneider: To approve the Bills and Claims of the City as presented to the Council and on file in the City offices. MC

Notices and communications were then discussed. The Chisago County HRA-EDA Agenda was reviewed.

Paul Burkhardt of Burkhardt and Burkhardt then addressed the Council regarding the 2021 Annual Financial Report. He summarized the audit results and explained that the City had a clean audit opinion. He reviewed the auditor's recommendations and the financial trends of the City.

At this time, those in attendance were called on for public comment. East 9th Street and the Alger Avenue trail were discussed. The Council also thanked the City staff for their work on the audit.

Discussion then followed regarding the segregation of duties finding in the audit and how many additional staff would need to be hired to allow for this finding to be removed.

The Administrator explained that the MN Department of Revenue recently conducted an audit on the City's revenue recapture account. The revenue recapture account was set up with the State of Minnesota before the City sold the hospital and clinic to Fairview, to collect unpaid hospital and clinic bills owed to the City. The City would periodically receive payments from the State of Minnesota when they would retain a state income tax refund from someone with an unpaid hospital or clinic bill. As a result of the audit, City staff was informed that the remaining past due bills will have to be removed from the revenue recapture system, as the statute of limitations to collect the old debt has expired.

The financial report for the month of May 2022 was reviewed.

The American Rescue Plan Act distribution report from Minnesota Management and Budget was reviewed. It was noted that the City should be receiving the second-half payment within a month.

The July 1, 2022 through June 30, 2023 budget for the East Central Regional Development Commission was reviewed.

Motion by Dahlberg, second by Louzek: To approve the Builder's Escrow Agreement with Melby Homes for Lot 10, Block 2, Rush Creek Estates. MC

There were no Council concerns.

Announcements were then given that the Big Splash at the Rush City Aquatic Center will be held on Sunday, July 17, 2022, from noon - 4:00, featuring bingo, carnival games, lucky duck race, and \$2.00 swimming admission from 12:30 - 6:30 p.m. The Chisago County Fair will be held from July 21 - July 24, 2022, with the parade on July 23, 2022 at 3:00 p.m. The Rush City Chamber of Commerce Summer Shell Series concert will be held on Thursday, July 28, 2022, from 6:00-9:00 p.m. at the Rush City Park, featuring music by Free Flight.

Motion by Louzek, second by Schneider: To adjourn the meeting at 7:28 p.m. MC

Administrator

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