

The Utility Board of Trustees of Laurens, Iowa met in regular session at the Municipal Building, 272 N. Third Street, Laurens, Iowa, at 11:30 a.m. on the above date. Present were Trustees Richard Main, Jerry Runneberg and Ben Storms. Also present was General Manager Chad Cleveland.

Motion by Trustee Storms and seconded by Trustee Runneberg to approve the agenda for the June 25, 2020 regular meeting. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Runneberg and seconded by Trustee Storms to approve the minutes of the May 29, 2020 Regular Board meeting. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Runneberg and seconded by Trustee Storms to approve the summary of receipts for May 2020 in the amount of \$440,732.35 and the list of expenses for May 2020 in the amount of \$397,917.40. Ayes: All. Nays: None. Motion carried.

Summary of Receipts

A/R – Electric	\$ 261,865.55
A/R – Communications	\$ 63,380.42
Merchandise/Services – Electric	\$ 1,060.00
Merchandise/Services – Communications	\$ 4,365.93
Interest Earned – Electric	\$ 16,939.33
Deposits – Electric	\$ 1,255.00
Deposits – Internet	\$ 256.00
Deposits – Cable TV	\$ 106.00
Offset Recovery Overpayment – Electric	\$ 68.00
Marathon Loan – Principal Payment – Electric	\$ 1,322.41
Marathon Loan – Interest Payment – Electric	\$ 261.11
City Loan – Principal Payment – Electric	\$ 50,000.00
City Loan – Interest Payment – Electric	\$ 1,500.00
Marathon Energy Sales – Electric	\$ 9,689.36
Tower Lease – Communications	\$ 900.00
Attachment H Revenues – Electric	\$ 27,667.61
Miscellaneous – Telephone	\$ 36.00
Miscellaneous – Cable TV	\$ 37.12
Bank Service Charges (NSF Fees) – Electric	\$ (7.49)
Office Supplies – Electric	\$ 30.00
Total Cash Receipts	\$ 440,732.35

Electric Receipts	\$ 371,650.88
Communications Receipts	\$ 69,081.47
Total Cash Receipts	\$ 440,732.35

List of Expenses

A & M Laundry	Dust Mops & Mats	\$ 127.92
Advanced Media Technologies	CMTS Downstream Card	\$ 4,277.98
AFLAC	Employee Contributions	\$ 245.80
Alliant Energy	Natural Gas	\$ 352.12
Aureon	CALEA/SS7/Switching/Transport	\$ 589.42
Avesis	Group Vision Insurance	\$ 116.53
Big 10 Network	Programming Fees	\$ 527.56
Border States Electric	Street Light Poles/Splice Kits	\$ 9,196.65
Century Link Access	Access/Transport Fees	\$ 559.51
Century Link Lexcis	Directory Listings	\$ 25.84
Cleveland, Chad	Website Backup Fees	\$ 38.39

Consortia Consulting	Consulting Contract	\$	900.00
Contractor Solutions	Air Monitor Calibration	\$	11.60
Counsel	Lanier Copier Support	\$	48.09
Crystal Clear Communications	Website Restoration/Maintenance	\$	820.00
Customers	Deposit/Credit Refunds	\$	880.03
Department of Energy	WAPA Power Bill	\$	27,011.35
DGR Engineering	Electric Rate Study	\$	2,268.00
Echo Group	Demarcation Boxes/LED Lights	\$	1,948.43
Employee Benefit Systems	Self-Funding – Administration	\$	120.00
Employee Benefit Systems	Self-Funding – Claims	\$	413.74
Fox Sports Net North	Programming Fees	\$	1,386.66
Gray Television Group	Programming Fees	\$	536.50
HCP Splicing Services	Fiber Cut Repairs	\$	1,787.75
Hearst Television	Programming Fees	\$	1,209.12
Horsetech	Shipping Fees	\$	8.74
ICMA RC	Employee Contributions	\$	800.00
Iconnectiv	Local Number Portability	\$	19.53
Internal Revenue Service	Payroll Taxes	\$	7,177.96
Iowa Department of Revenue	Sales Tax	\$	6,837.00
Iowa Department of Revenue	State Withholding	\$	1,227.00
Iowa One Call	Locates	\$	40.50
Iowa Public Employees Retirement System	IPERS Contributions	\$	4,741.98
KTIV-TV	Programming Fees	\$	891.00
Laurens, City of	Utility Billing	\$	90,182.84
Laurens Food Pride	Supplies	\$	35.43
Laurens House of Print	Paper/Printing Services	\$	417.47
Laurens Municipal Power & Communications	Communications Bill	\$	207.48
Laurens Municipal Utilities	Utility Bill	\$	438.82
Laurens Plumbing	Supplies	\$	692.62
Laurens State Bank	Service Charges	\$	29.82
Laurens Sun	Publications/Advertising	\$	201.00
Long Lines	Communication Services	\$	9,665.77
Merchant Bankcard	Credit Card Processing Fees	\$	920.42
Mid-American Energy	NEAL 4 Operations	\$	16,000.00
Midwest Spray Team	Vegetation Control	\$	1,430.00
National Cable Television Cooperative	Programming Fees	\$	13,670.13
Nexstar Broadcasting	Programming Fees	\$	1,177.44
NIMECA	Power Bill/MCR Bill	\$	51,915.92
Norsolv	Norsolv Service	\$	95.74
Nyhart	GASB 75 Actuarial Report	\$	2,300.00
Oakhill Consulting	Fiber-To-The-Home Project	\$	528.00
Office Elements	Office Supplies	\$	236.94
Payroll	Salaried, Hourly & Overtime	\$	20,632.73
PLIC-SBD Grand Island	Life/Disability Insurance	\$	497.84
Pop Media	Programming Fees	\$	44.88
Postmaster	Postage	\$	547.50
Pro Cooperative	Fuel/Diesel/Tire Repair	\$	334.31
R&D Industries	Network Support	\$	653.87
RB Lumber Company	Hail Damage Repairs – Materials	\$	13,084.58
Secure Shred Solutions	Paper Shredding	\$	24.00
Spencer Municipal Utilities	Transport Fees	\$	660.75
Tegna	Programming Fees	\$	1,372.80
Theesfeld, David	Offset Recovery Overpayment	\$	68.00
TP Anderson & Company	Audit Fees	\$	1,500.00
UMB Bank	Interest Payment – Revenue Bonds	\$	82,150.00

Verizon	Wireless Phone Service	\$	218.20
Wellmark Blue Cross Blue Shield	Group Health Insurance	\$	8,048.09
Zcorum	Cable Modem Provisioning	\$	791.31
	Total Expenses	\$	397,917.40

Electric Expenses	\$	337,631.73
Communications Expenses	\$	60,285.67
Total Expenses	\$	397,917.40

The Trustees reviewed the Utility Funds Report, Balance Sheet, and Income Statement for May 2020. No specific action was taken.

Discussion was held on the Electric Rate Study being done by DGR Engineering. No specific action was taken.

Discussion was held on the structural report from LS Engineers regarding the Industrial Foundation Building. If LMPC wants to retain the West part of the building while the Industrial Foundation demolishes the rest of the building, it is estimated that building restoration costs will range from \$200,000 to \$375,000. This does not include costs associated to any grading work needed. Back in May of 2019 we received a cost estimate of \$115,000 to build a new 50 x 100 metal storage building with concrete floor. In light of this information, the Board is not interested in retaining the West part of the Industrial Foundation Building.

Board Trustee Storms introduced the following Resolution entitled "RESOLUTION AUTHORIZING TRANSFER OF SURPLUS FUNDS FROM THE LAURENS MUNICIPAL ELECTRIC UTILITY TO THE CITY OF LAURENS" and moved that the same be adopted. Board Trustee Runneberg seconded the motion to adopt. The roll was called, and the vote was,

AYES: Main, Runneberg and Storms

NAYES: None

Whereupon, the Chairman declared the resolution duly adopted as follows:

**RESOLUTION AUTHORIZING TRANSFER OF SURPLUS FUNDS FROM THE LAURENS
MUNICIPAL ELECTRIC UTILITY TO THE CITY OF LAURENS**

WHEREAS, Section 384.89 City Code of Iowa provides that the governing body of a City Utility may under certain circumstances transfer surplus funds on hand to any other fund of the City in accordance with any rules promulgated by the City Finance Committee if the transfer is also approved by the City Council; and

WHEREAS, this Board hereby determines, based on Rule 2.5(5) of the rules promulgated by the City Finance Committee in accordance with Section 384.89, Code of Iowa, that the Electric Utility currently has a balance of \$2,450,696, and has on hand available surplus funds of \$1,627,629, after making all deposits into all funds required by the terms, covenants, conditions and provisions of outstanding revenue bonds, pledge orders, and other obligations which are payable from the revenues of the Electric Utility in accordance with Section 384.89, as shown on the Electric Fund surplus calculation attached hereto as Exhibit 1 and by this reference incorporated herein; and

WHEREAS, all of the requirements, terms, covenants, conditions and provisions of the proceedings and resolutions authorizing the issuance of outstanding electric revenue bonds and pledge orders have been complied with; and

WHEREAS, this Board finds that a transfer of the Surplus does not and will not conflict with any of the requirements, terms, covenants, conditions, or provisions of any resolution authorizing the issuance of revenue bonds, pledge orders or other obligations which are payable from the revenues of the Electric Utility; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MUNICIPAL UTILITIES OF THE CITY OF LAURENS, IOWA:

Section 1. Pursuant to and in accordance with Section 384.89, Code of Iowa, and Rule 2.5(5) of the rules promulgated by the City Finance Committee, the Electric Utility has surplus funds available for transfer.

Section 2. That after investigation not more than \$30,000 now on hand is declared to be surplus funds of the electric utility and are not required for current utility operations.

Section 3. Upon investigation, it is found to be necessary, advisable and in the best interest of the electric utility and its customers that \$30,000 be transferred to the City for its use as the City Council shall deem appropriate.

Section 4. In accordance with Section 384.89, Code of Iowa, this transfer is subject to approval by the City Council.

PASSED AND APPROVED this 25th day of June 2020.

Chairman, Board of Trustees

ATTEST:

Secretary, Board of Trustees

EXHIBIT 1
ELECTRIC SURPLUS CALCULATION

cash balance in the operating account OR the unrestricted net position calculated in accordance with GAAP = \$2,450,696

- all required transfers to any restricted accounts in accordance with the terms and provisions of any revenue bonds or loan agreements relating to the utility (if such transfers have not already been made): \$0

+ net pension liabilities: \$198,242

+ other postemployment benefits liabilities: \$9,825

+ related deferred inflows of resources: \$12,752

- related deferred outflows of resources: \$65,237

= \$2,606,278

- the amount of the expenses of disbursements for operating and maintaining the utility or enterprise for the preceding three months: \$806,500

- the amount necessary to make all required transfers to restricted accounts for the succeeding three months: \$172,149

= \$1,627,629 of operating funds

Discussion was held on refinancing our electric revenue bonds. After December 1, 2020, our electric revenue bonds become callable and are eligible to be refinanced. Currently we have an estimate from D.A. Davidson showing that we would save over \$400,000 if we refinanced our bonds and the interest rates stayed as they are today. D.A. Davidson wants LMPC to enter into an agreement to work with them on the refinancing. After some discussion, the Board determined that they want to continue working with Public Financial Management and sell our bonds in a competitive market.

Discussion was held on the Fiber-To-The-Home system in Laurens. The Board reviewed an email from Steve Nadel of Ahlers Law regarding LMPC service territory and serving customers outside of the city limits. No specific action was taken.

The General Manager gave a short update on operations dealing with COVID-19. No specific action was taken.

Motion by Trustee Runneberg and seconded by Trustee Storms to adjourn the meeting at 1:55 p.m.
Ayes: All. Nays: None. Motion carried.

Chairman, Board of Trustees

ATTEST: _____
Secretary, Board of Trustees