

City of Menahga
City Council Budget/Special Meeting Minutes
Monday, October 16, 2023 at 5:00 pm

A. Call to Order

The Menahga City Council held a Budget/Special Meeting on Monday, October 16, 2023.

Mayor Liz Olson called the meeting to order at 5:00 pm

B. Roll Call

Comprising a quorum of the Council, the following members were present:

Mayor Elizabeth Olson

Durwin Tomperi

Dan Warmbold

Mike Netland

Jody Bjornson

Office Staff present: Consultant Betty Thomsen

Interim Clerk/Treasurer Jensine Kurtti

C. Pledge of Allegiance.

D. Reassessment of Tax-Forfeited Parcels – Chris Thorson

Chris Thorson of Ulteig Engineers presented the Council with information regarding the reassessment of the tax-forfeited properties that had been sold through the Wadena County Auction process. These parcels at the time of sale had outstanding City assessments. When these parcels were declared tax-forfeited and sent to the State of Minnesota, the special assessments were cancelled. Minnesota Statutes Section 444.076 allows municipalities to reassess tax-forfeited lands which are returned to private ownership and are benefited by a public improvement.

Thorson presented the Council with three options on reassessment, with a final decision to be made by Resolution at the October 30th Special Meeting. The Council's discussion was to remain with the assessments that are outstanding in the amounts that are currently on the City's books, taking into consideration that some of the parcels had been heavily discounted by previous Councils. A

12-year payback period at 5% interest was discussed for the parcels if they chose to have them placed and collected with Wadena County on their property taxes. Note: parcels 17-620-0280 and 17-620-0085 have been paid in full prior to the reassessment hearing.

E. Council discussion on 2024 Budget and City 2024 Levy

Consultant Betty Thomsen started out by commending the Council on taking steps to have the City's monies working for them. She handed out an investment analysis of what interest revenues the City's funds had been receiving previously and what they earn now since being invested in the 4M Fund. Many of the 4M investments earn well over 5%, which is much more than the .75% and 1.5% it was previously earning as of December 31, 2022. Thomsen and the Council then went line-by-line on the budget to see where cuts could be made to lower the 2024 levy amount from the 41% increase which was the preliminary levy for 2024.

General Government: No Change.

Mayor and Council: Reduced Travel & Conference from \$1,500 to \$750.00 and removed \$670.00 from Workers Compensation, bringing it to zero as Workers Compensation does not cover the Mayor and Council. (Please note that this amount will need to be entered in another department budget).

City Administration: The following reductions were made: Office Supplies were reduced from \$3,700 to \$2,500; Postage from \$1,400 down to \$1,100; and Printing and Publishing reduced from \$11,000 to \$8,000. Employee Paid Health was reviewed and discussed, and it was noted that all Department Heads were not receiving the same benefits. To expense all Department Heads the same at \$950 per month for 2024 and all other full-time employees at \$900 per month. This would reduce the Employer Paid Health from \$50,406.24 down to \$34,200.

Elections: No changes.

Contractual Services: Discussion on reducing Legal Services from \$35,000 to \$26,600.

Government Buildings: Repair & Maintenance reduced from \$5,000 to \$2,000; Consultant Thomsen was to check on the Equipment Lease which

has a budget of \$4,500 with Marco's Copier Lease, to see if there would be any savings in that area; Capital Outlay was reduced from \$10,000 down to \$5,000.

Police Department: The following changes were made: Legal Services increase from \$4,000 to \$8,400 to accommodate the \$700/month for Wadena County Attorney Ladd's criminal representation; zeroed out Other Equipment in the amount of \$5,000 and Transfer Out of \$15,000, for a savings of \$20,000. The discussion was that the \$59,000+ funding to be received from the State in December 2023 for Safety, would be allocated to the purchase of a new squad car, eliminating these budgeted amounts.

Fire Department: Safety Equipment in the amount of \$10,000 and it was discussed that this amount should be taken out of the equipment dollars set aside at this time; Travel & Conference was reduced from \$2,000 to zero since nothing was used for the past three years; Principal was increased to the actual amount from \$25,000 to \$26,663 (rounded) and Interest reduced from \$3,015 to the actual amount of \$1,663 (rounded).

Street Department: Consultant Thomsen was asked to check on the Employer Paid Health budget of \$9,137 (rounded); Reduced Repair & Maintenance from \$16,000 down to \$10,000; Capital Outlay reduced from \$4,000 to \$1,000; Learning Center Exp from \$2,000 to \$1,000; and Transfer Out from \$31,700 to \$20,000 (Consultant Thomsen to research what future Capital Outlay expenditures were noted in this area).

City Beach: The following was changed: Removed the \$12,000 from Part-time Salaries which represented the possibility of hiring lifeguards at the City Beach. Consultant Thomsen will make reductions in the Social Security and Medicare based on the removal of the \$12,000 part-time salaries; Removed the \$150 from the Printing & Publishing and Capital Outlay of \$2,500 to zero out those two accounts. On the Capital Outlay, it was discussed to seek donations for sand replacement at the Beach.

City Park: The following was discussed: Salaries and Part-time Salaries were added together and in one line item. The question was asked as to who received PERA, Employer Paid Health, Employer HSA, Employer Life and Employer Dental, if those dollars represented Ralph C. and Jim M., part-time employees. Discussion followed Printing and Publishing which was presently at zero. Would a new Campground flyer be provided in 2024 which would necessitate a dollar amount in this area; on the Miscellaneous

Expense it was discussed that the credit card fees were placed in this budget line item and the Council asked why we wouldn't be able to utilize one credit card processor to eliminate the present \$1,600 budget amount. It was also noted that this budget amount was lower compared to 2023 expense to-date in the amount of \$2,185.25. Question was asked on the Improvement Other line item in the amount of \$45,000. Consultant Thomsen reported that this amount represented the total projected cost, which would be offset by 50% if the DNR Grant is received.

Cemetery: Expenses need to be included in the cemetery, including but not limited to Jim M.'s mowing. Consultant Thomsen will make sure that is completed.

H. Adjournment

Main Motion: To adjourn at 6:59 pm.

Moved	Bjornson
Seconded	Tomperi
Action:	Motion carried by a 5-0 voice vote
In favor:	Tomperi, Warmbold, Olson, Bjornson, Netland
Opposed:	None

Interim City Clerk/Treasurer Jensine Kurtti

Mayor Elizabeth Olson