

**City of Menahga
City Council Budget Meeting Minutes
Friday, November 4, 2022 at 9:00 am**

A. Call to Order

The Menahga City Council held a Special Meeting/Budget Meeting on Friday, November 4, 2022.

Mayor Liz Olson called the meeting to order at 9:00 am

B. Roll Call

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

Mayor Elizabeth Olson Dan Warmbold Jody Bjornson
Absent: Robyn Keranen Durwin Tomperi – arrived at 9:10 am

City Staff in attendance: Temporary City Administrator Laura Ahlf and
Temporary Administrative Assistant Jensine Kurtti

C. Pledge of Allegiance

D. Budget by Department : 2023 Budget

- **9:00 am - Public Works Director – Ronald Yliniemi**
Yliniemi went line-by-line and discussed and reduced the 2023 budget for Streets, Water and Sewer. Questions were asked on how the salaries are broken down for the various departments of Streets, Water, Sewer. Jensine Kurtti asked if the Public Works employees were using work orders, and if so, she stated she could take the information off the work orders and put them on a spreadsheet, for a more accurate way of allocating the wages. Yliniemi was asked if he has a Gas Log for the fuel that is used, he stated that he does.
Repair and Maintenance costs were raised from \$4,900 to \$15,900 to allow for the Street Sweeper repairs, if it is deemed repairable. The City pays an outside street sweeping service around \$11,000 to come in and sweep the streets.
Raised Street and Road Repair from \$9,400 to \$15,400. Capital Outlay was decreased from \$23,000 to \$6,000 with the difference coming from a transfer

from the \$200,000 that was received from the sale of the Motor Grader. Other costs were discussed due to the rising costs of fuel and other supplies. Questioned was a Transfer Out line item of \$22,700 which was not clear what it was for.

City Beach expenses were discussed and adjusted, removing \$2,500 from Capital Outlay, raising Garbage Service from \$400 to \$600, and raising Repair and Maintenance from \$1,000 to \$3,500. The City Park (Campground) was adjusted to add \$425 for Water and Sewer, and \$800 for Garbage Service.

The Council then reviewed the budget for the Water and Sewer Fund, all budget lines were zeros, and Laura Ahlf had not had time to go over the expenses yet. Since both Water and Sewer are Enterprising Funds for the City, it does not affect the levy. It was noted that the Water and Sewer Funds have been in a deficit for several years. Copies of the Yearly Audit for those funds were given to the Council which showed deficits of over \$200,000. These deficits did not mean that the accounts did not "cash flow" because Depreciation was added to the expenses. Many reasons why this was happening were explained, one reason for the decreased revenue was that in the last three years, the rates were never adjusted according to the Rate Study that was prepared by Ehler's. As of October 2022, all rates are now adjusted to reflect the revenue needed to cover the expenses per the rate study. However, there is no way to go back and recover the three years of lost revenue. Laura Ahlf will be updating the budget using the amounts that the Council felt should be used for the 2023 Budget.

Other items discussed were Water Tower Construction expenses, and PFA Debt/2015B Bonds. These figures will be updated and the Council can review at the next Budget Meeting.

- **10:30 am - Police Department – Adam Gunderson**

Chief Gunderson went line-by-line and discussed and reduced the 2023 budgeted amounts. It was decided to lower part-time salaries from \$20,000 to \$8,000 due to not having an officer on duty during the day for Saturday and Sunday's. Chief Gunderson was asked if he is in the rotation to be on duty on weekends, Gunderson replied that he is not on the weekend rotation. The Council felt that for now the Sheriff's Office could be called if something came up. Other adjustments were to lower Training from \$5000 to \$4000, raise Motor Fuels from \$8000 to \$10,000, lower Squad Car Equipment from \$10,000 to \$5,000, and Capital Outlay from \$30,000 to \$15,000. One item that was questioned was the large amount under legal fees for 2022. The reason was that the Police Department is being charged for a third of the union negotiation fees. Gunderson did not feel that was right and should not have the union negotiations fees in with the criminal attorney fees. It was clarified that the

department only has one line item for legal fees. Other smaller items were adjusted, as well as the discussion of whether the Police Department should purchase and use Body Cams. The Council felt they were a good idea.

- **11:00 am – Fire Department – Dave Kicker**

Chief Kicker went through his 2023 Budget line-by-line adjusting based on what has been spent in 2022, as well as the two previous years. Discussion focused on projected needs of the department. Kicker had asked if the City would consider contributing \$5,000 per year to the Fire Relief Assn., instead of the \$3,000 that has been contributed since 2016. The Council was provided a Financial and Investment Report of Volunteer Fire Relief Associations from the Minnesota State Auditor's Office. This report showed data from 449 Fire Relief Associations. Of the 449 Associations, 204 do not receive any municipal contributions. It was decided to leave the 2023 contribution at \$3,000 for now. Lowered Travel and Conference from \$3,000 to \$2,000. Questions about a Transfer Out Fire Equipment Expense of \$25,761.00 for 2022 were addressed, Jensine Kurtti stated that it really should not be an expense as it is the amount of the Township's Fire Contract for 2022 that is deposited in the Equipment Fund at Community First Bank, this is a pass-through account, not an expense. Other revenue sources were discussed, such as seeking donations or considering charitable gambling for the Fire Department. Kicker said it could be looked into and Temporary Administrative Assistant Jensine Kurtti will see what information she can find on the matter for a later discussion.

- **11:30 am - Administration – Laura Ahlf**

Laura Ahlf has been working on all aspects of the budget and will report back at a later meeting once she can research actual costs for some line items that were questioned. Since the preliminary budget was done by Former-Temporary City Administrator Betty Thomsen, Ahlf was sorting through the allocation methodology that had been used, but stated that the bottom line should stay relatively close to the preliminary figures.

Laura Ahlf then stated that Temporary Deputy Clerk Alvina Kytta's last regularly scheduled day with the City of Menahga was on October 31, 2022. Ahlf felt that it was time that Kytta's signature should now be removed as an authorized signer on the financial accounts, and that Deputy Clerk Lacey C. Erickson's name should be added.

Main Motion: To approve the removal of Temporary Deputy Clerk Alvina Kytta to all city accounts; and, add Deputy Clerk Lacey C. Erickson to all City of Menahga Accounts, including, but not limited to, the authorized signer on the City Financial Accounts, Savings or other Accounts situated at the Community First Bank, Tru-Star Federal Credit Union and 4M Accounts.

Moved by:	Warmbold
Seconded by:	Bjornson
Action:	Motion carried by a 4-0 voice vote
In favor:	Tomperi, Warmbold , Olson, Bjornson
Opposed:	None.

- **12:00 pm – Liquor Store**

Laura Ahlf spoke briefly on the expenses of the Liquor Store. Ahlf will be looking at this budget and she felt it should be something that the new Liquor Store Manager should be involved with.

17. Adjournment

Main Motion: To adjourn at 11:55 am

Moved by:	Warmbold
Seconded by:	Tomperi
Action:	Motion carried by a 4-0 voice vote
In favor:	Tomperi, Warmbold, Olson, Bjornson
Opposed:	None.

Jensine Kurtti

Temporary Administrative Assistant

Mayor Elizabeth Olson