

City of Menahga
Special Meeting/Work Session City Council Minutes
Monday, December 23rd, 2024

1. Call to Order

The Menahga City Council held a Special Meeting/Work Session on Monday, December 23, 2024.

Mayor Elizabeth Olson called the meeting to order at 6:00 pm.

2. Roll Call

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

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| Mayor Elizabeth Olson | Dan Warmbold | Mike Netland |
| Jody Bjornson | Durwin Tomperi | |

Administrative staff: None.

3. Pledge of Allegiance

4. Department Reports

- **Liquor Store Manager, Heather Shepersky – Absent**

- 1. **Monthly Report** – Heather’s report, which was provided to the Council, noted a total YTD Profit of \$148,513.75.

- **Police Department – Chief Amy Lane**

- 1. **Monthly Report** – Lane reported 156 calls from November 20th to December 17th and reviewed all citations and squad car mileage. She reported she participated in the “Shop with a Hero” at the Wadena Walmart on December 12, 2024 and thanked the many donations received

for the Empty Stocking Fund. Mayor Olson thanked Chief Lane for her report and wished her a very Merry Christmas.

- **Public Works/Streets – Ron Yliniemi**

- 1. **Monthly Report** – Yliniemi reported the following: Streets and parking lots had been sanded five (5) times; reported the mileage for the 2018 Dodge, 2019 Dodge and the 2016 Explorer; the new pump has been installed in the Odland’s Main Life Station; all water meters are reading correctly; and ten (10) Christmas Lights have been put up by Minnesota Power. Mayor Olson thanked Ron and wished him a Merry Christmas.

- **Fire Department – Chief Dave Kicker - Absent**

- 1. **Monthly Report** – Kicker provided a report indicating three (3) calls had been received to date in December: One rescue assist; Structure fires in Blueberry Township; and, one within the City.

- **Greenwood Connections Administrator – Laura Ahlf**

- 1. **Monthly Report** – Ahlf reported that Vickie Paurus was willing to serve a second term on the GWC Board.

Main Motion: To approve a second term for Vickie Paurus on the GWC Board effective 1/1/2025.

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

Ahlf reported that the census was 56% with 91 skilled day which was low for November. She further reported that a correction had been made on the financial reports as it pertained to the formula used for the calculation of the salary accrual, resulting in an overstatement of net income. She provided copies of the corrected financials.

Ahlf reported that due to the Auditor’s recommendation, GWC would continue with ECPN.

She discussed ESST and stated that after a meeting with the City Attorney and the City Clerk/Treasurer, her decision is to keep PTO in one bucket for benefit eligible employees and for all other employees to accrue ESST.

Ahlf reported a total of \$68,062.61 in write-offs for the year, although she had budgeted \$15,000. She stated that this was in part due to non-payment by insurance companies (one being Humana) and private pay. She discussed the possibility of requiring payment up-front for private pay individuals. Netland encouraged Ahlf to file a complaint with the Minnesota Department of Commerce Insurance Division for the non-payment by the insurance companies.

Main Motion: To approve writing off the GWC uncollectible accounts in the total amount of \$68,062.61, as presented.

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

She reported a new CNA class was starting soon with both the Menahga and Sebeka Schools, which classes will be both taught by the GWC Director of Nurses (DON).

She reported that she would be working with ViewPoint Consulting Group, Inc. to conduct a market study related to the possibility of an expansion to the Woodside Manor. She is also looking into solar panels for the facility with Tomperi suggesting she investigate the company who installed the Menahga School solar panels.

Main Motion: To approve the Monthly Report and Financials, as presented by GWC Administrator Laura Ahlf.

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

- **Park/Beach/Mowing/Building Maintenance – Bryan Soukup**

1. Monthly Report –

Soukup said November receipts were \$287.00 for the campground and will continue to do off seasonal maintenance including the removal of three (3) trees depending on snow fall amounts. He reported that Ralph C. is helping with the sign repair and snow plowing this winter.

- **Administration - City Clerk/Treasurer, Brett Gagnonpalick – Absent**

1. Monthly Report – November Budget YTD Rev-Exp, Check Reconciliation, Cash, and Investments – FYI.

Mayor Olson asked if there were any questions or comments on the documents, which there was none.

2. Resolution No. 2024-51 – Donation from VFW to Fire Department – Jaws of Life

Main Motion: To adopt Resolution No. 2024-51, accepting a \$5,000 donation from the VFW Post 6206 to the Menahga Fire Department to be used towards the purchase of the Jaws of Life.

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

3. Approve December 9, 2024 Truth in Taxation Meeting Minutes

4. Approve December 9, 2024 Regular Council Minutes

Main Motion: To approve the December 9, 2024 Truth in Taxation Meeting Minutes and the December 9, 2024 Regular Council Minutes, as presented.

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

**5. First Meeting Announcement – January 13, 2025
Organizational Meeting - FYI**

5. New Business

1. ESST Policy Discussion and Approval

The City Attorney and Clerk/Treasurer Gagnonpalick worked together to provide the ESST Policy as presented and recommend its' approval to become effective January 1, 2025.

Main Motion: To approve, adopt and direct staff to provide notice of and implement the revised City of Menahga Earned Sick and Safe Time Policy, Concurrent with PTO, effective January 1, 2025 for non-union employees and subject to the opportunity for meaningful discussion with union employees and negotiate over any negotiable terms, if any.

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

Based on the new ESST Policy as approved, the City Personnel Policy is required to be revised on Page 15 – Benefits – Eligibility Period – paragraphs one and two, as follows: PTO will be used as ESST for all qualifying personnel with PTO accrual available for use immediately upon hire.

Main Motion: To approve and adopt the following change to the City of Menahga Personnel Policy Adopted 8/11/14, Page 15 – “Benefits – Eligibility Period”: PTO will be used as ESST for all qualifying personnel, with PTO accrual, available for use immediately upon hire.

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

6. Unfinished Business

1. 2025 Pay Scale discussion – Tabled

The Mayor discussed that the Pay Scale in place for 2024, did not follow the same percentage and step increase approved by the Council in 2024. When the table was increased, based on the Union’s 2025 increase of 3% on Step One and a \$.72/\$.73 between the Steps, the Police Chief and the City Clerk/Treasurer pay scale did increase in the same way as all other staff members.

2. Motion to Allow Driveway Through Deeded Row at 5th and Larch

This issue was tabled at the December 9, 2024 Regular Meeting. Bret Kilpela is requesting access to his property through the deeded row off from 5th and Larch. As this individual wishes to access his property via a driveway, the City Clerk/Treasurer is recommending the Council grant this request pending that reasonable effort will be made to preserve the growing mature trees.

Main Motion: To approve a driveway through the deeded right-of-way, stipulating that mature trees be preserved to the greatest extent possible, and acknowledge that the City will not fund any costs related to this construction.

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

Public Works Director Yliniemi reported that the Clerk/Treasurer had contacted the City Attorney regarding this matter to make sure that it was in the best interest of the City to grant this request. Councilor Netland indicated that the cost of the City Attorney should be borne by Mr. Kilpela pursuant to the Motion.

3. Clarification on Effective Date of Increased City Health Insurance Benefits Approved 12/9/24

Based on the new group health insurance benefit approved on December 9, 2024, the following clarification is necessary: Up to \$1,000 per month for single coverage for all qualifying full-time staff and up to \$1,200 per month for family coverage for all qualifying full-time staff, effective 1/1/2025.

Full-time staff/eligible employees as indicated on **Page 16 of the Personnel Policy, Paragraph 1**, are defined as **“employees regularly scheduled to work 30 hours per week or more.”**

Main Motion: To approve and adopt the following: Group Health Insurance – Up to \$1,000 per month for single coverage for all qualifying full-time staff and up to \$1,200 per month for family coverage for all qualifying full-time staff, as defined as working 30 or more hours per week, effective January 1, 2025.

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

7. Mayoral Recap – Elizabeth “Liz” Olson

The following Mayor’s Recap dated December 23, 2024 was read into the record as follows:

I was encouraged to run for the City Mayor’s position in 2020 based on my financial background and the condition of the City’s Finances.

1. When the new Council members were sworn in on January 12, 2021 (Durwin Tomperi, Daniel Warmbold and me, Elizabeth Olson), the following was initiated:
 - a. Opened up Menahga City Hall, following COVID protocols, which offices had been closed since early Spring of 2020.
 - b. Scheduled a second meeting each month to provide transparency to the entire Council and taxpayers for receiving information from all Department Heads at one meeting, so all Council members would be apprised of all information and could make educated/informed recommendations for future needs.

- c. This second Work Session/Special Meeting a month allowed for the Council to approve a second invoice run. It should be noted that at the beginning of my term, I was called in several times during the month (outside of Council approval) to sign separate checks to allow for delivery of goods. This practice was put in place by suppliers prior to January 2021, due to very late payment of invoices in the past. The City was also required to pay late payments/finance charges on several invoices.
 - d. The first year of my term, the Personnel Representatives (Durwin Tomperi and Elizabeth Olson) were instructed by the entire Council to review all invoices and payroll prior to payment of the same. On prior invoice payments, it was not uncommon to find large and small amounts of sales tax being paid on large expenditures when they were not taxable.
2. Called for a Special Meeting in February 2021 to place a moratorium on all unnecessary purchases and payroll overtime, which the entire Council approved. This moratorium is still in effect.
3. The Council made sure any idle funds of the City were properly invested in the most lucrative banks/financial institutions, thus being good stewards of taxpayer's funds. This also includes City owned Nursing Home, Greenwood Connections. The amount of interest that was being earned when the new Council arrived was very little from TD Ameritrade and the local banking institutions. After providing an RFP to the various banks and entering into the 4M Fund, interest rates went from a .5% to 5.5%. (I was unable to obtain the actual interest amounts).
4. In 2021, the "Unallocated Fund Balance" was \$400.00. Reported with the 2023 Audit of the City, the Unallocated Fund Balance had increased to \$271,887. The recommended amount for a city our size if estimated at \$450,000. The City should continue to make progress in this area due to the conservative budget for 2025.
5. One main project that occurred in the past four (4) years was the construction of the City's Water Tower. The funds for this \$1,288,000 project came from the following: City's Federal Funds of the American Rescue Plan Act (ARPA) - \$142,285; Wadena County ARPA funds - \$231,250; \$300,000 from City

Reserves; and the remaining \$614,500 from a PFA/Public Finance Loan at a rate of 1.52%. This will continue to be paid for from the City's water rate funds.

6. I have always made it a practice to look out for the best interest of the City of Menahga, but as everyone is aware, the Mayor is only one of a five (5) person Council and as such, cannot make any decisions on his or her own. The majority rules on all decisions.
7. I would like to thank the following individuals who were an integral part of providing continuity and correcting/assuring that the finances were being properly accounted for the City: Interim/Acting/Administrator/Administrative Clerk/Treasurer individuals: Betty Thomsen, Jensine Kurtti, Lacey Erickson, Laura Ahlf and retired Deputy Clerk Alvina Kytta (who continues to assist in this position).
8. I also thank the past and present Council for contributing to the progress made on the finances of the City. It is my hope that the new Council in January 2025 will continue to look out for the best interests of all City residents you were elected to serve.
9. Thank you to the taxpayers of Menahga for allowing me to serve as your Mayor over the past four (4) years.

Respectfully submitted
Elizabeth "Liz" Olson, Mayor (2021-2024)

8. Consideration of Bills

Invoice copies were sent to the City Council members for the following batches.

- a. Batch #122324PAY - \$33,544.51;**
- b. Annual Payroll for Planning & Zoning (P&Z) - \$1,750.00; and**
- c. Annual City Council Payroll - \$13,030.00**

For a total of \$48,324.51

Main Motion: To approve Batch #122324PAY - in the amount of \$33,544.51; Annual Payroll for Planning and Zoning in the amount of \$1,750; and Annual City Council Payroll in the amount of \$13,030, for a total amount of \$48,324.51, as presented.

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

9. Meeting Adjournment

Main Motion: To adjourn the meeting at 6:45 p.m.

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

Elizabeth Olson in the Absence of:
Clerk/Treasurer Brett Gagnopalick

Mayor Elizabeth Olson