

CITY OF PIERZ
Official Minutes of the Pierz City Council
City Council Meeting
June 10th, 2024
7:00 PM

MEMBERS PRESENT:

Mayor John Perleberg, Council Member Don Bujalski, Council Member Jacque Johnson, Council Member Gary Berg, City Treasurer Kaye Stangl

STAFF PRESENT:

City Administrator Laura Wacker, Chief Police Eric Hanneken, Director of Golf Course Toni Meyer

APPROVAL OF MINUTES:

A motion was made by the Council Member Don Bujalski and seconded by Council Member Sarah Fyten to approve the Special City Council Meeting Minutes from May 28th, 2024. Motion carried unanimously.

ADDITIONS TO THE AGENDA:

Park Complex Update and a Water Pump Request

APPROVAL OF AGENDA:

A motion was made by Council Member Don Bujalski and seconded by Council Member Jacque Johnson to approve the agenda with the additions. Motion carried unanimously.

2023 AUDIT REVIEW:

Schlenner and Wenner Manager, Ashley Meagher, CPA joined the meeting and shared that for the City of Pierz it will be issued an unmodified or clean opinion. This means there were no significant issues, errors, or misstatements to arise during their procedures. Required communications are the overall of the audit went smoothly, we have a positive working relationship with management, everything as far as documentation was received, no unusual accounting policies or treatments and no unusual transactions when reviewing the city's transactions for 2023. To note there as well were no significant estimates that go into the reports that the financial statements in front of you show.

Contracts and compliance show that there were no material audit adjustments found this year for the 2023 financial statements.

Internal controls it is noted that there is a lack of proper segregation of duties. This is something that has been found in the past and is common with a city our size. Mayor John Perleberg does share that we are segregating where possible, Meagher states that is all a city of our size can do, unless the city were to hire more individuals. Schlenner and Wenner states that they do prepare the financial statements on behalf of the city.

Minnesota Legal Compliance is reviewed each year as part of the audit. Various areas of compliance with Minnesota statute essentially laws or rules are reviewed that the city must follow. It is reported that what were out of compliance was first the report of outstanding indebtedness that was filed one day late. The second was an employee valuation was held with the council as a closed session and was not recorded. (All closed sessions

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during a council meeting must be recorded unless they are due to attorney client privilege.) Third and lastly was one contract compliance. There were a few contracts that were greater than the threshold of \$25,000 that multiple quotes were not gotten for. Any contract that is expected to be greater than \$25,000 is expected to get two plus quotes for.

The general fund for 2023 had an increase in fund balance of just under \$177,000 and ending cash fund balance of just under \$1.4 million. Receipts and disbursements both increase from 2022 to 2023. Review of the unassigned cash fund balance in the general fund which is the spendable portion of the fund balance. For 2023 the percentage it sat at was about 96.9% which is a substantial increase from 2022. Just under 26%. It is noted that the city adopted a policy this year stating that percentage is to sit at or about 60%. Cash for the general fund had a slight increase and sat just under \$ 1.3 million.

The other governmental funds starting with the fire fund had an increase in cash fund balance ending in just under \$73,000. Activity was similar to fiscal year 2022, with not a lot of fluctuation. Non major capital projects which are all the capital projects combined. The city has 3, which decreased just under \$205,000 ending at \$85,000. Main reason for the decrease is the 2024 street project. Debt service funds, which are the TIF district funds decreased around \$1800 had ending around -\$4900. This the tax increment coming in and the payments going out. Overall similar activity from 2022. There was one TIF district 1-9 that closed in 2023. Non major special revenue had similar activity from 2022 to 2023.

Cash for the funds discussed above were just over \$450,000 at 12/31/2023. There is not much fluctuation, the decrease in non-major capital project is the start of spending for the 2024 Street Project. The bond proceeds come through in 2024 to hype that back up.

The city's enterprise funds started with the electric fund with an increase in net cash assets of \$344,000 and ending just over \$1.4 million in operating activity. This is similar to 2022. Reviewing the golf course fund there was a decrease in net cash assets of about \$975,500 ending at about \$1.5 million. Meagher points out that they did separate the golf course expansion from the golf course fund in one section of the audit to show the operation. It shows a decrease of \$72,000 which shows that as far as operations we are sitting rather healthily. For the storm water that had an increase in net cash assets of about \$58,000 and ending of about \$87,000. In 2022 the storm water fund was paid off, so the city shows non-operating disbursement sits at zero because that fund has no debt to pay off. Lastly the solid waste fund had a decrease in net cash assets of about \$18,000 and ending of \$160,000 which is similar activity from 2022. It is noted that the purchase of new garbage bins was purchased with shows an increase in operating disbursements. Cash for the funds above sat at \$189,000 as of 12/31/2023. Which is not a huge fluctuation from 2022.

The city's debt sat at about \$368,000 as of 12/31/2023. The proprietary type funds (enterprise) as noted the storm water debt was paid off so now the funds are sitting at zero. The 2013A bonds were paid off in 2024. The MIF loan that's related to a loan that the city has for a local business. The very last item is the contract for deed on the public works building which will be paid off in 2027.

The only recommendation that has been historically recommended is that the city do invoice payment review and approval prior to the checks going out. The council will bring this to the workshop that is taking place on Monday, June 24.

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TREASURER REPORT:

City Treasurer Kaye Stangl stated that the ending balance for the month of May was \$4,366,924.53. There were no red flags or anything of that nature.

A motion was made by Council Member Don Bujalski and seconded by Council Member Jacque Johnson to accept the May treasurer report. Motion carried unanimously.

CLAIMS REPORT:

City Treasurer Kaye Stangl stated that the ending balance for the month of May was \$416,303.36.

A motion was made by Council Member Gary Berg and seconded by Council Member Don Bujalski to accept the May claims report. Motion carried unanimously.

DEPARTMENT REPORTS:

Police Chief, Eric Hanneken shares that the city was awarded \$4,500 from the Community Match Fund Grant to help pay for the tornado siren. This is half the amount that it will take to fix the siren. The siren has been fixed and is working.

The report for complaints to date is 456, which is down about 200 from the previous year. Police Chief Hanneken states his compliments to police officer Preston Rocheleau who is doing a great job. The common calls are citations, medicals, traffic complaints, agency assists, theft and juvenile contact. Chief Hanneken has been able to go into the Pioneer and High School healthy living and speaking to students that are taking their behind the wheel.

Bootleggers will be submitting an application for a benefit. Chief Hanneken is still waiting for an application from Walking Wings which he reminded them of. He states that he will run all applications by council prior to any approval.

Mayor Perleberg takes a moment to share his gratitude to Chief Hanneken. The city is very lucky to have you.

Clubhouse Director, Toni Meyer, shares that they are staying very busy especially when the rain stays away. Everything is working properly and doing good. The Holy Trinity tournament, Niel Boser Memorial Tournament, the Horizon Health are the current schedule tournaments.

Mayor Perleberg shares that Toni, and the park complex crew did a great job with the campground this last weekend.

City Administrator, Laura Wacker shares an update from Park Complex Supervisor, Zach Baert. First is that he does feel the Sand Pro can be sold. He is working on getting a price range to sell it at.

Ethan Kowalczyk has started and has been doing a great job.

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Lastly the motherboard on one of our pumps went out and needs to be repaired. The phone quote from MTI we received today is that the motherboard itself is \$5000. We would like to get the approval to spend up to \$8000 to plan for labor and shipping. We did buy this pump used without a warranty.

A motion was made by Council Member Jacque Johnson and seconded by Council Member Don Bujalski for the approval to fix the water pump without exceeding \$8000 and to budget it out of the existing golf course fund. Motion carried unanimously.

Wacker shares the following reminders:

- Fox 9 news will be at the Legion Ballpark on June 19
- The City Hall will be closed June 19 in recognition of Juneteenth.
- City workshop is scheduled for June 24.

Shares that WJON Jim Caldwell did a story on the history of Pierz and that recording is on our Facebook page if anyone is interested.

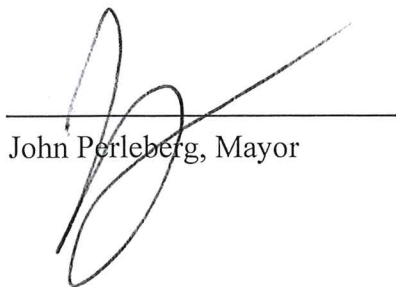
UPDATES:

Council Member Don Bujalski shares that with the street project we did have a change order. We will now plan to bury some electric so items will be underground. The cost for that was about the same amount it would take to cut the tree down that is currently in the way. It was felt that this was the better of the two options.

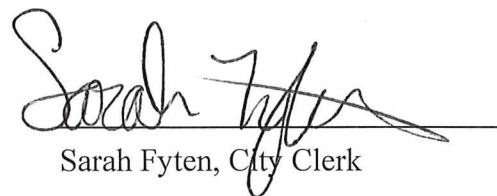
Council Member Jacque Johnson was asking about when the candidacy positions will be opening. Wacker had reached out to the county today, who stated that they will be sending packets out this month and then the application process starts in July.

ADJOURNMENT:

A motion was made by Council Member Don Bujalski and seconded by Council Member Gary Berg to adjourn the city council meeting at 7:52 pm. Motion carried unanimously.



John Perleberg, Mayor



Sarah Fyten, City Clerk