

NEVIS CITY COUNCIL PROCEEDINGS
REGULAR MEETING
January 8, 2024
Nevis City Council Chambers

CALL TO ORDER: The Regular City Council Meeting was called to order at 6:00pm by Mayor Jeanne Thompson.

The Pledge of Allegiance was recited.

ROLL CALL: Mayor Jeanne Thompson, Councilors: John Carrier, Blair Reuther, Teresa Leshovsky, and Sue Gray, Dawn Veit, Administration, City Attorney: Troy Gilchrist, Public Works Director: Don Umthun, Deputy Clerk: Kimberly Wright, and Fire Chief: Josh Winter.

Absent: Deputy Josh Oswald

APPROVAL OF THE REGULAR AGENDA: Motion by Sue Gray second by Teresa Leshovsky and unanimously.

APPROVAL OF THE CONSENT AGENDA: Motion by Jeanne Thompson, second by John Carrier and unanimously approved with the addition of the Financial Meeting tabled until after the audit in the February 2024 minutes, Motion by Jeanne Thompson second by John Carrier and unanimously approved.

Public Comments:

John Halberg: Police contract

John presented the council with concerns about the police contract.

DEPARTMENT REPORTS:

1. **Administration – Dawn Veit**

a. Dan Snyder – Colonial Life

Dan Snyder presented the Council with options of Colonial Life benefits for the employees of the City. The benefits offered are either the same or more and the price would be cheaper than what is available to employees now. Colonial Life offered the City employees a \$10,000.00 life insurance policy for the duration of their employment if the city accepts Colonial Life's offer of coverage. The offer was discussed and a motion was made to have Colonial Life come talk to all city employees to get an idea of how many employees would be interested in the offer.

Motion by Jeanne Thompson, second by Teresa Leshovsky and unanimously approved.

b. Corey Boyer – PMA Financial Network, LLC for 4M Fund, Minnesota Municipal Money market Fund.

Corey Boyer presented the council with the PMA League of Minnesota Cities 4M Fund. The council discussed the issue and made a motion for an advisor to review the city's financial funds from PMA League of Minnesota Cities 4M Fund.

Motion by Blair Reuther second by Jeanne Thompson and unanimously approved.

2. **Public Works – Don Umthun**

a. Old business: Karrin Lindow Property – water and sewer

The Council received a report on Karrin Lindow property concerning the water and sewer charges. The council discussed the report and made a motion to have the Administration office bring this information to the next council meeting:

-When the Mill was bought by Karrin,

-Find out how much 306 main Street East has paid since the demolition of the structure

-Find out how much the Mill property should have paid since Karrin bought it

Motion by Jeanne Thompson second by John Carrier and unanimously approved.

b. Opinion of probable Construction Cost from Wideseth

Don presented the council with the opinions of cost from Wideseth. The council debated the opinions and made a motion to have Don look at costs of a pole barn style building for a new public works building.

Motion by Jeanne Thompson second by Teresa Leshovsky unanimously approved.

c. Don let the council know that the city brush dump could be open soon and remain open depending on condition of the brush dump road.

d. Don was asked when hydrant flushing would happen. Don said he would have a date at the April meeting.

e. Council member Leshovsky asked Don if he could fix the street signs around town. Don said he will get them fixed.

3. Planning and Zoning – Nothing at this time

a. Conditional Use / Interim Use Permit Template

Council Member Gray present the council with a Conditional Use/Interim Use Permit. The City Attorney said that there would need to be a language change in the Ordinance before the permit can be approved. A motion was made to table the Conditional Use/Interim Use Permit.

Motion by Jeanne Thompson second by John Carrier and unanimously approved.

4. Police Report – Josh Oswald (not available)

5. Fire Department – Josh Winter

a. Old Business: Job descriptions: Josh will email the job descriptions.

b. Estimate: OTEX Mfg.: Josh presented the council with an estimate from OTEX MFG for an IN-FLOW Fire Hose Washer amount: \$1,074.22

Motion by Teresa Leshovsky second by Sue Gray and unanimously approved.

c. Josh informed the council that the fire warning is up and burning permits are not allowed.

d. Josh will be looking into new fire helmets

6. Liquor Store –

a. **City Attorney, Troy Gilchrist** explained that Cindy Paulsen requested the closed session be an open session and how it should be conducted. The council was given time to look over the contents of the sealed envelope.

City **Administrator Veit** read:

“Recommendations for Termination of Cynthia Paulsen:

a. Ms. Paulsen inappropriately used the City Credit Card at a local casino on 4 separate occasions to obtain cash for a total of \$700.00, presumably for her personal use.

b. On or about February 23, 2024, two checks were written to the Municipal Liquor Store by Ms. Paulsen totaling \$150.00. Ms. Paulsen took the money and the checks were placed in the Liquor Store safe with a note stating that she would buy back the checks on a future date of Tuesday, February 27, 2024.

The following is a summary of the grounds for my recommendation for the termination of Ms. Paulsen’s employment. The foregoing conduct is completely unacceptable for a manager with oversight for the appropriate use of public funds as well as supervisory responsibilities over other City employees. Her temporary access to public funds for her personal use violates Minnesota law and constitutes a blatant violation of her responsibility to ensure accurate bookkeeping of the City’s money. Pursuant to the City’s personnel policy, Ms. Paulsen is an at-will employee which means her employment with the City can be terminated at any time and for any legal reason. Based on seriousness of her repeated misconduct in this instance and the potential risk to the City of adverse consequences resulting from her conduct, I am recommending that her employment with the City be terminated immediately. In light of these incidents and the pending recommendation. Ms. Paulsen is currently on paid administrative leave pursuant to the City’s personnel policy.

Conclusion: termination of Cynthia Paulsen's employment is recommended upon concurrence of the City Council and after appropriate notice is provided to the employee."

Mayor Thompson gave Cindy Paulsen time to talk.

Cindy Paulsen explained to the council why the allowance of cash was the city issue and if the city would have set up the credit card different than she would not have been able to have a cash advance. She felt the letter letting her know she was on paid administrative leave was hostile, and threatening. The first incidence was a mistake and she agonized for it and paid the money back. The second incident Cindy paid the money back directly to the bank for 2 of the 3 cash advances. On Monday, March 11, 2024 Cindy went to the bank and found out the City Credit Card is still active with her name on the card. She felt her job was being threatened and she should not lose her job over these incidences.

The council discussed the issue:

Mayor Thompson, "The employee signed the Credit Card Policy that states it shall not be used to obtain cash advances". The credit card is to be used for city approved business. This money is tax money and we as a city need to be above reproach.

Council Member Leshovsky, "Credit Card Policy says Personal use may be grounds for discipline, going back through the report there was not 1 but 3 personal uses".

Council Member Gray, "The 1st time was a verbal warning, however when we have 2 on the same day and third on the next day/early the next morning, each one should have been a grievance not just one grievance altogether. It is a violation of City policy and a violation of State law to use government funds for personal use."

Council Member Reuther, "There were no government funds used. It was a credit line used. It was not a malice intent that we actually paid for. I mean I can't see how terminal termination for what's been done would warrant it. Yeah, she used the credit card, it was wrong and whether she intended or not it was wrong. And, I agree there should be some discipline action, but, there was only a verbal thing I one and the 2nd there was no discipline action. It was just a written up. You know we went from 0 to 60. There were no funds stolen from the City. There were no government funds used. And the legality of it, (look over to the City Attorney) was there anything illegal, what she did in your opinion?"

City Attorney Troy Gilchrist: "Madam Mayor, I'm not a criminal attorney, but it does strike me as misuse of public funds, that triggers reporting to local law enforcement and the State Auditors Office. Yes, I think it was misappropriation of funds. Paying back the funds doesn't absolve the use. From a legal perspective the City Administrator's recommendation is supported."

Council Member Reuther: "Well even with the legal liability in there I don't think the combination is. I think it's pretty excessive for what's going on. And, I need to think about the good things that Cindy's done for City of Nevis. Yes, we have this and it's a terrible thing, I will say that, but losing our bar manager as we are coming into the season. And, I just don't see that termination warrants from what's been done. We can have disciplinary action. We can have a personal improvement program. I noticed all these were done at the casino maybe we should require some kind of assessment for gambling. I don't know what options we have at this point. I would prefer to move forward with our employee and fix our things because this isn't a performance issue, this isn't what you stole from us, this isn't you can't run the place because you're inept. I mean we're not terminating someone because they're not doing their job, they're doing their job and doing a great job and to go from 0 to 60, oh here's your discipline, here's your warning, here's this, here's your termination. It was 2 different things. She didn't use the credit card the 3rd time. She brought a check on Monday. Yeah, at that point it's not a good business sense, it's not a good idea, not something you condone, but I just don't see a full termination warrant for these actions."

Council Member Carrier: No further discussion.

b. Resolution No. 2024-05 Resolution Terminating the Employment of Cynthia Paulsen.

Motion by Sue Gray second by Teresa Leshovsky, yes – Jeanne Thompson, John Carrier, No – Blair Reuther motion carried.

Council member Carrier made a motion to only accept checks for the amount of purchase and not above that. We have ATM.

Motion by John Carrier second by Jeanne Thompson, yes – Teresa Leshovsky, Sue Gray, no – Blair Reuther motion carried.

Motion to adjourn by Teresa Leshovsky second by Blair Reuther and unanimously approved.

Minutes Submitted by: Kimberly Wright, Deputy Clerk