

Secretary Dennis Merschman called to order the regular meeting of the Bagley Public Utilities Commission on December 19, 2023 at 2:10pm. Also present for the meeting were Commissioner Stuart Lien via zoom, and managers Bill Masterson and Vicky Fletcher. Chairman Thomas Lillegaard was absent.

Lien made a motion and Merschman seconded to approve the minutes as written for the regular board meeting held November 15, 2023. Motion carried.

After reviewing lists of the November 2023 expenditures and invoices payable in December 2023, Lien moved to approve both with second made by Merschman. Motion carried.

Masterson reported on the Water/Sewer Project and recent City Council action. Council approved the additional costs incurred by Karvakko Engineering due to Phase I construction delays. The expenses, also accepted by USDA, totaled \$40,170, equal to 39 days of liquidated damages at rate of \$1030 per day. Council approved assessing the 39 LD days to Reierson and another 10 days, or \$10,300, to cover costs incurred by City for the additional materials and maintenance required on project streets that did not get paved in 2023. Masterson explained the terms outlined in the contract regarding assessment of liquidated damages. Masterson along with Mike Karvakko, City engineer, and Stephen Larson, City attorney, have been working to complete the next pay application with deduction for 49 LD days. In accordance with necessary legal steps, the letter from Larson and pay application will be presented to Reierson. It will then be Reierson's choice to accept/sign or refute the pay application, and Bagley will address future action based upon Reierson's decision.

Masterson updates:

- Frontier is working on downloading Bagley data to the mapping and GIS locating equipment;
- generator at cable tower is connected with propane fuel until next year, and generator at waterplant will be online as soon as Clearbrook Electric repairs surge protector;
- new truck is ready and will soon ship to ABM Equipment to attach the boom.

Jean Edhlund, with Cooperative Network Services, LLC represented BPU in retransmission negotiations. Masterson presented results to Board for the renewal of Forum Communications contract covering WDAY (ABC), Xtra, and True Crime. Motion by Lien and second by Merschman to approve the Forum contract renewal, and authorize Masterson to sign Red River Broadcast Co, LLC contract for KVRR and Antenna TV when negotiated. Motion carried.

Masterson and Fletcher explained results of the wage study done in 2022, and their recommendations for proposed changes on job titles, establishing current pay grades, and 2024 raises for all BPU employees. Motion by Lien to adopt the new wage schedule effective January 1, 2024 which includes the following changes:

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- a) new job titles;
- b) no additional pay per hour for licenses;
- c) no longevity pay;
- d) 2.25% step increase effective January 1<sup>st</sup> annually;
- e) maximum of twelve (12) steps per pay grade; and
- f) optional COLA annual increase effective January 1<sup>st</sup>.

The adopted wage schedule will be added to the BPU Employee Handbook and replace any language related to previous job titles and wage determinations. Motion was seconded by Merschman and carried.

Motion by Lien to approve the 3% COLA raise for all BPU employees in addition to the 2.25% annual step increase, setting the 2024 wage rates as follows:

Utilities Foreman	Pay Grade 8	\$35.56
Utilities Technician	Pay Grade 10	\$33.19
Utilities Technician	Pay Grade 4	\$29.05
Business Manager	Pay Grade 8	\$35.63
Office Specialist	Pay Grade 2.5	\$22.39
Office Assistant	Pay Grade 1	\$17.42

Merschman seconded, motion carried.

Board reviewed financial reports for October 2023. Fletcher stated two certificates of deposit have been established, each \$500,000 with like terms of about 5.25% for 12 months. One at RiverWood Bank and the other at First National Bank.

Board approved to keep established meeting date as first Wednesday after the 10<sup>th</sup> of the month at 10:00am for 2024.

Fletcher suggested Board annual base compensation be increased to \$1800. Motion made by Lien, seconded by Merschman to recommend Council raise the base pay by \$300 for each BPU Commissioner to \$1800 per year effective for 2024. Special meetings will continue to be paid at rate of \$75 per meeting. Motion carried.

Fletcher authorized to advertise for Business Manager position.

With no further business to come before the Commission, a motion was made by Lien and seconded by Merschman to adjourn the meeting.

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Dennis Merschman, Secretary

Attest:

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Vicky Fletcher, Business Manager