WORTHINGTON CITY COUNCIL
SPECIAL MEETING - BUDGET WORK SESSION - AUGUST 26, 2016

The meeting was called to order at 7:00 a.m. in City Hall Council Chambers by Mayor Pro Tem Scott Nelson with the following Council Members present: Diane Graber, Larry Janssen, Mike Harmon, Rod Sankey. Members absent: Mayor Kuhle (excused), listened to the meeting via phone conference.

Staff present: Steve Robinson, City Administrator; Brian Kolander, Finance Director; Janice Oberloh, City Clerk; Troy Appel, Public Safety Director; Dwayne Haffield, Director of Engineering (7:27 a.m.); Brad Chapulis, Director of Community/Economic Development (8:23 a.m.).

Others present: Julie Buntjer, Daily Globe; Amy Ernst; Chris Kielblock.

BUDGET DISCUSSION

Public Safety - Troy Appel, Public Safety Director, presented his proposed 2017 budget, and highlighted the following:

- $205,000 in Grant and working-relationship funds for wage reimbursements
- ERS - 2017 additions
  5 squad replacements
  2018 additions
  Body Cameras ($25,000 for cameras, hardware, and storage)
  Civil Service Sirens ($25,000 every other year through 2026 to replace 9 sirens with 5)
- $32,759 increase for legal fees/prosecution from the Nobles County Attorney
- WPD Staff and service maintained at current levels:
  WPD Staff currently operates with 24 sworn offices, 12 civilian employees and 9 reserves. Thirteen officers are assigned to patrol division and five to investigations. The command staff consists of three patrol sergeants, one detective sergeant, one captain and the chief.

Chief Appel said the body cameras are recommended by the state at this point - $25,000 will buy 3 of them.

ERS Squad Replacements - Replaced vehicles will be sold - they had no vehicle replacements in 2016.

ERS Fire Truck - Reserve has been at $175,000 for a number of years - based on recent estimates obtained for the replacement an additional $10,000 has been added for 2017.

ERS - Civil Defense Sirens - old and outdated - not supported anymore - the replacement schedule is one every other year. Can replace 9 with 5 because of increased efficiency.

Engineering

Dwayne Haffield, Director of Engineering, noted there was not much in his operations budget over the previous year - the big difference is in the CIP. An additional work station has been included for 2017 at $4,000. The ERS includes a vehicle replacement - the money is already in the fund but was not reflected on the budget information.

Clean Water Partnership - Generally request $50,000 each year, but usually spend about $15,000 and put the rest in reserves for any capital improvement project. There is $146,250 capital outlay from reserves included in the proposed budget, which will be the local share for the Prairie View Basin, or 25% percent of the project. - if the Legacy Grant is not received by the Okabena-Ocheyda Watershed we would probably not propose use of the funds next year. There is currently approximately $800,000 in the fund.

ERS Vehicle Replacement - The 415 Engineering Van is scheduled for replacement at $27,000 - although the budget document showed a low reserve, staff assured Council the funds are there.

ERS Survey Equipment - added a few years ago for survey equipment that can produce files for the computer - withdraw $27,500 for 2017 - will then be turned over on a ten year basis.

ERS Mapping Equipment - currently $77,370 in the reserve with additional $3,314 new money added in 2017 and 2018. Next year or following year may come in and ask for a budget amendment for photographic maps - some of the photos are from 2008. Possibility of "bumping up" the quality of the County's mapping within the urban area at a lesser amount than reflected.

CIP Street Reconstruction - the street reconstruction list is edited now and again in the spring to see how they did over the winter. Discussion was held on ADA ramp compliance and how it can affect overlay project budgets.

Included is $400,000 for contract maintenance for 2017 and $300,000 additional for future years. Contract maintenance for last year was at $350,000. Through past practice, the City's funding source for street projects has been through the tax levy. That amount as proposed in this budget is over $840,000 vs. $410,000 last year. The funds for contract maintenance cover seal coating, milling and overlays, and joint sealing. Mr. Haffield said if the City can't commit those amounts there are two options: begin assessing resurfacing, which the ordinance allows for but we've not done, or we cut back and let things go a little further. Steve Robinson suggested that increased maintenance costs will be the new normal.

Airport - projects are pretty much complete and the airport is now in maintenance mode.

Community / Econ. Development - Brad Chapulis, Director of Community/Economic Development, reviewed department revenues and said overall his department budget for expenditures is pretty status quo - just under $530,000 - a slight decrease. Regarding the Oxford Street Redevelopment, if numbers are favorable they may start the planning by engaging a consultant this fall or next year.

Worthington Rediscovered - Mr. Chapulis provided an explanation of the Worthington Rediscovered funds noting this is a line item but its been discussed if it should be pulled out and be an actual reserve fund. $300,000 from the sale of the hospital was put aside for this program that was to assist people in removal of blighted homes. $116,900 of those funds remain - no one has applied for the funds - there is no impact to the levy.

Vehicle Purchase - the budget includes$20,000 for replacement of a 2001 Ranger that was obtained from Public Utilities for the Rental/Housing Inspector - however only $5,000 of that is new money.

Event Center - shows a steady increase in revenues - $15,000 added for miscellaneous repairs and maintenance. No levy involved - it's supporting itself

Economic Development Authority - noted a change in the way the funding to WREDC was listed - moved from professional services to ad velorem taxes as without levy limits there is no need to go through the process of having the EDA approve its separate levy to be included in the City's overall levy amount. No impact to the budget - more of a bookkeeping thing. Will be assessing the EDA for sewer and water projects on the Hwy 59 North project until such time the land is acquired - $45,000 to $55,000. That will be coming up in 2018.

General Fund - will be addressed at the next meeting if questions - currently budgeting $50,000 per year for the aquatic center, down from $100,000 - reserve is at $800,00 plus -need to determine what is the reasonable amount to reserve, perhaps a million.

ADJOURNMENT

The motion was made by Council Member Sankey, seconded by Council Member Graber and unanimously carried to adjourn the meeting at 9:00 a.m.

Janice Oberloh, MCMC
City Clerk