

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING-BUDGET WORK SESSION, AUGUST 26, 2015**

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

Staff present: Steve Robinson, City Administrator; Brian Kolander, Finance Director; Troy Appel, Public Safety Director, Dwayne Haffield, Director of Engineering; Janice Oberloh, City Clerk; Rick Von Holdt.

Others present: Kristin Kurtz, Daily Globe; Andy Johnson, YMCA, and Kris Hohensee, Center for Active Living (9:00 a.m.).

BUDGET DISCUSSION

Steve Robinson, City Administrator, noted that the budget as initially presented reflects a 10.87% increase over 2015, adding that 1% is equal to \$32,622. It includes cost of living adjustment of 2.5% per union contracts, and also includes an estimated 10% increase in health insurance rates (City share). Total levy as presented is \$3,616,870, as opposed to the 2015 levy amount of \$3,262,150. Brian Kolander, Finance Director, said we will be working with Department Heads during the budget meetings to review their budget requests.

Fire Department - Fire Chief Rick Von Holdt reported that his 2016 budget is pretty stable. The ERS schedule does include replacement of 1978 International pumper truck at a cost of \$213,000 which is fully funded.

Public Safety Department - Troy Appel, Public Safety Director, distributed a handout with information regarding 2015 and detailing his department's 2016 budget, which includes the following:

- \$198,000 in Grant and working-relationship funds for wage reimbursements
- ERS: Mobile Computers and Docking Stations - \$50,000
- ERS: Squad Adjustment (combined total cost - vehicle and equipment/none for 2016)
- Staff and service maintained at current levels for investigations and security center
- The addition of one patrol officer to return sworn staff numbers to 24 (as in 2010)

Engineering - Dwayne Haffield, Director of Engineering, reviewed the significant changes for his department's budget, noting the following:

- Includes \$15,000 for work station computers for two technicians, the Assistant Engineer and himself for handling of new CAD software
- \$80,000 for a new GIS CAD position - 50% funded in 101 and 50% funded in the Construction fund - this has been in the budget for the past two years but has not been filled because the market for the qualified individual wasn't there

- \$100,000 for miscellaneous professional services in the Clean Water Partnership fund - Mr. Haffield said the Clean Water reserve is currently at about \$600,000 but could go away quickly as those projects tend to be very expensive. The Okabena Creek project itself will be over \$1 million
- The CIP includes \$300,000 for contract maintenance, \$55,000 for a trail connector to bring the downtown pedestrians to the lake trail, and \$125,000 of new money to connect Grand Avenue to Grand Avenue to Okabena Street (Option 3)

In response to a question from Mayor Kuhle, Mr. Haffield said \$500,000 would be the “comfort zone” to get and keep our roads in good shape.

Community/Economic Development - Brad Chapulis, Director of Community/Economic Development, said there were no major changes proposed for revenues or expenditures for his department, but highlighted that we are on pace to pass \$13,000,000 in building permit valuation for 2015, with permit fees projected to exceed \$105,000. Due to staff health issues only half of the expected rental inspections will be accomplished in 2015, and staff is proposing a one time reduction to half the rate to provide for not meeting/providing the service that rental owners have paid for. 2015 projected personnel costs are down due to unpaid leave, and the 2016 miscellaneous professional services budget was also down as the Oxford Street Redevelopment Committee will be coming to an end this year.

Event Center revenues have been exceeding projection. Replacement costs will start to be added in to the budget in 2017 for dishware, glasses, etc. Current balance in the fund is approximately \$40,000, however, Mr. Chapulis reminded Council that because the project came in under budget Council was able to slide approximately \$260,000 of remaining construction funds into the reserve fund.

Economic Development Authority - Mr. Chapulis said Council has committed the \$83,000 levy to WREDC on an annual basis. This year WREDC requested an increase to \$86,000 - Mr. Algadi will be here next week to talk about his budget. The 2016 proposed budget includes \$47,980 of new money to compensate for the loss of a tenant at the BAC. Mr. Chapulis noted the figure is the worst case scenario of a 12 month vacancy. Funds from farm leases have also decreased due to ditch improvements resulting in fewer tillable acres. The City’s maintenance/custodial employee will be replacing the custodian at the BAC resulting in approximate savings of \$1,000 per year. Hours for the custodial employee will remain the same but the hours that were designated for service at the Center for Active Living will be available, allowing for four hours/week at the BAC and one hour/week at the Memorial Auditorium.

Center for Active Living

Kris Hohensee, Manager of the Center for Active Living, said things were going great at the Center.

The City's maintenance/custodial employee will no longer be utilized at the CAL as they are receiving volunteer services through SMOC - guaranteed 20 hours but may be up to 30 at no cost. The contract runs through June 30, 2016. In response to a question from Council, staff will inquire regarding liability insurance coverage regarding volunteers. Ms. Hohensee said she is constantly looking for partnerships and grants for programming needs. Andy Johnson, YMCA, said they have also looked at inter-generational programming, and have worked with Head Start and the high school and middle school students. Miscellaneous professional services are down for 2016 as the grant is being spent down.

Council/Mayor, Administrator, Clerk, Finance

Staff was notified by the Nobles County Administrator that Nobles County would like to NOT do our assessing next year. They are contracting with two guys from St. Cloud and suggested that we do the same.

The 2016 budget includes funding for the 2016 election and covers employee costs for distribution of equipment/supplies, election judge pay, postage, legal notices, and printing costs.

Council Member Nelson suggest that Council increase Council and Mayor salaries, which would not take affect until after the election. Although current salaries are in the ball park found in recent survey, the last adjustment was given in 2003 and it should be looked at.

ADJOURNMENT

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to adjourn the meeting at 10:05 a.m.

Janice Oberloh, MCMC
City Clerk