

**SAUK CENTRE CITY COUNCIL
SPECIAL MEETING
SEPTEMBER 3, 2009 – 5:00 P.M.**

1. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE

The Sauk Centre City Council met in a Special Meeting on Thursday, September 3, 2009 at 5:00 p.m. at the City Hall pursuant to due notice being given thereof. This special meeting is to review the proposed 2010 budget for all City Funds. Present were Mayor Brad Kirckof, Council Members David Thomas, Keith Johnson, Warren Stone and Al Coenen. Also present were City Administrator Vicki Willer, Police Chief Bryon Friedrichs, Public Works Director (PWD) Butch Wessel, and City Planner Sarah Morton. Mayor Kirckof presided thereat.

2. ACTION ITEMS

Mayor Kirckof stated that the Finance Committee met Wednesday, August 27th at which time they reviewed the budget at great lengths and made recommended changes to the budget as presented at this meeting. A summary of the Finance Committee Recommendations was provided for review.

Administrator Willer presented a Power Point to the Council who discussed the following amendments to the 2010 proposed budget:

GENERAL GOVERNMENT – No proposed changes.

CVB LODGING TAX – No proposed changes.

<u>ADMINISTRATION</u>	<u>INITIAL</u>	<u>AMENDED</u>
E100-41400-101 FT Employees	\$208,126.55	\$204,045.64
E100-41400-121 PERA	\$14,568.86	\$14,283.19
E100-41400-122 FICA/Medicare	\$15,921.68	\$15,609.49
E100-41400-131 Health Insurance	\$51,331.10	\$47,563.20

The proposed changes to the Administration budget were a result of the recommendation that the budget include steps for non-union employees, but that the recommendation will also be there will be no proposed Cost of Living Increase at the beginning of the year. The related payroll expenses were amended. Initial health insurance was an estimate; we now have the actual rate for the amended budget. The recommended changes to the Administration budget were approved by general consent.

FINANCE/AUDIT – No proposed changes.

LEGAL SERVICE – No proposed changes.

<u>PLANNING & ZONING</u>	<u>INITIAL</u>	<u>AMENDED</u>
E100-41910-101 FT Employees	\$47,332.08	\$46,404.00
E100-41910-121 PERA	\$3,313.25	\$3,248.28
E100-41910-122 FICA/Medicare	\$3,896.30	\$3,549.91
E100-41910-131 Health Insurance	\$5,000.00	\$5,028.00

E100-41910-308 Contract Work	\$40,000.00	\$15,000.00
E100-41910-436 Conference Exp	\$1,000.00	\$500.00
E100-41910-440 State Surcharge	\$3000.00	\$1,500.00

The proposed changes to the Planning & Zoning budget were a result of the recommendation that the budget include steps for non-union employees, but that the recommendation will also be there will be no proposed Cost of Living increase at the beginning of the year. The related payroll expenses and health insurance were amended. The costs for the Building Inspector were reduced due to a lower number of permits. Conference expenses were reduced. The recommended changes were approved by general consent.

<u>CITY HALL</u>	<u>INITIAL</u>	<u>AMENDED</u>
E100-41940-131 Health Insurance	\$12,500.00	\$11,890.80
E100-41940-151 Work Comp	\$550.00	\$1,700.00
E100-41940-438 Exp Reimb.	\$240.00	\$480.00

The proposed changes to the City Hall budget were due receiving the actual health insurance numbers for 2010 and for adjusting the work comp and exp reimbursement amounts to the actual amounts. The recommended changes were approved by general consent.

<u>POLICE ADMINISTRATION</u>	<u>INITIAL</u>	<u>AMENDED</u>
E100-42100-101 FT Employees	\$98,475.53	\$96,544.64
E100-42100-121 PERA	\$11,572.51	\$11,051.49
E100-42100-122 FICA/Medicare	\$3,709.26	\$3,636.53
E100-42100-131 Health Insurance	\$25,000.00	\$25,102.80
E100-42100-133 Non Emp. Hlth. Ins.	\$9,500.00	\$8,500.00
E100-42100-550 Motor Vehicles	\$10,000.00	\$0.00

The proposed changes to the Police Administration budget were a result of the recommendation that the budget include steps for non-union employees, but that the recommendation will also be there will be no proposed Cost of Living increase at the beginning of the year. The related payroll expenses and health insurance were amended. Non Employee health was amended to reflect actual costs. Motor Vehicles was eliminated due to the City retaining a forfeited vehicle. The recommended changes were approved by general consent.

<u>POLICE PATROL –</u>	<u>INITIAL</u>	<u>AMENDED</u>
E100-42110-102 Overtime	\$12,000.00	\$5,500.00
E100-42110-103 PT	\$15,000.00	\$8,500.00
E100-42110-121 PERA	\$38,023.00	\$36,652.31
E100-42110-122 FICA/Medicare	\$1,147.50	\$650.25
E100-42110-131 Health Insurance	\$50,000.00	\$47,049.60

The proposed changes to the Police Patrol budget were a result of the recommendation that the overall costs to the patrol budget be reduced by five percent which is equal to one shift per week. The reduction was applied to the Overtime and Part Time wages along with the related payroll costs and health insurance. The recommended changes were approved by general consent with Warren Stone dissenting.

FIRE SERVICE – No proposed changes. It was noted that fire calls are up this year.

EMERGENCY SERVICES/SIREN – No proposed changes.

ANIMAL CONTROL – No proposed changes.

<u>PUBLIC WORKS</u> –	<u>INITIAL</u>	<u>PROPOSED</u>
E100-43000-101 FT Employee	\$73,506.50	\$58,084.16
E100-43000-121 PERA	\$5,145.46	\$4,065.89
E100-43000-122 FICA	\$5,623.25	\$4,443.44
E100-43000-131 Health Insurance	\$12,500.00	\$11,890.80

The proposed changes to the Public Works department were a result of the reduction in the work hours from a forty hour work week to a thirty-two hour work week and related payroll expenses. The recommended changes were approved by general consent.

If the Public Works Director would decide to enter into a Phase Retirement Option Agreement with the City, the proposed budget could be further reduced to reflect half time hours. However, the City may want to retain those dollars in the budget to help offset costs in the event the City goes forward with hiring to fill the position prior to the end of the year.

<u>STREETS & HIGHWAYS</u> –.	<u>INITIAL</u>	<u>PROPOSED</u>
E100-43100-104 Temp Employees	\$4,500	\$0
E100-43100-131 Health Insurance	\$43,000.00	\$38,689.20
E100-43100-530 Imp OT Buildings	\$140,000.00	\$100,000.00
E100-43100-540 Heavy Equip	\$45,000.00	\$35,000.00
E100-43100-580 Other Equip	\$22,000.00	\$0

Coenen noted that the 1994 Plow Truck that is being budgeted for should not have to be replaced until it is twenty years old (2014) and suggested that be an additional place to cut.

The proposed changes to the Streets and Highways budget were approved by general consent. .

ICE & SNOW – No proposed changes.

<u>STREET LIGHTING</u> –	<u>INITIAL</u>	<u>PROPOSED</u>
E100-43128-400 Repairs	\$9,000.00	\$7,000.00

SIDEWALKS – No proposed changes.
STORM DRAINAGE No proposed changes.

<u>YARD WASTE COMPOSTING</u>	<u>INITIAL</u>	<u>PROPOSED</u>
E100-43241-ALL	\$693.00	\$150.00

WASTE DISPOSAL – No proposed changes.
SKATING PROGRAM –.No proposed changes

The budget recommendations for street lighting and yard waste composting were approved by general consent.

<u>INFORMATION CENTER</u>	<u>INITIAL</u>	<u>PROPOSED.</u>
E100-45180-ALL	\$9,525.00	\$1,400.00

The recommendation for the Information Center is that the City continue to pay for the costs of insuring the building and for the exterior maintenance including snow removal and grass cutting which is done through public works with other costs to be born by the occupants whether in the form of paying rent for the facility or for paying the costs directly. The Mayor and City Administrator have been invited to attend the Chamber Board retreat to discuss the options for the Chamber.

The recommendation was approved by general consent.

TRANSIT BUILDING – No proposed changes.

Coenen asked if the City had investigated the costs of installing infra-red heaters in the transit garage rather than using the electric heaters and if ceiling fans had been installed. It was the consent of the Council that the heating costs are more than they should be and requested that a locking thermostat that can be kept at a lower temp be installed to keep the building at around 45 degrees. It was also understood that the bathrooms and office have their own heater.

<u>CAMPGROUND</u>	<u>INITIAL</u>	<u>PROPOSED</u>
E100-45183-103 PT Employees	\$8,600.00	\$8,100.00
E100-45183-122 FICA	\$657.90	\$619.65
E100-45183-530 Imp OT Buildings	\$20,000.00	\$10,000.00

The recommendation before the Council from the Finance Committee is that the Campground Host be paid the same next year rather than a raise and also that the Improvements Other than Buildings which is for the Campground Extension be reduced to \$10,000. It is thought that with the funds from the 2009 budget the added \$10,000 for 2010 could cover the costs of the extension.

Councilman Johnson stated that the Park Board voted on the wages for the Campground Host and are recommending a three percent raise for 2010. They accepted a freeze for 2009.

A motion was made by Council Member Stone and was seconded by Council Member Johnson to approve a three percent raise for the Campground Hosts for 2010 for a budget amount of \$8,350.00. A vote being recorded as follows: For: Council Members Stone, Johnson. Against: Mayor Kirckof, Council Members Thomas and Coenen. The motion failed.

A motion was made by Council Member Thomas and was seconded by Council Member Coenen to keep the rate at \$8,100 for the Campground Hosts for 2010. A vote being recorded as follows: For: Mayor Kirckof and Council Members Thomas and Coenen. Against: Council Members Stone and Johnson. The motion passed

The recommended change to the Campground Extension budget was approved by general consent.

WALNUT STREET GARAGE – No proposed changes.

CULTURAL PROGRAMMING – No proposed changes. Stone will talk to the CVB about assuming payment of this expense.

<u>PARK/RECREATION</u>	<u>INITIAL</u>	<u>AMENDED</u>
E100-45200-131 Health	\$30,000.00	\$25,792.80
E100-45200-540 Heavy Equip	\$30,000.00	\$0
E100-45200-714 Sinking Fund	\$0	\$15,000.00

The recommended changes were a result of reduced health insurance costs for employees and the delay of the purchase of a mower in the current year and allocating one half the costs to the sinking fund for a future year purchase. The recommendations were approved by the Council by general consent.

LAKE RESTORATION – No proposed changes.

SHADE TREE CONTROL – No proposed changes.

SINKING FUND – No proposed changes.

LIBRARY- No proposed changes.

POLICE FORFEITURE – No proposed changes.

FIRE DEPT EQUIPMENT FUND – No proposed changes.

FIRE DEPARTMENT – No proposed changes.

<u>SAUK CENTRE EDA</u>	<u>INITIAL</u>	<u>AMENDED</u>
E226-46500-313 Consulting Fees	\$3,000.00	\$30,000.00
E226-46500-602 Abatement Payable	\$0	\$8,000.00

Kirkkof reported that the Finance Committee is recommending that the City allocate funds for consulting fees for the EDA. This could be used for marketing property or for use for outreach activities in order to solicit or put together projects to help grow the economic base of the community. Funding for this would not come from the general tax of the City but could be unused Administration Fee funds from the TIF Districts. The Abatement Contract is for the Fairway Pines Development. \$8,000 is the estimated amount of the 2010 payment.

The budget recommendations were approved by general consent of the Council with Coenen dissenting.

- REVOLVING LOAN FUND** – No proposed changes.
- PARK DEDICATION FUND** – No proposed changes.
- SIREN DEDICATION FUND** – No proposed changes.
- AIRPORT** – No proposed changes.
- AMBULANCE** – No proposed changes. Note that the budget allows for a two percent increase for run hour wages along with an increase in the Training Coordinator hours to 15 per month.

<u>TIF DISTRICT 23 (#1) –</u>	<u>INITIAL</u>	<u>AMENDED</u>
E100-49300-710 Transfer	\$0.00	\$27,000.00

The budget recommendation is to allocate funds to the EDA for consulting fees to raise the EDA Consulting Fee budget from \$3,000 to \$30,000.00.

- TIF DISTRICT #39 (#1 EXPANDED)** – No proposed changes.
- TIF DISTRICT #1-10 (CLINIC II)** – No proposed changes.
- TIF DISTRICT #1-4 (MISS FLATS HOUSING)** – No proposed changes.
- TIF DISTRICT #1-5 (FELLING/CCI)** – No proposed changes.
- TIF DISTRICT #1-6 (WATER TOWER HOUSING)** – No proposed changes.
- TIF DISTRICT #1-7 (ROACH CENTER CROSSING)** – No proposed changes.
- TIF DISTRICT #1-8 (MORNING VIEW 5TH)** – No proposed changes.
- TIF DISTRICT #1-9 (EAST RIVER HEIGHTS)** – No proposed changes.

SENIOR CENTER No proposed changes. Note that volunteers have been taking care of mowing, cleaning and shrub trimming.

- ARENA** No proposed changes
- ARENA-FIGURE SKATING PROGRAM** – No proposed changes.

- FUND 306: 1993C TIF EDA** – No proposed changes.
- FUND 311: 1996 PUC SEWER PFA** – No proposed changes.
- FUND 313: 1998A GO REFUNDING TIF** – No proposed changes.
- FUND 314: 1998C TIF (CCI)** – No proposed changes.
- FUND 315: 19995A PUC WATER PFA** – No proposed changes.
- FUND 316: 2004B REFUNDING (1999B) GO TIF 60%** - No proposed changes.

FUND 317: 2000B GO PIR – No proposed changes.
FUND 318: 2000A AIRPORT TAXABLE REV BD – No proposed changes.
FUND 319: 2001A GO PIR – No proposed changes.
FUND 322: 2002A GO PIR – No proposed changes.
FUND 323: 2003A STEARNS CO. HRA (C HALL) – No proposed changes.
FUND 324: 2003B GO PIR – No proposed changes.
FUND 325: 2004A GO PIR – No proposed changes.
FUND 326: 2006A GO TIF REF BD – No proposed changes.
FUND 327: 2007B GO IMPROVEMENT BOND – No proposed changes.
FUND 328: 2007A GO REFUNDING CITY CENTER BOND – No proposed changes.
FUND 329: 2008A GO IMPROVEMENT BOND No proposed changes.
FUND 330: 2009A GO PIR REFUNDING BOND: No proposed changes.
FUND 406: CITY CENTER PROJECT – No proposed changes. Auditor recommends closing fund deficit into the General Fund.
FUND 407: AIRPORT GRANT 2007-2011 – No proposed changes.
FUND 408: STORM WATER PROJECT 2002 – No proposed changes.
FUND 410: SMALL CITIES DEV. PROGRAM – No proposed changes.
FUND 412: EDA IMPROVEMENT PROJECTS – No proposed changes.
FUND 433: 2001 CIP – No proposed changes.
FUND 434: 2002 CIP – No proposed changes.
FUND 435: 2003 CIP – No proposed changes.
FUND 436: 2004 CIP – No proposed changes.
FUND 437: 2005/06 CIP – No proposed changes.
FUND 438: 2008 CIP – No proposed changes.

<u>FUND 439: 4TH STREET STORMWATER</u>	<u>INITIAL</u>	<u>PROPOSED</u>
E439-43100-303 Engineering Fees	\$50,000.00	\$25,000.00

FUND 513: 1995C GO SPECIAL ASSESSMENT – No proposed changes.
FUND 515: 1997A GO SPECIAL ASSESSMENT – No proposed changes.
FUND 517: 1998D GO IMPROVEMENT – No proposed changes.
FUND 518: 2004B (1999A) PIR REFUNDING BOND – No proposed changes.

It was noted that even with the new bond for the 2008 Improvement Project, the total amount of debt obligations is down. The number of bond obligations has been reduced from sixteen to nine from refunding some bonds and also paying some off.

The above changes to the Preliminary Budget were approved by general consent of the Council.

The Council then reviewed the Revenue Budget that supports the above expense budget.

Administrator Willer reported that the levy limit for 2010 is set at \$932,630 for the General and Special Revenue Accounts. LGA is certified at \$1,170,496 but we are expecting to receive \$966,004 which is the amount budgeted. The budget reflects

anticipated Gas Franchise fees of \$25,000.00. Projected interest earnings have been reduced.

After reviewing the Proposed Revenue budget the Council amended the Patient Services budget for the Ambulance Service by general consent.

<u>AMBULANCE</u>	<u>INITIAL</u>	<u>PROPOSED</u>
R240-44101-37710 Patient Services	\$250,000.00	\$275,000.00

The 2010 Proposed Levy is:

General Fund	773,680.00
Special Revenue Funds	158,950.00
Debt Service Funds	565,500.00
Certificates	<u>6,012.00</u>
Total Levy for 2010	1,504,142.00
Total Levy for 2009	1,504,210.00
Levy Decrease	68.00

3. COMMENTS

City Administrator Vicki Willer stated that she will make all appropriate changes. The preliminary budget will then come before the Council at their September 9, 2009 Regular Meeting for adoption.

4. ADJOURNMENT

A motion was made by Council Member Stone and was seconded by Council Member Thomas to adjourn the meeting. A vote being recorded as follows: For: Council Members Stone, Johnson, Coenen, Thomas and Mayor Kirckof. Against: None. The motion passed.

With no further business to come before the Council, Mayor Kirckof adjourned the meeting at 7:16 p.m.

Respectfully Submitted,

Mayor Brad A. Kirckof

City Administrator Vicki Willer