

August 13, 2013

A Work Session meeting of the City Council was held on the above date. Mayor Simonson called the meeting to order at 6:30 p.m. The following were present: Mayor Randall Simonson, Council members Dan Lee, Jim Schneider, Sally Swanson, and Chris Ness. Staff present: City Administrator Kristina Handt, Maintenance Superintendent Tim Kieffer, City Engineer Ryan Goodman and Treasurer Colleen Firkus. Mike Hinz, Fire Chief and Bill Havener, Asst. Fire Chief were also in attendance.

APPROVAL OF THE AGENDA

Ness, seconded by Lee, moved to approve the agenda. The motion carried 5-0.

2014 BUDGET

Administrator Handt reviewed the draft budget prepared by staff pointing out budget assumptions for revenue and expenses, capital projects and their funding, and any significant changes from the prior year. The proposed 1.45% increase in expenses in the General Fund budget is largely due to 2014 being an election year and pass-through expenses for the monitoring of the Zavoral mine. All other department expense budgets decreased. Review of the individual departments ensued. Employee hours spent on the sewer systems are proposed to be charged directly against the sewer funds rather than a single transfer of estimated employee's costs. Mayor Simonson asked staff to verify if the expenditure for an employee holiday party is legal. A budget amendment for 2013 will need to be made to account for increased revenue from building permits and the unbudgeted Zavoral mine monitoring expenses. Police budget will increase 2.8%. Mayor Simonson asked if the deputy's actual time on the city's roads is known. Administrator Handt said she gets the deputy's schedule monthly.

Public Works Director Kieffer is proposing one new full-time maintenance worker for 2014 and eliminating the part-time seasonal summer road maintenance position. A comparison of Scandia's amount of employees per mile of road to other cities in the area showed Scandia's Public Works is understaffed. Council member Schneider is opposed to adding new staff. Council members Lee and Swanson agreed that the Public Works is understaffed for the amount of roads and the sewer systems to be maintained. Council member Ness was undecided. Contractual services are down and more work has been done in-house as well.

Fire Chief Hinz was questioned about operating supplies and equipment expenses. He was also asked the determining factor for having 30 volunteer fire fighters as their goal. It was set by the governing constitution by an earlier town board. They have found that number works well and have tried to maintain it. They have been short of a full complement the past few years. Having 30 available for a fire allows for rotation of fire fighters. Now they all fight a fire until mutual aid shows up to rotate with them. When asked what level of training is required by the state, Hinz replied that there is no state requirement for certification. The city has the authority to establish minimum training requirements and has delegated those decisions to the fire department. Fire Fighter I and EMT is the minimum training required to limit liability to the city as it would not be wise to ask someone to perform a task for which they were not trained. Training relieves the city of liability. They also have to meet OSHA regulations. Surrounding communities have similar requirements. The Mayor asked if the training schedule was too intense. Chief Hinz said

it used to be done quicker, but is now spread out over two years. The Mayor questioned the benefit to the taxpayers with the year round training expense. Chief Hinz said there is not much expense with in-house training. Asst. Chief Havener stated it is better to be prepared with training and practice so they know what to do in a real event, whether that event occurs or not. The Mayor also asked staff to check if the \$100 per month spent on training dinners was legal. Chief Hinz indicated it was legal according to the previous city administrator, and it is a small perk when asking volunteers, often coming straight from work, to sacrifice their evenings for training. The Mayor asked the cost/benefit of having the Lakeview ambulance stationed there. Chief Hinz indicated they are receiving training every other month with better quality equipment and higher level of training than the fire dept. previously was able to provide. They are also getting all their medical supplies except for prescription epi-pens and nitroglycerin. The other added benefit of housing the ambulance is the shorter response time for an ALS ambulance for Scandia residents. The Mayor asked about the AV equipment expenditure. Hinz reported that they have all kinds of trouble with their current equipment working properly and with visiting trainers being able to successfully hookup to it. The Mayor asked if it would be feasible to hold training sessions at the community center if the hall were wired with a good AV system. Chief Hinz indicated it would be logistically challenging as they spend about a half hour in the classroom and then move on to hands-on training. When asked about the trouble with hiring new recruits, Chief Hinz reported that the people in the desired age group are not likely to make such a big time commitment as they are too busy with family obligations and often have long commutes as many can't afford a home in Scandia. Council member Ness asked if it was necessary to send someone out on all medical calls. Chief Hinz indicated the information they receive is often lacking critical details of the actual extent of the injury or medical problem. The ambulance may also be out on a call and not available. The Mayor asked the cost/benefit of the dive team. Chief Hinz said there is very little cost and a great benefit if anything happens up here where there is a lot of water.

Changes to the Parks budget include the city divesting itself of the Farmer's Market as recommended by the Parks Board, and allocating more of the Office Assistant's time to Parks to attend their meetings and be their office liaison. This will allow the Administrator time to work on the EDA and attend EDA meetings. Operating supplies budget has been reduced to be more in line with past expenditures. The Bone Lake Association's letter requesting funding to fight invasive weeds was discussed. The Council agreed to leave these types of activities in Lake Association hands which can then call on the Watershed for assistance. The city will continue to partner with the Watershed on water quality issues.

The debt service budget is 4.83% less in 2014 due to a partial prepayment the 2005 building bond. A new debt service fund 313 has been added in 2013 and 2014 for the new equipment certificates.

Staff has proposed a new capital fund called Local Road Improvement to set aside money for mill and overlay projects, reconstruction or new construction of roads. Initial funding for this fund would be a transfer from the General Fund of \$200,000 and a levy of \$100,000. The 2014 levy, excluding debt, may not increase by more than 3%. The proposed budget reflects no increase in the levy.

Additional expenses to the sewer funds are employee costs and \$45,000 for new control panels for the 201 System. Expenses for sewer pumping is down. No new rate increases are proposed. Council member Ness said previous cost saving measures were to be used to build up the 201 Fund, but now are being spent on new expenses. He would like this addressed at the Wastewater Committee meeting August 28. Whether or not to change Uptown billing from monthly to quarterly to save staff time will also be discussed at that meeting. Staff is proposing a rate increase of 5% for Uptown from \$14.98 to \$15.73 per thousand gallons.

ASSESSMENT POLICY & FRANCHISE FEES

Staff provided a comparison of assessment rates for other communities and sample assessment policies for consideration. Three options were offered for mill and overlay, reconstruction, and new construction projects: 1) no assessments, pay out of levy and savings; 2) borrow for project and assess 20% of project; 3) voter referendum to borrow for project. Engineer Goodman pointed out money needs to be obtained for construction costs until assessments are collected. Goodman also stated 10 years ago we paid \$30 per ton. Now typical jobs cost \$58 per ton for just the pavement. Schneider cannot see assessing for mill and overlay or reconstruction. He would rather see an increase in the tax levy and/or cuts in other areas to put towards roads. Ness and Swanson think assessing will be necessary at some level. Current policy assesses 25% to collector roads and 75% to residential roads. According to the pavement management plan \$600,000 is needed of annual revenue to maintain the roads. Currently the city is doing half that amount. Franchise fees are another way to collect revenue through additional fees on utility bills. Staff estimates a \$4/monthly fee would generate \$75,888 of additional revenue with the same rate for business as residential. Discussion will continue at a future workshop meeting. Staff will bring back a draft policy that uses assessments for reconstruction and new construction.

GRAVEL ROAD PROJECT

Council agreed Pilar/Paris/Perkins/Penfield needs maintenance work. They directed Engineer Goodman and PW Director Kieffer to come up with a plan that includes everything needed done excluding paving.

FIRE DEPT. COMPENSATION

The Fire Dept. is not recommending any changes to their compensation. Mayor Simonson asked source of two kinds of pay. Chief Hinz said they went to a lump sum for large courses that take many hours to complete. The idea was to reimburse for travel expense. Completing Firefighter I and EMT courses gets them \$100 lump sum and a \$1 per hour increase. Council asked about minimum call requirements and consequences. Currently there are only minimum training requirements, not number of calls made. Council asked for a policy to deal with minimum call requirements before discussing compensation at next work session August 27.

TACO DAZE

All council members will ride with fire trucks in the parade, except Lee whose family has their own float. Simonson, seconded by Ness, moved to have Swanson spend up to \$100 on parade candy. Motion passed 5 – 0. Council also agreed to Kieffer's suggestion to have a public works truck in the parade.

AGENDA ITEMS FOR FUTURE WORK SESSIONS

The August 27, 2013 Work Session agenda will continue discussion of the draft 2014 Operating Budget, a draft Assessment Policy, Fire Dept. call minimums and compensation.

ADJOURNMENT

Lee, seconded by Swanson, moved to adjourn. The motion carried 5-0.

The meeting adjourned at 10:15 p.m.

Respectfully submitted,

Colleen Firkus
Treasurer