

October 22, 2013

A special meeting of the City Council for the purpose of discussing the 2014 Budget and Employee Health Insurance Plan 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, Treasurer Colleen Firkus and Public Works Director Tim Kieffer.

APPROVAL OF THE AGENDA

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

2014 BUDGET DISCUSSION

Public Works

Administrator Handt summarized the issues and unfinished business from previous budget meetings. Two quotes for trimming trees along three miles of road were reviewed: Hugo Tree Service for \$37,500, and Helke Tree Service for \$27,000. The estimated cost of a full-time maintenance worker (\$67,585 wages & benefits) was compared to the contractual costs of tree trimming and sewer maintenance. Staff projects two-thirds of the cost of a new staff member would be recouped in these two services, along with the benefit of having help in snow removal, patching, ditching, building maintenance and equipment repairs. Staff reiterated the City's Public Works staffing levels are significantly less per miles of road than other cities. Mayor Simonson asked why only two bids were received. Director Kieffer said no one else was interested in bidding the work and as they felt there were too many unknowns and wouldn't be able to cover their costs, even though Kieffer drove each project area with interested bidders. Kieffer indicated they had all the equipment they needed, except for a chipper, which could be rented. Clear cutting will for the most part will eliminate the need for a bucket truck. Mayor Simonson said not hiring another worker will leave the City at status quo and not allow the City to move forward with the necessary work with an adequate crew, and that it was about more than tree trimming. Council member Ness said there is a lot of catch up work and does not feel even four guys is enough to finish the work by spring, but can see the benefit of another employee. Schneider repeated his position against any further hiring as he doesn't see enough work to keep them busy. Swanson was undecided. Swanson asked if staff was ready to take over the sewers. Handt said Anderson is licensed and Kieffer took his test last week. Lee indicated he didn't think the staff would be asking for another person if they did not need it and that he needed the expertise of the staff to guide him in decisions on the city's needs. Lee also stated he thought Kieffer would be able to keep all the guys busy all winter with either plowing or tree trimming. Kieffer added that emergency calls are always pulling him away which makes it difficult to do big projects. Swanson offered a compromise of hiring someone halfway through the year and using the tree trimmers this winter to help catch up on the tree clearing. However, no significant cost savings were seen in this measure. **Mayor Simonson, seconded by Lee, moved that the City hire another full-time maintenance worker and not hire a tree service until the work needed is more defined. The motion passed 4 – 1 with Simonson, Lee, Swanson and Ness voting yes, and Schneider voting no.**

Fire Department

The Mayor reviewed the AV needs for the training room at the fire hall. The same projector currently in use at the Council chambers should be purchased for the fire department along with some other miscellaneous supplies. The Mayor recommended lowering the budget from \$8,000 to \$2,000 and the Council agreed.

Audit Costs

Council agreed with lowering auditing costs in the 2014 budget from \$22,500 to \$16,300 based on the significant savings realized by switching auditors.

Health Insurance

Council agreed to switch the health insurance plan to Health Partners for coverage beginning December 1, 2013. The plan is similar to the current plan. Keeping contribution levels the same, the City would realize a \$16,000 savings. Prices will go up next year under Obamacare when the City's rating will go from .75 to a 1.

Codification

Handt suggested some of the budget savings be used to codify the non-development ordinances to get them organized by subject, indexed, numbered in a logical order and allow updates to occur easier. It would also make it easier for both the staff and the public to search ordinances. Handt obtained one quote for \$9,000, but would like to check with a couple other codification companies. **Swanson, seconded by Simonson, moved to include \$9,000 in the Administration budget for codification of non-development ordinances. The motion failed with Swanson and Simonson voting yes, Ness and Schneider voting no, and Lee abstaining.**

Fiscal Impact

A summary of changes to the budget revealed \$27,704 that could be re-allocated. **Ness, seconded by Schneider, moved to put the extra money in the new Local Road Improvement Fund. The motion passed 5-0.**

EMPLOYEE HEALTH INSURANCE PLAN RESOLUTION

Ness, seconded by Lee, moved to pass Resolution 10-22-13-01 to switch health insurance plans to Health Partners for the period of 12/01/13 to 11/30/14 and to continue the current contribution costs. Motion passed 5-0.

ADJOURNMENT

Lee, seconded by Ness, moved to adjourn the meeting. The motion carried 5-0.

The meeting adjourned at 7:45 p.m.

Respectfully submitted,

Colleen Firkus
Treasurer