

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
June 20, 2023
City Council Chambers

MEMBERS PRESENT: Mayor King. Council Members Paul Fischer, Laura Helle, Michael Postma, Jason Baskin, Joyce Poshusta and Council Member-at-Large Jeff Austin

MEMBERS ABSENT:

STAFF PRESENT: City Administrator Craig Clark, Director of Administrative Services Tom Dankert and Police Chief David McKichan
Public Works Director Steven Lang, Fire Chief Jim McCoy, Planning and Zoning Administrator Holly Wallace, Park and Rec Director Dave Merrill, Human Resources Director Trish Wiechmann and City Clerk Ann Kasel

APPEARING IN PERSON: KAUS radio, Austin Daily Herald

Mayor King opened the meeting at 5:57 p.m.

Item No. 1 – 2024 Budget

Administrative Services Director Tom Dankert began the 2024 budget discussion. He stated the preliminary tax levy needs to be adopted and submitted to Mower County by September 30, 2023. Mr. Dankert asked the Council what programs they are looking to expand or eliminate for the 2024 budget.

Mr. Dankert discussed housing noting the Mill on Main will be opening soon and the 1st and 3rd Apartment complex is expected to get final approval soon. He asked if Council is interested in allocating additional funds in 2024 for housing.

He discussed the current programming and if the Council is happy with the current level of service and programs provided. Does the Council want to decrease staffing or programs in certain areas?

Mr. Dankert discussed City staffing stating seven of the eight bargaining contracts have been approved for 2024 which include wage increases and health insurance contributions from the City. The total estimated wage and benefit costs, which includes the 2 new officers, is estimated to be \$1.3 million. He questioned if the Council is interested in adding more staff and noted the Parks and Recreation Department has requested a full-time forester and the Police Department would request an additional administrative person if body cameras were approved.

Mr. Dankert also stated the Council has committed to \$50,000 to fund half of the I-90 sound barrier and there will be an additional \$80,000 needed for street projects. The LEC joint contract

will cost the City \$125,000 less in 2024 resulting in approximately \$1,338,000 of additional funding needed for the budget.

He stated there is a proposed increase to LGA funding in the amount of \$910,769 and the Council has expressed interest in a maximum increase of \$325,000 for new tax levy. These additional funds still leave the City with a \$102,231 shortfall.

Mr. Dankert stated inflationary costs are hitting the city hard with utilities and costs steadily increasing. Additionally, staff has reduced costs for departments in the past years and there may not be a lot to additionally trim.

Mr. Dankert stated the tax levy for 2023 is \$8,283,000 and every 1% tax levy increase is approximately \$83,000.

He stated the legislature allocated \$1,159,266 in public safety aid. This a one-time allocation and the City is waiting on guidance as to how it should be used. He stated the funds may be used for the new fire truck scheduled in the 2024 budget.

Mayor King stated the proposed budget is the collective Council budget and he would like everyone's voice heard in the process. He would like to change the insurance so it is 75% employer paid and 25% employee paid. He noted that the City has lost 4 employees to Mower County in the last six weeks and some of the reason they had left was insurance costs. He would like to set aside \$25,000 for implementation measures from the employee survey and earmark money for the downtown master plan. He would also like to hire a full-time code enforcement officer or a consultant to complete the work. He noted he wants a functioning City and wants to hear from Department Heads as to what their needs are.

Council Member Fischer stated the levy is proposed to be 4.5% already and it may need to be 6% to function as a City.

Council Member Poshusta agreed that they target may be 6-7% and she liked the City contributing more for the insurance.

Mayor King stated Mower County is really focusing on their employees. They are giving a 6% raise for 2024; 2% for 2025 and 2% for 2026. They also increased the maximum amount of vacation employees can accrue.

Council Member Helle stated health insurance needs to be a priority to move toward 75%/25% split and that the employee survey is a priority. She would like to listen to Department Heads for staffing requests for 2024. She supports the downtown master plan funding and spending funds for a consultant on blighted housing issues. She would like to keep current with the comp and class study and noted she doesn't think it's the right year for body cameras.

Council Member Baker would also like to hear from Department Heads for 2024 requests. He would like to see the City spend funds on capital investments that reduces labor or increases productivity.

Council Member Poshusta stated the only place to cut would be housing because have made progress in that area.

Mr. Dankert stated there are not funds allocated for housing in the 2024 levy.

Council Member-at-Large Austin stated he would like to use the public safety aid to cover some of the shortfall in the levy. He would like to increase the City contribution on health care.

Council Member Postma stated he agreed with most of the Council's opinions and is interested in body cameras and increasing contingency funds back to \$150,000. He stated the City is not competitive on health insurance. He would like to use some of the public safety grant money for the upcoming fire truck purchase.

Council Member Baskin stated he supports funding the downtown master plan and a code enforcement consultant program. He doesn't agree with increases to health insurance contributions by the City or additional full-time employees. He also stated he would like to hear one radical goal from each department of how to save money. He noted comp and class studies are massive black holes of taxpayer dollars.

Mayor King stated the Council provided a good starting point for the budget and he will work with staff to present a budget to the Council at a future meeting.

Item No. 2 - Administrative Report

City Administrator Craig Clark stated the LGA survey was recently sent out to Council.

Item No. 3 – Open Discussion

Council Member Baker thanked Council Member-at-Large Austin, Council Member Baskin and City Administrator Clark for their recent work to get the Harty Mechanical deal closed.

Moved by Council Member-at-Large Austin, seconded by Council Member Baskin, adjourning the meeting at 7:05 p.m.

Respectfully Submitted,

Ann M. Kasel
City Clerk