

**MINUTES
COUNCIL WORK SESSION
Wednesday, August 29, 2001
6:00 P.M.**

COUNCIL PRESENT: Mayor Rietz, Council Member-at-Large Chaffee,
Council Members Lang, Jorgenson, Goodnature,
Nordin, Christopherson, and Poppe

STAFF PRESENT: Patrick McGarvey and Tom Dankert

OTHERS PRESENT: KAAL TV-6, Austin Post Bulletin, and Austin Daily
Herald

Council Member-at-Large Chaffee called the meeting to order at 6:00 p.m.

Mr. Dankert discussed the booklet handed out to all of the members of the council and the media. Mr. Dankert informed the Mayor and Council that the actual levy limit was received from the Minnesota Department of Revenue on Friday, August 24, 2001 and that amount was \$186,776 higher than the original estimate by House Research. Mr. Dankert noted that the city would still have to add onto the levy debt service for the street improvements (the 50% in the middle of the road that is not directly assessed to property owners) in the amount of \$515,301, leaving the maximum tax levy at \$2,299,889. This amount is \$13,906 lower than the levy for 2001.

Mr. Dankert discussed the process whereby City Administrator Patrick McGarvey and Mr. Dankert met with all of the department heads to review their requests. The requests were summarized and a balanced budget has been presented this evening to council. The balanced budget does not include the additional \$186,776 of tax levy authority we now have.

Mr. Dankert noted new items requested by departments which are included in the 2002 proposed budget and which were not in the 2001 budget. Also, Mr. Dankert listed the items that have not been included in the balanced budget. Additionally, three items were included in the balanced budget that the council requested to review each year.

Mr. Dankert highlighted the new items that are in the budget, as follows:

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| 1. | Engineer | \$ 4,500 | Temporary staff to assist the engineering, planning, and building department. |
| 2. | Fire | \$ 1,880 | Increased secretary hours to 20 per week from 14. |
| 3. | City Attorney | \$ 5,000 | Per diem increase for issues outside of city contract. |
| 4. | Police | \$ 162,425 | MDT system (72% grant). |
| 5. | Police | \$ 47,888 | Ellis School Liaison Officer (COPS grant). 29 th position. |
| 6. | Police | \$ 14,500 | Additional overtime. |
| 7. | Park and Rec | \$ 23,299 | Second sheet of ice for ¼ of year. |

Items not included or only partially included that were requested are as follows:

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| 1. | Assessor | \$ 21,167 | This portion of the requested increase of \$31,459 was not funded. The increase was to be used for an additional ¼ time clerical staff, computers (new ones bought in 2001, and web page design). |
| 2. | County Attorney staff | \$ 55,000 | Not recommended from City Administrator. May want to contract for prosecution services privately. |

3.	Police	\$ 47,888	30 th position not funded.
4.	Fire	\$ 58,319	Assistant Fire Chief requested, 11 th full-time position.
5.	Engineering	\$ 47,685	Watershed Coordinator position, to be shared with County. County has inferred they are not willing to fund their 50% share.
6.	Streets	\$ 75,000	Increase requested for more snow removal manpower.
7.	Forestry	\$ 43,999	Additional tree trimmer/general maintenance position.
8.	<u>Capital Outlay</u>		
	<u>Requests:</u>		
	Engineering	\$ 1,000	New fax machine, should purchase in 2001.
	Engineering	\$ 30,000	Mosquito spraying.
	Police	\$ 43,000	Bike storage facility to be looked at in 5-Year Capital Outlay.
	Police	\$ 175,000	S.I.R.T. vehicle. To be reviewed in 5-Year Capital Outlay.
	Parks Maintenance	\$ 74,200	To be reviewed in 5-Year Capital Outlay.
	Marcusen Ball Park	\$ 207,000	To be reviewed in 5-Year Capital Outlay.
	Nature Center	\$ 18,000	Telescope replacement requested by Hormel Foundation.
	Parks	\$ 20,000	Todd Park 4-Plex equipment . 5-Year Capital Outlay to review.

Items included in the budget that were to be reviewed annually are as follows:

1.	Economic Development	\$ 75,000	DCA request not received. Budget request represents the 2001 allocation.
2.	Welcome Center	\$ 25,000	2001 was first year of request.
3.	Nature Center	\$ 4,925	Intern to be funded by the Friends of the Nature Center.

Mr. Dankert informed all in attendance that the funding for the 29th police officer was 100% dependent upon the receipt of the federal COPS grant. Also, 72% of the MDT terminals are funded by the federal COPS grant. If neither of these programs is funded for 2002, there will not be adequate funding, currently, to add these two items. Mr. McGarvey noted the City of Austin should know by mid-October if the grants were funded.

Discussions ensued on the items that were not included in the budget. The pro's and con's of each request were discussed in some detail. Some discussions were over the increased cost of the Mower County Assessor. Outsourcing of the park maintenance position to a private contractor was also discussed.

Mr. McGarvey discussed the request for additional funds to help support snow removal in the community. City Engineer requested \$75,000 of additional funding to have more snow picked up in the early hours of the morning.

Council Member Nordin noted her support for the request for an additional Parks Maintenance position. Council Member-at-Large Chaffee noted the city could contract out the removal of plenty of trees for \$44,000. Council Member Lang noted the city saved many dollars years ago by contracting some services out.

Mr. Dankert also discussed, briefly the other funds the city budgets for. Most of the other funds are not tax levy supported.

After some discussions, council agreed to set the tax levy for 2002 at the maximum, or \$2,299,889 for 2002. The council will have future worksessions to fine tune how this money will be allocated.

Mr. Dankert noted the proposed tax levy and budget will be on the council agenda for September 4, 2001 for the council's approval.

Mr. Dankert discussed the draft of the 5-Year Capital Outlay Plan (Plan). The plan was requested as part of the council's goals for 2001. Department heads also will have the draft to make their comments to. Another worksession will be held later to discuss the plan and changes that need to be made before a final draft is approved.

Mr. McGarvey discussed the rates for health insurance. Mayo has advised us what our rates should be set at for next year, and those rates are significantly higher than we are charging now. Mr. McGarvey noted the city is looking at offering two plans with different levels of coverage and deductibles. The first plan will be essentially the same plan we have now. The rates that Mayo recommended we charge for single employed and retirees are from \$353 for Plan A to \$300 for Plan B, per month. Family coverage for employees and retirees would be \$918 for Plan A and \$780 for Plan B, per month. Medicare age retirees would be \$282 for Plan A and \$240 for Plan B, per month for single coverage. Family coverage would be twice the single rate if both members were of Medicare age. Mr. McGarvey stressed the rates need to be set soon so the retiree's can evaluate their options. Mr. McGarvey also noted if the council is not willing to send the full cost of the rates to the retiree's, the council will have to fund the additional costs out of their tax levy and budget. Council should select the third party administrator and set rates by October, 2001 for 2002.

Motion by Council Member Jorgenson, seconded by Council Member-at-Large Chaffee to adjourn the meeting.

Adjourned: 9:30 p.m.

Approved: September 17, 2001

Mayor: _____

City Recorder: _____