

MINUTES BUDGET & FINANCE COMMITTEE

AUGUST 8, 2011

Jean Soine called the meeting to order at 5:30 p.m. Other members present were Dennis Zimmerman, Belinda Ludwig, Kirk Johnson, Ron Mergen and Renee Eckerly.

Motion was made by Zimmerman to approve the minutes of the April 11, 2011, June 13, 2011 and July 11, 2011 Budget & Finance Committee meeting. Seconded by Ludwig and unanimously carried.

The May 9, 2011 meeting minutes remain outstanding.

2012 BUDGET

Eckerly reported that \$4,728.00 would need to be increased in revenue or cut from expenses to get the 2012 budget to a 4% levy increase which is \$21,000.00. The significant change since the last meeting was a \$1.50 increase in the filing fee on Motor Vehicle transactions that the State of Minnesota has in their approved budget. This gave the City an additional \$24,000.00 in revenue based on 16,000 transaction per year. Also \$1,000.00 was added to Mediacom franchise fees, removed \$1,000.00 from Union Attorney fees and removed \$2,500.00 for the Fly-In. Eckerly reported that she has contacted the County Assessor regarding the large increase in fees over the last few years. Eckerly reported that the preliminary levy needs to be approved by the City Council on September 14, 2011. The Committee agreed to forward the 2012 budget to the Council.

Pay Increase for Part-time Seasonal Workers

Mergen reported that Paynesville Township is paying \$10.00 per hour starting for trimming and cutting trees is \$14.00 per hour. Currently the part time seasonal workers are at \$8.75 and \$9.25. Mergen requested they both get raises to \$10.00 per hour. The employees were more interested in mowing and now that is being done by volunteers so they are doing other work. Retention of the employees is an issue. The employees work 67 days each and start in March through October. Eckerly was against the increases due to the employees being part time season at 67 days and the Union members are not getting any raises. The non union part time have a pay scale for their increases and performance evaluations. There is no pay scale for these employees or performance evaluations. The City also pays unemployment benefits for this classification. Mergen reported that morale with his full time employees is fine and that they understand the need for the increases. Eckerly disagreed that morale is not high because a motivational speaker is being requested by the Safety Committee of which members of his staff are members.

Re-hiring 1 Seasonal Part-time Worker

Mergen requested to hire the 3rd part time seasonal employee back through the sewer budget. Mergen reported that things are being neglected such as pumps being checked. Eckerly questioned if that should be done by one of the licensed public work employees. Mergen reported over the past years he has went from 4 part time seasonal employees to 2, this is along with reduction in overtime for the full time Public Works employees. The cost would be \$4,800.00 plus unemployment which would be about \$1,000.00. Mergen reported that things are not getting done such as turning valves, meter change outs from the 2010 street project, jetting, compost

gates, AMPI meter installation, and library cleaning. Currently some of the projects part time employees are doing include sharpening mower blades, opening parks, picking up garbage, and mowing the downtown areas. They don't need a lot of supervision.

The Committee discussed both the increases in wages and additional staff and tabled it for future consideration.

(Ron Mergen left)

Payroll Days

Zimmerman reported that it is unfortunate that this is unable to be accomplished with staff support. The Committee discussed irrigators still taking a lot of time after being computerized. The Committee discussed letters from the Union Representative and comments from the Labor Attorney regarding call backs.

Motion was made by Zimmerman to change the work week from Monday through Sunday to Saturday at 12:00 a.m. to Friday at 11:59 p.m. and recommend such to the City Council. Seconded by Johnson and unanimously carried.

State Status Update

Eckerly reported that the City has received from the State the 2012 Certified LGA amount which is \$679,593.00, which is the 2010 LGA after unallotments and reductions. The preliminary 2012 budget has \$629,593 for LGA and no Market Value Credit or Mobile Home Homestead Credit.

Police Transcription

Eckerly reported that money was found in the Police budget to support contracting for help with the transcription. There is a surplus of approximately \$8,000.00 due to unemployment benefits not being utilized that were budgeted. The Police Chief would like to contract at \$13.50 per hour for 120 hours with Doreen Dickey. This would be through the end of 2011. Eckerly has contacted the labor attorney to find out if there are any issues, but has not heard back yet. The Committee discussed other rates of pay such as \$.14 - \$.15 cents per line. The backlog of transcription is slowing down the potential criminal prosecution. There is no money in the 2012 budget to continue this backup service. The Committee directed Eckerly to check with Bill Spooner, City Attorney and draft an agreement and send directly to the City Council.

Initiative Foundation Donation

The Committee discussed and recognized all the good projects that the Foundation does, but the City won't be participating in 2012 budget.

AIRPORT LAND SALE PRICE

The Committee members stated that this is to go to a Working Session of the City Council. Eckerly reported that the Council also stated to have Budget & Finance review is to cover all the bases so she put it on this agenda. The Committee members gave some background on the property. The appraisal that was done during the Hwy. 23 land negotiations with MnDOT was discussed. Council has current data from Stearns County regarding recent sales. Council's opinion is to wait to see because the land will be worth more after the road is complete. The Committee discussed the Ferche property pricing. The Committee deferred a decision to the City Council.

FUEL PURCHASING POLICY

Eckerly reported that she received a verbal request from Mrs. Evans, Hilltop to be considered to be added to the list for the monthly rotation for fuel purchasing by the City. She stated that Hilltop is utilized by the City after hours when the other stations are closed. The Committee discussed that the City vehicles should be patronizing businesses in the City limits. The Committee recommended the rotation to continue as listed and the Township should be purchasing from Hilltop. There was no change in the policy.

PET LICENSE DUE DATE

Eckerly reported that currently the animal licenses are due on June 30th of each year, which is a busy time for the staff. This year especially with the State shutdown it was extremely difficult to be sending out notices and processing collections. Eckerly would like to recommend changing the due date to April. The Committee discussed possible times of the year and how to adjust payments.

Motion was made by Zimmerman to change the 2011 license period to June 30, 2011 to September 30, 2012 and then always renew on September 30th in the future with no adjustment to rates and recommend such to the City Council. Seconded by Ludwig and unanimously carried.

There being no further business, the meeting was adjourned at 7:15 p.m.