

## **MINUTES BUDGET & FINANCE COMMITTEE**

### **JUNE 13, 2011**

Jean Soine called the meeting to order at 5:35 p.m. Other members present were Renee Eckerly, Belinda Ludwig, and Dennis Zimmerman. Also present were Bill Ludwig, Ron Mergen, and Kent Kortlever. Kirk Johnson was absent.

No minutes available for approval.

### **JULY MEETING DATE**

The Committee will meet on July 11, 2011 for 1 hour to stay on top of any action that the State of Minnesota may take with the budget.

### **TASC – FLEX SYSTEM**

Eckerly gave a verbal report regarding hiring TASC to administer the Flex Plan for the City due to liability issues under HIPAA. The proposal was provided by AT Group. The cost for the 1<sup>st</sup> year enrollment is \$200.00, then re-enrollment each year is \$25.00, administration fee is \$300.00 - \$360.00 per year and debit cards are \$5.00. The cost of this service has been included in the 2012 budget. Due to the HIPAA laws all flex spending claims have to be filed in a locked cabinet in a locked room. There are liability issues that a staff member could say that their privacy rights have been violated and it would be difficult for the City to defend themselves because the claims are being processed in house. There are rule changes every year as to what may or may not be claimed and can be time consuming for staff. The City is also required to have a FSA plan on file and current, which the City does not have, which the City can get in trouble for by the IRS reversing all the claims. Eckerly requested that the city convert now to an administrator to eliminate the risk. The Committee discussed this and didn't see the urgency since everyone knows what is medically wrong with everyone because of the few employees. Eckerly reported that if someone wants to share their medical problems that is there priority, but other than that nothing medical should be discussed or known about by any of the staff. That is where the HIPAA violation comes in. The Committee decided to leave it in the budget for 2012, but no action to participate at this time.

### **2012 BUDGET**

Eckerly reported that \$34,053.00 would need to be increased in revenue or cut from expenses to get the 2012 budget to a 4% levy increase which is \$18,000.00. Eckerly budgeted with a \$50,000 reduction in LGA in 2012.

**Police Squad Car** – Chief Kortlever reported that according to his vehicle replacement schedule a new squad car would be purchased out of Capital Improvement in 2012.

**Increase Street Light Fee for Hwy 23** – The Committee discussed increasing the street light fee to cover some of the electricity for the Hwy. 23 Bypass project. Committee discussed Aldon Park being included in the street light fee. They use all the streets in the City. Eckerly will research if

Council made any action to eliminate Aldon Park or in the Developers Agreement. The Committee agreed to raise the fee from \$3.00 to \$4.00 due to the cost of electricity going up.

**Public Works Overtime** – Eckerly reported that Councilman Beavers requested the overtime in the Public Works Department be eliminated and he requested it be reviewed at Budget & Finance. He suggested checking into adjusting the payroll periods. The Committee discussed that according to the union contracts time needs to be used during that work week. Committee discussed changing the pay period from Monday – Sunday to Saturday – Friday. This would allow for call out time on the weekends for emergencies to be taken off on Monday. Mergen spoke regarding the effect on moral to staff having to get up at 2:00 a.m. to go fix a water main and not getting paid. Eckerly verified the labor contracts and the Police Officers contract states Monday – Sunday for the work week. Eckerly will contact AFSCME to see if they would be willing to accept a change. This needs to get done ASAP. Eckerly is to call a special meeting if needed to keep this item moving. Mergen asked if anyone noticed or received any complaints due to the limited street sweeping that is being done. No one had any feedback.

**State Status Update** – No news.

**Feedback from Department Heads on How Things were Going** – Public works is subbing out water/sewer projects and doing the projects that are more visible. Volunteers are doing the mowing but they don't prepare the mowers or clean up the mowers after using them; so only saving 1 ½ hours of time. City needs to educate the public on to sweep the curb and street area in front of their property of compostable items. This would save a lot of time and expense for storm water. Sentence-to-Serve persons are very hard to get and the County takes them first.

The Police Department is 20 dispositions behind and 12-15 transcriptions to do back to April to prosecute potential offenders.

Administration is working on a back log of Council and Committee minutes and monthly balancing. May and June were extremely business in motor vehicle and all staff was needed to wait on customers at the front counter.

Liquor store discussed staffing and events that are growing (beer camp and wine club).

The Committee appreciates everyone's effort.

There being no further business, the meeting was adjourned at 6:45 p.m.