

CITY OF MONTEVIDEO  
CITY COUNCIL BUDGET WORKSESSION  
August 10, 2009

The city council met in a budget worksession at 5:00 P.M. on Monday, August 10, 2009 in the conference room at city hall. This date/time was set by motion of the council on July 6, 2009.

Council members present: Sandra Hodge, Al Johnsrud, Karen Nieuwbeerta, Marvin Garbe and Bryce Curtiss. Absent: None. Mayor Jim Curtiss absent.

Also present were: City Manager Steven C. Jones and City Clerk Glennis A. Lauritsen.

Department Heads present: Finance Director Jan Flaherty, Community Development Director Nick Haggemiller, Community Center Coordinator Diane Ostlie and Fire Chief Robb Gilkey.

Materials provided for the meeting included General Fund revenue and expenditure worksheets, capital improvement/capital equipment plan spreadsheets (CIP/CEP), and debt levy information (levy comparison 2009 vs. proposed 2010; debt levy schedule; projected debt levy).

It was noted by staff that due to the unallotments by the governor, the 2010 proposed budgets reflect increases only in the personal services category (personnel); all other line items remain the same as 2009.

Community Center Coordinator Ostlie briefly discussed the community center and the senior grant status. She noted that the Center has not been adversely affected by the budget cuts and continues to operate as usual. The seniors have a reserve of their own which can be used for needed items.

The council had no specific questions of Ostlie; therefore, she left the meeting.

Fire Chief Gilkey briefly discussed the volunteer fire department, stating that the department currently has 30 members. He pointed out in the CIP/CEP that this is the last year for the tanker payment of \$20,000 from the six surrounding townships. Gilkey noted that there is money budgeted in 2009 for a copy machine. He has obtained information on used and new copiers in the \$1,500-\$2,000 range. Staff noted that the CIP/CEP includes \$2,500 in the miscellaneous category, which includes an additional \$7,750 on hand for a hydraulic rescue cutter. Staff stated this would provide an ample amount for both purchases.

Gilkey noted that he would not be the fire chief in 2010. He will have 30 years in the department in the fall of 2010. The department will recommend an individual to the city manager for formal appointment.

The council had no further questions of Gilkey; therefore, he left the meeting.

Finance Director Flaherty & City Manager Jones discussed the levy comparison information. Flaherty explained that the scenario proposed indicates a 3.91% percentage increase over 2009. She noted that the maximum the city could levy for LGA unallotment is \$250,000, which would be a 6% increase. She explained that the city could select a higher levy amount now and reduce it in December, when the tax capacity and tax rate information are known. It was the consensus of the council that staff prepare several scenarios for review at the August 17<sup>th</sup> budget worksession.

City Manager Jones informed the council that he had acted on their behalf to negotiate with the labor unions for a reduced wage increase in 2010. Both AFSCME and LELS contracts included a 4% increase for 2010; he had proposed 2%. As of this meeting, both unions have agreed to the 2%. The council expressed its appreciation for the employees willingness to work with the city during these economic times.

Flaherty interjected that she used a 15% increase for health insurance rates in the 2010 budget requests and will incorporate final numbers after the August 31<sup>st</sup> health insurance pool meeting.

Materials were then distributed for the budgets to be discussed by Community Development Director Haggemiller, including: Convention & Visitor's Bureau (CVB), Economic Development Authority, Community Development, Building Inspection and Transit.

Haggemiller reviewed the budget overview for the CVB, highlighting a few of the changes from 2009 to 2010, with an end result of \$34,500 for both years. The CVB has not met on a regular basis; in fact, Haggemiller had prepared the budget. There are a few special events planned for 2010, including table tents, a post card contest, etc.

Haggemiller referred to the \$3,500 commitment to Prairie Waters, noting that the city contributes \$1,250 annually and the EDA contributes \$2,000. Prairie Waters provides tourism information for the region. Future participation in Prairie Waters was discussed briefly.

Haggemiller next discussed funding for the Entrepreneurial Network (EAN). He noted that the city has pledged \$3,500 and the EDA has pledged \$5,000 to this organization. Currently, the EAN is without a director and without funds. Council discussed the EAN's purpose, its future and the city's future funding participation.

Council member Garbe left the meeting at 6:18 P.M.

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Haggenmiller continued by discussing the Building Inspection budget. He noted that there is no General Fund transfer planned for 2010 due to the large amount of revenue received in conjunction with the wastewater treatment plant building permit and plan review fees.

Next, Haggenmiller discussed the Transit Fund budget. He stated that the substantial increase in Dial-A-Ride revenues is attributable to the contract with Heartland Industries. Haggenmiller talked about the federal and state funding for the system and noted that Mn/DOT has said there will be cuts in the future, but we do not know to what extent.

There were no other questions for Haggenmiller; therefore, he left the meeting.

City Manager Jones reviewed the CIP/CEP pages for the following funds: City Hall/City Clerk, Fiscal Administration, Police, Public Works-Street & Parks, Fire, Cemetery, Community Center, Transit, Airport, Pool and Miscellaneous.

Staff then reviewed the Airport Fund, noting that the airport is a city-county facility and cost each entity approximately \$7,000 in 2009. The level of participation in capital federal funds is 95%, with the city and county splitting the remaining 5%.

Council was informed that the public works director and police chief would be attending the August 17<sup>th</sup> worksession to review their budgets. Council member Curtiss said he may be absent that evening.

Brief discussion took place regarding 2010 street improvement projects and the Highway 7 project.

Meeting adjourned at 7:27 P.M.

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Glennis A. Lauritsen, Secretary

Approved by council August 17, 2009:

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Sandra Hodge, President