

CITY OF MONTEVIDEO  
CITY COUNCIL BUDGET WORKSESSION  
August 9, 2010

The city council met in a budget worksession at 6:00 P.M. on Monday, August 9, 2010 in the conference room at city hall. This date/time was set by motion of the council on June 21, 2010.

Council members present: Sandra Hodge, Al Johnsrud, Karen Nieuwbeerta and Bryce Curtiss. Absent: Marvin Garbe. 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, Public Works Director Greg Schwaegerl and Police Chief Adam Christopher.

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 2010 vs. proposed 2011 and debt levy schedule). Proposed 2011 General Fund revenues are \$3,755,615; proposed General Fund expenditures are \$3,751,005.

Community Center Coordinator Ostlie briefly discussed the community center and the senior grant status. She noted that the Montevideo Foundation monies are now depleted; therefore, any capital purchases would need to be made with senior citizen monies. Ostlie discussed the various grant opportunities available, including a \$6,400 Visiting Chore Service Grant, a \$6,000 grant for a Telephone Reassurance Program, and \$1,500.00 through the hospital's in-home respite program. She stated that the Visiting Chore Service Grant is no longer a lump sum payment; if received, monies would be disbursed on a reimbursement-type basis.

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

Finance Director Flaherty and City Manager Jones reviewed and discussed the 2011 levy information provided, which sets a net 5% increase over 2010. It was noted that a 1% increase amounts to approximately \$16,000 in revenue.

It was noted by staff that the 2011 proposed budget reflects very little change from the 2010 Budget, with a few exceptions. Slight increases have been projected in the personal services category (personnel), including a 15% increase to health insurance, 5% increase to life and dental insurance, a .25% increase in PERA Coordinated rates (from 7% to 7.25%) and an increase in PERA Public Safety rates from 14.1% to 14.4%. The 2011 Budget reflects a 0% cost-of-living increase for city employees. Other areas of minor adjustment include: General Fund Contingency line item - up from \$25,000 to \$50,000; revenues/expenditures related to the school liaison officer, which have been reduced to reflect the loss of that position; and, street light revenues reflect a 5% increase in rates due to increased cost of lighting.

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Community Development Director Haggenmiller discussed his proposed budgets, including: Convention & Visitor's Bureau (CVB), Economic Development Authority, Community Development, Building Inspection and Transit.

Haggenmiller reviewed the budget for Community Development, noting that in addition to his salary split between this fund and Transit, 10% is now being allocated to the building inspection fund. He noted that his health insurance will increase because he will be married in October.

Haggenmiller briefly discussed the Planning & Zoning budget, noting that these expenditures are driven by CUP/Variance application activities.

Haggenmiller continued by discussing the Building Inspection budget. He stated this budget is a carbon copy of the 2010 numbers, except for the step increase scheduled for the building official. Haggenmiller noted that there is a General Fund transfer planned for 2011 of \$40,500. He added that the building official is spending a large amount of his time on rental housing code enforcement issues and that staff may recommend that the rental fees be increased when the 2011 Fees & Charges Schedule is considered.

Haggenmiller stated that the Convention & Visitors budget (CVB) includes an expenditure for Prairie Waters tourism. It was noted that the city manager has sent a letter to both the CVB and EDA asking whether they will be providing continued support to Prairie Waters. Also requested was what the funds currently going to Prairie Waters would be used for if they do not go to Prairie Waters.

Haggenmiller informed the council that he is currently working on the transit application for 2011 funding. The Transit Fund does not require a transfer from the General Fund for 2011.

Public Works Director Schwaegerl discussed his budgets, beginning with the Downtown Maintenance Fund. This budget funds the maintenance of the trees and planters in the downtown area. If flower pots are maintained in 2011, there would need to be an increase of \$3,000 in the budget.

Schwaegerl stated that the Cemetery budget is basically the same as 2010. Funds for road repairs are being set aside in the Capital Equipment & Facilities Fund.

Schwaegerl continued with the Park Department budget, noting that the only part-time wages budgeted are for the skating rink. The condition of the Windom tennis courts was discussed. It was noted that the courts are not in good shape but are still being used by the school. Funding was discussed, and the school will be contacted. Diseased trees were discussed. Tree replacement programs are being considered.

Next, Schwaegerl discussed the Street budget, noting that there will be no chemical carryover from 2010 for mosquito spraying; therefore, additional funds will be needed for 2011. A different company is being used, but there is no change in the product. He reminded the council that the product used has no odor and is approved by the CDC.

Schwaegerl then reviewed the Pool budget, discussing the reduced expenditure for natural gas utility. This is due to the later opening of the facility and the extremely warm weather. This expenditure is less than \$1,500 as of the end of July. Schwaegerl stated that the pool has averaged 300 swimmers/day, up from 2010. Capital improvements projected will include only miscellaneous upgrades.

Chief Christopher discussed the budget for the Police Department. He stated that several personnel items are of note. First, Sergeant Halvorson will be retiring at the end of August. The position will be filled from within, and will result in the loss of the investigator position. Christopher noted that a COPS Grant is in the works, which would 100% fund an additional officer over a 3-year period. Christopher also discussed the DARE (school) officer position, which is no longer being funded. He added that a new Police Records Clerk is being hired which will also affect the personal services category, both in wages paid and possibly health insurance benefits (depending whether the new hire selects the individual or family plan.) Christopher briefly discussed the poundmaster services, noting that costs are up but more money is also being collected due to the new contract with Mary Haff. In regards to capital improvements, it was noted that squad car and radio replacements were listed. Christopher explained that the (required) radio replacement cost will be paid by the county. He also discussed the replacement of the Expedition, noting that the department may look at a crew cab instead, with the idea that rather than trading the crew cab in, it would be transferred to the street department for further use.

At this time, the finance director and city manager reviewed and discussed the remaining General Fund budget expenditures. City Manager Jones suggested an increase in the fire chief's pay, from \$2,500 to \$3,000. Council agreed to the \$3,000 for 2011. City Manager Jones also discussed possible future cable equipment upgrades. Currently, the system uses VHS and it will be necessary, at some point, to change to newer technology.

Meeting adjourned at 9:15 P.M.

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Glennis A. Lauritsen, Secretary

Approved by council August 16, 2010:

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Sandra Hodge, President