

CITY OF MONTEVIDEO
CITY COUNCIL BUDGET WORKSESSION
July 25, 2011

The city council met in a budget worksession at 6:00 P.M. on Monday, July 25, 2011 in the conference room at city hall. This date/time was set by motion of the council on July 5, 2011.

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

Also present was City Manager Steven C. Jones.

Department Heads present: Finance Director Jan Flaherty, Community Development Director Nick Haggmiller, Fire Chief Dave Roelike and Police Chief Adam Christopher.

Materials provided for the meeting included General Fund revenue and expenditure worksheets, capital equipment plan spreadsheet, debt levy information (levy comparison 2011 vs. proposed 2012 and debt levy schedule), revenue and expenditure budget information for the Airport Fund, CVB Fund, EDA Administration Fund, Transit Fund and Building Inspection Fund.

Budget cuts for 2011 were discussed. The City received state aid cuts of \$327,500 from LGA and MVHC for the year 2011. Proposed budget cuts for 2011 from the General Fund will come from the contingency line item (\$45,000) and the transfer to the Capital Equipment and Facilities Fund (\$281,500); and, \$1,000 will come from the EDA Administration Fund MVHC revenue line item. Corresponding expenditure cuts have been made in the CE&F Fund.

A proposed levy for 2012 was distributed. It reflects a 7% increase overall. The debt levy increase is 3.67%. Again in 2012, LGA will not be increasing and the MVHC calculation will be changing, resulting in no increase.

The 2012 budget will include a street improvement project. The cost of improvements will be between \$650,000 and \$850,000 depending on the amount of special assessments dedicated to the project. Staff is revising the Capital Improvement Plan to reflect necessary improvements.

It was noted that legislation will allow the Maintenance-of-Effort level for the library levy to be decreased for the 2012 levy. Discussion was then held on the funding of capital improvements at the library. Consensus was to ask the County to be the sole entity to levy for library capital improvements because of the double taxation to all cities within Chippewa County.

Fire Chief Dave Roelike reviewed the fire department proposed budget for 2012. There are six (6) new fire department members needing fire training in 2011/2012. Classes will be held in Montevideo so costs of the class will be approximately \$950.00 each, plus hourly wage. There may be grant funds available for a partial reimbursement.

Discussion was held on the continued space needs for the fire department with the possibility of adding the approval of a new fire hall on the election ballot in the future.

Police Chief Adam Christopher reviewed the police department budget. Christopher reminded the council that the department is down one officer since the last retirement. He noted he has applied for a COPS Grant for funding for another officer. Grant awards have not yet been made. Christopher noted that even with the cuts made to the police capital equipment funds in 2011 and 2012, a new squad car is budgeted for 2012. Funds available through the auction of impounded vehicles will be added to the police capital equipment funds.

Community Development Director Nick Haggemiller discussed his proposed budgets, including: Transit, Convention & Visitors Bureau (CVB), Economic Development Authority Administration, Community Development, Planning & Zoning and Building Inspection.

Haggemiller reviewed the budget for Community Development and EDA Administration. Haggemiller's wage and benefits are split between Community Development, Transit and Building Inspection. A transfer from the EDA Administration Fund is made to the General Fund for a portion of Haggemiller's wage and benefits.

Haggemiller discussed the CVB budget. Revenues are received from the lodging taxes collected in the General Fund, with 95% of the taxes collected transferred to the CVB Fund.

Haggemiller reviewed the Building Inspection Fund budget. It was noted that permit and plan review fees do not cover the budgeted expenditures and a transfer from the General Fund of \$66,000 is reflected in the revenues. Importance of the rental inspection program was discussed.

Haggemiller discussed the Transit Fund budget. A new contract for bus services is being discussed which will increase revenues. The need for a third bus was also discussed. Funds are set aside for a new bus in the CEF Fund. A change in fees will be discussed when the Fees & Charges Schedule is reviewed and approved in December.

Minutes/Budget Worksession
July 25, 2011
Page No. 3

City Manager Steve Jones reviewed the Airport budget. It was noted that the local share of capital projects and the operating deficit are shared equally with Chippewa County.

At this time, the finance director and city manager reviewed and discussed the remaining General Fund budget expenditures proposed for 2012. It was noted that there will be an election in 2012.

Meeting adjourned at 9:20 P.M.

Jan Flaherty, Acting Secretary

Approved by council August 15, 2011:

Sandra Hodge, President