

COMMITTEE OF THE WHOLE

City Hall – Council Chambers

February 28, 2022

The Committee of the Whole met at City Hall at 5:10 p.m. on February 28, 2022, with the following Committee persons in attendance: Mayor Robert Green and Councilmembers Susan deBuhr, Kelly Dunn, Dustin Ganfield, Simon Harding, Daryl Kruse, Gil Schultz and Dave Sires. Staff members from all City Departments and members of the community attended in person and teleconferenced in.

Mayor Green called the meeting to order and introduced the only item on the agenda, Review of FY2023 Budget and introduced Jennifer Rodenbeck, Director of Finance & Business Operations.

Ms. Rodenbeck gave an overview of the budget schedule: February 7 - Set public hearing date for Max Levy rate; February 8 - Publish Max Levy rate; February 21 - Hold the hearing for Max Levy dollars & set public hearing date for approval of the budget; March 7 - Hold public hearing on budget. Rate being discussed for FY23 is \$11.67, with current FY22 rate of \$11.38. Ms. Rodenbeck explained the Maximum Levy shows an increase of 6.33%, but when factoring rollback and tax rate the actual change in taxes paid are 4.65% for residential. The budget summary is as follows: property tax increase for residential of 4.65%; property tax increase for commercial/industrial of 2.55%; property tax decrease for multi-residential properties of 3.15%. Ms. Rodenbeck stated the following FY23 budget challenges include residential rollback decreasing, multi-residential phase out, backfill phasing out, project costs, high personnel costs & wage settlements, health insurance fund, technology costs, and insurance costs. Ms. Rodenbeck introduced City Administrator Ron Gaines. Mr. Gaines gave an overview of the proposed cuts to FY23 Budget proposed by Councilmembers: Remove CIP #54 zoning, remove CIP #55 Rental Conversion, delay CIP #56 housing needs assessment to FY24, delay CIP #59 Resilience Plan Implementation to FY24, delay CIP #131 cemetery columbariums, cut CIP #138 EAB removal-50%, and remove part-time Human Resource position. Mayor Green proposed having a motion brought forward to eliminate all proposed cuts to the FY23 budget. Motioned by Councilmember Schultz. Seconded by Councilmember deBuhr. Motion passed. Councilmember deBuhr asked about items #56 & #59, will those items be discussed again at Goal Setting in FY24; Mr. Gaines confirmed they will be Goal Setting topics; Ms. Rodenbeck stated they will also be included in the CIP. Mayor Green wanted to confirm that item #54 will still have \$150,000 available for FY23; Ms. Rodenbeck stated \$150,000 will still be available for FY23. Mr. Gaines clarified that the Downtown Zoning will not proceed until Council gives approval. Councilmember Ganfield asked if any funding was left from FY22 for #138-EAB; Operations and Maintenance Division Manager Brian Heath stated no funding is left for FY22. Councilmember deBuhr asked how long it takes to build the cemetery columbariums #131, since they bring in income. Director of Public Works Chase Schrage stated installation doesn't take long since they are pre-made and these could potentially take time to generate revenue. Councilmember Schultz asked if any applications have been received for item #55, does this account normally contain \$100,000 budgeted, what year was this process started and what's the average of applications each year; Ms. Rodenbeck confirmed the account normally has \$100,000, process was started in FY16 and stated 1 grant was complete in FY22, 1 application pending and the City is allowing room for a potential application. Mr. Gaines stated applications received within the first two years were between 1-2 applications, but within the last couple of years all funds have been depleted for the rental conversion program. Councilmember Dunn expressed the importance in funding investments in infrastructure. Councilmember Harding expressed concerns with the removal of the part time Human Resource position; Ms. Rodenbeck informed Councilmembers of challenges within Human Resources (Increased

tracking with COVID, COVID policies, employee questions and regulations). Ms. Rodenbeck gave an overview of the new Human Rights position. Mr. Gaines outlined some challenges that staff face, one of them being workload, including the budget, Public Safety Officer Program, downtown code amendments. Mr. Gaines commented a lot is asked of our staff and we have to be careful to not burnout staff; the competition is very challenging with the private sector. Councilmember Dunn commented on the importance of having great staff, not burning them out, turnover cost money and longevity in staff is important. Councilmember Dunn motioned to amend to strike the part time Human Resource position. Seconded by Councilmember Harding. Councilmember Ganfield motioned to amend the motion and hire a part time Human Resource position in January to reduce salary by \$30,000. Seconded by Councilmember Schultz. Motion passed. Councilmember Schultz asked if \$25,000 for #138 was a reasonable amount to complete EAB removal; Mr. Heath stated it is. Councilmember Ganfield asked about #131, cost for one columbarium instead of doing two per year; Mr. Heath stated each one is approximately \$40,000 includes columbarium, landscaping, concrete, amenities). Councilmember Ganfield stated it's more cost effective to install two instead of splitting them into one per year. Councilmember Dunn asked about removal of \$100,000 for downtown parking; Mr. Gaines stated since it's TIF related it has no impact on the budget. Ms. Rodenbeck explained TIF is a long term planning tool and we have five active TIFs. Mayor Green asked about delaying of the pickleball court repair; Mr. Schrage stated if delayed it may deteriorate and need a permanent reconstruction. Councilmember Ganfield asked about the siren replacement #174, \$60,000; Mr. Heath stated this is replacing a failing system at a school and generally there's \$15,000/year for general maintenance in the budget. Ms. Rodenbeck reminded Councilmembers the discussed budget changes will be incorporated into the budget and included in the March 7, 2022 Council meeting packet. Ms. Rodenbeck and Mr. Gaines explained the importance of staff training, CIP, infrastructure, quality of life projects, Public Safety, and sanitary sewer. Councilmember Sires asked about the City Hall remodel funds; Mr. Gaines stated these funds were obtained from capital funds. Mayor Green opened discussion to the public, no comments.

Mayor Green stated that Council has a motion and second on the floor to remove/delay the following items from the FY2023 budget: CIP #54 zoning, remove CIP #55 Rental Conversion, delay CIP #56 housing needs assessment to FY24, delay CIP #59 Resilience Plan Implementation to FY24, delay CIP #131 cemetery columbariums, cut CIP #138 EAB removal-50%. There was a consensus among Councilmembers to postpone hiring a part time Human Resource position in January instead of the proposed removal of the position. Motion passed.

There being no further discussion, Mayor Green adjourned the meeting at 6:12 p.m.

Minutes by Kim Kerr, Administrative Supervisor