

COMMITTEE OF THE WHOLE
Preliminary Budget Discussion
September 12, 2012 – 5:30 p.m.

Members Present: Mayor Sturdevant, Aldermen Bohn, DeVries, Dale, Hansey, and Bertsch.

Staff Present: Development Director Priebe, Police Chief Thorsteinson, Auditor/Finance Director Huwe, Attorney Lies, Public Works Director Nelson, Assessor Broadland, and Finance Assistant Amos.

Mayor Sturdevant called the meeting to order at 5:35 p.m.

Projected Mill Rate; County, School District, City & Park Board – Huwe provided a handout of information. She said she has verified with other political subdivisions what they intend to certify for their tax levy. Richland County reduced a quarter mill from 130.75 to 130.50, and the School District is also reducing a quarter mill from 137.93 to 137.68. So instead of the 435.00 mills levied now, the projected tax rate for 2013 is 434.51. Huwe then reviewed a comparison of the amount of taxes paid on a \$100,000 home for 2012 and for 2013. She said this gives an idea of where we stand now on total taxation. Huwe said are looking at \$37 increase in total taxation on a \$100,000 home in the City of Wahpeton for next year under current assumptions. Sturdevant asked about the property tax revenue increase, which Huwe estimated would be about \$29,119. Broadland noted that would include all new taxable property. Discussion was then held regarding the agricultural land value increase and what the County will do with those additional dollars.

Public Works Operations Manager Position – Nelson gave a quick summary. He said in past meetings he has described how the position fits in the organization. He said the duties are more on the operation side, to include customer service, on the ground reactionary things, assist with budgeting process, etc. Nelson said this is a focus job, not simply an assistant to the PW Director, but would report to the PW Director. The 3 PW division managers would be reporting to this position as well as the custodian and vector control/seasonal workers. Currently a salary of \$76,641 has been figured into the budget (\$56,000 salary annually plus benefits) spread to various funds. Nelson said there is a 3 step process in implementing the position or not: 1) create a position description; 2) funding; and 3) authorization to proceed. He said funding has been proposed, but the position description has not been approved by personnel and authorization has not been given to proceed with filling the position. He said the purpose for the position is filling gaps in shortages. This position is part of an overall approach to the management of the PW department. Nelson described the major long-term goal and big tasks for this position. Regarding the list of big tasks presented, Bohn wondered if consideration has been given to what resources could be used in-house versus what a contractor service could be use for. Nelson said some things, such as the facility plans, would be outsourced, but commented that all the things mentioned require upper management to bring to fruition. Bohn wondered if there were projects that could be broken down where a specialized contractor could come in and help with portions of the project, until something more permanent is put in place. Nelson said it was doable but wondered if it was cost effective. [Bohn exited meeting at 6:02pm] Sturdevant understood the purpose of the position to better efficiencies of the department but was concerned about the monies being spent, wondering if would take away from other departments or projects that could use those funds. He said with this position, there is a proposed increase of \$167,000 of expenditures for the City and would only be collecting about \$30,000 of increased revenue from property taxes. Sturdevant then wondered about the \$22,000 out of sales tax, an increase from last year, and how sales tax would benefit from this. Nelson said the City has used sales tax for flood protection instead of property tax so seemed to make sense to match it that way. Sturdevant commented it would mean \$137,000 not going to other places or projects, and wondered where else this money could be used if don't have this position, such as doing something for citizens. Nelson explained there is a certain amount of work that is people-related. Sturdevant was concerned about looking at citizens for fee increases and getting questions if this is a position the City didn't need. Nelson further discussed how he understood the concern, and talked about how in the past the City has waited for a crisis

before problems were addressed. He felt if the citizens know what they are getting for their dollar they will be more supportive. Hansey felt the realignment of the responsibilities and delegation of authority on the different projects could be broadened and put on the existing staff which would lessen the PW Director workload and achieve the same goal. Bertsch felt Nelson would not spend money frivolously and that he has researched the need for the position, and if someone could be brought in at this level at this time to help with the work load it's not a bad idea to bring someone in now that he can mentor. It was noted this would not be a transition position, and would still need an engineer. Lies said when Nelson leaves the successor won't need the same skills but will still need a PE, just not as much operational and administrative. Dale was concerned with this position and getting projects going, how all the projects are going to be paid for with limited resources. Nelson talked about outside available funding, such as State money and road funding, and being careful of the resources available. Sturdevant wondered if research had been done to see if the pay is reasonable for the skills being required. Nelson felt was reasonable and should attract a reasonable pool of candidates. Sturdevant then wondered if there were any other communities our size with the same position, which Nelson said he could not find many as there are many different job titles but hasn't pursued too hard. Sturdevant wondered if the position was approved and it didn't work out if Nelson would be willing to eliminate the position. Nelson did not think it would be a problem. Sturdevant wondered how to move on this now. Lies said can proceed with it as whole Council decision as have just had considerable discussion as Committee of the Whole. Sturdevant felt would need to make the decision if should be included in the budget. Dale wondered what happens to the money if choose not to fill the position, which Huwe explained the money allocated to fund the position would just stay in the funds. It was noted the Council could approve the budget and not authorize the position. The Council would be approving the appropriation but not the position.

Service Agreements with Richland County – Thorsteinson said this was particularly regarding dispatch and was not sure how the ratio the City is paying was figured. He said they claim it is based on call volume but it doesn't work out. Thorsteinson said there are three entities paying into dispatch: Richland County, City of Wahpeton, and NDSCS. NDSCS pays about \$3,000/year and the amount being requested from the City is \$231,249. Thorsteinson recommended using a flat rate. They argue that they have fixed costs whether dispatching in City or County. Thorsteinson then talked about the PD budget, and 10% of general fund expenses being given back to the County, and 22.34% of the PD budget. He said they have asked for an increase of 8% and felt it should require some explanation. He would like to see a flat rate or bring it back to the table for negotiation. Sturdevant said there used to be an LEC committee and felt it made some gains in getting things accomplished, so maybe need a 911 committee. Thorsteinson felt strongly about needing to stop any further increases. He said the PD operational costs have stayed consistent so didn't know why dispatch has the increases. Sturdevant wondered what the City's approach should be, if some information should be obtained to back up the proposal. Thorsteinson recommended putting together a committee to come up with a tactic, and to ask the County to justify their bill amounts. Huwe suggested inviting County representatives Harris Bailey and Perry Miller to attend a Committee of the Whole meeting and explain how they come up with the number they bill the City, to which those present agreed. Thorstienson suggested also looking at alternatives. Lies felt it would be good at some point to find out what it would cost to go State Radio.

Recommendations for Final Budget – Huwe referred to the certification of the tax levy and the way it's written right now in back of the 2013 Preliminary Budget book, page 70, and wondered if want to change that. She didn't think there would be a problem even if things change with what is paid to the County for communications. Huwe said she would need to know if okay with certification of levy before October 1st. Discussion held. It was noted the money could be put in budget but may not have to allocate it. Huwe wondered if wanted 2nd reading at Monday's Council meeting or to wait until October 1st, to which it was decided to wait until the October 1st meeting. The budget will be kept on both Finance and Public Works agendas.

Meeting adjourned at 7:06p.m.

Submitted by lma