

Pursuant to due call and notice thereof, a City Council Work Session was duly held in the City Council chambers at 4:00 p.m. on the 2nd day of September 2020. The following members were present: Mayor Doug Henke, Council Members, Tom Gard, Dan Rechtzigel, and John Mortensen. Absent: Richard Nielsen. Also, present: City Administrator Mark Vahlsing, Finance Clerk Sue Dodds, Public Works Director Wayne Ehrich, Liquor Store Manager Matt Bartel, Library Director Michelle Otte, Police Chief Lee Sjolander.

Mayor Henke called the work session to order at 4:30 pm. The purpose of the work session was to review the draft 2020 budget and levy.

Review Proposed 2020 Budget

Library Director Otte reviewed the proposed 2021 budget. There were no major increases. There were slight increases to personnel related and automation costs. The overall budget for the library showed a proposed 1.1% increase. One new computer will need to be purchased.

Liquor Store Manager Matt Bartel updated the Council on the Liquor Store's proposed 2021 budget. With the COVID related on-sale closure the overall sales are down from last year. Beer and Liquor costs have increased since re-opening. The proposed budget shows slight increases to beer, wine and liquor inventory purchases. No major capital outlays are anticipated for 2021.

Police Chief Sjolander provided an update on the PD proposed budget. He stated that the proposed budget showed increases in personnel costs like all other departments. He is requesting to increase hours for the part-time secretarial staffing from 25 to 40 per week. The additional hours would be dedicated to the PD. The position would continue with the City and KMU at 15 hours per week. There are no changes in the proposed budget related to the updates to convert the ambulance garage. There is also proposed funding in the Police budget to replace the 2014 Ford Police SUV. The Chief is proposing to purchase a pick-up truck to be utilized as a police vehicle. He stated that many departments are now utilizing pick-ups for police vehicles.

Mayor Henke asked about the feasibility of hiring a 4th full time police officer.

Chief Sjolander stated that adding additional hours to the administrative assistant position would be more beneficial to his department. It would free up more time for the officers to patrol and tend to other items.

Public Works Director Wayne Ehrich provided a summary of the proposed Fire Department budget. Overall, the expenditure budget showed a very small net increase from the 2020 budget. Training fees were increased by \$10,000, but the increase would be covered by a grant from the State of Minnesota.

Public Works Director Ehrich also reviewed the proposed 2021 public works budget. This budget includes streets, sanitary sewers, parks, storm sewer and the pool. Some major Capital purchase items in the proposed budget include replacement of riding lawn mower, a roof replacement in the Depot park, seal coating and chip sealing of some identified streets and other miscellaneous items.

Administrator Vahlsing stated that the proposed 2020 budget included a 1% cost of living increase for full-time employees. It also showed a 5% increase for employee health insurance.

Discuss Options for Maximum 2020 Levy

The maximum proposed levy increase must be adopted by the council by the end of September. Administrator Vahlsing stated that the draft budget showed a 2.9% maximum levy. After the maximum levy is adopted, it cannot be increased but can be decreased. He also stated that due to increases in property valuations the last several years, the actual tax increases may be less. The actual valuations for individual properties will vary. The final levy and budget must be adopted by the end of December.

Review CARE Act Funding

Administrator Vahlsing stated that this item is being presented for information at this time. The City has received \$134,000 in funding through the Federal CARES act for COVID 19 related expenses. The funds can be used to reimburse the City for expenses related to COVID such as PPD supplies, equipment, as well as other eligible related costs. Cities can also in some cases reimburse themselves for personnel related costs from COVID.

Beside reimbursement of direct cost related to COVID Vahlsing stated that some other expenditures of CARE Funds that have been discussed include:

- Purchase of upgraded equipment for the City cable access channel and broadcast of Council meetings.
- Upgrades to the Police and Fire Department radio system
- Additional Security Cameras
- Toward a portion of the cost of a replacement of the Fire Department First Responder and Police vehicles.

Councilman Mortenson stated that public buildings may be required to upgrade air filtration systems to help reduce possible COVID-19 transmission. The City may want to look at this type of improvement.

Councilman Rehtzigel suggested the Council look at purchasing iPads with CARES funding. These could be used by the Council members during meetings instead of making paper copies of packet materials. The Department Heads may also be able to benefit from using iPads. It would also help with video meetings.

Administrator Vahlsing stated that this item would be on the agenda for September 8, 2020 Council meeting.

Mayor Henke adjourned the meeting at 6:03 p.m.

Mark Vahlsing, City Administrator

Douglas Henke, Mayor