

Pursuant to due call and notice thereof, a City Council Work Session was duly held in the City Council chambers at 4:30 p.m. on the 4th day of September 2019. The following members were present: Mayor Doug Henke, Council Members, Dan Rechtzigel, Richard Nielsen, and John Mortensen. 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.

Interview Interested Persons for City Council Opening

The Council interviewed two people who expressed interest in serving on the Council. They were Thomas Gard who lives at 428 Red Wing Avenue and Teresa Cruz who lives at 704 State Street.

Review Proposed 2020 Budget

Library Director Otte reviewed the proposed 2020 budget. There were no major changes. Most of the increase in budget was due to salaries, benefits, and office equipment. Two new computers and four deep freeze licenses, which wipe personal information from the computer history, need to be purchased. All public PC's need to be upgraded to Windows 10 and two current computers are too old to support this. The revenue from the County should increase by \$1,500 next year.

Liquor Store Manager Matt Bartel updated the Council on the Liquor Store's proposed budget. The part-time employee starting wage will increase from \$10.00 to \$10.75 due to the minimum wage increasing to \$10.00. Credit card expenses have gone up. Beer and Liquor costs have increased; however, sales have still held steady. \$5,000 was added to capital outlay for replacement of the air conditioner.

Police Chief Sjolander provided an update on the PD proposed 2020 budget. He stated that the proposed budget showed increases in personnel costs like all other departments. Part-time secretarial staff may be added at 20 hours per week with 60% of the time being charged to the police department and 40% of the time being charged to City Hall/KMU. Contracted services increased to add training and background checks being performed by the Sheriff's department. Phase 1 updates to convert the ambulance garage should be covered by the \$27,000 total from the 2019 and 2020 budgets.

Public Works Director Wayne Ehrich provided a summary of the proposed public works budget. This budget includes streets, sanitary sewers, parks, storm sewer and the pool. Public Works is looking to add a part-time worker for the streets and parks to be split 50/50 with KMU. This could be a high school kid or retired person to work for the summer. He stated that paving the alley between 6th and 7th Street is in the budget for next year. At Depot park, the ADA ramp will be repaired and an air conditioner reinstalled. A new item added to the sewer budget was sludge hauling due to the tractor and honey wagon being sold.

Administrator Vahlsing stated that the proposed 2020 budget included a 1.5% cost of living increase for full-time employees. It also showed a 6% 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 6.6% 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.

Mayor Henke adjourned the meeting at 7:03 p.m.

Holli Gudknecht, Administrative Assistant

Douglas Henke, Mayor