

ORTONVILLE CITY COUNCIL MEETING MINUTES
BUDGET WORKSHOP MEETING
CITY OFFICE MEETING ROOM
315 Madison Avenue, Ortonville, MN
Monday, February 2, 2009
6:00 P.M.

CALL TO ORDER AND ROLL CALL:

Mayor Blair Johnson called the Budget Committee Meeting of the Ortonville City Council to order at 6:00 P.M. Roll Call was taken with the following Present: Mayor Blair Johnson, Nick Anderson, Craig Randleman, Bob Meyer, John Cunningham, and Mike Dorry. Absent: Steve Berkner. Staff Present: City Administrator David Lang, Deputy Clerk Susan Lundell, Deputy City Clerk Judy Roberts, OAHS Administrator Rick Ash, Ambulance Coordinator Tom Scoblic, City Attorney Craig Ash, Maintenance Supervisor Tim Scherer, Maintenance Worker Wade Swezey, Accounts Payable Clerk Deb Hicks, Maintenance Worker Kent Novak, Office Assistant Deb Ellingson, Community Center Director Paula Reisdorph. Media Present: Mike Swenson (*Ortonville Independent*). Others Present: Dan Oakes, David and Susie Dinnel and other interested citizens.

DISCUSSION AND REVIEW OF PRELIMINARY 2009 & 2010 LGA REDUCTIONS:

Mayor Blair Johnson reported on the Projected Local Government Aid Cuts for 2009 of \$63,000 and 2010 of \$142,000.

DISCUSSION OF POTENTIAL 2009 BUDGET ADJUSTMENTS:

Mayor Johnson reviewed the summary spreadsheet of budget adjustments as formulated by the Budget Committee. The summary spreadsheet focused on the following cuts: Part-Time Employee Benefits, Swimming Pool Hours and Staff, and Golf Course cost savings for fuel and fertilizer. The elimination of Part-Time Employee Benefits was discussed. It was pointed out that the City would lose \$4,500.00 revenue from Big Stone County when dispatching goes to Kandiyohi County. This could begin as early as April 1, 2009. Council Member Dorry questioned the proposed regular part-time employee benefit cuts. He asked the Council to consider cutting benefits to new hires rather than cutting to current staff.

Discussion and questions followed regarding proposed capital improvement projects. Mayor Johnson believes the \$191,000.00 Trailhead Project must proceed this year. He reported if the City does not bond for this the funds would have to come from reserves. The proposed \$300,000 bond includes the City Shop addition and the new City Shop parking lot. Bonding for \$1,300,000.00 in street improvements was discussed. The last street improvement project was completed in 2001.

Dorry felt none of the improvement options should proceed at this time. Cunningham noted it would be good to go forward with the Trail Head bid process to get actual costs.

Dorry and Randleman asked Clerk-Administrator Lang to contact the funding agency for the Trail Head Project to see if the project could be postponed. Dorry stated he could not believe that the council would consider laying people off and reducing staff benefits to save money and then continue on with large projects, such as the Trail Head Project.

Dorry asked where the \$35,000.00 was that was paid to the Golf Course from the Sewer Fund. The need for the Golf Course to operate in the black was also discussed. Meyer felt other departments were absorbing cuts while we are giving the Golf Fund \$35,000. He stated that the City could keep an extra Police Officer on staff for \$35,000.00. Mayor Johnson said they could transfer the \$35,000.00 back to the Sewer Fund but then the Golf Course would be another \$35,000.00 in the hole while the Sewer Fund would look healthier. He reported the funds are co-mingled so it does not matter what fund it is in.

Council Member Cunningham appreciated submission of budget reduction ideas from the Swimming Pool Personnel. Anderson stated that we may have to raise taxes and fees and we don't want to do that so what is the answer? He said he gets complaints from citizens regarding Golf Course expenses.

Public Works Director Scherer said he could not believe the Council was willing to cut benefits to employees but proceed with a large project like Lakeside Park-Trail Head Project. He asked how the City would pay for it. Mayor Johnson stated the City would bond for it. Scherer replied that you still have to pay for it. He asked, "where will you find the people to do the work if next year you decide to reduce the maintenance staff?" He asked, "Please tell me what services you want to cut." He stated he needs a new shop, but he would rather have another staff person to help do the work if he had to make a choice. He also reported the Street Department budget is high in part because Ortonville is situated on a hill and has several miles of streets to keep plowed.

Other suggestions for budget reduction were to sell city-owned lots and for the EDA fund itself through Fairway View profits (est. \$8,000.00/mo.). The goal for 2010 will be to have a plan by August 2009 for the 2010 Budget Year. It was noted that the majority of city General Fund expenses are for staff. Randleman noted when cuts affect staff, it is very difficult to make cuts.

The Budget Committee is asking how to find funds for cuts if we do not affect employees. Deputy Clerk Lundell asked about increasing liquor license fees and fire contract fees. Dan Oakes stated that the census is much lower now than in the past and the city cannot afford the same amenities. Annexation was discussed.

Office Assistant Deb Ellingson asked the Council what would constitute a part-time employee who receives pro-rated benefits. Blair said the goal was to set it at 32 hours per week. Deb Hicks reported that OAHHS Hospital uses 24 hours per week as a guide for benefits. Deb Hicks offered to see what other cities are doing for part-time benefits.

Deputy Clerk Lundell stated that the League of Minnesota Human Resources Handbook encourages cities to offer regular part-time benefits to attract and retain qualified employees.

ADJOURNMENT:

Mayor Johnson adjourned the meeting by consensus at 6:57 P. M.

APPROVED:

ATTEST:

Blair Johnson
Mayor

David A. Lang
Clerk-Administrator