

ORTONVILLE CITY COUNCIL MEETING MINUTES
BUDGET WORKSHOP MEETING
CITY OFFICE MEETING ROOM
315 Madison Avenue, Ortonville, MN
Tuesday, September 8, 2009
6:00 P.M.

CALL TO ORDER AND ROLL CALL:

Mayor Blair Johnson called the Workshop Meeting to order at 6:02 P.M. Roll Call was taken with the following present: Mayor Blair Johnson, Nick Anderson, Steve Berkner, Mike Dorry, Bob Meyer, Bill Powell, Craig Randleman. Staff Present: City Administrator David Lang, Deputy City Clerk Susan Lundell, Police Chief Jason Mork, Golf Course Superintendent Travis Strasser. Also Present: Marcie Stotesbery, David Dinnel and other interested citizens.

DISCUSSION AND REVIEW OF PRELIMINARY 2010 BUDGET & PRELIMINARY PROPERTY TAX LEVY:

A proposed property tax levy for 2010 of \$569,245.00 was presented. This levy includes a \$10,000.00 transfer from each the Water, Sewer and Electric Funds to the General Fund to help cover the costs of the City Shop. In past years the General Fund has borne 100% of these expenses. The proposed Budget and Levy also includes an 5% increase in Electric rates, an employee pay increase of 2% in 2010 and 3% in 2011 and an increase in the healthcare benefit package from \$580.00 to \$600.00 per month. This levy also includes an increase in snow removal revenue from \$4,000.00 to \$10,000.00 as a result of a new policy whereby the City will charge the Hospital, the Nursing Home and Fairway View Senior Community for snow removal. These entities would have the option of bidding out the work also.

It was noted that inflation has averaged 4% annually over the past several decades and should be factored into the City budget. This alone may be a reason for a property tax levy increase.

A proposed Sewer base usage fee of 25% of a customer's water bill would increase revenues approximately \$50,000 annually. OAHS continues to pay \$36,000.00 per year as a General Fund transfer. The Council considered renting the geothermal field to OAHS. Discussion and questions followed. It was noted that we needed to keep up with changes in infrastructure.

A proposed 2010 bond issue of \$2.5M to \$3.5M would include street improvements (in the draft budget) and improvements to the City Shop and Fire Hall. Of this amount the street improvements would be about \$1.88M. At this point, the draft budget, contemplates no staff lay-offs. It was noted perhaps some services such as snow removal and lawn care could be contracted out.

EDA reductions were discussed. Council Member Dorry asked what happened to the plan whereby grant money was going to pay half of the EDA Community Development Coordinator's salary. It

was explained that management of the grant program has been turned over to a consultant due to the technical nature of the historic rehabilitation process and the volume of paperwork required. It was proposed that the EDA become active in in-fill housing and housing rehabilitation if street improvements were made to improve the tax base on those streets. The EDA needs to be active in increasing the value of property and improving the tax base. Discussion and questions followed.

Discussion and questions followed regarding engineering fees for all projects, regarding staffing for the Heritage Preservation Commission and the need for staff time to facilitate the rehab of the historic downtown.

Council Member Dorry asked that the line item "Insurance" on Page 49 of the Budget be reviewed for possible reduction down from \$9,000.00.

Councilmember Anderson asked the Council if they would approve including in the 2010 Budget the 2% raise for employees, an increase in electric rates, a sewer rate increase and the inclusion of previously cut capital improvements. The Consensus was to reflect these items in the Budget for review at the Budget Committee Meeting.

ADJOURNMENT:

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

APPROVE:

ATTEST:

Blair Johnson
Mayor

David A. Lang
Clerk-Administrator