

***Minutes approved by Budget Committee on April 5, 2018.***

**1. CALLED TO ORDER AND ROLL CALL:**

Mayor Peter Truax called the Budget Committee meeting to order at 6:34 p.m.

**ROLL CALL: PRESENT:** David Andersen, Meredith Bliss, Rod Fuiten, Thomas Johnston, David Maisel, Timothy Rippe, Debby Roth, Chere Sandusky, Dale Smith, Ronald Thompson, Peter Truax, Elena Uhing, Matt Vandehey and Malynda Wenzl. **ABSENT:** None.

**STAFF PRESENT:** Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Bryce Baker, Senior Management Analyst; Colleen Winters, Library Director; Tom Gamble, Parks and Recreation Director; Jon Holan, Community Development Director; Kevin Ellingsburg, Police Captain; Rob Foster, Public Works Director; Michael Kinkade, Fire Chief; Keith Hormann, Light & Power Interim Director; and Beverly Maughan, Executive Assistant to City Manager.

**2. ELECTION OF CHAIR:**

Truax asked for nominations. Uhing nominated Maisel who declined and in turn nominated Rod Fuiten as Chair. The nomination was seconded by Wenzl and with all those present voting in favor, Fuiten was elected. Citizen budget committee members introduced themselves to the new Councilors.

**3. ADDITIONS/DELETIONS: NONE.**

**4. APPROVAL OF MINUTES FROM APRIL 21, MAY 5 and MAY 12, 2016:**

Truax moved, seconded by Smith, to approve the minutes as presented. With all those present voting in favor, motion passed.

**5. BUDGET MESSAGE FOR 2017-18 PROPOSED BUDGET:**

Budget Officer VanderZanden referred to his printed budget message and thanked the committee members for their service and time. He noted the budget is basically a maintenance budget and included slight increases in operating expenses (2%); in savings and/or reserves (4%); and in other areas such as capital improvements (1%) for a total of approximately 7% increase over last year's budget.

**6. REVIEW AND DISCUSSION OF 2017-18 PROPOSED BUDGET:**

Downey distributed handouts and presented a budget overview highlighting the general increases related to wages and benefits, actuarial costs, and insurance rates. He reviewed the general fund resources and changes from last year's budget

in the General Fund departments as well as Building Permits, Fire Equipment Replacement, Parks Acquisition & Development and Debt Service Funds highlighted in the analysis and answered questions from the committee.

During the review of Administrative Services, in response to Uhing's inquiry for clarification of the Senior Center contribution, Downey reviewed the information presented at a City Council work session on April 24, 2017, outlining the City contributions since FY 2011-12. VanderZanden confirmed the contract agreement with the Senior Center states the City is responsible for structure of the building and the outside building maintenance and the Senior Center is responsible for the inside maintenance, has exclusive use for no charge and can sublease to agencies with the City's approval. VanderZanden noted the purpose of the work session was to identify the long-term financial policy between the City and the Senior Center to ensure the mutual objectives of the Center remaining open, operable and programmatic with transparency of expenditures by the Senior Center. He stated the work session was educational but a policy was not established. Wenzl and Uhing concurred that the budget committee should have a policy or plan for non-profit contributions to facilitate the decision going forward. Vandehey commented that it would not be prudent to use decreasing City resources for the operation of a non-profit that has a growing fund balance. Bliss affirmed the City has a contractual relationship with the Senior Center and should maintain a fixed contribution in the budget with \$20,000 being a small amount of the City budget. He also noted the management of the Senior Center is not a budget committee responsibility but a City Council. Fuiten concurred that the Council should make the policy decision. Rippe supported trying to remove the emotion from this decision by establishing a formula in which the City obligation to the Senior Center can be realized as well as the desire for them to become fiscally responsible.

**7. PUBLIC HEARING ON STATE SHARED REVENUE:**

Downey noted the City was required to hold two Public Hearings taking comments on whether or not to receive State Shared Revenue and the Budget Committee holds one public hearing and the City Council holds the other. Downey reviewed expected revenue and compared revenue with last year. For budgetary purposes, the Alcohol Tax is allocated to the Police Department, the Cigarette Tax is allocated to the Fire Department, and the State Shared Revenue is put in General Fund Discretionary Revenue. Fuiten opened the public hearing at 8:53 pm, asked for comments and, there being none, closed the public hearing.

**8. PUBLIC COMMENT ON PROPOSED BUDGET: None.**

**9. ADJOURNMENT:**

Chair Fuiten adjourned the meeting at 8:56 pm.  
Respectfully submitted by

Beverly Maughan, Executive Assistant