

MINUTES OF THE BUDGET WORKSHOP MEETING OF THE ROGERS CITY CITY COUNCIL
HELD IN COUNCIL CHAMBERS ON MONDAY, MAY 4, 2009

Mayor Hall declared the budget workshop open at 4:30 p.m. Those present included Council Members Darrin Darga, Debra Greene, Gary Nowak, Thomas Sobeck, and Mayor Beach Hall. Staff present included City Mgr. Mark Slown, Police Chief Matt Quaine, DPW Supt. Roger Wenzel, Water Supt. Chuck Kieliszewski, WWTP Supt. Ray Hansen, Eng. Asst. Toby Kuznicki, Clerk/Treasurer Theresa Heinzl, and Bookkeeper Judy Darga.

The purpose of this budget session was to review the proposed FY2009-2010 budget document. A public hearing must be set to take comments on the budget; however, a budget must be adopted at the May 19th regular Council meeting.

Mayor Hall began with the **Wastewater Treatment Plant Fund** and deferred to City Mgr. Slown, who pointed out that the current budget document did not contain any USDA and related engineering costs for the sewer and water projects. Hall noted that the sales for both funds are reflecting a decrease to which Slown explained that this has been the trend during the past couple of budget years. Council Member Sobeck felt that it was better to expect a decrease in sales. Council Member Nowak asked about the proposed increase in wages for the Water Distribution line item, for which Water Supt. Kieliszewski agreed to check his budgeted wage line items. The **Water Fund** budget reflected a decrease in expenditures of approximately \$60,000. There was a brief discussion about Well House No. 5, which is currently on line and is gradually being developed. It was mentioned that obtaining the property rights for the proposed USDA work in the Constance, Barlow area must be done, which would possibly create additional legal fees for the USDA projects to obtain easements. It is expected that the USDA loan will cover any legal fees.

Council then moved on to the General Fund. Slown explained that a copy for review was given prior to this meeting. He welcomed any questions from Council. Mayor Hall asked if any dollars were added to the Local Street Preservation to which Slown replied that he changed the amount from \$10,000 to \$15,000 taking the difference from the fund balance. The additional amount was to improve Fourth Street between Erie and Michigan Avenues. It was pointed out that Fourth Street is a major street, not a local street. Another street that is in need of repairs is Orchard Street between Third and Fourth Streets. Council Member Nowak wants to know how much money will be available for streets when the meeting to discuss the USDA projects takes place. Slown explained how the funding provides for some portions of the street repair/replacement. It was decided that the Local Street Fund would be reduced back to the \$10,000 since Fourth Street is a major street. The type of improvement needs to be looked at for the Fourth Street block to make the best decision for doing this project. Eng. Asst. Kuznicki was of the opinion that Fourth Street needs reconstruction. It was then agreed to go back to review the General Fund.

General Fund was discussed at a previous budget workshop, but there were some thoughts and suggestions that were talked about between the two workshops. There were no changes in General Fund revenue from the first workshop. Mayor Hall then moved to the expenses. A question was raised on publishing requirements, which is for the meeting minutes and required ordinance publications. This line item was already cut to the minimum. The changes proposed at the first workshop were incorporated in the provided document. These included the reduction in the Nautical Festival fireworks contribution from \$2,000 to \$1,000, the \$500 for the Family Fun Day fireworks contribution remained in the budget. Slown explained the only expenses left in the budget were those approved by Council resolution previously. The \$250 for posts on Forest Avenue was left in as was the \$2,000 for the Summer Concert Series. There was a change in the Workers' Compensation line item as the fiscal year premium was received earlier in the day and increased 25% resulting in an additional \$10,000 added to that line item. Mayor Hall said that one of the thoughts, which surfaced between the two workshops, was to increase the millage by a one-half mill. The millage increase would allow for hiring a full-time police officer during the last six months of the fiscal year, the office staff would retain a 40-hour work week, and department supervisors would receive the proposed wage increase. The question was asked how long the police officer would be an employee, which Chief Quaine said that he expected to keep the officer on for the entire year. The discussion continued on a proposed increase in taxes, which Council Member Greene stated she was not in favor of doing because of the anticipated increase for the utilities. Nowak would like to see all employees not accept the wage increase scheduled for July 1, 2009 per the union contracts. Council Member Sobeck explained that a millage increase is not a pleasurable alternative, but it is an alternative that buys time to make planning decisions. The next fiscal year budget would then be clearer than it is currently. The discussion centered on how to solve the problems created with the revenue shortfall. Council talked about their own fund including wages, per diem, and travel expenses. Mayor Hall proposed reducing the wages from \$11,800 to \$9,000 in salaries and \$6,000 to \$4,000 in travel. Slown told those present what he felt was the better avenue to take, that is, taking the needed dollars from fund balance rather than increase taxes. Hall feels a "town hall" meeting might be warranted to explain to the residents the "state of the City". Slown remarked that his intention is not to make the changes permanent. Chief Quaine stated his feelings on the expected changes with the proposed Wolverine Power plant.

Mayor Hall asked if a quarter mill is an acceptable increase, to which he sensed a reluctance to increase taxes. Sobeck feels there is a need to address revenues as well as expenses. Greene said that she is agreeable with the budget as presented; Nowak was of the opinion that it might be better to wait until December to make a decision on the police officer vacancy to be created with the retirement of one officer. He also wanted the unions informed about the budget situation as it stands. Slown said he would talk with the unions and open the contracts if directed to do so by Council. Council Member Darga agreed that the unions should at least be asked to consider concessions; he would feel more comfortable if this was explored. Sobeck again reiterated the issue of looking at revenues. Slown again offered using fund balance this fiscal year. He also explained the situation experienced by the Department of Public Works as this department is also working with one less

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employee as the vacancy created with the superintendent's promotion from within was not filled. Nowak was fearful of what will happen next fiscal year. His main concern is that the burden be shared equally.

DPW Wenzel remarked that the DPW is down one person and he has not hired any summer help. Using the jailed inmates was discussed, which causes required supervision from the regular employees. Wenzel is not advocating this venue. He feels that he cannot spare another employee in the department.

Slown offered putting the police officer back in and keeping the office hours at their 40-hour level and leaving the increases for the department heads in the budget using fund balance dollars. Darga is okay with fund balance and Greene is not okay with this; Nowak is fearful of what might lurk in the future should there be a need for unexpected and unbudgeted expenses. Sobeck agreed to support the use of fund balance to cover the shortfall.

There was a brief discussion about the Council line items and what could be considered for the upcoming fiscal year. Sobeck suggested possibly cutting the per diems to five per year, which would be about \$2500. Nowak asked about the attendance at conventions. The Council members agreed to the proposed reduction in their salary line item to \$9,000 and reducing transportation and travel to \$4,000.

Council restated their direction to staff, which was to hire a police officer for one-half year, keep the Office staff hours at 40 hours per week for each employee, and provide for the 2.5% increase for department supervisors using fund balance dollars as the revenue source.

With the regular Council meeting to begin at 7 p.m., Mayor Hall declared the workshop adjourned at 6:17 p.m.

BEACH HALL, MAYOR

THERESA A. HEINZEL, CITY CLERK/
TREASURER