

MINUTES OF THE WORKSHOP MEETING OF THE ROGERS CITY CITY COUNCIL
HELD IN COUNCIL CHAMBERS ON TUESDAY, APRIL 20, 2010

Mayor Hall presided and called the workshop to order at 4:15 p.m. Present were Council Members Debra Greene(4:35 pm), Gary Nowak, Thomas Sobeck, and Mayor Beach Hall. Council Member Darrin Darga was not present for the workshop. Also present were City Mgr. Mark Slown, City Atty. Michael Vogler, Police Chief Matt Quaine, DPW Supt. Roger Wenzel, Water Supt. Chuck Kieliszewski, WWTP Supt. Ray Hansen, Harbor Master Brian Wagner, Eng. Asst. Toby Kuznicki, Bookkeeper Judy Darga, and Clerk/Treasurer Theresa Heinzl.

Mayor Hall explained that this is the first of the budget workshops to review the document as presented by the staff. He deferred to City Mgr. Slown, who asked that the discussion begin with the enterprise funds.

Marina Fund: Slown explained that the refunding legislation may alleviate the problems of the Marina Fund. The proposed budget reflects an appropriation to the fund balance of approximately \$40,145 per the deficit elimination plan approved by the Department of Treasury. Wagner added that Charter is now the Internet provider for the Marina facility at no cost for this service as it is covered by the reservation system.

Water Fund: This fund reflects the USDA-RD Project. There are requirements that must be included in the budget per the USDA. It covers the bond debt, the debt reserve, the RRI funds, and the construction project itself. A question was asked of the amount of the administrative overhead for water at \$40,000 and the increased wastewater administrative overhead of \$40,000. City Mgr. Slown explained the administrative overhead for each of the funds and the extra attention that will be expected for the USDA projects. The timing of the project closing was discussed along with the timeline for the bidding process. It is now estimated that the closing will be in July 2010. The cost of sprinkling meters was questioned and Water Supt. Kieliszewski responded that the meters cost \$184 each and are sold to residents for \$190.

WWTP Fund: The USDA project and its accompanying requirements were all included in the proposed budget document. The budget reflected the recently approved increases in the utility rates. WWTP Supt. Hansen stated that he did not budget any extras in the presented document. No questions were raised on the WWTP budget.

General Fund: The workshop discussion then moved to the General Fund. City Mgr. Slown explained that property tax revenue will be affected by a Headlee rollback in FY2010-11. The millage will be reduced from the 17.1208 mills levied in FY2009-10. The proposed millage rate for FY2010-11 is 16.6711 plus the .2000 levied for the Band Fund. An override of the Headlee rollback requires a vote of the people. Even if this override is approved, the FY2010-11 budget year will not reap any increase in tax revenue. Slown provided another scenario for relieving the budget of the deficit of approximately \$27,000. He explained that if the employees are willing to give up the union negotiated 3% increase in this budget, he is proposing that the Council consider implementing a 1% administrative fee, which could generate about \$33,000. He proposed both the no wage increase and the administrative fee as a package. The administrative fee is allowed by State law and only requires approval by Council resolution. The costs of health care generated a period of discussion and continued through the review of the fringe benefit portion of the budget. Mayor Hall then moved back to the revenue portion for the General Fund including the reimbursement from the Fire Authority. Various line items in the General Fund departments were addressed including contractual services for City Hall. All contributions were slashed from the Promotions line items. Slown explained that each staff person perused his/her budget to hold all costs down to a minimum. With less resources, there will be less services provided to the public. Wenzel responded to a question on the distribution of the DPW manhours among the various departments. Questions surfaced on the retirees' hospitalization and employees' contributions. The hopes for a successful USDA grant funding for the vehicles will allow for vehicle purchases. If the grants are not successful, there will be no equipment purchases.

Street Funds: Slown reported on a program that is being considered in the state that would use federal funds; however, it will require a match from the community. The question was asked about the effect on the streets with the USDA Project and whether the street work will fall under the water/sewer project. A map was brought in to show Council the areas that would be affected and the streets that would be justified for funding through USDA. Slown explained the dollars targeted for non-motorized improvements in both Local and Major Streets. Slown informed Council about the possibility of the Small Cities Fund dollars being taken back by the source that provided them.

The discussion centered on various questions and comments on a five-year plan for water and sewer projects once the USDA projects are completed. The USDA requirements allow for a reserve fund, which is to take care of any unanticipated equipment issues.

The discussion on the budget document having concluded, Mayor Hall declared the workshop adjourned at 6:08 p.m.

BEACH HALL, MAYOR

THERESA A. HEINZEL, CITY CLERK/
TREASURER