

CLARKSTONCITY COUNCIL MINUTES
Budget Workshop
November 26, 2013

CALL TO ORDER: Mayor Warren, 6:00 P.M.

COUNCIL:

- | | |
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| <input checked="" type="checkbox"/> Beadles | <input checked="" type="checkbox"/> Manchester |
| <input checked="" type="checkbox"/> Provost | <input type="checkbox"/> Blackmon, excused |
| <input checked="" type="checkbox"/> Nash | <input checked="" type="checkbox"/> Smith |
| <input checked="" type="checkbox"/> Manchester | |

STAFF:

- | | |
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| <input checked="" type="checkbox"/> Chief Cooper | <input checked="" type="checkbox"/> Chief Hastings |
| <input checked="" type="checkbox"/> PWD Martin | <input checked="" type="checkbox"/> Clerk Storey |

BUDGET WORKSHOP:

Mayor Warren called the meeting to order at 6:00 p.m.

Clerk Storey has prepared a list of items that might be discussed. One optional expense is the sealcoat for city hall parking lot. Direction to eliminate that for this year. Storey said \$70,000 is budgeted for legal expenses related to Skyline. It could be more or less. She said that there is \$70,000 budgeted to transfer to the ambulance fund from Current Expense. Ambulance is estimated to have an ending balance of \$102,000, so maybe a smaller transfer would be enough. Chief Cooper said the plan was to build a reserve in Ambulance so annual loans would not be needed. Councilmember Provost asked if that is the only way to build a reserve. Cooper said collections are good, but not enough to build reserves.

Councilmember Provost said he is not comfortable with the low projected ending balance. We should look at things that would be nice to have, but have a negative impact on the Current Expense balance. He questioned the contribution to the Health Department. He suggested that the subsidy to the ambulance fund be reduced to \$35,000. Chief Cooper said that is meant to build up a reserve so there won't have to be loans made every year. Council consensus to reduce the subsidy to ambulance to \$35,000.

Councilmember Baumberger asked if there was support for the Health Dept funding. Councilmember Nash said he would like to do it. Baumberger asked how it would be funded. Agreed to remove the \$15,000.

Provost said the Street budget has \$80,000 for sealcoating and \$60,000 for alleys. Martin said the alley budget should finish the alleys east from downtown to Riverview. Provost asked what impact removing the \$60,000 would have on Current Expense. Storey said the property tax could be redistributed or funds could be left in the Street Reserve, which will be almost depleted with this budget. Provost asked about the \$25,000 in sidewalk. Storey said it is a transfer from an old CDBG fund and is used just for handicap ramps. Provost questioned the \$25,000 in building repairs. Martin said the shop needs some electrical work and they want to expand the paved area. Storey said even with the transfer in from the reserve fund, the ending balance in streets is anticipated at \$2,800, which won't cover the first payroll in 2015. Baumberger said to leave it the way it is knowing that we will have to address it later. Martin said the maintenance budget includes a re-roof on the shop and increasing the concrete pad at the wash out station. Beadles pointed out that 70 – 75% of the budget is wages and benefits and the only way to significantly reduce expenses is to consider layoffs. No changes were agreed to on the street budget.

Councilmember Smith asked if the fund balance in the Community Projects Fund could be used for other purposes. Storey said it is basically general fund money and can be used for anything the council designates. There is approximately \$38,000 in the fund.

Provost moved to the Sewer fund. He commented on the increase in the sludge disposal line item. Martin explained that EKO is closing and we will be contracting with a new company. EKO will

continue for the first half of the year at a 15% rate increase. When we start delivering to the new company, LSI, the charges will change from wet ton measurements to dry tons, which should reduce our expense. At this point, we just aren't sure of the cost. Provost questioned the sewer line repair item. Martin said there is a line that should be repaired, although it is not critical at this time. There is a sewer line repair reserve that those repairs can come from. A transfer will be budgeted for the line repair. Provost asked what the plan is for sewer rates. Storey said it will be a 15% increase as agreed on when we did the recent bond issue.

Provost asked about the vehicle and totes expenditure plans. Baumberger said they were in this budget, but not expended so they are being rolled forward. Martin said scheduling just did not allow us to get the purchases made. The plan is to move to an automated system. Storey said the rates are planned at a 1.5% increase, which may not be enough. But if we change to an automated system the whole rate structure will have to be revised. Martin said the truck and the totes are available on the state bid. We may provide two different sizes, a large, 96 gallon tote similar to the yard waste totes and a smaller container that would be about the size of one or one and a half regular cans. We will do some research on how many residents use more than one can now to help determine the sizes we should offer. We can either rent the totes or include the cost in the rates.

Storey said the other thing to discuss is Lodging Tax. The City received the standard funding request from the Chamber and HCVB. We also received a new request from the Rotary Club to start a new bicycle event. Storey said the new rules for lodging tax require the Lodging Tax Advisory Committee to meet and recommend to the city on funding requests. They have not met yet. Storey suggested that the Rotary request be added to the budget and adjustments can be made once the city gets the recommendations. Beadles said he thinks the total expenditures should be limited to the revenue of the previous year so we are not cutting in to the principal from the sale of the convention center. Storey asked if council wants to include interest in the amount to fund. They agreed that it could be included. Storey was directed to calculate the total to be distributed and prorate the adjustment between the three requests.

Beadles said another potential saving possibility is the Well City program through our health insurance.

Baumberger asked if administrative salary increases are in the budget. Storey said there is a 5% increase in the budget. Provost said there should be some system in place to address annual adjustments. Storey added that the management employees are now the only group that doesn't have access to a VEBA account, which would become especially important when one retires. Council spoke in favor of a VEBA account. It will be assigned to committee after the beginning of the year.

There were no comments on the police budget. Chief Hastings said he is looking at the funds available in the Drug and Victim funds to see where those monies can be used to offset some costs in the police budget.

No additional workshops were scheduled. Storey will make the adjustments as directed and distribute new pages to council. The budget will be on the agenda for first reading at the December 9 meeting.

ADJOURNMENT:

Meeting adjourned at 8:05 p.m.

Vickie Storey, City Clerk

Donna M. Engle, Mayor