SPECIAL BUDGET WORKSHOP
MINUTES

MAY 12, 2014

THE SPECIAL BUDGET WORKSHOP OF THE RICHMOND CITY COUNCIL WAS CALLED TO ORDER AT 6:30 P.M., ON MONDAY, MAY 12, 2014, BY MAYOR RIX.

ROLL CALL

Present: Goodar, Greene, LaFore, Misteravich, Rix, Schultz, Yaroch

Absent: None

Others: City Manager Moore, City Clerk Stagl, City Treasurer Olsen

Visitors: Police Chief Teske

AUDIENCE PARTICIPATION

None received.

ADOPTION OF AGENDA

Motion by **Schultz**, seconded by **Goodar**, to adopt the Agenda as presented.

All yeas **Motion passes**

ITEMS FOR CONSIDERATION

1. Review of the Manager's Proposed FY2014-15 City Budget

Review of the FY2014-15 Budget began with review of the proposed TIFA budget for FY2014-15.

Review of the budget began with:

TIFA Budget – City Manager Moore informed Council that TIFA budget presented to Council was similar to previous year with the exception of the Police Department/City Hall Building. The projected ending fund balance is $408,000, if we spend all the funds budgeted. Two requests did come in that have not been included in the TIFA budget: 1) the Historical Society would like help painting the schoolhouse and 2) the Little League would like help with the pump house/storage building. Both of these projects are

included in the organization's five year plans. The projected cost for the painting of the interior and exterior of the schoolhouse is $4,800, with an additional $1,000 being requested for possible building repairs. The projected costs for the Little League pump house/storage building is $25,000 – they were asking that TIFA consider funding a portion of the project costs – possibly the material costs.

Council felt the funds needed by the Historical society were attainable through fund raising. Council was not against TIFA contributing some funding towards their project, but they had to do some fund raising – Council discussed providing a match of up to $3,000. for the Historical Society.

Council discussed providing the funds for the materials needed for the proposed Little League pump house/storage building – the cost for the materials would amount to $9,200.

The final consensus of Council was as follows:

- The TIFA budget will include $9200.00 for materials for the Little League pump house/storage building.
- The TIFA budget will include up to $3,000.00, in matching funds, for the Historical Society, to help them with the painting of the schoolhouse.

Police Cars

Council discussed the proposed purchase of three police vehicles. Discussion focused on purchasing the vehicles vs. leasing the vehicles over 3-years.

Chief Teske stated that there was the need for new vehicles – the older cars were becoming too costly to maintain.

Discussion on whether we could purchase one car from the general fund and the other two cars from TIFA and then pay TIFA back over two years.

City Manager Moore informed Council that it could be worked out this way, but would like to wait on the purchase until we knew what the final cost would be for the Police Department/City Hall building.

Yaroch stated that he would like to hold off on the purchase until after the November election – if the personal property tax amendment failed, the City would lose an additional $150,000.

Some Councilors had no problem with leasing the vehicles over the three years. Yaroch and Greene were against leasing – pay for the vehicle with cash – TIFA has the money – borrow from TIFA, then pay it back.

The consensus of Council was to purchase three police utility vehicles. One vehicle will be purchased out of the general fund; cars two and three will be purchased by TIFA and the General Fund will pay back TIFA over the next two years.

By handling the purchase this way, the General fund will be reduced by $42,000 and the TIFA fund will be reduced by $84,000.

Lap top for Recreation Department

The Recreation Director does not feel a lap top computer is necessary at this time.

Heath Care Opt Out Amounts

City Manager Moore discussed with Council the possibility of increasing the Health Care opt out amounts to encourage employees to go into their spouse's healthcare coverage. If we could get some employee to opt out – there is a potential for the City to save a significant amount of money.

It was suggested that we try to determine what pay out figure would be most attractive to employees.

The Consensus of Council was to direct the Administration to continue to look into different pay out options.

Council recessed at 7:57 p.m.

Council reconvened at 8:10 p.m.

Health Care Premium

City Manager Moore informed Council that the Communications contract was up this year and we have a reopener for the other union contracts on wages and insurances in one year. Believe there is room for savings – will continue to work on a new health care plan to be in compliance with the Affordable Health Care Act.

Tennis Court Improvements

Need to continue to research this item and officially ask the school for cost sharing

Library penal fines

Will have the Library Director work with the State regarding the penal fines.

Personal Property and Revenue Sharing

The Personal Property Tax vote will be on the August Ballot.

City Manager Moore informed Council that for FY14-15, the City chould see an increase in revenue sharing.

Fee Schedule

Only minor changes have been made to the fee schedule over the years. We need to take a serious look as some of the fees we charge. The fees for Camp Richmond seem to be seriously low. It was stated that there needs to be a greater difference between the resident and non-resident fees.

City Manager Moore summarized the operational changes and cuts that have been done in FY13-14. Yaroch questioned how we planned to eliminate the City's deficit. Manger Moore stated that we need to continue to seriously look at health care costs and we will need to look at the TIFA capture amount – we may also need to look at reducing some City services.

City Manager Moore informed Council that property taxes have been reduced since 2006, but the City has not reduced any of its services. Suggested that the City also look at the Revenue side of the budget.

The consensus of Council was to present the budget as discussed and amended.

Greene did not have additional cuts to recommended, but reminded Councilors that we all need to be diligent and aggressively pursue some cost savings measures.

COUNCIL COMMENTS

None received.

ADJOURNMENT

Motion by **Schultz,** seconded by **Misteravich,** to adjourn the Special Budget Workshop at 8:53 p.m.

All yeas

Motion passes

Respectfully submitted:
Karen M. Stagl
City Clerk