

**ARLINGTON CITY COUNCIL
COUNCIL MEETING WORKSHOP AGENDA
NOVEMBER 26, 2018 AT 6:00 PM
COUNCIL CHAMBERS**

1. Call meeting to order
2. Roll Call
3. Approve Meeting Workshop Agenda
4. Discussion on 2019 Budget.

ADJOURNMENT

**ARLINGTON CITY COUNCIL
COUNCIL WORKSHOP MEETING MINUTES
NOVEMBER 26, 2018**

The Council Workshop meeting was called to order at 6:00 p.m., Mayor Richard Nagel presiding.

Members present: Michelle Battcher, Adam Cowell, Ben Jaszewski, Jim Heiland.
Also present: City Adm. Pat Melvin and Chief John Petterson.

Motion by Battcher, seconded by Cowell, and passed by unanimous vote to approve the agenda.

The purpose of the Council Workshop meeting was to review the 2019 Budget. Administrator Melvin indicated that after trying diligently to get some time to discuss the budget with Abdo, Eick & Meyers, he was finally spending some time with Erin Enstad who was very helpful in explaining parts of the budget and identifying sources for funding some of the significant projects.

Administrator Melvin shared with the Council that working with Erin Enstad from Abdo, Eick & Meyers he was able to maintain the levy increase at 6%, and include the full-time School Resource Officer as well as the squad car purchase at \$45,000 by using down the reserves. General Fund budget had expenditures exceeding revenues by approximately \$35,000 and that Tom Olinger was recommending that the General Fund be balanced meaning additional money had to be cut from the budget.

Administrator Melvin indicated the significant projects in 2019- 800 MHz at approximately \$119,000, extending utilities to the Ninkasi site at \$112,250, street lights with a \$57,500 initial payment and the remaining 75% financed through a Minnesota Valley Electric Coop grant, squad car of \$45,000 and a crack sealing budget of \$50,000.

Administrator Melvin shared the increase in department budgets which included adding 1.5 full time equivalents to the Police Department at an approximate annual cost of \$90,000 and .5 full time equivalents added to the Administration budget at a cost of approximately \$15,000. The other increases in budgets were being driven by increased legal work associated with more police officers, increased building inspections due to Northland Drying and Ninkasi businesses starting up in Arlington and increased EDA expenses stemming from the Council directive to research and acquire new land for creation of an Arlington industrial park.

Council member Cowell asked Chief Petterson which was a higher priority the squad or the position to which Chief Petterson said the position.

The Council started to review the 2019 budget with intent to reduce the General Fund Budget and make the expenditures and revenues balance one another and made the following cuts:

Civil Defense- Removed \$700 phone line no longer needed for accessing severe weather sirens
Administration Wages- Removed \$8,941.34 (see note below)
Parks Committee removed \$2,000 from Committee pay
Library Committee removed \$500
2019 wage increases (in all depts.)- \$9,449.44
Council computers- removed \$1000
Police- Clothing Allowance removed \$1500
Police- Repairs/mntc removed \$1,500
Uniforms/Outter wear removed \$2,000

The above listed items were removed for a total reduction of \$27,590, short of the full amount needed to balance the expenses and revenues as recommended by Tom Olinger and Erin Enstad, from Abdo Eich & Meyer.

For 2019 the Administration budget removed the proposed FT position and kept the 32 hr/wk position which the department had for September-December without paid holidays. This was not factored into the 2018 budget. This position although originally intended to assist with the Administration workload has not been able to assist positions such as the Administrator because of filling in for the Deputy Clerk who is currently out on Pregnancy Leave and will be returning in January. The annual cost of the 32 hr/wk position without holidays adds an additional wage cost of \$2,028 beyond that of the previous half time employees and an insurance increase of \$4,682.88 (pro-rated) as well as a FICA and PERA rate increases. Upon the Deputy Clerk's return in January the Administrator will continue to keep the Council updated on the workload and whether or not further changes are needed.

There was some discussed among the Council members as to whether or not they would like to see a 6% increase for the final levy. They were informed that the significant number of projects which the City is tackling in 2019 justifies a 6% increase on the levy and that the City is still using significant reserves beyond the levy increase. The Administrator cautioned the Council and informed them that Tom Olinger and Erin Enstad were in agreement against adding personnel expenses above and beyond the new amount levied indicating that each subsequent year the Council will have to find "new" money from which to fund that salary which will be growing with each year as part of the wage increases. Some Council members indicated a preference to have a less than a 6% levy increase for approval at the end of December.

Motion by Cowell, seconded by Battcher, and passed by unanimous vote of those present to adjourn the meeting at 7:49 pm.

City Administrator Patrick Melvin

Mayor Richard Nagel