

City Council Minutes: March 24, 2012 (budget workshop)

CITY OF FULTON

BUDGET WORKSHOP MINUTES

MARCH 24, 2012

8:00AM

Mayor Russell called the meeting to order and directed the clerk to call the roll. On roll call, Mayor Larry Russell, Alderpersons Charles Dykstra, Gene Field, Margaret Crosthwaite, Dan Nederhoff, Warren Juist, Wes Letcher and Howard Van Zuiden answered present. Ald. Randy Boonstra was absent. Also in attendance was Randy Balk - City Administrator.

Ald. Field moved, seconded by Ald. Letcher to enter executive session to discuss salaries. Roll call vote/all yes/motion carried.

The council entered executive session at 8:00am. Executive session minutes are recorded elsewhere. The council returned to regular session at 8:25am.

Garry Medema - Treasurer, Dan Clark - Public Works Director and Heather Bennett - Tourism/Chamber Director joined the meeting at this time.

The workshop began with a review of the tax levy, Municipal share of state use tax distributions, decrease of 400 from the population as of the 2010 census (which lowers the per capita tax payments).

A review of revenues shows a decrease in Municipal Use Tax from last year. Other taxes are tracking close to budget or above.

Salaries. Dan will again have part-time help for mowing. Heather will have a part-time employee for 10-12 weeks. His wage will be paid 50% by the City and 50% by the Windmill Area steering committee. He will would approximately 20 hours per week. Salary allocations by department were shown. Full time employees pay 4.5% of their wages every pay to IMRF.

2012 Insurance committee (Dan Clark, Tammy Garibay, Casey Simpson and Margaret Crosthwaite) recommendation is to stay with United Health Care of the River Valley with a 7.51% increase in premiums. The quote from BC/BS was a 30% increase, so switching was not an option. MetLife dental/ life quote was a 4.8% decrease from the current dental/life plan.

Mayor Russell read an email from Ald. Boonstra who suggests that employees pay 5% of their health insurance premium. Dan said some employees already pay in (those who have spouses on the plan), a yearly sum of \$8,640. We also have the reserve fund which has been built up over the years to buy down the deductibles and pay for premium increases. Current balance is \$68,490. Every employee will be required to have a yearly physical (at no cost to them) or they will have to pay 10% toward their premium. There is a new vision plan offered this year which will be paid 100% by the employee if they choose to enroll.

The city's website is in need of an upgrade. Heather said we are 2 major versions and 3 years behind the most current version of Joomla. Security vulnerabilities and inefficiencies are an issue. The cost to upgrade will be \$4,800.

Nathan Bergerhouse will be part-time for 20 hours per week this summer. He will spend some time at the Windmill Area and some time working at the office for Heather. He will be paid minimum wage at a cost of around \$2,000 to be paid half by the city and half by the windmill area fund.

The Police department has a ten year plan for vehicle rotation/replacement. Lease purchase and government leasing will be used. A grant has been applied for to purchase a 2012 Dodge Charger

(\$24, 417.00) which could cover up to \$20,000 of the cost and the city would be responsible for a 25% match.

Public Works has a 10 year plans for equipment replacement which includes dump trucks, pick-ups, mowers and plows. Most maintenance is done by the public works employees. This year a 2012 Ford truck will be bought through the state purchase program for \$22,000. The program saves the city money and no tax is paid. The John Deere mower will be replaced by a Grasshopper for \$7,500. All mowers are purchased from the two local implement dealers.

Heritage addition will have water and sewer services stubbed in at a cost of approximately \$30,000. If curb and gutter is installed that would cost another \$27,000 which is not in the budget.

Dike lights will be installed this year at a total cost of \$30,000. The bases are already in place. Funds are available from a FirstEnergy grant and parks fund. The poles and lights will be selected for durability.

Estimated dedicated water main cost is \$306,000. Well #4 contract estimate is \$1,561,000 and the alternate contract for Well #5 estimate is \$880,000. Bid opening is April 13, 2012.

The consensus is that water rates (either fixed or fixed and usage split) will have to be increased to help pay for the well upgrades.

TIF Bond 2012A was refinanced as tax exempt and will save over \$100,000. Water/Sewer Bond 2012B was refinanced with the addition of \$500,000 new money for a bar screen and other projects.

Will work with Speer Financial again on a 2012C Bond (Sales Tax Funded Street Projects) \$2,492,000 - 20 year term or \$2,098,000 - 15 year term. Will have more information at a regular council meeting in April.

The chamber reimbursement to the city (towards Heather's wages and benefits) usually increases by 5% each year. This year it will be 0% increase leaving the amount at \$6,204.

The budget summary and the budget worksheet were then reviewed. The first council meeting in April the preliminary

budget will be approved. Then a notice of public hearing for the budget will be placed in the paper and the availability of the preliminary budget at city hall for viewing. The budget will be passed at the 2nd meeting in April after the public hearing.

Mayor Russell gave a brief update on his trip to Washington, DC.

Ald. Juist moved, seconded by Ald. Letcher to adjourn. The meeting adjourned at 10:25am.

Minutes recorded by,

Linda Hollis

City Clerk