

**APPROVED MINUTES
CITY COUNCIL
WORK SESSION MEETING
CITY OF WYOMING, MINNESOTA
AUGUST 29, 2018
6:00PM**

CALL TO ORDER:

Mayor Lisa Iverson called the Work Session Meeting of the Wyoming City Council for August 29, 2018 to order at 6:00 PM

CALL OF ROLL:

On a Call of the Roll the following members of the Wyoming City Council were present: Councilmembers Lisa Iverson, Linda Nanko/Yeager, Joe Zerwas, and Don Waller,

ABSENT: Claire Luger

Also Present: Robb Linwood, City Administrator, Paul Hoppe - Public Safety Director, Marty Powers, Public Works Superintendent, and Liz Lindrud, Finance Director AEM Financial Solutions

DETERMINATION OF A QUORUM:

PLEDGE OF ALLEGIANCE:

NEW BUSINESS:

1. 2019 Draft Budget

City Administrator Linwood – Gave an overview of the draft budget as of August 24, 2018 and noted it currently shows an overall city-wide levy increase of 3.91%. He reviewed the EDA and the Park Board draft budget proposals.

Liz Lindrud, AEM Financial Solutions – Gave an overview of the General Fund Revenue and highlighted some of the changes. She noted that the property taxes are going up and building permit revenues are also increasing. She reviewed the expenditure increases and decreases.

The Council discussed changes in the budget from past years and asked questions and discussed possibilities of trade-in or resale of some of the vehicles and equipment.

Planning Commission Member Beynon – Explained that the Park Board is hoping to replace hockey boards with mid-range boards that will cost around \$25,000.

Public Safety Director Hoppe – Gave an overview of a new fire pumper truck and noted that they had wanted to try to get the existing equipment to 30 years, but that doesn't look like it will happen. He noted that the build days for a new vehicle is currently 390 days because of the manufacturer's backlog.

Council Member Nanko/Yeager – Asked if the recent tariffs that were imposed would affect the price of the truck.

Public Safety Director Hoppe – Answered that there would be a contract, so once the contract was signed the City will pay the price that was agreed upon regardless of tariffs. He explained the differences between a new truck and the older truck materials and technology improvements that he believes the lifespan on a newer truck will be longer.

The Council discussed costs for the pump truck and the possibility of paying cash since it will benefit the entire community. The Council directed staff to pursue a new truck and consider paying in cash.

2. Permanent Improvement Revolving Fund Discussion

Ms. Lindrud - Stated that there has been a resolution created to amend the fund balance policy to include this permanent improvement revolving fund. She stated it would be for use when the City has a large surplus in revenue over expenditures at the end of the year and would give guidance so it can be transferred into the permanent improvement revolving fund and then could be used by the City for specific improvements within the City.

Council Member Nanko/Yeager – Stated that because there wasn't a resolution included in the packet, it is hard to discuss whether this is something she would support.

City Administrator Linwood – stated that the goal was just to have a basic discussion about potentially creating this permanent improvement revolving fund from excess revenues.

Ms. Lindrud – Read aloud the resolution language and noted that reason for having the policy is so the transfers to pay for the improvements would not adversely affect the City's bond rating.

Council Member Nanko/Yeager – Stated that she is unclear what the word "improvements" denotes. She would also like to see a clear definition of the word "permanent". She gave an example that even a fire truck is not permanent, because it has a lifespan of 30 years. She stated when this is up for a vote, she would like these things to be more clearly defined. She asked if the plan was to grow this fund and continue to have excess reserve funds.

Ms. Lindrud – Stated that typically cities do have excess reserve funds, but perhaps not to the extent that the City currently has. She stated that AEM is working with staff to try to align the City's actual revenues and expenditures closer, so the excess amount is smaller every year without having a deficiency. She stated that you do want a little wiggle room built in so you aren't cutting it too close. She reiterated that there should be a slight excess at the end of the year.

Council Member Nanko/Yeager – Stated that the excesses in past years have been \$750,000 which she does not consider "slight".

Mayor Iverson – Stated that may have been true in the past, but there are new policies and transparencies put into place. She stated that there are also new staff members and she would like to focus on the future, not the past.

Council Member Nanko/Yeager – Stated that those who do not remember the past are doomed to repeat it.

Mayor Iverson – Stated that she thinks enough things have been changed and the budget has been tightened and she doesn't believe those mistakes will be made and would like to look at the positive changes and accomplishments over the last 18 months.

Ms. Lindrud – Noted that having this amount of reserves in the General Fund is not good and the money does need to be transferred out.

City Administrator Linwood – Stated that he agreed and something needed to be done this year with regard to those reserve levels.

The Council discussed whether funds would need to be paid back over time and whether there would be interest charged.

Council Member Zerwas – Echoed Councilmember Nanko/Yeager's question about what these funds can be used for.

Mayor Iverson – Stated that she would hate for the Council to limit the use because there is no way to know what the City may need in 10 or 15 years.

Councilmember Waller – Noted that the Council can change the potential uses in the future, if they liked. He stated that he didn't think the money should be paid back but should be used for City-wide benefit.

Ms. Lindrud – Noted that the OSA starts paying closer attention when you get around 120% mark and the City is currently at about 108%. She noted that the internal City policy is at 55%. She explained the amount that will be transferred would be \$1,578,764 which would bring the fund balance to 65%.

Mayor Iverson – Noted that some of the excess reserves are because LGA funds weren't used over the course of a few years.

Council Member Waller – Stated that he thinks there are other options and this permanent revolving fund isn't necessary. He stated that he feels this money can be dedicated to a new fire truck and the road fund.

Council Member Zerwas – Stated that there could also be money dedicated to the building fund.

Mayor Iverson – Stated that she supports this permanent revolving fund because if the City runs into a recession this would be a little like having a savings account.

Council Member Nanko/Yeager – Stated that she understands her point and isn't opposed to having the revolving fund, but her concern is that it is still so ill-defined as to what the funds can be used for. She reiterated her earlier comments about the definition of "permanent" and "improvement".

Ms. Lindrud – Explained that the word "permanent" refers to the fact that the fund will not go away at the end of the year. She noted that currently there is also no definition of what the excess revenues can be used for either. She reminded the Council that any of the transfers out of this fund will need to come before the Council for approval.

The majority of the Council stated that they would like to move forward with the permanent revolving fund but have better definitions of what it can be used for and discuss it again at a future work session.

3. 2018 Audit Discussion

City Administrator Linwood – Stated that both staff and AEM thought the 2017 audit process was not smooth. He expressed his frustrations and concerns with the firm used for the audit and asked whether the Council would like to continue with CLA or look at putting together and RFP for audit services.

Council Member Nanko/Yeager – Stated that she would like to get a new firm and noted that she was not happy that the Council didn't have the final product until after it was approved. She noted that when she finally received the final audit, she went through it page by page and in the first 25 pages, many of the numbers had totally changed. She stated that their presentation was not very enlightening and she felt that they evaded her questions. She was very disappointed in them and was hoping the City would consider a change in auditing firms.

There was a consensus of the Council to complete an RFP process in order to consider other auditing firms.

Public Safety Director Hoppe – Noted that he had some answers to Councilmember Waller's questions about fund balances from the last budget meeting. He explained that there are a

number of revenue funds associated with the police department. He explained that Fund 201, a police forfeiture fund, which is restricted has a current balance of \$38,255.64 but noted that there about \$1,500 of upcoming expenditures that will be coming from this fund. He stated that he tries to keep enough in this fund to potentially buy a new squad car in the event that an accident may occur. He explained that Fund 202 is for the impound lot and currently there is \$30,072.50 and noted that there is about \$2,800 in expenditure expected this year for a camera system upgrade. He stated that this fund has been used to buy the unmarked cars in the past. He stated that Fund 205 is the police donation fund which currently has \$4,823.76 and there is \$1,000 slated to be spent on the GTO program. He stated that Fund 206 has \$4,231 and is a temporary fund where all the administrative fines go and are separated out at the end of the year. He stated that Fund 207 is the ordinance violation fund which has \$15,494.28. He stated that Fund 208 is the supplemental police fund and currently has \$34,332.93. He noted that there are some expected expenses for things such as the speed trailer, which will bring the balance down to about \$16,000.

**MAYOR IVERSON ADJOURNED THE AUGUST 29, 2018 "WORK SESSION MEETING"
OF THE WYOMING, MINNESOTA CITY COUNCIL AT 7:24 PM**

A portion of this public meeting may be closed to discuss "Labor Negotiation Strategies"; "Misconduct allegations or charges"; "Attorney-client privilege"; or "Performance evaluations" as per MN State Statute 13D.01-.05.