

**APPROVED MINUTES
CITY COUNCIL
WORK SESSION MEETING
CITY OF WYOMING, MINNESOTA
NOVEMBER 14, 2018
6:00PM**

CALL TO ORDER:

Mayor Lisa Iverson called the Work Session Meeting of the Wyoming City Council for November 14, 2018 to order at 6:00PM

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, Don Waller, and Claire Luger

ABSENT: None

Also Present: Robb Linwood, City Administrator, Paul Hoppe - Public Safety Director, Fred Weck, Zoning Administrator/Building Official, Marty Powers, Public Works Superintendent, and Liz Linrud, Finance Director AEM Financial Solutions

DETERMINATION OF A QUORUM:

PLEDGE OF ALLEGIANCE:

NEW BUSINESS:

1. Review of 2019 City of Wyoming Budget

City Administrator Linwood – Noted that the City is down to an overall City-wide levy increase of 3.41% or an overall increase of \$135,292. He gave a brief overview of the budget information. He reminded the Council that things they had specifically wanted to discuss were the request of \$25,000 for the Park fund and how to handle the 11% increase in insurance costs for employees.

Council Member Waller - Asked if the new plow truck would be purchased with cash out of the reserve fund and not levy dollars.

City Administrator Linwood – Noted that the way this is currently budgeted is that the cost shows up completely in 2019, but would actually be paid back over a 5-year span via an equipment certificate.

Council Member Waller – Stated that he would like to see the City use reserve funds and pay cash for both the plow truck and the new pick up truck so there would be no financing charges that had to be paid.

Council Member Zerwas – Stated that he would not be in favor of dipping into reserves to take the \$285,000 and thinks the City should keep in there in order to save for something bigger, like a facility.

Mayor Iverson – Stated that she knows the City has talked about the possibility of becoming ADA compliant at city hall. She stated that she thought the Council had talked about keeping the reserve funds available for possible street projects..

Council Member Waller – Stated that the reserve policy is to have the fund at 55% and his idea was to take money out for the both of the Public Works trucks. He stated that it appears as though the current balance has the City at about 105%. He stated that the money came from the entire City and the trucks will serve the entire City. He stated that he would like to see the City purchase the trucks with the excess reserves and lower the levy because the City will still be well above the

55% amount in reserves. He noted that the State and the League of Minnesota Cities only recommend having 35%-45% in reserves and the City's policy is 55% which is already a bigger buffer than what has been suggested by the larger agencies.

Mayor Iverson – Noted that she was not in favor of this proposal.

Council Member Zerwas – Stated that he was not in favor of this idea.

Council Member Luger – Stated that she believes there are a list of other projects that also benefit the entire City.

Council Member Nanko/Yeager – Noted that the City had taken \$20,000 out for a search firm, but asked what would happen if sometime in the next year the City would find themselves in need of a search firm, for example if Public Safety Director Hoppe were to move on.

City Administrator Linwood – Noted that these funds could come from the reserve funds.

Mayor Iverson – Stated that the Park Funds appear fairly health and there are new developments coming to the City which should also garner park dedication fees. She would like to consider decreasing the transfer amount from \$25,000 to \$10,000.

Council Member Zerwas – Stated that he would support that change.

Mayor Iverson – Asked if the City planned to continue the GTO program in 2019.

Public Safety Director Hoppe – Stated that he was very happy with the program and the public involvement and would like to continue it in 2019. He noted that one of the things that was undervalued was how much work value the City received from the GTO cadet.

City Administrator Linwood – Noted that he would like the Council to discuss the insurance increase and noted that in the past, the City has split the cost with the employees. He stated that he had included a breakdown of what those potential costs would be in the packet.

Council Member Zerwas – Asked if the City had compared what other nearby cities were doing for their employees with relation to benefit costs.

City Administrator Linwood – Stated that he has not researched what other cities are doing.

Council Member Zerwas – Stated that he would like to consider a 60/40 split, with the City paying 60%.

Council Member Waller – Asked if there would be a wellness plan associated with the insurance.

City Administrator Linwood – Explained that he knows they are planning to roll out an updated plan because the old Benovate plan did not go over well.

The Council discussed different types of wellness plans and how that can change the insurance rates and contributions.

City Administrator Linwood – Noted that the current budget reflects a 50/50 split for health insurance and if the Council decided on a 60/40 split that would result in an increase in the budget.

Mayor Iverson – Stated that she supports a 50/50 split.

Council Member Waller – Stated that he would also support a 50/50 split since that is what the City has done in the past.

Council Member Zerwas – Stated that he would like to see a 60/40 split but would go along with the majority.

Council Member Luger – Stated that she would like to see a 60/40 split, but also doesn't want to see the budget increased.

There was a Consensus to split the cost 50/50.

Mayor Iverson – Asked about the fire grass truck costs.

Public Safety Director Hoppe – Stated that the budget reflects \$37,500 and that is just a portion of the total cost. He explained that they are trying to set aside capital funds for a future purchase in 2020 or 2021.

There was a Consensus to leave the budget item for the grass fire truck in at \$37,500.

Council Member Waller – Stated that he thinks the City could probably cut the budget by another 5% or so because the levy was cut last year and the reserve funds still increased.

2. To review a reserve policy for Water/Sewer Enterprise Funds

City Administrator Linwood – Noted that when the City reviewed the 2019-2023 Water/Sewer rate study, Springsted, Inc. offered an example policy of what the reserve funds should be for both water and sewer. He noted that he had worked with AEM to draft a more conservative policy that he is comfortable with. He explained the calculations of what amounts they are recommending be kept in the reserve funds. He noted that the rate study will be on an upcoming Council agenda for review and just wanted the Council to discuss the possibility of creating a reserve policy before it considered adjusting rates.

There was consensus from the council to move forward on the policy on an upcoming agenda

3. To review Capital Improvement Revolving Fund Policy

Finance Director Linrud - Noted that the term "permanent" was removed, since that term caused some confusion. She explained that it meant it was a permanent fund, not a permanent structure. She noted that they also clarified the definition of capital expenditures such as building, fire department, police department, public works or street improvements. She noted that the funds would come from General Fund balance excess at year end and must be directed by Council through resolution.

Council Member Nanko/Yeager – Asked for examples of what would be a capital expenditure that would come out of this fund instead of the usual capital improvement fund.

Finance Director Linrud - Stated that it would be similar items as the capital improvement. She gave an example of a small street project where the funds could be transferred from the account to pay for the street project.

Council Member Nanko/Yeager - Stated that there had been discussion in the past about using it as a loan fund. She gave an example of buying a plow truck without an equipment bond. She stated that the City could borrow from this account, and then do a levy and repay the funds in order to save interest and fees. She asked if there needed to be language added that it can be used as an interfund loan.

Finance Director Linrud – Stated that if the Council would like to do that, this language can be added.

Council Member Nanko/Yeager - Asked if there would be a targeted surplus amount each year

to keep the 55% and possibly add to this fund.

City Administrator Linwood – Clarified that the City would not budget for a surplus but would be as accurate as possible in their budgeting and if there was a surplus, Council action would be needed to actually transfer it into this fund.

Council Member Luger – Stated that she would like to see more information regarding adding the language that this fund can be used as an interfund loan source.

Council Member Nanko/Yeager – Stated that she likes the idea of using it as a loan fund to help save the City some money.

There was Consensus to include language that this fund can be used for interfund loans.

MAYOR IVERSON ADJOURNED THE NOVEMBER 13, 2018 “WORK SESSION” OF THE WYOMING, MINNESOTA CITY COUNCIL MEETING 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.