



CITY OF MERRILL
COMMITTEE OF THE WHOLE

MINUTES • WEDNESDAY OCTOBER 23, 2019

Budget Session

City Hall Council Chambers

5:15 PM

I. Call to Order

Mayor Woellner called the meeting to order at 5:15 P.M.

Attendee Name	Title	Status	Arrived
Paul Russell	Aldersperson - First District	Present	
Steve Hass	Aldersperson - Second District	Present	
Rick Blake	Aldersperson - Third District	Present	
Steve Osness	Aldersperson - Fourth District	Present	
John M. Van Lieshout	Aldersperson - Fifth District	Present	
Mike Rick	Aldersperson - Sixth District	Present	
Rob Norton	Aldersperson - Seventh District	Present	
Steve Sabatke	Alderman - Eighth District	Present	
Derek Woellner	Mayor	Present	

Other attendees included: Public Works Director/City Engineer Rod Akey, Police Chief Corey Bennett, Street Superintendent Dustin Bonack, Transit Director Brad Brummond, City Attorney Tom Hayden, City Administrator Dave Johnson, Fire Chief Josh Klug, Building Inspector/Zoning Administrator Darin Pagel, Utility Operations Manager Gabe Steinagel, Library Director Stacy Stevens, Finance Director Kathy Unertl, Parks & Recreation Director Dan Wendorf, Facilities Maintenance Manager Nick Wszalek, Lori Anderson-Malm, Tom Burg, Ernie McCarthy, Al Wix, Bea Lebal, Yurgen Markewycz, Debbie Kinsey, Gene Bebel, Becky Meyer, John Ader, Don Heyel, Carol Heyel, Ryan Schwartzman, Pat Burg, Dawn Smith, Gary Schwartz, Kyle Gulke, Vicky Lindstrom, LaDonna Fermanich, Mike Ravn, Lee Opsahl, Chris Volpagel (arr. 5:28), Chris Malm (arr. 6:10) and City Clerk Bill Heideman. A representative from Merrill Productions was present to videotape the meeting.

II. Pledge of Allegiance

III. Review and discussion of Budget Information:

1. Update on Net Cost 2020 General Budget and Implications for Tax Levy

Information was in the meeting packet.

The maximum tax levy increase allowed in the 2020 budget is \$37,428. This amount is based upon Net New Construction and reduced by the State Personnel Property Aid amount. At the present time, the 2020 budget included a tax levy decrease of \$10,887.

2. Update on 2019 City Tax Base and Implications for City Tax Rate

Information was in the meeting packet.

The current level of assessment is estimated to be 95%. It is being recommended that a revaluation be done within 10 years.

3. Health Incentive Program - What if eliminated, historical health insurance overview, and comparison with other public-sector employers

Information was in the meeting packet. Alderman Hass had requested that this item be placed on the agenda.

Currently, 35 employees participate in the Health Incentive Program. They are each paid \$3,000 per year to opt out of the City Employee Health Insurance program.

Finance Director Unertl noted that City costs would increase if employees currently in the Health Incentive Program would decide to instead participate in the City Employee Health Insurance program.

4. Review of City - Utility Assets - almost \$80 million

Information was in an amended meeting packet.

Finance Director Unertl reported that there is currently a total of \$79,607,446 of City assets (Building, Contents, Property In the Open, Vehicles & Equipment) being insured. The City has approximately 72 miles of streets (about 1,000 blocks) at an estimated value of \$100 million.

IV. Review, discussion and decisions on 2020 Budget Requests:

1. Potential additional or changed Capital requests

The only Capital item that the City is firmly committed to in 2020 is \$288,000 (City's 20% share) for three Transit buses.

A list of eight potential Capital additions or adjustments was in the meeting packet. If all those additions/adjustments were adopted, the net result of the 2020 Capital Budget would be a \$277,500 reduction.

City Administrator Johnson reported on the list of potential additions/adjustments. Alderman Russell suggested that Capital Budget goals be established prior to adding, deleting or amending any Capital requests.

2. Capital requests - City General

Finance Director Unertl then reviewed the detailed information on the eight potential additions/adjustments (Pages PC-2 TO PC-14).

3. Capital requests - Utility

Finance Director Unertl stated that it would be helpful if decisions could be made on several large budget items, particularly some related to the Street Department.

4. Operation requests - City General

Alderman Norton asked about the \$20,000 for Street Painting Supplies (Page 20 of the Operations Budget). Discussion was held on street painting.

Alderman Norton then suggested that, as a cost savings measure, plowing of alleys be discontinued. City Administrator Johnson stated his opinion that plowing of alleys should continue. Discussion was held on the plowing of alleys.

The possibility of automating garbage and/or recycling collection was discussed. The recycling contract is due to expire at the end of 2020. Russell and Hass both stated that, in their opinion, this project can wait. There was consensus to remove the Garbage Recycling Automation (\$945,000) from the 2020 Capital Budget.

The \$100,000 in the budget for Street Resurfacing was discussed. Unertl stated it appears there is consensus to do sidewalk work "in house".

There was consensus to reduce the amount for Sidewalk-Concrete Maintenance in the 2020 Capital Budget from \$85,000 to \$75,000.

The proposed new water tower was mentioned. It is not currently included in the 2020 budget. Public Work Director/City Engineer Akey suggested that the tower project should be presented at a Committee of the Whole meeting early in 2020.

There was consensus to remove the City Hall Roof Top HVAC (\$30,000) from the 2020 Capital Budget.

There was consensus to remove the Docks - Riverside and Ott's (\$15,000) from the 2020 Capital Budget.

5. Operation requests - Utility

No action was taken.

V. Review potential 2020 Budget Reductions

1. Potential Budget Reductions

Mayor Woellner asked the Common Council if there were any budget adjustments that they wanted to submit for consideration at this time. There were none.

VI. Public Comment

Pat Burg and Bea Lebal spoke in favor of continued funding for the Merrill Historical Society.

Debbie Kinsey asked that a disciplined approach be taken when considering budget reductions.

Lee Opsahl, Randy Wixon and Gene Bebal spoke in favor of the City Administrator.

LaDonna Fermanich stated her opinion that the Merrill Historical Society and the Merrill City Band are important to the community. She stated that sometimes discipline involves making difficult decisions, and she hopes that the Common Council will keep the taxpayers in mind when making budget decisions.

John Ader asked why the City Administrator issue was being revisited at this time.

Bill Heideman mentioned that it was difficult to follow the meeting because it was sometimes hard to hear the speakers and because discussion bounced back and forth between operations budget items and capital budget items. He agreed with Alderman Russell's earlier suggestion that it might be advantageous to establish budget goals, both operating and capital, before considering individual budget items.

Mayor Woellner noted that an open house will be held at Park Place on October 24th.

VII. Adjournment

Motion (Norton/Hass) to adjourn. Carried. Adjourned at 7:47 P.M.