

COUNCIL PROCEEDINGS
Special Meeting
April 20, 2020

CALL TO ORDER: By Mayor Ridge on Monday, April 20, 2020 at 7:02 p.m.

PRESENT VIA TELECONFERENCE: Councilmembers Baker, McRae, Hoogstra, Weissenborn, Mayor Pro-Tem Armitage, Mayor Ridge, City Clerk Terpstra and City Manager Guetschow.

Mayor Ridge noted that Council member Dyer was not on the call and she had not heard from him.

Council member Dyer joined the call at 7:04 P.M.

PUBLIC COMMENT: No public comment.

ITEMS OF BUSINESS:

A. DISCUSSION FUNDING ACCRUED PENSION LIABILITIES:

City Manager Guetschow explained the current situation with pension liabilities being underfunded by \$10 million dollars and how a plan is needed to pay for the pension over the next twenty years. The decrease in revenue sharing by around \$300,000 per year has contributed to the funding issue. Since there will not be this much of an increase in the general fund over that time other sources of funding will need to be considered. The two options available would be either a millage or a special assessment to pay for the pension liability.

Discussion was held among council members on the differences between the two options and the best way to proceed. There was discussion regarding current and future employee pension plans.

It was the consensus of the council to move forward with the option of a special assessment.

B. DISCUSSION ON PROPOSED FY 20/21 BUDGET:

City Manager Guetschow stated that he is still working on the summary budget however, the line item budget has been posted to the website. He explained that the budget needs to be adopted by June 1st. He stated that it is unclear what impact COVID-19 will have on the next budget in terms of revenue sharing from the State. He stated that he typically likes to see a fund balance of 20%, however this budget will not allow for that much of a fund balance.

He outlined some of the key components to the FY 20/21 budget to include purchase of a fire truck with the City share to be \$185,000.00. He intends to use the O-I Funds to borrow from as an internal fund for that item and then to be paid back. The expense for the parking lot project will be \$50,000.00. He has included \$30,000.00 for an executive search for a City Manager. There is also money budgeted for matching grant monies for an update to the Master Plan. He is proposing to close the recycling center. Major and Local streets include \$500,000.00 for some mill and resurfacing projects. The uncertainty comes with the revenues the city receives from the gas sales tax revenue. The airport will be incurring some costs for maintenance and tree removal. There will be a water and sewer rate analysis done to determine if an increase will be needed for water/sewer rates in the next budget year. That will be presented to council in May.

PUBLIC COMMENT: No public comment.

MAYOR AND COUNCIL COMMENTS:

- Council member Dyer no comment.
- Council member McRae no comment.
- Council member Baker no comment.

- Mayor Pro-Tem Armitage no comment.
- Council member Hoogstra no comment.
- Council member Weissenborn no comment.
- Mayor Ridge stated that the Vision 2025 meeting is planned as a teleconference meeting on April 30th and asked council members to mark their calendars for that date. She advised the curbside leaf collection dates have been posted to the website and they are May 4th through May 7th at the curbside only. The leaf drop off site will remain closed at this time.

Council member Baker moved, seconded by Weissenborn to adjourn at 8:10 P.M. Carried. 7 Yes. 0 No

Mayor Yvonne Ridge

Ginger Terpstra, City Clerk, CMMC