

City of Oronoco
Special City Council Meeting – BUDGET WORKSHOP
Tuesday, August 30, 2022
MINUTES

1) CALL TO ORDER

Mayor Ryland Eichhorst called the August 30, 2022, Budget Workshop to order at 6:00 p.m.

2) OATH OF OFFICE FOR CARL KRAUSE

Having been appointed by Council at the August 16, 2022, regular council meeting to serve out the remainder of Lori Novak's term ending December 31, 2022, (upon Novak's resignation effective August 21st), Interim Administrator Bjorklund Schultz administered the Oath of Office to incoming Councilor Carl Krause.

3) ROLL CALL

COUNCIL PRESENT: Mayor Eichhorst; Councilors Bergner, Richards, Phillips and Krause

COUNCIL ABSENT: None

STAFF PRESENT: Public Works Director Cain Dolan; Interim Administrator Sunny Bjorklund Schultz

4) BUDGET WORKSHOP – DISCUSSION

Bjorklund Schultz gave an overview of the order of workshops. The first one, held on August 3rd provided a historical perspective over the current and past years, a five-year period. This workshop will be focused on public safety through Oronoco Park, exclusive of salaries. Salaries and related personnel costs will be the topic of the next workshop. A fourth workshop will bring all the numbers together for discussion in advance of the September 20 regular meeting at which time there will be a resolution to adopt the 2023 Preliminary Budget and Levy.

Bjorklund Schultz then gave a brief introduction to the layout of the worksheets presented tonight. The worksheet again reflected actuals for 2018-2021 and YTD actuals for 2022, with a new column to introduce proposed figures for 2023 as developed by staff. Bjorklund Schultz then turned the meeting over to Public Works Director Dolan (who also serves as Assistant Fire Chief) to guide the discussion. Specific items noted in the meeting included:

○ **Public Safety – Dept. 42000**

This line item refers to Building Inspections and is a calculation extrapolated from 2022 actuals. Building Inspections seems a bit of an oddity under Public Safety and either department or account may be re-numbered in the Chart of Accounts for clarity.

○ **Police Protection – Dept. 42100**

This item is set pursuant to the 2022-2023 agreement with Olmsted County and is paid quarterly.

○ **Fire Department – Dept. 42200**

Staff has proposed budgeting for 10 new sets of turn-over gear (5 sets were replaced in 2022); additional funds to send a couple of members to the 2023 conference, consistent with past practice; increased costs for the new cellular plan for the iPads; a 10% increase for utilities (electricity, heating, gas/oil/miscellaneous). Council recommended increasing the utilities from 10% to 20%.

○ **First Responders – Dept. 42210**

Again, staff has proposed a 10% increase for utilities (electricity, heating, gas/oil/miscellaneous). Council again recommended increasing the utilities from 10% to 20%. Sunny to research Misc. Expenses in 42999.

○ **Emergency Operations – Dept. 42211**

Expenses are projected to remain consistent with prior year(s). No proposed changes.

- **Animal Control – Dept. 42212**
Because Council had done away with pet licensing (before Sunny), Council recommended zeroing out the line item and making the department 42212 inactive.
- **Public Works – Dept. 43000**
Given that the accounts in this department are basically unused, Council recommended zeroing out the line item and making the department inactive.
- **Ice & Snow Removal – Dept. 43001**
Staff had proposed increases for 2023 for ice & snow removal (45001) to \$34,000 and for sanding (45002) to \$17,000 to allow for higher fuel and sand costs. Council recommended increasing those accounts from \$34,000 to \$40,000 and from \$17,000 to \$20,000.
- **Street Lighting – Dept. 43002**
This proposed number was a calculation extrapolated from 2022 actuals and seemed sufficient to Council.
- **Street Maintenance – Dept. 43003**
The line item titled Future Roads & Maintenance (45003) didn't make sense to Sunny given other line items and appears to have had significant expense only in 2021, a number to be investigated. In addition, Capital Outlay (43000) shouldn't be (nor has it been) budgeted as Capital costs fall into CIP consideration separately. Council agreed that accounts 43000 and 45003 can be removed.
As to the staff-proposed \$75,000 in account 45005 for Street Maintenance to include sealcoating in 2023, Council agreed the sealing coating cost should fall into CIP consideration and, therefore, reduced the line item to \$20,000. The city performs sealcoating every other year.
- **Tree Removal – Dept. 43004**
Proposed costs are consistent with prior year.
- **Shop – Dept. 43006**
Staff proposed \$6,000 for R&M -Equipment (42902) and \$13,000 for R&M -Vehicles (42904) to allow for purchase of an additional snowplow for the 2022 truck. Discussion ensued as to whether a plow should be coded as equipment or vehicle. Council recommended adjusting the Equipment number from \$6,000 to \$16,000 and the Vehicle number from \$13,000 to \$3,000. Net effect between the two accounts is unchanged. Again, staff has proposed a 10% increase for utilities (electricity, heating, gas/oil/miscellaneous). Council again recommended increasing the utilities from 10% to 20%.
- **Oronoco Dam – Dept. 43125**
The payment to be made to the County in the amount of \$9,931.00 was unbudgeted in 2022 but will be paid yet this year. Accordingly, nothing was budgeted in this department. Upon advice from the mayor, the balance remaining payable after 2022 of \$17,284 (\$9,931 for 2023 and \$7,353 +/-) will be added for 2023. Subsequently, this department may or may not be made inactive.
- **Parks & Recreation – Dept. 45120**
Staff has proposed purchase of another mower in late 2023 at a cost of \$16,000 bringing the total for account 42903 to \$25,000. Account 42910 is also increased from \$25,000 to \$40,000 to allow for purchasing an additional equipment trailer (\$10,000) to hold the bobcat and mowers, snow pusher (\$5,000) and box blade. Council dropped the number back to \$25,000.
Discussion ensued regarding potential recreational activities might be possible under account 42996. Sunny is to investigate the Misc. Expenses in account 42999, especially the \$47,656.34 in 2020. Again, staff has proposed a 10% increase for utilities (electricity, heating, gas/oil/miscellaneous). Council again recommended increasing the utilities from 10% to 20%.

- **Community Center – Dept. 45122**

Staff proposed \$30,000 for account 42901, R&M Buildings, in anticipation of updated security which may or may not include badge readers. Research is underway.

Again, staff has proposed a 10% increase for utilities (electricity, heating, gas/oil/miscellaneous). Council again recommended increasing the utilities from 10% to 20%.

- **General Maintenance – Groundskeeping – Dept. 45123**

Staff has proposed an increase in account 42200 from \$1,200 in 2022 to \$3,000 to allow for additional in-house safety training for all Public Works staff.

- **Seasonal General Maintenance – Dept. 45124 and 45125**

There are two seasonal general maintenance departments set up; Sunny expects to combine the two.

- **Oronoco Park – Dept. 45200**

Council and staff discussed the purpose of separating Oronoco Park from all other Parks & Recreation. It was agreed that the two departments would be merged.

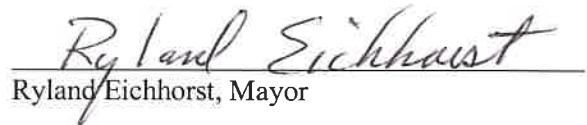
The workshop concluded with a discussion of Capital (CIP) possibilities for the Public Works and Fire & First Responders departments. Total proposed by Public Works is \$252,500, plus the \$75,000 for sealcoating that was pulled from the departmental budget for consideration as a CIP cost. The \$252,500 also included \$42,500 for Park & Rec items such as picnic tables, trash receptacles, and a shelter at Riverwood Hills Park. Total for the Fire Department and First Responders is \$400,000. No decisions were made regarding the CIP proposals; however, the mayor did note that the city typically has budgeted \$100,000 for CIP items.

5) **ADJOURNMENT**

By unanimous consent the August 30, 2022, Budget Workshop adjourned at 8.35 p.m.



Sunny Bjorklund Schultz
Interim City Administrator



Ryland Eichhorst
Ryland Eichhorst, Mayor