

October 2, 2019

**CITY OF WASHBURN
FINANCE & PERSONNEL COMMITTEE MEETING**

4:30PM

Washburn City Hall

Present: City Council Members:

Karen Spears-Novachek, Aaron Austin

Municipal Personnel:

Mayor Richard Avol, Administrator Scott Kluver, Assistant City Administrator Tony Janisch, Director of Public Works Bob Anderson, Fire Chief Mike Pederson, Assistant Fire Chief Dick Olson

Excused Absence:

Mary McGrath

Call to Order - Meeting called to order at 4:37 p.m. by Novachek. Two (2) members of the Finance & Personnel Committee were in attendance. Council Member Carl Broberg was also present.

Approval of May 23, 2019 – Motion by Austin to approve the minutes of September 11, 2019, second by Novachek. Motion carried unanimously.

Discussion and Recommendation on Proposed 2020 General Fund, Debt Services, and Capital Budgets– Kluver stated that there were still unknowns with expenditures in the proposed 2020 General Fund budget. Health insurance rates are now out. However, it is the open enrollment for employees and depending if/how employees change coverage there could be a savings or greater expense. Kluver also stated that Highway Aid has not yet been announced. Discussion then revolved around several topics, including new ambulance, new fire brush truck, water meter replacement and the proposed housing study.

Broberg presented vehicle specs. and replacement cost for a new ambulance, \$228,290. Kluver stated that this is \$8,000 more than what is budgeted for replacement. Austin asked, given that EMS has two other ambulance, how badly is this replacement needed. Broberg stated that 20% of the calls need two ambulances and only 1% of the calls would need three. However, there have been periods of times when either of the other ambulances have been out for service and this one was needed as the secondary. Avol asked about the number of ambulances in surrounding communities. Broberg responded that most have two, except Cable which has four and does a lot of transport runs. Broberg further added that while they can call support from another service unit, that would add another 20-30 minutes to response time.

Kluver presented information and costs prepared by Pederson and Olson for replacement with a new Fire Department brush truck, \$58,850. Kluver further stated that if a new truck was to be purchased it would have to occur this (2019) fiscal year, as the 2020 budget had already been developed with extremely little leeway and the City is bound by its Expenditure Restraint. Novachek asked if there was a way to reduce costs or reuse equipment. Pederson & Olson responded that they may be able to re-use some equipment and that the Friends of the Fire Department may be able to purchase some of the other incidental/add-ons. Kluver stated that there may be a savings with the repair of the effluent line at the Waste Treatment Plant, potentially \$20,000. He also stated that the City have taken a loan for high efficiency boilers at the Waste Treatment Plant that will no longer be installed and that there may be potential to refocus this loan, approximately \$20,000, to assist with the purchase of a brush truck. A motion was made by Austin to recommend a budget amendment to spend \$20,000 of carry over funds and \$20,000 of borrowed funds on

the contingency that these funds are available, second by Novachek. The motion carried unanimously.

In discussion regarding the Housing Study, Avol noted that costs for this study would be \$3,082 for just the City and \$5,455 if the three area Towns were included. Kluver stated that he assumed this expense would occur in 2020. Given the limited flexibility and the Expenditure Restraint, Kluver stated that this expense could not come from the General Fund. A possible source would be using funds from the TID 3; however, development should at the Omaha St. site. Avol believes that TID 3 funds should not be used because the information gained may not support development in the TID, and he believes the housing study is not needed, stating that we already have the information that we need.

Discussion finalized with Water Meter Replacement project. Kluver and Anderson presented several possibilities with installation, meter systems and costs. These options include hiring a contractor, hiring a part-time staff to supplement current staff, or use current utility staff. Regarding meter system options, these include a drive-by read, enhanced drive-by read, or a fixed system where readings can be real time and done remotely. The new technology with the fixed system gives the City more flexibility and more control. The cost of the advanced fixed system using a contractor installation would be \$346,445. Kluver anticipates using a short-term 3-year loan to pay for the expense. This borrowing would not affect the Expenditure Restraint and would keep the levy level as the City moves into the Bayfield St. Reconstruction Project.

Adjourn – A motion was made by Austin and seconded by Novachek to adjourn the meeting of the Finance & Personnel Committee. Motion carried unanimously. Meeting adjourned at 6:40 p.m.

Tony Janisch
Assistant City Administrator