

CITY OF FOLEY, MINNESOTA
CITY COUNCIL MEETING – August 16, 2022

The Foley City Council held their regular meeting on Aug. 16, 2022, at 5:30 p.m. at the Foley City Hall.

Members Present: Mayor Gerard Bettendorf, Council Members Jeff Gondeck, Rosalie Musachio, Gary Swanson, and Jack Brosh.

Members Absent: None

The pledge of allegiance was recited.

Motion by Swanson, seconded by Gondeck, to approve the agenda.

Motion carried, unanimous.

Discussion on 2023 Budget

City Investment/Debt Update

Monica Shaw, Accounting Technician and Deputy Clerk, gave an overview of the city's investments and debt. Currently, the investments are showing a loss, but that's how the market is going right now. Investments are still up from the original price of the investment. The city is continuing to get good interest rates on some of the money market investments. The city currently has three bonds. The balances of what we still owe are on the right hand side of the spreadsheet, \$4,439,000.00. This amount is what will be on the books at the end of 2022.

Operational Budget Overview

Shaw gave an overview of the operational budget. You'll see in your packet the where the current cash balances are for each account and what is needed for the 2023 budget. The proposed levy increase is at the bottom of the spreadsheet. She directed the council to the memo on the last two pages of the council packet that explains where the increases are coming from. There is tax capacity for the 22% increase based on the housing market increase. There isn't a guarantee of longevity. This capacity could change if property values go down or if there is no new growth. Questions and discussion followed.

Shaw stated that the proposed budget includes a 3% COLA. Insurance increases are estimated at 10%. Workers compensation insurance includes a 17% increase. There are also continued contributions to the Hwy 23 Coalition and Foley CARE. Question and discussion followed. Shaw explained that the workers compensation includes the police department and that is the reason for the 17% increase.

Capital Improvement Plan Overview

Shaw directed the council to the anticipated capital expenditures for 2023. The Laserfiche system was added in 2021 with COVID rescue dollars. Staff is now looking toward updating the accounting software (approved in 2022 and carried over). The expense would be paid out over three years once it is purchased. Staff has received a lot of recommendations. Civic Systems is the software that most cities are moving toward. Staff is also recommending renovating City Hall to make better use of the existing space to accommodate new staff and reduce office noise. The estimate from Conlin Construction is included in the CIP. Staff has reached capacity in the current space and as the need to

store paper records decreases with the Laserfiche system the records room could be repurposed into a conference room and two offices.

Chief Katie McMillin gave an overview to the council regarding the addition of a tornado siren. As the city is growing, staff is looking to make sure we have adequate coverage for the existing areas as well as future growth. Plan includes purchases a new siren as well as relocation of existing sirens. McMillin explained to the council that she is trying to find a grant to help offset the cost of the needed \$38,000 for the new siren. Questions and discussion followed.

Mark Pappenfus, Public Works and Fire Department, addressed the council regarding the purchase of a boom truck and air compressor. The boom truck cables are expiring next year and will need to be replaced. The goal is to find a used boom truck. Pappenfus also mentioned the need for drain tile on Birch Drive, water tower maintenance, and pool tuck point. The water tower would come from enterprise funds. Pool tuck point money would be taken from cash reserves and would not come from levy dollars. Pappenfus also mentioned that a new water tower was needed. The current tower only has a few years left. Questions and discussion followed.

Fee Schedule Overview and Discussion on Proposed Changes

Shaw directed the council to the proposed fee schedule amendments:

Proposed yearly \$50 premises permit for gambling establishments.

Proposed façade improvement program with the Benton Economic Partnership. This would include the creation of a committee to oversee the application process. This is included in the budget as \$50,000 façade grants.

Discussion and questions followed regarding the proposed façade grant program. Bettendorf, Musachio, and Swanson all expressed that the money would be better spent on other areas in the budget.

Shaw explained the council could choose to remove the program from the 2023 budget and recommended adjusting the levy percentage to see how it would change the final number. Council agreed. The new levy without the façade program would drop to 17.94%. Shaw reminded the council that once the proposed levy is submitted the council would not be able to increase the percentage prior to finalization. The council expressed that it was in favor of removing the façade program at this time.

Discussion and questions followed regarding the proposed city hall renovation. Gondeck asked if it was possible to postpone the renovation another year. Shaw said that it was possible, but asked if the council would be comfortable with a staff teleworking option similar to when staff rotated office/telework during COVID. Shaw also suggested that the council could set aside a portion of the money in the 2023 budget even if the renovation didn't take place until the following year. More discussion followed.

Swanson asked Chief McMillian questions regarding TZD hours for the police department and other department expenses. McMillan explained that TZD hours for officers were paid for by the state and did not come from the city budget. The program was valuable as it helped increase highway safety for residents driving in and out of Foley and provided free training for Foley officers. McMillin also informed that council that she had reduced her original proposed budget request by \$11,500.00 during the drafting process.

Discussion and questions returned to the proposed city hall renovation. Musachio was in favor of staff rotating working from home for a year and then maybe the following year moving forward with the renovation. Gondeck agreed.

McMillin offered to remove the siren from the budget and add to the following year. Discussion and questions followed.

Shaw showed that if the cost of the remodel was reduced from \$100,000 to \$50,000 it would reduce the proposed levy to 13.31%. If it was removed completely, it would reduce the levy to 8.69%. Shaw explained that last year most cities had levy increases of 8-10%. Last year Foley had an increase of only 3% so this year could be a recovery year.

More discussion followed. Bettendorf expressed that he was in favor of keeping the remodel in the budget for 2023. Gondeck and Musachio expressed that they would like to postpone the project. Swanson said he would keep it in the budget but hold off on doing the remodel. Brosh said he would rather wait until all the scanning was done to remove the records and then move forward with the remodel. More discussion followed with the council deciding to remove the remodel from the budget for 2023.

Shaw updated the numbers to show the proposed levy at 8.69%. Council asked to remove the \$38,000 for the new tornado siren.

More discussion and questions followed. Council asked for the bulk water to be added to the list of fees. Council asked for more information regarding the proposed change in how the apartment complexes and trailer parks would be charged for water/sewer. Pappenfus added that the water meter reading fee should be corrected to \$25 not \$10. Discussion and questions followed on the fee schedule changes.

Shaw stated she would give updated budget with notes to the council to review. Proposed levy now 5.17%. Shaw said that staff had previously gone through the operational budget expenses line-by-line.

Other Business

There was no other business.

Motion by Gondeck, seconded by Musachio, to adjourn.

Motion carried, unanimous.

Meeting adjourned at 7:03 p.m.



Sarah A. Brunn, Administrator
(Minutes By: Sara- Judson Brown, Administrative Assistant)