

City of Columbus
City Council Budget Meeting
09.10.19

In attendance were: Mayor Preiner, Council Members Hegland, Logren, Duraine, and Peterson, City Administrator Elizabeth Mursko, Public Works Superintendent Jim Windingstad, and Public Communications Coordinator Jessica Hughes.

1. Call to Order – 6:04 p.m.
2. Approval of the Agenda

Motion by Duraine to approve the agenda. Seconded by Peterson. Motion carried unanimously.

3. 2020 Budget Discussion

- The discussion today is about operations.
- Mursko began by presenting the Property Tax 101 document from the League of Minnesota Cities.
- The 2019 budget had a net increase of 6.84%. However, because of growth (in the form of new houses and new businesses), taxes across the board went down 2.04%.
 - This means the levy can increase by \$150,000 while keeping the tax rate the same as 2019.
 - This number is just a guess, as the levy has not been finalized.
 - Residents in Columbus may still see an increase in their taxes if there was an increase in the market value of their property.
- Mursko explained that the increase in tax rate that happened in previous years is partly due to the City refinanced their land. After refinancing, the loan turned into a General Obligation bond, and the levy increased.
 - There were also increases in the public safety budget for the Fire Department and police contract.
- Sunrise River Watershed District (SRWMO) Budget
 - The SRWMO budget is a separate levy from everything else.
 - The SRWMO budget is not part of the City levy, but the City is the SRWMO's levy authority.
 - The SRWMO levy is not included in the City's tax rate.
 - The SRWMO budget shows the levy at \$9,700.53, and Mursko is recommending levying that amount.
 - The SRWMO budget also includes \$1,500 for City wages and salaries.
 - This is related to inspections that City Staff must complete in the SRWMO.
 - Inspections are always a City expense, they cannot be billed to developers.
- Alexandra House

- The Alexandra House is a nonprofit that specializes in dealing with domestic violence.
- The Anoka County Sheriff's Office uses the Alexandra House service to address domestic violence issues in Columbus.
- Each year the Alexandra House requests money from the City to cover expenses from providing service in Columbus.
- This year they are requesting \$704 to cover expenses for 20 calls for service in 2018.
- The amount that they request fluctuates based on the number of calls for service they respond to and how much they receive from fundraising.
- In previous years the City has given them \$3-400. Mursko has retained \$356 in the budget each year to cover this expense.
- The consensus from the Council was to give the Alexandra House \$356 for their services.
- Senior Center
 - Senior Center representatives sent the City a letter stating that they are having trouble paying their bills and requested assistance.
 - The Center's yearly expenses for liability insurance and utilities totals about \$10,000. Running Aces contributes \$3,500 to help defray the cost.
 - The Senior Center is organized as a 501c3, as such they are a separate legal entity from the City.
 - One solution would be for the Senior Center to disband as a 501c3 and become an entity within the City.
 - If this was the direction the Senior Center wanted to go, their space would have to be opened for use by the rest of the City. One idea would be creating a community center type space.
 - The Senior Center building was built with money from a Federal grant. If the Center is used more than 51% of the time for functions other than Senior Center activities, the grant money needs to be paid back. The estimated amount that would have to be paid back is \$95,000.
 - Hegland said that she researched this and found that the building may be fully depreciated and there may not be a need to pay the money back if the Center is used for things other than Senior activities.
 - She is meeting with the County on Friday to discuss.
 - Mursko is recommended adding \$6,500 to the levy to cover the possible absorption of the Senior Center by the City. This amount includes utilities, liability insurance, and maintenance.
 - Mursko noted that this cost can be removed from the budget while considerations are being made, but it cannot be added back in after the preliminary levy is approved.
 - Hegland noted that even if the Council decided to forego a Senior Center altogether, the City will remain responsible for utilities and maintenance.

- Mayor Preiner noted that the Senior Center would really like to keep their Tuesday lunch, and the Columbus Lions would also like to keep their Sunday breakfasts.
 - Each Lions Club breakfast dedicates funds to certain organizations.
 - The Lions said that they would be willing to get their own Congregational License to be able to cook breakfasts themselves.
- Another consideration is the condition of equipment in the Senior Center, as the City is responsible for maintaining it.
 - The air exchanger was bought in 1974, and it has been repaired many times.
 - The Columbus Lions said they would not need a freezer in the Center. Mursko figured that the Center would always have a refrigerator.
 - The Lions would need to use the stove for their breakfasts.
 - The stove is 15 years old and does not get used very often.
- There is a concern that Senior Center activities are not as well attended as they used to be.
- Consensus from the Council was to add the \$6,500 to the budget for a possible absorption of the Senior Center.
- The City had a land sale this year, which paid \$172,000 back to the General Fund. This money still needs to be allocated to various funds. Mursko asked if the Council would like City Staff to make recommendations as to where the money should be allocated?
 - Mursko noted that the call date on City bonds is next year, so the money cannot be dedicated to that at this time.
 - The Council agreed they would like City Staff to make recommendations for how the money should be allocated.
- Park Board Budget
 - The Park Board budget was increased by \$500 for park maintenance and \$250 for lawn care from Trugreen.
 - The contract with Trugreen is for two years, so there was no increase last year.
 - Costs from RVS lawn care are not flat, they are based on services provided.
 - RVS lawn care mows the City parks, along Zurich Street, as well as the land near wells and lift stations.
 - The Council requested research on how much the City can save by not maintaining the baseball fields so well.
 - The revenue for the Park Board budget from park fees was \$4,077 in 2017, \$4,500 in 2018, and year to date in 2019 is roughly \$2,000.
 - Running Aces also provides \$6,000 in host fees, and AT&T provides \$3,800 for rental of their cell tower.
- EDA budget
 - Changes to the budget were made based on the last EDA meeting.

- There was no increase in the budget, but additional line items were added.
 - Mursko allocated 5% of her wages to the EDA budget based on her duties as the EDA's Executive Director.
 - Mursko explained that money from the Lodging Tax will be added to the revenues portion of the EDA budget in the future.
 - The Council's consensus was that they are satisfied with the EDA budget.
- Mursko asked the Council if there is any additional information they would like to see?
 - Hegland said she would like to see a comparison of the expenses that the Council has discretion over versus the ones that they do not.
 - Hegland also said that next year she would like the Council to advertise for bids for contracting services.
 - Mursko said that she already anticipates advertising bids for contracts beginning 01.01.20 for City Engineer, City Assessor, and IT Services.
 - The current IT Services contract does not provide the level of service that the City needs. Due to the increase in software programs, computers, tablets, and phones, the City needs a person or team to come in regularly and manage it all.
 - In addition, the City's server is at the end of its life and needs to be replaced. It would be ideal to have a higher level of IT Service when the server is replaced.
 - Duraine asked to see the cost for lawn service as well as the employment costs for Jim Fraley.
 - Hegland recommended beginning to plan for a new City Hall. Mursko said that she plans on adding an additional schedule to the budget which would facilitate gradually saving money for big ticket items like a new building, server, and copier.