

Meeting of: COLUMBIA HEIGHTS CITY COUNCIL
Date of Meeting: October 2, 2017
Time of Meeting: 7:00 PM
Location of Meeting: Conference Room #1
Purpose of Meeting: WORKSESSION

CALL TO ORDER/ROLL CALL - The meeting was called to order at 7:00 PM

Present: Mayor Schmitt, Councilmembers Williams, Murzyn Jr., Buesgens and Novitsky
Also Present: Walt Fehst; City Manager, Kelli Bourgeois; Human Resource Director/Assistant to the City Manager, Joe Kloiber; Finance Director, Joe Hogeboom; Community Development Director, Keith Windschitl; Recreation Director, Renee Dougherty; Library Director, Jason Schulz; Liquor Operations Manager and Katie Bruno; City Clerk

The following HeightsNEXT members were in attendance: Lisa Boatman, Nelle Bing, Michele Schluender, Eric Penniston, Amada Simula and Frost Simula.

1. HeightsNEXT's HeightsFEST discussion

Community Development Director Joe Hogeboom reported he was contacted by Lisa Boatman, a representative of HeightsNext regarding a proposal for HeightsFEST. At this point, he would like to get feedback from the council prior to proceeding. Lisa Boatman indicated HeightsFEST would consist of a weekly community festival, including fresh produce, prepared food items, educational programming as well as various themed events. The group is still working out details, including day and location; they hope to begin in May 2018. The council agreed they think this would be great addition to the community. Hogeboom indicated a formal request will be presented to the council in the next couple of months.

2. 2018 Budget Discussion

Finance Director Joe Kloiber gave an overview of the detailed department budget books, commenting that they have a great level of detail, more that the final adopted budget will have.

Recreation

Keith Windschitl, Recreation Director reported the 2018 Recreation Budget has a 2.79% increase. Significant changes include increases to IS services, STEP increases and wage adjustments. There were a couple of expenses that came up after the initial budget was prepared; the upgrade to a color newsletter and the addition of a part-time Recreation Coordinator. Windschitl stated he anticipates sharing the additional costs through multiple departments.

Finance Director Kloiber reported many departments will see increases in IS services. The internal service charge for IS services has been frozen since 2015, while the allocation between user departments has changed.

Mayor Schmitt questioned the cost for the Jamboree Softball Tournament. Windschitl reported \$1700 is brought in; expenses are close to that amount. Councilmember Novitsky indicated the player's families participate in the carnival and other jamboree events.

Councilmember Williams asked about the use of the Hylander Center. Windschitl indicated seniors are using it during the day, and after school programs are very well attended. Mayor Schmitt suggested there may some change in usage due to the newly opened Planet Fitness.

Community Development

Joe Hogeboom, Community Development Director explained there are three areas in the Community Development Budget; Building Safety, Planning & Zoning, and Economic Development.

Hogeboom indicated an increase in personnel costs; noting most of the Community Development Staff are moving through the Step program. IS costs have also increased, as explained earlier.

Hogeboom indicated a temporary building inspector may be necessary depending on building permit activity. Revenue from permits would cover the costs. Hogeboom stated that the department looks for free or reduced cost training opportunities when possible.

Library

Renee Dougherty, Library Director reported the Library has seen great growth in all areas since the opening of the new library in 2016. The 2018 library budget includes an 8½% increase, with ½ of that being personnel services. Two of the six full-time staff received market rate increases. Thirteen of nineteen part-time staff received market rate adjustments in 2017, not included in the 2017 budget, it is in the 2018 proposed budget. Staff has been reduced from 9.75 FTE to 8.7 in 2018. Other increase include utilities, maintenance contracts and IS support. The electricity costs are the greatest, although the equipment is efficient, it is also complex.

The new building carries various additional costs including; sprinkler systems, weed control, drive-up book drop, self-checkout and security costs.

Administration

Katie Bruno, City Clerk reported the Mayor/Council Budget decreased by \$2,100. A COLA adjustment allowance was removed, as well as decrease in PERA contributions and insurance. There is an increase in Other Services, we joined Metro Cities for a cost of \$4,100. Mayor Schmitt questioned if there is money to cover a laptop as she requested? Bourgeois indicated that she has contacted the IS administrator and it will be funded from the 2017 budget.

Bruno reported the City Clerk Budget varies from year to year, because of elections. The contract amount for Election Equipment was adjusted; this was underfunded in the past couple of years. Other increases include additional updates to the City Code and document destruction service.

Mayor Schmitt indicated that as we prepare to move to a new building in the future, it is essential that we begin the process of sorting out what we have. An increase in personnel costs is proposed, in order to provide for a wage adjustment for Election Judges. Finance Director Joe Kloiber indicated the process has changed for Election Night, requiring more responsibility on the part of the judges. In past years up to sixteen city staff members would be asked to assist with the closing of the polls.

Kelli Bourgeois indicated a primary increase in the City Manager's Budget is for the hiring of a Communications position, funding will be split between the City Manager's Budget and the Cable Budget. Other increases include IS services, Safety Training, Employee Recognition, and \$15,000 in contingencies.

Mayor Schmitt questioned how strong the need for a communication staff person is. Bourgeois indicated it was identified as a goal by the council in their 2017 strategic planning, and the decision is the Council's. Bourgeois stated there are numerous occasions when the need of a communications specialist is mentioned. Duties may include overall communication, website management, cable program, and various other duties. Schmitt questioned how the salary was established. Bourgeois stated a general salary comparison was completed by the communications audit group, noting it could be less than proposed. Mayor Schmitt stated she has done some research, and similar positions are posted at a

lower salary. Councilmember Buesgens stated she has no issue with the budget increase, and hopes to hire a good qualified communications person.

Schmitt expressed concern with the heavy workload being expected from one person. Manager Walt Fehst stated they will carefully analyze the position, and compensate accordingly. Fehst also asked the council for their assurance that they want to move forward with this position. Bourgeois stated if the council chooses to retain the part-time cable producer for 2018, she could get \$5,200 from the salary of the Communication Coordinator.

Councilmember Buesgens stated she thinks it would be best to hire a Communications Coordinator, and let that person determine if they need additional staff based on their workload.

Mayor Schmitt stated her concern is with the new person coming in and not being familiar with the equipment. Bourgeois agreed that training will be necessary; either by current staff or our consultant. Councilmember Murzyn, Jr. said he trusts Bourgeois' judgment and recommendations. Councilmember Buesgens recommended keeping the salary at the level proposed, with the expectation of keeping the second position for a training period.

Bourgeois stated the part-time position will remain in the budget for a training period of three months. The Communications Coordinator can determine the need for additional staff based on workload.

Assessing:

Bourgeois stated a quote from a private company was received for assessing. Given the history and service level with Anoka County, it was decided to stay with the County.

Legal Services:

Bourgeois indicated there is an increase of \$1,000 in "Attorney fee-other." This is used for labor negotiations, arbitration and some HR issues. Bourgeois indicated a cost comparison study will likely be completed in the coming months.

Liquor

Finance Director Joe Kloiber reported the operating costs of the three stores have increased just over 5%, the majority of that is personnel costs due to Sunday staffing. Other increases include increase in electricity.

Kloiber reported the stores have implemented a perpetual inventory system; this has been a huge step in inventory control.

Mayor Schmitt asked if there are plans for remodeling Store #3. Jason Schulz stated he sees potential for Store #3, and would like to bring ideas to the council in early 2018.

Mayor Schmitt requested clarification on the 2016 profits. Kloiber indicated it was 25% gross profit, which was reported to the Sun Focus as required by state law. Schmitt commented that refinancing the bonds was a good idea.

The council took a recess from 9:48 until 9:53.

Finance/IS

Finance:

Director Kloiber reported the majority of the 4.4% increase is in staffing, including COLA increases, AFSME adjustments, differential in family insurance, and some employees are receiving Step increases. Credit card fees have increased by \$7,000

Mayor Schmitt asked if we have done a bid for credit card processing. Kloiber indicated we have multiple agreements; Liquor Stores and Recreation are reviewed regularly. The 3rd agreement; including utility billing and permits and licenses has not been reviewed recently. Kloiber indicated the large portion of the fee (interchange fee) is not negotiable.

Information Services:

Kloiber explained the shift in cost for departments, indicating the user charges will need to increase in 2019. The IS staff have had significant market adjustments to their salaries in 2017 and 2018. Kloiber reported that the department has budgeted \$60,000 for a new storage system.

Mayor Schmitt commented that the Community Room at the Library has frequent technical issues. Kloiber is aware of the issues, and because there is not a dedicated Audio Visual staff member it is challenging. Manager Fehst indicated this is a valid concern, and we are looking for solutions.

Adjournment

Motion by Councilmember Murzyn, Jr., seconded by Councilmember Novitsky to adjourn the meeting.
Meeting Adjourned at 10:20 PM

Respectively Submitted,



Katie Bruno, Council Secretary/City Clerk