

Meeting of: COLUMBIA HEIGHTS CITY COUNCIL
Date of Meeting: November 4, 2019
Time of Meeting: 7 pm
Location of Meeting: Conference Room #1
Purpose of Meeting: Work Session

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

Present: Mayor Schmitt, Councilmembers Murzyn Jr, Novitsky, Williams, and Buesgens

Staff Present: Kelli Bourgeois-City Manager, Joseph Kloiber-Finance Director, Renee Dougherty-Library Director, Kevin Hansen-Public Works Director/City Engineer, Jackie Zillmer-Assistant Finance Director, Aleksandr Chernin- IS Director, Ben Sandell-Communications Coordinator, and Nicole Tingley-City Clerk/Council Secretary.

1. 2020 Community Survey Discussion

Communications Coordinator Sandell provided an overview of what a community survey would look like with the company Morris Leatherman Sandell stated that the survey would include around 400 participants, around 60 questions would be asked, and would cost approximately \$15,000 to \$20,000 dollars. He also noted the accuracy would be plus or minus 5%.

The City Council had a discussion regarding the surveying methods and ability to gather results that are not skewed. Mayor Schmitt commented that 60 questions is a lot of questions and that people do not generally answer their phone for numbers they do not know. Councilmember Novitsky stated that he believed that they would be able to obtain enough responses but not representative of all segments of the City's population. Councilmembers Williams and Murzyn Jr. agreed with Councilmember Novitsky and Mayor Schmitt. Councilmember Buesgens stated that it is up to the survey company to produce accurate results and that they have scientific methods.

The City Council provided direction to follow-up with the company regarding logistics of gathering data as well as languages the survey is able to be completed in to use to make a decision in December.

2. 2020 Budget Discussion

a. Library

Library Director Dougherty shared that so far in 2019 compared to 2018 visitor count has increased, circulation has decreased, room use has increased, and computer usage has remained around the same. Dougherty stated that the Library budget is proposed to increase by 5% or approximately \$50,000. Dougherty noted that \$36,500 of the increase is due to personnel stating that a portion of that is for an additional one-third time Library Aide. Furthermore, Dougherty noted that other significant increases include utility expenses and the charge back for the Library's portion of Information Systems.

Dougherty then answered a series of questions submitted by the Mayor prior to the work session. Much of the discussion regarded a new downloadable video service proposed to be added in 2020 called Kanopy. It was clarified that this service only includes educational content and that the Library will pay \$2 per download. This service would be available free to the public until the budgeted monies are used up. Many patrons requesting the Library have Sunday hours also came up in the discussion.

Dougherty stated that it is difficult to staff Sundays because many of their part-time employees have other jobs.

b. Public Works

Public Works Director Hansen started off by talking about areas and items that are of concern and that will need to be addressed and considered over the next 5 years. The first area is the Public Works Building including its condition and size. Next item is personnel. This year the department had approximately half of the number of seasonal staff than the year before due to recruitment. Furthermore, the department has seen and will continue to see retirements which results in new staff that will need more training. Third is capital equipment and improvements and that the department is falling behind in terms of keeping up with the replacement and maintenance schedules.

Hansen continued by providing an overview of the 2020 Public Works budget. He noted that increases are primarily due to wage increases including COLA and step increases. Hansen explained that the public works budgets are separated into three different areas: general funds, operating budgets, and enterprise funds.

Hansen began with the general fund budgets noting that there was an increase of 3.8% within all of the departments included. Hansen then summarized each of them which are Engineering, Streets, Street Lighting, Traffic Signs and Signals, and Urban Forestry. The summaries were as follows:

- For engineering the bids for the projects scheduled for 2019 were rejected therefore doubling the projects for 2020. Additionally, another significant increase is the 3-year AutoCAD program license.
- For streets the increase is one of the smaller ones. Items increasing include COLA and Step Increases as well as salt. Hansen explained how they are no longer able to purchase treated salt and therefore have switched to purchasing brine application from the City of Fridley.
- For Lighting, the budget includes a projected 5% electric rate increase by Xcel. It was also noted the City still owns and operates some lights including those in the parks.
- For Traffic Signs and Signals, the largest driver was COLA. Additionally, street signs are being replaced with projects.
- For parks the main increases are COLA and Step Increases.
- For Urban Forestry as the largest increase, the main factors are an increase from a part-time to full-time forestry employee and treating for Emerald Ash Borer (EAB).

The City Council had a discussion regarding EAB. It was noted that the DNR has completed a tree survey and estimates that the city has 4,500 private EAB trees. The Urban Forestry Specialist predicts that the peak of EAB will be in 1 to 2 years. At this time the City has a 25% cost share for removal of private EAB trees which at an estimate cost of \$400 a tree would cost the City \$500,000.

Next, highlights of the operating budgets were covered. State Aid Maintenance includes crack sealing state aid streets and changing backlight street signs to LED. For Infrastructure Improvement there are significant increases that are project driven. It was noted that the cost share for 3 alleys is included and that state aid cannot be used for these costs.

Next, Hansen provided an overview of the enterprise funds. These budgets include water, sewer, refuse, stormwater, central garage, and building maintenance. The overviews were as follows:

- For water, Minneapolis is increasing their water supply charges by 4%. In terms of operations, there is a 5% increase due to COLA and Step Increases, a mandatory increase in the state water connection fee, and starting to switch over to using a mobile work platform.
- For Sewer Collections, there is a 3.5% increase. Like water they will also be starting to switch over to using a mobile work platform. Additionally, there is hydrant maintenance budgeted. For Sewer Utility Disposal there is a uncontrollable increase of 3.2% as Metropolitan Council Environmental Services (MCES) performs this function.
- For refuse, the main increases are contract driven. The land fill costs are increasing 6% and the recycling costs are increasing 10%. Hazard waste disposal costs are also increasing.
- For Stormwater the primary increases are COLA and completion of more cleaning and televising.
- For Central Garage, there is a 3.9% increase. There is a capital outlay of \$20,000 for upgrading the control system and sensors for tox alert system.
- For Building Maintenance a major cost is going to be software and program for tracking and scheduling building maintenance at an estimated \$20,000.

Public Works Director Hansen covered Capital Equipment and Capital Improvement. For capital equipment three pieces of equipment are budgeted to be replaced: a dump truck, a front end loader, and a fleet vehicle. Regarding capital improvements projects for 2020 include:

- Mill and Overlay of 47th Avenue east of Central
- Cost share with Minneapolis for 37th Ave
- Trail completion and decorative fencing on University from 37th to 40th Avenues
- Cost share of reconstruction of 3 alleys
- Seal coating of public safety building parking lot
- Space needs study for public works building
- Wargo Court
- Silver Lake Boat Landing

Hansen described concerns with the Public Works building including the floor, columns, roof, moisture, and fuel tanks.

Public Works Director Hansen addressed budget questions the Mayor submitted in advance of the work session.

c. Finance

Assistant Finance Director Zillmer stated that the net increase for the Finance budget is \$31,700 or approximately 3.4%. Zillmer noted that this increase constituted of a \$33,600 increase in personnel costs and a \$1,900 decrease in professional services. The professional services decrease is due to a one time cost in 2019 for a consultant for assisting with purchase of ERP system.

Finance Director Kloiber noted that the utility billing budgets have less than a 1% change. Kloiber noted labor increases are offset by reclassifying a portion of credit card fees to refuse.

Councilmember Buesgens inquired where the ERP system is in the budget. Kloiber explained that the first three years of the subscription costs would come out of the capital budget. The City Council had a discussion about vendors transitioning from purchasing software upfront to a yearly subscription costs.

Finance Director Kloiber stated that the operating budget for the IS department has a 3% increase for 2020. A significant portion is for personnel costs. There are no changes to staff hours or number of staff. In addition, there are some software support subscription fees due. Kloiber noted that the user charges of IS to other departments increasing by around 5% in order for the IS department to break even.

IS Director Chernin stated that the IS department has three major capital projects for 2020. The first is replacing the City's email system to Microsoft Exchange 2016 as the support for Microsoft Exchange 2010 ends January 14, 2020. The second project is switching to an upgraded version of Laserfiche. The third project is completion of a cybersecurity assessment at approximately \$35,000. Kloiber discussed having a IS strategic plan completed as well.

d. General Government

Finance Director Kloiber stated that the most significant change for General Government is the elimination of the Recognition/Special Events budget. All of the items previously included in this budget have been reclassified and moved to other departments. Fireworks were moved to the recreation budget, flowers for the beautification program were moved to the parks department, and the newsletter was moved to the cable television budget. Furthermore, expenses related to employee events were reclassified to the City Manager budget and expenses related to the public special events were moved to the Mayor/Council budget. Kloiber provided an overview of all of the general government budgets which are City Hall, Contingencies, and Transfers.

Mayor Schmitt adjourned the work session at 9:29 pm.

Respectfully Submitted,



Nicole Tingley, City Clerk/Council Secretary