

WATERVILLE CITY COUNCIL
SPECIAL MEETING
September 15, 2015, 6:00 P.M.

There was a special meeting of the Waterville City Council held in Council Chambers at 6:00 p.m. on September 15, 2015 regarding budget work session, Resolution adopting 2016 Proposed Budget, Resolution adopting 2016 proposed levy, Finance Options for Street Department Truck and Equipment, Resolution awarding street department truck bid, resolution awarding street department equipment bid, and FEMA Mitigation Grant Commitment of Funds.

Present: Schmidtke, Vail, McIntyre and Mayor Mihalik;

Absent: Wollin

Also Present: Administrator/Clerk Teresa Hill, Police Chief Manning, Fire Chief Meskan, and Public Works Supervisor Peach

Also Absent: Jason Femrite City Engineer and Jason Moran City Attorney

1. Call to Order/Pledge of Allegiance. Mayor Mihalik called the meeting to order noting that all Council was present except Wollin. Also present was Administrator/Clerk Teresa Hill, Police Chief Manning, Fire Chief Meskan, and Public Works Supervisor Peach. Pledge of Allegiance was recited.

2. Agenda Approval. Motion by McIntyre, seconded by Vail to approve the agenda. Unanimous vote. Motion carried.

3. Budget Work Session. Mayor Mihalik said Ms. Hill forwarded Council a packet showing a recap of the 2015 budget which we will discuss later, and you will also see 2016 proposed budget. At the 9/4/2015 budget work session we were at a deficit of \$190,531, now with the revised changes the deficit is \$19,652. Revenues of 2016 adjustments have been made. The revenue went from \$1,276,341 to \$1,282,009 and adjustments have been made to the 2016 proposed expenses. The expenses went from \$1,466,872 to \$1,306,661. Mr. Schmidtke inquired how much was in the South Reed Street fund. Ms. Hill said \$103,000 for this year. She moved over \$110,000 because the County is going to repair the street from Paquin to Highway 60. Mr. Schmidtke said that we should save some funds to repair the street from Main to Paquin. Discussion held regarding the street improvement fund. Mr. Schmidtke inquired what the total Health & Life insurance is for 2016. Discussion held regarding the health insurance and the increasing cost of it. As contracts come for renewal the City will take into consideration the health insurance cost. Mayor Mihalik said Council has to consider adopting the proposed budget. The final budget isn't due until December at which time we can take a closer look at what is remaining this year and any changes that we would need to make for the deficit of \$19,652. The second thing is taking a look at Resolution 2015R-037 which is adopting the 2016 proposed levy. If you recall from our last meeting this budget is based on a 2% levy increase. Mr. Schmidtke asked what the 2% increase in levy amount would be. Ms. Hill said approximately \$15,000. Mr. Schmidtke asked if it was possible to cut more from the budget. He did not feel that we should raise the levy by 2% because of all the other increases the City will be doing. Discussion held regarding the impact of raising or not raising the levy by 2%. Mayor Mihalik said for a home at \$150,000 value it is a \$20.00 impact over the course of one year. The impact per household is minimal but the future impact it can have on the City is significant. Ms. Hill recommended that the budget that was presented include the suggested changes to the budget and she will redraft a clean copy.

4. Resolution 2015R-036 Adopting the 2016 Proposed Budget. Motion by McIntyre, seconded by Mihalik we adopt Resolution 2015R-035 adoption of the 2016 proposed budget for the City of Waterville with the proposed changes. Voting for: Vail, McIntyre, Mihalik; Voting Against: Schmidtke

5. Resolution 2015R-037 Adoption of the 2016 Proposed Levy. Mayor Mihalik said the proposed levy is a 2% increase. This has a \$20 a year impact on a \$150,000 home. Discussion held regarding the levy increase vs. cutting things in the budget. Motion by Mihalik, seconded by Vail adopting Resolution 2015R-037 which is adopting the 2016 proposed levy of a 2% increase. Voting for: Vail, McIntyre, Mihalik; Voting Against: Schmidtke Ms. Hill asked Mayor Mihalik to rescind the motion and redo the motion with the dollar amount of the levy. Motion by Mihalik, seconded by Vail adopting Resolution 2015R-037 adopting the 2016 proposed levy with the impact of \$788,241. Voting for: Vail, McIntyre, Mihalik; Voting Against: Schmidtke.

6. Finance Options for Street Department Truck and Equipment. Mayor Mihalik said as you recall we have a truck that has a trade-in value of \$5,500 and if we do repairs they are estimated at \$11,000. Mr. Peach addressed Council regarding the repairs that are needed on the 1984 Ford L8000 Dump Truck. Discussion held regarding doing the repairs vs. purchasing a new truck estimated \$91,090.07 and equipment \$87,336.00 for a total of \$178,426.97. Mr. Peach advised that the repairs would have to be done before winter sets in. Baird provided a 10 year amortization bond debt service. The annual debt service payment would be \$21,776.00. In the proposed budget we had \$24,000. Ms. Vail said the interest rate is at 2.0% to 2.7% out. Mr. Peach said he is trying to get into some type of rotation on equipment so that we don't have to replace everything at once. Mr. Schmidtke said he would be interested in looking at something that is used. Discussion held regarding the option of making the repairs to the truck. Discussion held if there was a major breakdown. Discussion regarding having a technician come in and check the truck out to see what repairs will be needed. The bids are only good for 90 days and they were dated 8/31/15.

7. Resolution 2015R-038 Awarding Street Department Truck Bid. Motion by Schmidtke, seconded by Vail to table the Street Department Truck and Equipment bids until someone can take a look at the truck. Unanimous vote. Motion carried.

8. Resolution 2015R-039 Awarding Street Department Equipment Bid. Motion by Mihalik, seconded by McIntyre to table Resolution 2015R-039, regarding the equipment bid until somebody inspects the truck. Unanimous vote. Motion carried.

9. FEMA Mitigation Grant Commitment of Funds. Mayor Mihalik advised that Council has already made a motion on this before and we have somebody new that we are working with and had asked for this to be redone on another letter. There is one change the 720 Virginia Street has requested an acquisition by the City and not to be elevated. The four properties that will be elevated the 25% would be their cost. The acquisition would come out of costs to the City itself. We would have 25% of that. The 2014 assessment of that property is \$146,600 and the City would incur 25% of that. The property is adjacent to City property and cannot be built on. Ms. Hill said the elevation mitigation grant has never been done by FEMA before. It is a new concept. They usually just buy out the properties. Motion by Schmidtke, seconded by Mihalik to support the FEMA Mitigation Grant Commitment of Funds. Unanimous vote. Motion carried.

10. Adjourn. Motion by Mihalik, seconded by McIntyre to adjourn. Unanimous vote. Motion carried. Meeting adjourned 6:45 p.m.

Stephen Mihalik, Mayor

Teresa Hill, Administrator/Clerk