

Special Ely City Council
Budget Committee Meeting
Tuesday, March 10, 2009
6:00 P.M. City Hall Board Room

Mayor Skraba called the special Ely City Council budget committee meeting to order at 6:00 P.M.

PRESENT: Council members Debeltz, Nikkola, Omerza, Salerno, Shedly, Mayor Skraba (6)

ABSENT: Council member Zupec (1)

Clerk-Treasurer Terri Boese had put together an agenda format, noting that the following had been provided Council members prior to tonight's meeting for review:

1. Budget balancing suggestions from website and suggestion boxes
2. Health insurance coverage information for 2009
3. Employee PTO cash balances
4. Taconite distribution increase notice
5. LGA 2009 and 2010 cuts information
6. Police Dept. budgets from: Eveleth, Chisholm, Virginia

Clerk-Treasurer noted that only change to note is pertaining to Civil Enforcement, General Fund/Revenue, page 1.

Council member Nikkola questioned whether this was the original City General Fund Budget; Clerk-Treasurer noted that this budget was adopted by Council action on December 16, 2008. She reported that she had met with all city department heads and would like to present the following recommended budget changes:

MAYOR/CITY COUNCIL

Recommended Changes: reduction to Mayor/Council member's salaries of \$8,475.00; Reduction to computer maintenance - \$1,000.00; Reduction to Travel/Training - \$3,750.00; Reduction to Dues and Subscriptions: \$9,000 (was noted that \$5,808 has already been expended in 2009); Other Miscellaneous - \$1,500.00; Publishing - \$1,000.00

Mayor Skraba - recommended that the reduction to Mayor/Council member's salaries of \$8,475.00 be put back into the 2009 Budget.

Council member Shedly – the Council needs to find a way to cut the Mayor/Council salaries;

Council member Debeltz – recommended that the Council keep the dollars in the budget; there are council members who put in many hours and should be compensated for their time;

Council member Omerza – would like to go with legal opinion from City Attorney, stating the Council cannot reduce their salaries;

Council member Nikkola – agrees with Council member Sheddy although the compensation given Council members at this time is the same dollar amount as 20 plus years ago. Feels that the Council is asking everyone to give up something, and they should do so also, as community leaders. Noted that city attorney had referenced in communication that there were alternative methods to which Council members could reduce their salaries, and would like to see the City Attorney directed as to letting Council members know what those alternatives are as to reducing their compensation.

- City Attorney was directed to have this information for the March 21, 2009 Ely City Council Budget Retreat.

Mayor Skraba – feels Council members are making other concessions – he is not willing to lower salaries at this time.

Council member Omerza – has concerns that if the Council cuts or does away with Council's salaries, who in a younger age group will step up and run for election to office. Council member Debeltz – agrees with Council member Omerza – the Council gets very little compensation for the time they put in for city business and the City needs dedicated people.

Mayor Skraba – would like Clerk-Treasurer to figure out the current telephone system in the City – there are a substantial number of phones.

- was noted that Mary Lee Erickson is now looking at this

Council member Salerno – Do we need to pay dues to the League of Minnesota Cities, the Coalition of Greater Minnesota Cities and RAMS?

Mayor Skraba – the City has already paid some of these dues; better to have more voices.

CIVIL ENFORCEMENT

Council member Sheddy – should the city eliminate the civil enforcement department and turn duties over to the Police Department.

Clerk-Treasurer Boese – supervisors talked – current civil enforcement officer may be picking up chalking duties in the summer - \$4,160.00 out of budget.

Council member Omerza – what would happen to the planning and zoning department?

Clerk-Treasurer Boese – the Clerk's Office could pitch in to assist; the clerk's office already works with the building official and a limited official will be coming on.

Mayor Skraba – suggests transferring some civil enforcement duties to the Fire Chief.

Council member Nikkola – we have to start streamlining – some jobs may disappear – some may merge.

Fire Chief Gerzin – currently works on building security system, 1st responders and he is now minus the dispatchers. He is currently performing some civil enforcement duties.

Clerk-Treasurer – city department heads are looking for current staff to share duties.
Mayor Skraba – questioned Clerk-Treasurer as to any savings involved if eliminating the civil enforcement department and moving elsewhere.

Clerk-Treasurer estimated approximately \$11,000 plus – civil enforcement will still generate revenue.

Mayor Skraba – reiterated that these are just ideas, information for tonight – input in good in making future decisions. Council concurred that there will be no final decisions made at tonight’s meeting.

Council member Nikkola – Council needs to hear from those employees involved as to how civil enforcement could work to realize a cost savings – with answers needed within two weeks. If the Planning and Zoning Department is eliminated, the Council could turn this over to City Operations Director and Clerk-Treasurer as to how this could happen
City Operations Director Langowski – recommended that the Council not make a separate motion for each proposed change, but that a revised budget be developed and acted on as a whole.

Clerk-Treasurer – reported that the City Department Heads had come up with \$180,000 worth of recommended cuts to the 2009 budget the Council is now reviewing.

Council member Debeltz – the city is paying the current building official a lot of money; could something be done with this arrangement.

Clerk-Treasurer Boese – City is looking at a limited building inspector this week; employee will be a contract employee – ER Committee will be making a formal recommendation to the Council.

CLERK TREASURER

Mayor Skraba – questioned the reduction in dollars for part time employees and who will staff the office during current employees’ vacations, etc.

Council member Sheddy – could the offices go to a four day work week (10 hour days) if need be.

Accounting Consultant Mary Lee Erickson – the overage in part time salaries is from paying her contractual fees.

Mayor Skraba – feels part time people are needed to assist staffing the Clerk’s Office when needed.

ASSESSING

Mayor Skraba – Assessing fees for City of Ely will be reduced in 2010, not 2009.

PLANNING A ZONING COMMISSION

Council member Sheddy – he would support pulling all city permits to the Clerk’s Office – this would then involve occasional part time helper.

Mayor Skraba – has difficult picturing the elimination of the Planning and Zoning Administrator. The City needs someone with the expertise to do this line of work –

would not be in favor of eliminating this position unless he is shown how this would save dollars for the City.

Council member Salerno – supports a Planning and Zoning Administrator (this would encompass approximately 25 hours per week)

Mayor Skraba – if Planning and Zoning administration is placed in the Clerk's office, perhaps there may also be other duties where Zoning Administrator could assist the Clerk's Office.

City Operations Director – part time employees need to be gone before full time employees – recommends that current full time employees will have to pick up additional duties where needed.

Clerk-Treasurer – between the Clerk's Office, Police Department, City Operations Director, a web site could be kept up.

* Council members directed the Clerk-Treasurer to bring back scenarios for Council consideration for the March 21st Budget Retreat.

Was noted that the Ely Public Library contributes towards Community Center heating and janitorial duties.

Council member Omerza – questioned telephone lines in the Community Center Building and who is paying for these offices.

Council member Nikkola – The only current city department being housed at the Ely Community Center is the Library; this building is costing way too much money for what is current being housed there.

Council member Omerza – There are a lot of people that utilize the library – and other offices in the building. Mayor Skraba and herself are working on current fee schedules – questioned whether other entities being housed there pay for garbage fees.

OLD CITY GARAGE

City Operations Director – the biggest factor is the heat – current tenants are trying to do their part

POLICE DEPARTMENT

Council member Shetty – what would a 10% reduction do – bottom line.

Police Chief Manning – there are a couple of variables in salaries – current Police Officer Bill Hawley will possibly be taking an 8 month leave in the fall.

Council member Nikkola – questioned what happens to the dog;

Police Chief Manning – noted that the dog becomes the huge liability – needs a special handler – 8 weeks training for an officer – talked about reselling dog back to owner.

Council member Nikkola – reselling dog is a good idea at this point

Council member Omerza – Since Council is now crunching numbers – what has this dog done for the City?

Mayor Skraba - It currently cost \$7,800 in additional costs for the City to have this dog; the dog is a luxury for the department.

Police Chief Manning – This dog is a cope dog and patrol dog to serving a dual purpose. Agrees that it would be a wise move to sell the dog if Officer Hawley gets deployed.

Accounting Consultant Mary Lee Erickson – important for Council members to remember that the Police Department budget reflects two retirements in 2009; budgeting \$40,000 extra to cover health care saving, paid up life insurance – the budget is higher because of this.

Council member Salerno – is all training requested mandatory?

Police Chief Manning – pretty much so. He tries to have officers participate in as much mandatory training as possible.

Council member Debeltz – questioned animal control.

Council member Omerza – D.A.R.E. program – is it happening now in 2009?

Police Chief Manning – will not happen in 2009 but he anticipates it will take place in 2010.

Council member Omerza – questioned the ambulance service line item –

Mayor Skraba – former Mayor Novak is the City’s representative to the Ely Area Ambulance Service, and the City has not heard from our representative – he spoke to an individual today that recommended that the Council not cut the \$18,000 plus from the current budget;

Council member Omerza – thought Council had appointed Mayor Skraba to this group.

Mayor Skraba – Capital Equipment – bunched in miscellaneous requests.

Accounting consultant Mary Lee Erickson – Accounts with 500 series – if cost is \$2500.00 or more, this must be moved during audit – could create a small tool item – recommends that Council takes out line item; less than \$2,500.00 – create line item.

City follows Legislative code of Auditor Accounts.

Council member Omerza questioned ambulance subsidy;

Mayor Skraba – should be discussed at the next Council Meeting.

Police Chief Manning – Council should not whack too deep in Police Department, or services to the public will be cut.

Mayor Skraba – is concerned about the amount of overtime hours in the PD; overtime has to be tackled by Council, in figuring where and how many dollars to cut. Feels the PD is going to have to give more-----

Council member Nikkola – recommends the Council look at one officer per shirt;

standby – city needs to run some scenarios –

Police Chief Manning – closest backup is in Babbitt; concerned as to “safety clause”

Mayor Skraba – agrees with standby officer

Council member Nikkola – Council members need creativity to cut budgets.

Council member Debeltz – motor fuels – rather than running squad cars for any length of time, could they be housed in the police garage instead.

Police Chief Manning – noted there are vehicles already stored in that garage.

Mayor Skraba requested that meeting recess at 8:00 P.M. for a five minute break.

Called back to order at 8:10 P.M.

FIRE DEPARTMENT

Council member Sheddy – hydrants – advantage to moving from Fire to Utilities.
Council member Debeltz – questioned Fireman Relief Association
Fire Chief Gerzin – Association is a wash and doesn't cost the City anything.
Council member Omerza – does the City need a full time Fire Chief – knows this is not a popular item but does the town of our size need a full time chief.
Fire Chief Gerzin – also performs mechanic duties, serves as fire code official
Council member Sheddy – what would happen if Fire Chief position was reduced to 32 hours per week;
Fire Chief Gerzin – effect on fire hall would be that he would have to find a part time job to make up for reduced hours; looking at current duties what does Council not want him to do.
Mayor Skraba – suggested civil enforcement be moved to the Fire Chief.
Fire Chief Gerzin – no – currently he is now cut below the minimum of what it costs to run the department – current equipment is unreliable.
Mayor Skraba – public has concerns and questions – how can other cities in the state not pay a full time Chief but have fire service - * mutual service How can we get this position fundable from the State.
Fire Chief Gerzin – would recommend going to a special levy – city is in dire straights and needs to update fire equipment.
Mayor Skraba – does not want to increase taxes for residents.
Council member Debeltz – perhaps with the stimulus package the city can go after new equipment.

PUBLIC WORKS

City Operations Director – employees are looking at trimming overtime; also cutting chloride from budget, and will be watering the roads instead.

HIDDEN VALLEY

City Operations Director – reported that fuel / electric are not budgeted.
Had discussions with ENA members as to turning over the Hidden Valley Chalet Building to the ENA in the fall.
Suggested the City request more in contributions from the Joint Powers Board for the Hidden Valley Recreation Area and parks in 2010 budget.
Mayor Skraba – City is only putting in \$1,800 of city monies into Hidden Valley at this time.
City Operations Director – there is \$2,000 in current budget not spent – Trezona Trail.

- City Operations Director will request transfer of the \$2,000 at the next Council Meeting.

RECREATION FACILITY

City Operations Director – Council member Omerza is now working on a youth program where youth can be put to work but not having to be paid with city funding rather a different funding source. City needs to solicit community involvement in keeping this facility going.

WHITESIDE PARK

City Operations Director – City has contracted with individual to clean restrooms at the park; public works employees will now assume these duties.

Mayor Skraba – flags on Sheridan Street need changing – does the City have enough dollars to order flags.

City Operations Director – Yes. New roofs are also needed on all park buildings – Whiteside Park Bandshell and Pavilion; Semer's Park Pavilion.

COMMUNITY JOINT POWERS

Mayor Skraba – questioned Clerk-Treasurer Boese on recommended reduction.

Feels the City cannot keep cutting – we have a contract and the amount should be left at \$40,000 – people stop and talk and listen to economic developer first; then come to City Hall.

Council member Omerza – recommends that the City keep the \$40,000 funding level to Joint Powers – the city does get dollars back – Library and Recycling contributions – there is a value in joint powers.

Council member Salerno – feels it is good to be a member of Joint Powers. Recommends that the City stay with the \$40,000.

ELY COMMUNITY RESOURCE

Council member Sheddy – would like to continue funding ECR at \$12,000.

If City gets hit in 2010 a lot of these things will go away.

Council member Omerza – feels the ECR Director is a very valuable asset to the community.

Mayor Skraba – agrees with continuing \$12,000 for preventive maintenance.

CEMETERY

City Operations Director – recommended that budget discussion be brought to Cemetery Committee. He will schedule a meeting with group in the next month.

Budget Consultant Mary Lee Erickson – unemployment benefits – if people are laid off the City must be benefits.

Mayor Skraba – the City does not know what the State will cut – State is being lobbied by LMC, Coalition of Greater Minnesota Cities – may pay off.

Mayor Skraba asked if there was any further discussion from audience members:

Duane Whalen – if people are cut the services will not be there to take care of the City.
Council member Nikkola – the Council is trying to maintain current services for 2009 but if the City is whacked in 2010, the services will be cut.

Duane Whalen – is it such a good idea to divide jobs up – people must be good at specific job duties and if being multi tasked too many duties, services will not be delivered in an good and efficient manner.

Mayor Skraba – agrees with Duane Whalen, but the Council may not have a choice.

Council member Nikkola – the City needs to look at consolidating buildings, but before discussing the Council needs a report from City Architect, facts and figures and can then speak to this issue.

Duane Whalen – questioned whether federal stimulus program will help State and cities.

Motion by Omerza supported by Salerno, that tonight's meeting adjourn.
Adjournment at 9:10 P.M.

Council recommendations as of tonight:

1. No change to council salaries
2. No change to ECR allocation
3. No change to EADA/Joint Powers
4. Election maintenance to \$2,000
5. Transfer \$2,500 from Trezona Trail to Hidden Valley for utilities

Patricia M. Wellvang
Deputy Clerk
City of Ely