

**Budget Subcommittee**  
**Wednesday, September 4, 2019 5:00 p.m.**  
**City Council Chambers**

In Attendance: Council member Scott Murphy, Chair, Council member Brenda Stonecipher, Council member Jeff Moore, Chief of Staff Lyle Ryan, Susy Haugen, Rae Ann Nielsen.

1. 2020 Proposed [Budget Balancing List](#) Update - Susy Haugen stated now have a balanced proposed budget for 2020. New items: Increase in donations of \$8,244.00 Mayor Franklin donating COLA and car allowance to city. Reduced allocation for police services by \$31,508.00 to reflect actual positions supported by fund. Several small items for a net \$60,000.

On expense side: reduced indigent defense fund by \$72,000. Bringing funding in line with actuals. With departure of Megan Pembroke, Administration reorganized Parks, Administration and Communication staff for a net savings of \$64,987. Retirement, Other Pay, and C.O.L.A. forecast together resulted in savings of \$289,000 from the original forecast. Additional \$50,000 in Professional Service for Legal for Labor related issues. This is in lieu of replacing the Deputy City Attorney position. Net savings of health benefit plan is \$300,000. Increased Police lateral transfer incentive budget by \$105,000. All other labor changes net to a \$332,000 savings, which includes elimination of C.O.L.A. for all staff in Administration. Updated 2020 revised Village Theatre contract for savings \$133,000.

2. [Bond Ordinance](#) -Refinance the 2014 floating rate bonds. Susy Haugen stated time to refinance the floating rate bonds. They were originally issued to refund the City's outstanding variable rate bonds which were issued in 2003 to finance the acquisition of land under event center and minor façade work. In 2014 the City also refinanced \$27,000,000 of the PFD project revenue bonds. Total was \$35,865,000. The principal amount for the refinance is \$25,630,000 and will shift away from variable to fixed rate debt. Estimated interest rate is 2.3%. The actual interest rate will be determined when the bonds are sold in October. The new bonds will mature in 15 years or 2034.
3. [Budget Amendment #2](#) – Summary provided. All previously discussed and approved by Council.
4. [Fund 145 Street and Alley Vacation Fund](#) Recommended project list – Paul Kaftanski gave outline how they approached project list. Administration, Facilities, Parks and Public Works collaborated on the projects to include. Focused on stand alone projects that could be done in a relatively short time frame and that would make substantive meaningful and perceptible difference in the communities they would be located in. Looked at geographic equity for projects, stand alone open space and transportation projects. Provided Matrix of 3 categories of projects 2020 through 2022. This list would be incorporated in the 2020 proposed budget and staff will continue to update. Current balance is approximately \$1.9 million balance with \$1.6 million in projects. Paul K. discussed the proposed list of projects.

**Follow up:** Pension Fund Actuarial report will be sent to Council; BERK study recommendations and historical police staffing will be addressed at the October or November meeting.

Meeting adjourned.