

Meeting of:	COLUMBIA HEIGHTS CITY COUNCIL
Date of Meeting:	November 2, 2020
Time of Meeting:	7 pm
Location of Meeting:	Public Safety Training Room
Purpose of Meeting:	Work Session

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

Present: Mayor Schmitt (via Zoom), Councilmembers Novitsky and Buesgens
Members Absent: Murzyn and Williams

Staff present: Kelli Bourgeois-City Manager, Renee Dougherty-Library Director, Kevin Hansen-Public Works Director, Joe Kloiber-Finance Director, Jackie Zillmer-Asst Finance Director, Ben Sandell-Communications Coordinator, and Shelley Hanson-Administrative Asst.

Also present: K.T. Jacobs and Amada Marquez Simula (Zoom)-- (residents).

Novitsky read the Notice that the meeting will be conducted by a combination of in-person and electronic means pursuant to MN Stat §13D.021

1. Library Board Vacancy

Due to the death of a member on the Library Board there is a vacancy with the term ending April 1, 2022. Staff is seeking direction from the City Council on how to fill the vacancy. (Select one of the applicants that were interviewed earlier in 2020, or seek more applications and re-interview).

Initially Buesgens stated she was in favor of offering the position to Weidlein if she is still interested, then to Smith if he was still interested. If neither of them are interested, then seek new applicants.

Novitsky said his preference was to open it up to new applicants.

Schmitt stated that we already have a teacher on the Board and Smith is already on another Commission, so she would like to see it opened up to see if we can get new candidates. Staff should also check with the two applicants who were interviewed earlier to see if they are still interested in the position so they can be included in the pool for new interviews.

Buesgens was ok with going out for new applicants.

Bourgeois will proceed with seeking new applicants.

2. 2021 Budget Discussion

A. **Library Budget-** A power point presentation was made that reviewed the Library goals that were established for 2020-2022 and how operations have changed due to the covid pandemic and the modifications to service that had to be made.

Dougherty told members that the Library facility will be 5 years old in 2021 and that "wear and tear" is becoming apparent, but no capital expenditures are planned during this budget cycle. She told members that the restrooms and community room need to be painted and that the youth area needs new furniture.

Buesgens questioned if any funding was included in this budget for new furniture, and Dougherty said not until the budget for 2022.

Schmitt asked what the vision was for the next 5 years. Dougherty said she would like to get back to pre-covid levels of service, help people who are out of work to find services or job opportunities, distribute e-cards to middle school students, and expedite getting educational materials to students that are doing on line education. She explained to members that the Library is currently open 32 hours/week over the period of 6 days, which is half of pre-covid times. There was a discussion about the e-cards that were given to the school district, but she is unsure whether they have been distributed. Buesgens will check with the School Board about getting that done.

Schmitt asked if the Library was receiving any funding assistance from the "Friends of the Library" group or the Foundation. Dougherty explained the Friends of the Library group are volunteering time to the Library but they are not providing funding in 2021. She went on to say the Foundation last donated to the Library in 2018. Since then they have donated funds to the Police Dept. Dougherty said they are a private entity that files tax returns, but the Library has no jurisdiction over them. She said councilmembers can look up their 990 form that is filed with the IRS for details on how they expend their funds.

Dougherty told members that all policies are being reviewed and updated, especially the Internet and computer use policy which was last updated in 2005.

There was a discussion about the collection agency used for those who have fines in excess of \$75. The company sends out reminder letters and calls are made to encourage them to return overdue items. This has been fairly successful in the past, however no accounts have been forwarded to the company since March when the lockdown started.

B. **Public Works Budget**-Kevin Hansen did a power point presentation and explained that Public Works has 14 departments to budget for. He stated most of the increase in the budget was due to the cost of materials increasing and the increase to the Urban Forestry section due to removal of diseased trees throughout the City. Another factor was additional expenses needed for staff training as the majority of personnel have been with the city for less than 5 years.

Some of the key issues he reviewed with members are as follows:

1. He expects a 15% decrease in revenue for state aid maintenance due to covid effects on funding.
2. Street work in 2021 will include overlays in zones 4B and 5 and seal coating will be done in zone 3B.
3. Capital equipment to be purchased include a van, a skid steer, a Ford Explorer (supervisor vehicle), a Jetter truck (cleans sewer lines), and an articulating plow.
4. Convert HVAC controls from Honeywell to Delta, which will allow remote access at JPM.
5. Continue implementing upgrades per the Public Works Master Plan.

Schmitt had forwarded her questions to Hansen prior to the meeting and the entire council received the answers ahead of time.

Buesgens questioned the status of the INI filtration program and if costs associated with that were included in the budget. Hansen explained we don't pay a surcharge on this and that fees are offset by other projects that are undertaken. He said that approximately 150 residential homes were televised during 2019 and the

beginning of 2020 and we are waiting for the report. Due to covid, staff from the company doing this laid off personnel so the report is slow to come. The findings will be presented to the council once received.

Novitsky asked if a study was going to be done regarding street signs and stop signs throughout the City. Hansen said signage is now decided on a case by case basis but we do have all signage documented on a GIS mapping system.

Hansen was asked if any conversations had taken place with Rick from Prodeo. Bourgeois stated that Chirpich has had conversations with him regarding use of City Parks and they may be a good partner to help with funding future improvements.

C. **Liquor Budget-** Joe Kloiber, Finance Director made a power point presentation along with Jason Schulz, Liquor Store Manager. Budgeting for a retail sales business is forecasting overall trends of selling your products. Kloiber said the main question he gets asked is how much operational income does the City get from operating the Liquor stores. He said pre-covid business average \$450,000/yr which could fluctuate +/- \$50,000/yr. The primary use of those funds is as follows:

Annual interest on bonds to construct the stores is	\$52,000
Funding going to other depts.	\$50,000 for Street Dept \$10,000 to Police Dept
Updating the stores (this year store #3)	\$200,000

Kloiber said sales have gone up during covid—Part of this is due to the fact that many bars/restaurants were closed or people are still avoiding them. He also said more money is spent overall on each purchase, however people are making less trips. Kloiber/Schulz said the Liquor Stores are operating on reduced hours due to a shortage of staffing, which continues to be a problem. Therefore, they are forecasting the income for 2021 to be less than the 4 year average due to the reduced hours continuing and staffing issues.

Schmitt had previously submitted questions and the members were all given the answers prior to the meeting.

Buesgens asked when store #3 would be done. Kloiber said the architect is currently working on the design/plans and that the project will be bid out in two parts. He is hoping the roof will be done yet this year and a general contractor will be selected in 2021 to do the remaining exterior and interior work.

D. **Finance Budget-**During his power point presentation, Kloiber said the primary objective of 2021-2022 is to replace the financial and HR software. The savings made when combining two staff positions will be used to contract the labor costs of implementing the new software change. He also has budgeted to upgrade computers throughout the City to the Microsoft 2019 version. He hopes the city will become more proactive in improving technology throughout the City and shift to an ongoing strategic planning process.

There was a discussion regarding the various contracts the City has and if any will be renewed or re-bid in 2021. Brief summary—Towing contract is good for 2 years and was just entered into in 2020
Auditor's-Kloiber said it is too late to change for auditing records for 2020, but we can do it for 2021.
Attorney services-council will discuss
Refuse/garbage- 5 year contract entered into in 2018

Buesgens was excited about the IT strategic Plan and it will be good to implement this in the new building. Bourgeois stated \$250,000 is planned thus far for the infrastructure and displays in the budget for the new building. This amount does not include funds for the software. She also explained that the new finance software will be implemented prior to the new city hall being complete. Funding will come from the capital equipment fund.

- a. **General Government Budget**-Kloiber explained this part of the budget pertains to the repairs and upkeep of the city hall building and certain financial activity within the budget. He gave examples of interest payments on bonds and a transfer out of the general fund to fund a pay equity study.

There were no questions.

Motion by Buesgens, seconded by Novitsky, to adjourn the meeting at 8:25 pm.

Respectively Submitted,

Shelley Hanson-Administrative Assistant