

CHISHOLM CITY COUNCIL
WORKING SESSION
NOVEMBER 7, 2019

CALL TO ORDER

Mayor John Champa called the City Council Working Session to order in the City Hall Council Chambers at 5:03 p.m.

ROLL CALL

Present: Council Members Campbell, Fountain, Lantz, Vake, Varda and Mayor Champa

Absent: None

Also Present: Administrator William Manney, Deputy Clerk Eileen Zah, Police Chief Vern Manner, Public Works Supervisor Larry Folstad, Ed Chamernick (Arena & Curling Club Liaison) & Erik Anderson (Vice President - Curling Club Board)

POLICE DEPARTMENT 2020 BUDGET

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- Large dollar amounts in the budget.
- Wages & benefits 89%.
- Squad car 2% - Purchase each year - without a new vehicle purchased each year, the money would be spent in maintenance and repairs.
- Security cameras 1.5%.

BUHL CONVERSATION

- Our officers are receptive to Buhl.
- Our estimated cost to cover Buhl is \$83,460.
- Buhl's current budget for law enforcement is \$75,000.
- Sheriff covers Buhl currently but only criminal, they do not enforce ordinances.
- Chief Manner and Administrator Manney will talk to Buhl and bring back a proposal for a year-to-year contract \$95,000 - \$100,000.

SECURITY CAMERAS

- Beneficial to the City for a variety of reasons.
- Add to budget \$25,000.

STREET DEPARTMENT 2020 BUDGETS

UPDATE – INFORMATIONAL- HEAVY EQUIPMENT

- Public Works Supervisor Larry Folstad provided a handout addressing the poor condition and old age of our tandem dump trucks. He provided a proposal for the purchase of 2 Kenworth T470 trucks uplifted by Towmaster for a total price including warranty of \$426,722. \$200,000 was budgeted for a dump truck in 2019 but the purchase was not made. Larry mentioned there is other unspent budgeted funds which could be used to purchase the other truck.

SPORTS COMPLEX 2020 BUDGET

ICE ARENA – EXISTING LEASE AGREEMENT

- Lease term is 5 years commencing on July 1 2017 and ending on June 30, 2022. Administrator Manney's opinion is the lease is not accurate and should be renegotiated. The lease agreement states the City is responsible for repairs to the ice plant and Zamboni and therefore the City's obligation is greater than the \$90,000 City portion of the budget.

EMAIL FROM ED CHAMERNICK DATED 11-4-19 2017-2019 ICE PLANT & ZAMBONI REPAIRS

- The past 3 years the repairs to the ice plant and Zamboni were approximately, on average, \$14,000 to \$15,000 per year. A new Zamboni costs \$150,000. They currently have about \$50,000 from youth hockey to buy a new Zamboni. It was recommended to add \$15,000 to the Arena budget for repairs to the ice plant and Zamboni and \$100,000 toward the cost of a new Zamboni.

CURLING CLUB - EXPIRED LEASE AGREEMENT

- The Curling Club lease expired on November 30, 2012 and needs to be renegotiated. There were no recommended changes to the \$31,300 Curling Club budget.

FIELDHOUSE

- Architectural Resource, Inc. (ARI) memo dated 11-21-16 – cost of renovations.
- Total building restoration \$915,000.
- Building reconfiguration renovation \$690,000.
- Minimal code update school use option of \$289,000.
- Wishlist dated 10-16-18 – Per Dave Carlstrom – total estimated cost of \$277,000 is very close to the ARI minimal code update school use option of \$289,000.

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SERVPRO PROPOSAL DATED 9-12-19 – CLEAN-UP PIGEON INFESTATION

–Estimated cost of service \$15,446.40.

USAGE REPORT DATED 7-30-19 FROM ED CHAMERNICK

–Upstairs locker rooms are used by youth hockey, 2 skating clubs, 5 men’s hockey leagues, high school hockey, Fall and Spring hockey schools and a learn to skate school. Over 700 kids use the Arena and Fieldhouse during the year. In addition, youth hockey runs 4-5, 16 team tournaments per year bringing in an additional 600 plus kids.

CHISHOLM CURLING CLUB, INC – 2018 RETURN

–The 2018 tax return, prepared by Fort & Company showed revenues for the Arena and Curling Club of \$132,370. This includes their annual raffle. Salaries were \$40,799 and the net loss for the year was <\$1,578>. Non cash depreciation was \$5,477.

LEASE AGREEMENT WITH CHISHOLM SCHOOLS

– 2019 - 2020 City Lease Payment Request – The lease agreement is dated August 10, 2017 and states the Agreement will be reviewed annually. It may be reviewed earlier by mutual agreement of both parties. It was recommended to have the Agreement renegotiated with a year-to-year contract.
–The proposed rental amount to the school for this year is \$35,000.

1ST DRAFT – ENTERPRISE FUND BUDGETS – ALL INFORMATIONAL AT THIS TIME

WATER

–At the present time, an 8% rate increase would be needed to offset the budget draft shortfall of <\$43,868>.

SEWER

–A 2% rate increase would be needed to offset the budget draft shortfall of <\$29,297>.

REFUSE

–The budget draft projects a profit of \$31,607. With the proposed new garbage system starting in 2021, no recommended rate increase.

GENERAL FUND DEPARTMENT BUDGET – NOT YET APPROVED
OTHER THAN ITEMS PREVIOUSLY LISTED ON THE AGENDA

MAYOR & CITY COUNCIL

–Add \$5,000 to Chamber’s \$10,000 previous budget.
–Explore other options for broadcasting council meetings.

ADMINISTRATION

–Make an allocation to the Enterprise Funds for the \$9,400 expense for Incode Software.

FIRE

–Add 4 new employees to the budget.

EMERGENCY MANAGEMENT

– Budget is okay.

SKATING RINKS

– <\$15,000> to Buildings and Structures.

BOCCE BALL

–<\$13,000> to Buildings and Structures.

FOOTBALL FIELD

–Contact Pepsi or Coke to donate to the \$2,500 scoreboard repair expense.

ECONOMIC DEVELOPMENT

–Budget is okay – Economic Development Coordinator position has been posted.

OTHER FINANCING USED

– Budget is okay.

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INFRASTRUCTURE CAPITAL IMPROVEMENT PROJECT(S) – PROPOSED 2020-2024

–Current number one priority is 3rd Street NW Project with an estimated cost of \$962,000.

NEW ITEMS FOR CONSIDERATION

PHONE SYSTEM – IRN

–Okay at initial 10 year investment of \$35,186 with monthly savings of \$1,240. A payback of 2.37 years. A projected 10 year savings of \$113,534.

CLEAR GOV

–Will allow us to compare to other cities our size.

–Okay with an annual investment of \$3,500 and a possible one-time setup fee of \$1,200. Administrator Manney thinks we may be able to obtain a waiver on the one-time \$1,200 fee.

DUDE SOLUTIONS

–Maintenance software for equipment, streets, etc.

–Okay at \$15,235 which includes a one-time implementation fee of \$7,000 and an annual subscription of \$8,235.

ACCOUNTS PAYABLE MODULE – INCODE

–Improve and streamline purchasing.

–Okay - \$7,310 one-time software and service fee, plus the annual recurring fee of \$1,375.

COMPUTER SERVERS (2) – EMAIL AND HOST SERVERS (WAITING ON FINAL NUMBERS FROM CW TECHNOLOGY)

–Current servers are no longer supported after January 2020. Estimated in the \$20,000 range.

RESCUE EQUIPMENT – REDHEAD MOUNTAIN BIKE TRAIL

–Information provided by Roland Shoen of Chisholm Ambulance. Giants Ridge paid \$22,493 for their rescue equipment. There was no grant money from IRRRB.

TIMELINE FOR SETTING FINAL LEVY AND BUDGETS

–Next Budget Working Session – Thursday, November 21st at 5:00 p.m.

–Truth-In-Taxation meeting – Wednesday, December 11th at 6:01 p.m.

–If necessary, schedule Budget Working Session between December 11th and December 18th.

Approve Final Tax Levy and Final Budgets at December 18th council meeting.

ADJOURN WORKING SESSION

Moved by Councilor Campbell and supported by Councilor Fountain to adjourn the Working Session meeting at 8:50 p.m.

Voting Aye: All

Motion Carried

/s/ John A. Champa

Mayor

Attest:

/s/ William Manney

City Clerk- Treasurer/Administrator