

McGregor City Council
Special Meeting-Budget Workshop
January 28, 2015

The McGregor City Council met in Special Session on Wednesday, January 28, 2015 at 6:00 p.m. at City Hall with Mayor Brooks presiding. Collins, Muehlbauer, Halvorson, Hallberg and Carroll were in attendance.

Carroll moved, seconded by Muehlbauer to approve payment for insulation of city shop to InstaFoam in an amount not to exceed \$2,467.20. Roll call vote: Ayes – all. Motion carried. Collins moved, seconded by Halvorson to approve cost estimate from Eilers Electric for shoreline pedestals installation in the amount of \$4,458.50 with down payment for materials \$3,200. Roll call vote: Ayes – all. Motion carried. An invoice from the county for sand/salt for 2014-2015 was discussed. In the past the county had mixed the sand/salt for the city with the city delivering salt to the county and there was no charge. The county uses the city loader to load their trucks and for other tasks around the lot. The city sands Cemetery Hill and Eagle Drive to Highway 18 which is county road. Council members stated this had some value that was not being considered on the invoice. Muehlbauer moved, seconded by Collins to pay \$4,000 to the county for 2014/2015 and to come up with an agreement for future years. Roll call vote: Ayes – all. Motion carried.

A status report of projects that are expected to begin this summer took place. The sewer rehab project is set to go to bid in February. A letter from MMU was reviewed that pertained to poles that need to be moved out of the traveled portion of the road. The Council considered the request for the city to pay a portion of the cost to sub out the work to move the poles due to time constraints. A summary of the engineer's meeting was also reviewed that indicated the issue had been brought to MMU staff attention early in the design stage. Additionally a request was made for the city to pay for the cost of a feasibility study to direct bury lines. Council referenced their knowledge that residents had also requested this but no action had been initiated by MMU. Council concluded that these costs are the responsibility of the electric utility. Delays at this time would hold up the bid until contractors may already have projects awarded which in turn could drive up the cost of the entire project. The Council did stress its interest in continuing collaborate with MMU to install new water main when a sewer project requires excavation of a roadway. They would consider their request to fund some water projects with TIF revenues. Sander cautioned that planning had to be done well in advance of any construction to amend the Urban Renewal Plan to include the proposed projects for TIF reimbursement. Council directed Sander to send a response to MMU.

The FEMA project will require an extension to the 2008 Disaster deadline. The engineer, Homeland Security and city will need to write letters requesting an extension to August of 2016. All delays have been beyond the control of the City as it worked to comply with requirements of various agencies. There is no guarantee that an extension will be granted. A preliminary habitat study must be conducted to determine if trees will need to be cut prior to April 1 due to bat nesting. The project coordinator had not recommended property negotiations begin until the USACE permit was received. That permit will be issued soon so negotiations may now begin. Costs of property, habitat study and legal will need to be paid for outside of the project scope as

a budget increase may not be requested. Sander reminded the Council that at the beginning of the project the Council had committed to \$325,000 of local match. Since that time a Hazard Mitigation Match Grant was received that covers all original local and state match for the project so the city has had only minimal costs to this point. Potentially the city may need to expend approximately \$100,000 for the additional costs, however, that is far less than what they had originally committed. Council confirmed their commitment to the project and offered their assistance during property negotiations if needed.

Projects to complete in this budget year include West Spring St. paving, manhole replacement at 3rd and Main, rough grade the east end of Prospect, electrical upgrades to Triangle Park, electrical upgrades, landscape, concrete and gates in Riverfront Park.

Budget discussions took place with the Council reviewing the proposed capital improvements and equipment requests. Several items were removed from the list with the purchase of a new mower scrutinized. Other projects discussed for 2015/2016 were Cross Street Sewer, the 2nd St. Sewer/water/street improvements, South McGregor lift station replacement, manhole at 6th and Main. All will be considered if the budget will allow them. Sander informed the Council that Turner Park Improvement project has received a \$10,000 grant from the McElroy Trust for playground equipment. The grant is good until December, 2015 with the funds issued when the remaining funding has been secured for completion of Phase II work. With this grant about half of the money needed for the playground equipment is available. Council wishes to ensure the funds are received and asked that funds be set aside in the budget for at least a portion of the remaining amount.

With employee benefits, library, insurance, emergency and debt service entered as currently calculated the levy will raise about forty five cents per 1000 of valuation. Commercial property tax rollback, in its second year, has affected the revenues by about \$13,000 over general, special revenue and debt service funds. Council expressed concerns over employee benefits and asked the personnel committee to review ways to reduce these costs to the city through reduction of employee hours and/or a cost to employees for insurance. The clerk will continue to work on completion of the remainder of the preliminary budget which will be presented on February 18 for approval and publication with the public hearing and final approval at the March 11 meeting.

With business concluded, on motion of Muehlbauer and second of Halvorson the meeting was adjourned.

Lynette L. Sander
City Clerk