



MINUTES OF AN OFFICIAL MEETING:

Regular / Special Meeting: Finance Committee

Date and Time: Tuesday, September 21, 2021 at 7:00 pm

Location: City Hall, 2000 N Calhoun Rd, North Conference Room

Members Present: Alderman Scott Berg, Alderman Mike Hallquist, Alderman Mike Jurken, Alderman Jerry Mellone, Alderman Bob Reddin, Alderman Dave Christianson and Alderman Kathryn Wilson

Members Excused: None

Others Present: Director of Finance and Administration Robert Scott, Fire Chief David Mason, Director of Public Works Tom Grisa and Alderman Chris Blackburn

1. Roll Call

Alderman Scott Berg noted a quorum was present and called the Finance Committee meeting to order at 7:01 pm.

2. Announcements

The next regularly scheduled meeting will be held on Tuesday, October 5, 2021. A special Finance Committee meeting to review the proposed 2022 budget is scheduled for Thursday, October 14, 2021 at 6:30 pm.

3. Minutes of the September 7, 2021 regular Finance Committee meeting.

Motion by Alderman Bob Reddin, second by Alderman Jerry Mellone to approve the minutes of the September 7, 2021 regular Finance Committee meeting. Motion carried 7-0.

4. Unfinished Business

a) None.

5. New Business

a) Vouchers exceeding \$50,000 requiring immediate action.

Motion by Alderman Bob Reddin, second by Alderman Mike Hallquist to approve vouchers exceeding \$50,000 requiring immediate action. Motion carried 7-0.

b) Resolution affirming City financial policies regarding budget transfers and revenue.

Motion by Alderman Bob Reddin, second by Alderman Dave Christianson to approve the resolution affirming City financial policies regarding budget transfers and revenue. Motion carried 7-0.

c) Resolution approving professional services agreement with Ries Graphics, Ltd. to produce the 2022-2024 quarterly City newsletters for a total of \$64,533.

Motion by Alderman Mike Hallquist, second by Alderman Jerry Mellone to approve the resolution approving professional services agreement with Ries Graphics, Ltd. to produce the 2022-2024 quarterly City newsletters for a total of \$64,533. Motion carried 7-0.

d) Resolution declaring official intent to reimburse expenditures from proceeds of borrowing (Corporate Drive bridge replacement).

Motion by Alderman Dave Christianson, second by Alderman Mike Hallquist to approve the resolution declaring official intent to reimburse expenditures from proceeds of borrowing (Corporate Drive bridge replacement). Motion carried 7-0.

e) Resolution approving 2021 Capital Improvement Fund budget amendment requested by the Director of Finance and Administration: appropriate \$160,000 to expenditure account 61211301-703122-ST193 by \$160,000, for purposes of funding Corporate Drive bridge replacement costs.

Motion by Alderman Mike Jurken, second by Alderman Jerry Mellone to approve the resolution approving 2021 Capital Improvement Fund budget amendment requested by the Director of Finance and Administration: appropriate \$160,000 to expenditure account 61211301-703122-ST193 by \$160,000, for purposes of funding Corporate Drive bridge replacement costs. Motion carried 7-0.

f) Finance Committee item only – consideration of FEMA grant (Staffing for Adequate Fire and Emergency Response – SAFER) for hiring additional firefighters.

Director Scott presented an overview of the staff report regarding the Staffing for Adequate Fire and Emergency Response (SAFER) grant that the City has tentatively been awarded from the Federal Emergency Management Agency (copy of written report available for review in the Finance department offices). The City has until October 10 to accept or reject the grant, and as such, the Council will need to act at its meeting on October 5. He reviewed the grant provisions, which include funding to hire up to nine additional firefighter/paramedics and reimburse the salary/benefits cost of the added positions over a 3-year period beginning in 2022, with a total grant of \$2,994,000. To obtain the amounts under the grant, the City would not only have to hire and retain the additional employees, but also maintain the staffing levels that existed prior to the new hires (i.e., currently filled positions cannot be left vacant via attrition).

Director Scott then summarized the fiscal issues surrounding the grant. If the City accepts the grant and adds the employees in 2022, it would likely disqualify the City from receiving state expenditure restraint aids in 2023 (2022 amount of such aids is \$285,000). Failing to qualify for the expenditure restraint funds for 2023 does not preclude access to those monies in future years – the additional expenditures reset the base for future years. The longer-term and larger fiscal issue is the addition of these costs to the City budget, which would require additional property tax levy support once the SAFER grant is exhausted. Given that the City will likely still be subject to state levy limits, and further since future financial forecasts indicate a gap between allowable and estimated levy amounts (even without the fire positions), adding these costs will create a funding challenge for future Councils. Staff reviewed options for addressing the funding gap, including possible overtime savings, staff attrition after the grant period concludes, and additional levy room from closing of TID No. 5.

Finance and Fire staff then responded to questions from the Committee members. The committee also requested that certain information be provided for its deliberation and recommendation regarding the grant at its October 5 meeting. Staff requested that the aldermen provide any additional questions or information requests by September 30 in order to schedule the item on the October 5 agenda.

6. Adjournment

Motion by Alderman Mike Jurken, second by Alderman Bob Reddin to adjourn the meeting at 7:46 pm. Motion carried 7-0.

Respectfully Submitted:

Robert Scott

Director of Finance and Administration