



Janesville City Council Members: Mayor Mike Santo, Kari Grisim, Cliff Blaisdell,  
John Sprengeler, Jeff Bartelt

**MINUTES OF THE WORK SESSION  
CITY OF JANESVILLE, WASECA COUNTY, MINNESOTA  
AUGUST 16, 2016 CITY HALL 6:30 PM**

**I. CALL TO ORDER**

The Janesville City Council met in regular session pursuant to due call and notice thereof; Mike Santo called the meeting to order at 6:30 pm.

Council present: Mike Santo, Mayor  
Kari Grisim, Council Member  
Cliff Blaisdell, Council Member

Council Absent: John Sprengeler, Council Member  
Jeff Bartelt, Council Member

Public Utilities Present: John Gardner, Chairperson  
Mike Morton, Commissioner  
Frank Morrill, Commissioner

Staff Present: Clinton Rogers, City Administrator  
Andrea Moen, Deputy Clerk  
Nate Zimmerman, Utility General Manager

**II. OVERVIEW OF EXPENSES & REVENUES – 2017**

Rogers stated that the first handout is an overview of all department budgets. He stated that Local Government Aid will increase slightly in 2017. He also stated that the Management/Administrative Fees that are transferred from utility funds to the general fund decreased in the 2016 budget. It was the consensus of those present to keep the same figures for the 2017 budget.

Rogers explained that the payment-in-lieu of taxes transfers from the utilities needs to be discussed. He stated that in years past, the utilities transferred to the general fund to pay for debt service for the utility funds. Now that we are coding the debt service payments directly in the utility budgets, we need to discuss eliminating or decreasing the utility transfers. We are presently transferring \$80,000 from utility funds each year. Morton asked if the Nursing Home Board representatives should be present since we have discussed the nursing home assisting with financing the General Fund. Santo stated that he announced the work session at the Nursing Home board meeting earlier in the week. Discussion took place on asking the nursing home for assistance. It was discussed that the City Council should simply make the policy that the nursing home will transfer, as

they have not paid any payment-in-lieu for several years. These discussions arose earlier in the year and we decided then to see what the 2015 audit report showed. It was also mentioned that the golf course fund does not transfer either. It was the consensus of those present to have the utilities transfer half the amount they have in the past (\$40,000) and to have the nursing home transfer the other \$40,000. The General Fund will see the same amount for 2017.

Rogers also showed that we have averaged a 5% tax levy increase since 20014. The auditors have suggested this increase every year. Rogers asked what the Council would like to see. It was the consensus to keep the levy down and that maybe we won't see a 5% increase this year. We will work on this throughout the budget process.

For expenses, Rogers stated that he will keep a 10% increase for all insurance items in the draft budgets. This number usually decreased later in the year as final insurance numbers come in. He also stated that he will insert a 3% COLA increase for wages. This falls in line with health insurance, which will see a 3 to 4% increase. The Council will discuss this later.

### III. 2016/2017 GOALS

The second handout in the packet contains the goals for the remainder of 2016 and for the 2017 budget.

With the electric and utility budgets, staff will continue to work on the electric system mapping. Once this is complete, we will be able to complete other studies that look at the needs for growth and improvements to the system. We are also getting estimates for some work to be completed this year on radiator repairs and minor improvements to the power plant. These are budgeted for 2016.

On the personnel side, staff stated that we would like the utility board to consider hiring an additional Lineworker. A licensed Lineworker with 3 or 4 years of experience could cost an estimated \$75,000 in wages and benefits. This year has been especially busy with the First Street project and the need for more help is there. It was discussed by those present that this year is an exception. If we were to hire an additional employee and see a decreased work load, we may have too much in personnel in the years to come. It was the consensus to put the new hire into the budget and we can discuss as we finalize the 2017 budget.

For the water utility, we will place money in the 2017 budget for water tower inspections and maintenance and incorporate long term plans for maintenance into the future budgets.

Moen was present to discuss transfers to clear out the Golf Course and Firework funds deficit showing a truer picture of cash. It was stated that fund 601, 602, and 604 had a total cash balance of \$2,172,394.71 as of 8/16/16; however, after clearing the deficit of \$2,007,278.94 it leaves a cash balance of \$165,115.77 to be put into reserves for each

fund. In doing so it does not allow to cash flow come end of 2017; therefore, suggested taking a portion of the remaining balance and use rest as transfer to General for cash flow. Utility commission asked if Nursing Home is not going to contribute. Moen stated she removed because never heard anything since it was presented the first time; however, Santo stated he will bring numbers to board meeting and get back to us. Zimmermann asked to clarify the cash balance actually available to use and Moen stated that she tracks funds that are set aside and are to not be used unless for that specific fund purpose so we have a truer picture of cash. She added going forward if funds are being used for another fund transfers need to be made.

In the sanitary sewer utility, we will have all video recording of the system complete this year. Once this is done, we can have discussions on a Capital Improvement Plan. We would also like to consider removing sludge from the wastewater ponds. Early estimates show \$7-10,000 for this. Blaisdell will discuss with staff as he may be able to help plan for this. It was also stated that the sanitary sewer fund will continue to address inflow and infiltration issues as we have done in the past. Each year we make improvements which help the system.

For City Hall and General Government, staff stated that we will update the City Code book in 2017. It has been several years since this was done. Staff is also researching a program to update our cemetery records. A viable option shows that we could use our current Banyon software to record and maintain records. We are also obtaining estimates to switch our current phone system with CTS, who currently serves as IT consultants. We will look at estimates soon and see how much savings there would be.

Rogers stated that he is going to talk with department heads and develop a 5-10 year equipment and vehicle replacement schedule. This will help as we develop budgets over the years. As an example, we will need to look at replacing our tandem dump truck and Vac/jetter in the near future. Rogers mentioned that we really need to consider increasing the capital reserve transfers for all departments. We will show an increase in each line item for the draft budgets.

A brief discussion took place on scanning and storing all permanent records. Early research shows that this can cost a substantial amount of money and can be completed over several years. It was the consensus of the Council to hold off on this for now.

Rogers also stated that we are researching customer service training for employees in 2017. He also stated that we will make some minor improvements to City Hall's gutters in the next year.

In Community Development, staff will present a new building permit fee schedule at the August 22 Council meeting. Staff would also like the EDA to apply for a demolition loan program that staff recently discovered. This program can help evaluate building conditions on Main Street. Staff will also discuss the balance of the revolving loan funds and EDA levy that is imposed every year. These programs help with economic development in the community.

The Police Department will replace the outdated Tasers in 2017. This is a continuation from 2016 where others were replaced. The department will also be responsible for the maintenance and service contracts on their radios. This is a new budget item and will cost \$3,000 for 2017. We will also make some minor improvements to the building this year, depending on where the budgets look at the end of the year.

For the Fire Department, there will be additional training we need to budget for with our new hires. This could cost about \$1,300 per student. We will also need to look at applying for grants for new turnout gear. We could also look at replacing a number each year instead of all at once. The department will also be responsible for the maintenance and service contracts on their radios. This is a new budget item and will cost \$5,000 for 2017. And, for the building and maintenance, staff is currently getting pricing to replace the 4 overhead doors on the fire hall.

In Public Works, we will develop our Capital Improvement Plan soon. This should include repairs to the alleys behind Main Street. Staff has also identified three intersections that need storm sewer repairs. This could cost around \$30,000. And, finally, with Veteran's Park, staff is still looking for grant money to install a shelter / entertainment facility at the park. We have donations from various community organizations, but need more. We will continue to work on this. The Council suggested increasing the operating transfer.

#### IV. ADJOURNMENT

Rogers will place these items into the draft budget. We will also work on the current budget items and have them completed by year end.

Santo adjourned the session at 8:20 pm.

Respectively signed by

\_\_\_\_\_ Date \_\_\_\_\_

Clinton Rogers  
City Administrator  
City of Janesville