

CITY COUNCIL 2017 BUDGET WORK SESSION

MINUTES

November 7, 2016

The meeting was called to order by President Rausch at 5:30 p.m.

MEMBERS PRESENT: Mr. Taylor, Mrs. Groat, Mrs. Richardson, Mr. Rausch, Mr. Seymour, Mr. Reams, Mr. Berbee

OTHERS PRESENT: City Manager Terry Emery, Finance Director Justin Nahvi, Assistant Finance Director Sandy Hoover, Law Director Tim Aslaner, Police Chief Floyd Golden, Fire Chief Jay Riley, Public Service Director Mike Andrako, City Engineer Jeremy Hoyt, IT Director Aaron Story, Human Resource Director Brian Dostanko, Deputy Chief Spain, Deputy Chief Brooks, Events and Recreation Manager Amanda Morris, Human Resources Clerk Becky Boles, and Clerk Kris Jones

CITIZENS PRESENT: Will Channel with the Journal Tribune

AGENDA:

PRESENTATION 2017 APPROPRIATION BUDGET

The following PowerPoint presentation was given by Administration.

Mr. Rausch thanked everyone who has put a lot of effort into the budget. He said this is the first budget under this form of government and we feel that this budget really addresses Council's priorities as determined through the Strategic Plan.

Mr. Emery stated this is a budget work session and the second reading of the budget will be before Council next Monday night, so Council should not feel that they should have to have all their questions answered tonight. He added for Council to send them the questions and they will have the answers send back out to all Council.

Mr. Emery explained that the budget started in July with Mrs. Hutchinson and then she had an excellent opportunity, and Mrs. Hoover held us together through the interim phases of the budget process. He said obviously we have been very fortunate to be able to secure Mr. Nahvi as our new Finance Director. Mr. Nahvi will be giving the budget presentation tonight. Lastly, Mr. Emery would like to thank the executive staff and the Finance Committee members especially Mr. Berbee who has been available throughout the process. During the presentation, it is going to highlight some of the new full-time positions and some of the positions that are still under consideration. Mr. Emery stated when the budget process is completed tonight, our Executive Staff members will present their positions, so all of Council will understand what the positions are, and where the funding is coming from for the positions.

Mr. Emery asked for a motion to adjourn from the meeting for executive session to discuss Collective Bargaining, and there is also a Planning Commission meeting in the room at 7:00pm.

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Mr. Nahvi thanked Council for allowing them to discuss the budget proposal. He also thanked City leadership for their input into the budget and especially Mrs. Hoover's work for getting the budget prepped to this point.



Mr. Nahvi went over the agenda for this evening.

Agenda

- ▶ Objectives
- ▶ 2017 Budget Overview
- ▶ Debt Management
- ▶ Capital Improvement Plan
- ▶ City Strategic Management



Mr. Nahvi explained the components of the budget.

Components of the Budget

- ▶ Operating Budget - Expenditures are related to the day-to-day needs of the City. Examples include personnel, materials, supplies, and contracts.
- ▶ Capital Budget - Expenditures are for the purchase of capital assets or improvements to a City owned asset.
- ▶ Debt Service Budget - Includes expenditures for principal & interest payments on outstanding debt.



He continued onto the objectives for the City.

Objectives

- ▶ 2017 Budget focuses on objectives as outlined by Finance Committee and confirmed by City Council
 - ▶ Long-term financial planning
 - ▶ Maintain \$5.5 million General Fund reserve
 - ▶ Make maximum principal payments on City's outstanding notes
 - ▶ Invest \$100,000-\$150,000 per year in capital improvements for Parks & Recreation
 - ▶ Include an aggressive pavement and utility infrastructure maintenance programs





2017 Budget Summary

	2017	2016	Difference	
Operating	\$32,331,622	\$30,574,872	\$1,756,750	5.75%
Capital	9,162,981	6,695,430	2,467,551	36.85%
Debt Service	12,660,341	14,497,880	(1,837,539)	(12.67)%
TOTAL	\$54,154,944	\$51,768,182	\$2,386,762	4.61%

- Administration has reduced initial requests by \$27,249.

Mr. Nahvi stated that the budget as it is currently drawn, you will see in Operating a 5.75% increase from the 2016 approved budget. For Capital investments, there is a substantial increase which will be explained further down the in the presentation. We did have a successful refund in bonds, so you will notice that our budget has a almost 1.7 increase in savings for 2017.

He explained the details of the Operating Budget.

Operating Budget Detail



- ▶ Provides for all core services
- ▶ Overall a 4.61% increase is primarily attributed to:
 - ▶ Capital Investments as outlined in the Capital Improvement Budget
 - ▶ Non-General Fund operating increases for the Sewer Enterprise Fund group for a Master Plan Study and an increase to the TIF payment to the School District totaling \$520,000
 - ▶ Additional positions and a Cost of Living increase proposed for the 2017 Fiscal Year
- ▶ Maintains a \$4.9 million General Fund reserve

Mr. Nahvi mentioned the General Fund reserve will be down to \$4.9 million, but by 2018 it is projected to be back up to the \$5.5 million.

Mrs. Richardson asked questions on how the budget will be back to the \$5.5 million. Mr. Nahiv explained we will recoup the costs for Innovation Park by 2018.

Summary - Funded Positions

- ▶ Engineering Clerk
- ▶ Information Technology Network Technician
- ▶ Income Tax Apprentice
- ▶ Storm-Water Operator



Mr. Hoyt stated the Engineering Clerk will re-establish a position from approximately three years ago. However, it was not mentioned in the Strategic Plan. This position will allow the Engineering staff to get back to task that were discussed during the Strategic Plan. This position will be responsible for composing correspondence, public notification, minutes, contracts, and they will be the main reason for the Engineering Department. The task for this position exceeds over 40 hours and the Engineering staff doesn't have time to complete it, once this position is filled we will have more time to review plans and planning out infrastructure.

Mr. Story explained the Information Technology Network tech position has been in the plans for a while, but we have not received funding. He said with the amount of projects and tasks that we are going through in the IT department. In 2015, we put our trouble ticket program into place, since then we have worked over 3,000 trouble tickets. A lot of different departments are demanding more technology. This position will be in the departments and will be handling all the different software and projects in the different departments that are IT related. This is due to the growth of the City.

Mrs. Richardson asked if this position would be full-time. Mr. Story stated absolutely.

Mrs. Hoover discussed the Income tax **apprentice** position. She said this would take the current permanent part-timer and moving her into a full-time position. This would be giving us an extra five hours of work a week. These extra five hours would help us to take care of the HB5 stuff that is starting to come up. She said there is a lot more work coming up to do returns and audit returns. This position will help as well with the collection of past due debts.

Mr. Andrako stated the Storm-Water Operator position. We have requested another full-time employee to work directly with Storm-Water projects and will be paid out of the Storm-Water fund. He said we have currently promoted one full-time to foreman, but are holding off on it because we only have two full-time employees in the division.

Mr. Emery stated these are the four new positions that are currently in the 2017 budget, however, you will hear from some other department heads regarding some potential positions in the future.



Mr. Nahvi stated the current slide is positions for future consideration during upcoming budgets.

Chief Riley talked about the hiring of three potential firefighters. (the audio was very low and hard to hear)

Mr. Emery stated this is obviously something still under discussion and we will bring it back to Council committee as soon as we solidify the information. He thanked the Fire Chief for his patience and understanding.

Chief Golden talked about the hiring of a School Resource Officer. He explained the schools were asked to help support the position during the school year. Mrs. Richardson asked what the SRO would be doing while school is not in session. Chief Golden explained he would be helping out with our Community Policing Department or on patrol, where ever they are needed to help. (There are not a lot of comments because the audio was very low and difficult to hear.)

Mr. Emery stated that we are going to go back to the IT Department, there were actually two positions from the IT Department. This position it was decided to look at again after the first quarter.

Mr. Story explained the IT GIS Tech position that was proposed for the budget. He stated we have a GIS person now, that is wearing two hats, GIS and system administrator. He said with time constraints a lot of the GIS projects are being pushed to the back burner, which is not good. There is a lot going on with the GIS and the County with the growth.

Mr. Andrako gave information on the Urban Forester position. He said there is a tree fee that he is recommending to charge (which will be on the Finance Committee agenda this month) which would be charging so many feet per percentage of development. Since the City is taking over the maintenance of street trees and replacing them once they are removed. He suggests that we use the model from other Cities that have worked quite well with this position. He believes we can do this with little impact to the General Fund. The Urban Forester position would work in the Parks & Grounds division, and report to the foreman of the Parks & Grounds, he is proposing it as an R16. He said this position would be completely funded by the Street Tree fee Fund.

Mrs. Richardson asked if we expect the Developer to put Street Trees in now. Mr. Andrako answered yes. Mrs. Richardson asked if the Developer plants the trees, **are they responsible for the upkeep of the trees?** Mr. Andrako stated the Developer will warrant the trees for a certain amount of time and after that the City would take over.

Mr. Emery stated he really appreciates ideas that come from the Executive Staff that has a way to fund the position as well, and develops a pro-active program and not a re-active program.

Mr. Emery stated finally he will hand it over to Mrs. Morris. We have all **seen** the impact of our recreation programming and events that we have been having. Mrs. Morris brought forth the concept of bringing forward the current permanent part-time employee into a full-time position. Mrs. Morris stated this position is currently 35 hours a week, we are requesting an additional 5 hours. The growth this year alone, we did expend a lot of comp time. Mr. Godfrey was off for the last couple weeks because of all the comp time he incurred with helping out during this summer.

Debt Management Summary

- ▶ \$12.7M in principal & interest
- ▶ Aggressive pay down on 2 facility notes - \$750,000 to achieve Finance Committee and Administration's objective



Mr. Nahvi stated that there would be a \$1.7 million savings from the current year.

Capital Program Summary

- ▶ \$9,162,981 in Capital Expenditures
 - ▶ Vehicles & equipment replaced as per standard rotation
 - ▶ Viewing occurred on October 24, 2016
 - ▶ \$2,000,000 for Innovation Park
 - ▶ \$1,370,000 in water line replacements
 - ▶ \$640,000 for resurfacing, sidewalk and curb maintenance
 - ▶ \$525,000 in water storage tank maintenance/painting
 - ▶ \$250,000 for the purchase of right-of-way
 - ▶ \$127,100 invested in parks & recreation

Mr. Nahvi explained the Capital Program summary. Mr. Rausch stated in the Capital Program Summary you will notice that there is no money in the budget for the Cooke Pointe Road. Mr. Nahvi and Mr. Emery agreed with Mr. Rausch. Mr. Rausch stated as of right now, we still do not have a signed agreement with the Cooks. Mr. Emery stated there have been some unusual requests that are not normally considered when discussing TIF. Mrs. Richardson stated that the Public thought this was a done deal, and have been waiting for the road to be constructed. She said it is important for the public to understand what happened as well.

Mrs. Richardson asked about the \$127,100 for Parkland Fund. She asked if there was a specific park or capital improvement project because she did not see anything when reviewing the budget. Mr. Andrako stated there is \$50,000 in the budget for trail paving. He said there is not one specific project, but a lot of that is going on the Jim Simmons Trail. He suggested that there are a lot of asphalt trails that are aging, we should consider putting the \$50,000 in as an annual request to keep repaving the trails.

Mr. Andrako stated that the sign replacement is also included in the Parkland Fund. He said it is \$12,000 to replace three signs.

Capital Program - Highlight Innovation Park - Phase 1

- ▶ This project will include the design, survey and permitting for the entire 200 +/- acre Innovation Park
- ▶ The construction phase of this project will include the roadway, sanitary sewer, waterline, storm sewer, landscaping and pedestrian facilities for the first 70 acres (7 lots) of this development
- ▶ It is anticipated that the design will begin in January with the construction beginning in the Spring
- ▶ This \$2.0M design and construction project will be solely funded using General Funds



The image is a presentation slide for the City of Marysville. It features a green and white color scheme. At the top right is the City of Marysville logo with the tagline 'where the grass is greener'. The main title is 'Capital Program - Highlight Innovation Park - Phase 1'. Below the title is a bulleted list of project details. To the right of the list is a map titled 'Overall Master Plan' showing the layout of Innovation Park with various colored zones and infrastructure lines. The map includes a scale bar and a north arrow. The slide is framed by green geometric shapes on the left and right sides.

Mr. Nahvi stated he would like Mr. Hoyt explained to explain two of the major projects in the Capital Program.

Capital Program - Highlight W 6th St & S Court St Waterlines

- ▶ After multiple breaks on the existing cast iron waterline, the City Water Division has elevated this project to the top of their Capital Improvement project list.
- ▶ The waterline will be replaced with new PVC C909 waterline under the existing pavement of both of these roadways
- ▶ It is anticipated that the design will occur during the Winter with construction starting in the Spring
- ▶ This \$1.37M project will be funded using Water Division funds



Mr. Andrako explained the Waterline project. Mrs. Richardson asked what fund this project would come from. Mr. Andrako stated it would be fund 551.

Information Technology Investments

- ▶ Fiber Network Expansion - Continue to expand Marysville & Union County fiber footprint with other UCCOG members - \$150k
- ▶ Telephone & Recording System - Upgrade from our existing phone and recording system - \$115K
- ▶ Closed Circuit Television Security System - Continue to grow the Security Camera system throughout Marysville freeways, streets/intersections, buildings & parks - \$100k
- ▶ Disaster Recover Phase One - Phase One of building a technology DR operation plan for city of Marysville staff in case of a disaster - \$50k
- ▶ Windows Server Data Center - Upgrading all Windows physical and virtual file servers - \$20k

Mr. Emery stated information technology continues to increase in the budget, because we are playing catch up in some areas. Mr. Story explained the investments in the IT department.

The slide features a green and white geometric background. In the top right corner is the City of Marysville logo, which includes a stylized 'm' and the text 'CITY OF marysville where the grass is greener'. The main title 'City Strategic Management' is in a large, bold, brown font. Below the title are three main sections, each starting with a square bullet point: '2016 Strategic Planning Process (Recap):', 'Strategic Plan in Action:', and 'What's Next for 2017:'. Each section contains several smaller items, some with arrow bullet points and some with square bullet points.

City Strategic Management

- 2016 Strategic Planning Process (Recap):
 - ▶ Strategic Planning, Training Sessions (January)
 - ▶ S.W.O.T. Analysis (January-February)
 - ▶ Work Sessions/Building the Plan (February-June)
 - ▶ Final Strategic Plan 2016-2020; *Resolution 26-16*
- Strategic Plan in Action:
 - ▶ Departments/Divisions utilize the plan in managing resources.
 - ▶ Strategic Plan used in formulating the 2017 budget submission (including the Strategic Workforce Plan).
 - ▶ 2016 City Report - will contain "updates" on goals and action steps.
- What's Next for 2017: Plan a session to review the plan, update as needed, and address Goal 8-2, Action Step- "explore the use of Work Sessions in future years."

Mr. Emery stated he did want to address what impact the Strategic Plan session has had on 2017 budget. Mr. Emery suggested that it will be important to plan a session to review and update the plan in early 2017, and we want to plan on how we want to handle strategic work session into the future. The bottom line is in the 2017 budget you will see goals to work on trying to accomplish the priorities that were set out in the Strategic Plan. He appreciated everyone's help with the Strategic Plan.

Mr. Rausch stated that the State of the City Address will be on January 23rd. He stated we would really like to have the next Strategic Planning weekend either February 4-5 or February 11-12 or February 18-19. The earlier the better. Mr. Rausch asked Mrs. Jones to send out a email to all of Council members on which weekend is free for Council.

2017 Budget Presentation



QUESTIONS?

Mr. Emery stated that they did forward out questions that we received from Mrs. Richardson, and a second batch were received today, and will be going back out to everyone tomorrow.

Mrs. Richardson thanked everyone for the answers to her questions.

Mr. Rausch brought up the second meeting in December. Due to the Council Rules, we would move that to Tuesday, the 27th but with it being close to New Years, he would suggest we move it the 19th. Mr. Taylor suggested the 1st and 3rd Monday's in December meetings. Mr. Rausch asked to have a plan in place Monday night at our meeting. Mrs. Groat stated that Public Affairs will meet on December 19th at 6pm. Mr. Emery stated there is a special Council meeting on December 20th at 6:30pm.

Mr. Rausch moved to reschedule the second meeting in December to December 20th and the question put, stood:

Mr. Taylor YES; Mrs. Groat YES; Mrs. Richardson YES; Mr. Rausch YES;
Mr. Seymour YES; Mr. Reams YES; Mr. Berbee YES

Mr. Reams moved to adjourn to executive session, Mr. Taylor seconded and the question put, stood:

Mrs. Groat YES; Mrs. Richardson YES; Mr. Rausch YES; Mr. Seymour YES;
Mr. Reams YES; Mr. Berbee YES; Mr. Taylor YES

ADJOURNMENT: There being no further business to come before Council, the meeting was adjourned to Executive Session at 6:37 p.m. Being no further business to come before Council, the executive session was adjourned at 6:49pm. The meeting was adjourned at 6: 50pm.