A Budget Workshop of the City Council was held on Wednesday, April 23, 2014, at 5:30 P.M.

The following were present: Councilmembers Clark, Arora, Denner, Robson, Theokas, and Grano, and Mayor Heenan

Also present: Dale Krajniak, City Manager, Jane M. Blahut, Finance Director/Clerk, David Hiller, Director of Public Safety, and Barbara Bowman, Assistant City Attorney

BUDGET HIGHLIGHTS:

City Manager presented an overview of the proposed budget noting operating, rubbish, and communication tax levy has remained the same as the prior year. He stated the bond levy has been increased from .84 to 1.00 to levy the amount due, noting the principal payment for f/y 2015 from $200,000 to $300,000.

City Manager noted debt retirement of $29,000, in the general fund will be retired within the upcoming budget year. He noted the DDA debt in the amount of $114,286 will also be retired within this budget year.

City Manager stated the refuse disposal contract has been renegotiated and the savings will be approximately $40,000 per year. He noted the capital improvement fund includes several expenditures including computers for the public safety vehicles in the amount of $27,000 and software for the Treasurer’s Office including General Ledger, Accounts Payable, Accounts Receivable, Payroll, Utility Billing, Taxes, Assessing, and building department. He noted the software currently used was purchased in 1990 and does not function to the capacity that BS&A, the new software, could. The purchase for this software is $87,000 and will be spread over three budget years. There is also included within the budget $30,000 for park acquisitions including the resurfacing of the Windmill Pointe Park tennis courts.

DWSD has passed on significant increases to the flat rate charges. Water has a flat rate increase of $26,232 and a flow rate increase of .48 per hundred cubic feet. The sewer flat rate charge has been increased by $923,172, however, the flow rate for sewer has been completed eliminated and the estimated credit is $640,143. DWSD has also passed on lookback adjustment in the amount of $58,800 annually. To summarize the total net increase is $282,141.

Councilmember Denner recommended rather than increasing the DW flat rate charge of the total increase, to increase the water flow rate by that increase, and all other flat rate increases be assessed to the DW flat charge.

City Manager presented a slide presentation on the condition of the roads within the City rating them on a one to ten priority. He provided several options for funding the resurfacing of the roads and replacement of the curbs.

Option One: Assess costs for homeowners based on front lot width.
Option Two: Provide for a millage dedicated for street improvement only and provide with a limited term.

Option Three: Assess a flat rate charge to each structure for the same amount, reasoning that everyone in the community uses the roads equally throughout the City.

Assistant City Attorney noted a special assessment is a tax. To assess fees based on the frontage of properties would require a market analysis. The analysis would have to reflect the increase in value for each property owner based on the frontage of the lot. The increase in value must be proportional to the benefit of the individual property. She would not recommend this option as we wish to undertake the entire city.

Councilmember Denner recommended a decreasing millage rate. Collect what is needed in year one and reduce the millage each year as the work is undertaken. Bowman noted she could review however, normally it’s reflected as a not to exceed a rate which allows that latitude.

Mayor Heenan asked if refinancing current debt is an option to raise revenues.

Assistant City Attorney stated debt can be refinanced at a lower rate, however, to extend the term longer than the original debt is not permitted.

Another budget workshop has been scheduled for Wednesday, May 7, 2014, at 5:30 P.M.