

City of Lodi Finance & Human Resources Committee Meeting
Minutes of August 21, 2018

1. Call to Order

The Finance & Human Resources Committee meeting was called to order by Alder Stevenson at 4:02 p.m.
Committee Members present: Rich Stevenson, Eric Hansen, Paegge Heckel, Suzanne Miller, Anne Groves Lloyd and Peter Tonn

Absent:

Staff present: Jennifer Sweeney, Sandy Bloechl, Kennan Buhr, Trisha Frankland, Kristine Millard Dawn Collins and Julie Ostrander

Others present: Mayor Ness, Neil Heskin, and Nancy Long

2. Public Input: None

3. Minutes of July 17, 2018

Motion by Groves Lloyd, second by Heckel to approve the minutes from the July 21, 2018 Finance & Human Resources Committee meeting. Motion carried.

4. 2019 Budget Departmental Review

4.a. Lodi Woman's Club Public Library Budget

Columbia County amount budgeted is the bare minimum that they will receive. Nancy pointed out that the library has become important for those that don't have internet access especially rural customers. Numbers from Friends of the library and the library board have not been entered yet because they are not sure how much will be available. Also mentioned many libraries are moving away from collecting late fees and it is estimated that desk receipts are made up of about 50% of late fees (about \$6,000). Expenses have been kept the same and a couple of them are planned to decrease. Capital expenses \$8,700 is for one furnace and resurfacing the parking lot. Frankland stated that 77% of the County money is from the Town of Lodi which funds their user ship at 29%. City of Lodi's user ship is funded at 51%.

4.b. Public Works Budget

Ostrander stated assumption for wages is 3% because that is about what COLA is. Benefits are at a 10% increase right now. Highway & Street Construction is a huge increase because some items that were previously in the capital budget are now in operations. Wheel tax funds will be available for street improvements. The utility budget cannot afford to do the upgrades needed under Fair St. and that is why a short section of road was selected. The section of Fair Street that was selected is in front of the Catholic church (Millston to Pond) even though the road in front of the pool is in good condition. Ostrander pointed out that the utilities are strapped for funds because of the huge amount of work that was done for the new school. The idea was presented by Tonn to start thinking of only doing mill and paving instead of doing all the utility reconstruction required underground. Stevenson pointed out that if we have crumbling systems underground we can't just mill & pave. Looking at not approving Fair St project. Approving the multi-use path and the storm sewer issue down by Dollar General. PW needs to come back with street projects that will only be mill and paving and no infrastructure.

Solid Waste budget historically had been subsidized by the General Fund. With the new system it will be funded by the cart systems for several years without having to increase the assessment.

4.c. Electric Distribution Utility Budget

Ostrander explained that the rate increases are not in this budget yet. We did ask for a 7.5% increase which the PSC did not agree with and we were approved for less than 3% on average. The capital expenses will be less if the Fair St road project is denied.

4.d. Water Utility Budget

Ostrander has received a long list of questions from the PSC regarding the water rate increase and there is a 3% rate increase built into this budget. Since it still isn't approved by the PSC we are not sure how much of a rate

increase we will receive or when it will be effective. The capital expenditures will change since the Fair St project will not be done in 2019. There will be no debt paid off until about 2025.

4.e. Wastewater Utility Budget

Ostrander said that a 3% increase is in the budget which has already been in effect since March 2018. Buhr mention that there is a lot on the capital projects sewer budget but they need to be done. The street project sewer replacement will be removed since the Fair St project will not be done. Tonn pointed out that the cost of sewer replacement for highway 60 is costing a large sum of money for very few users. Tonn wanted to know the cost of abandoning the old infrastructure and putting in new because the right of way is so large. Buhr will come back with numbers for laying new pipe.

5. Approve July 2018 Check Register Summary

Motion by Groves Lloyd, second by Miller to send to council the July 2018 Check Register. Motion carried

6. Approve July 2018 City Payroll

Motion by Miller, second by Groves Lloyd to send to council to approve the July 2018 City Payroll. Motion carried.

7. FLSA Exempt Status

Heckel covered the topic regarding if a supervisor is supposed to be exempt and not eligible for overtime. Heckel suggested that the overtime be managed better and try to not incur it on a regular basis.

8. Review Aged Accounts Receivable

Items discussed.

9. Discussion on Benefits

Hansen went over the current benefits that the city has compared to the options through market place instead of ETF. If the private marketplace option is selected then all employees would be using the same company. Stevenson suggested staying with the ETF plan. Heckel agreed. All employees would have to fill out applications if the private marketplace option is selected and answer medical history questions. The amount the city pays is 90% of the lowest cost Columbia County provider. Heckel will double check to see how much the state contributes towards health insurance for employees. Hansen will do a comparable of City of Lodi benefits with other municipalities of similar size.

10. Classification and Compensation Policy Discussion

Heckel explained that they were looking at how to move within the pay ranges along with rewarding employees who have worked in a position for a long time. Decisions needs to be made if merit raises are base building to allow the employee to move through their grade or just a one-time merit payment. Possibly change how often the survey is done for pay grades. This will be brought back to the next meeting. Discussion followed.

11. Date and Time of Next Meeting

Tuesday, August 28th at 4:00.

12. Adjourn

Motion by Heckel, second by Stevenson to adjourn. Motion carried. The meeting adjourned at 7:35 p.m.

These minutes have been approved.