

City Council Meeting Minutes

**September 29, 2020
Electronic Meeting
6:00 PM**

Call to Order – Mayor Stolzmann called the meeting to order at 6:00 p.m. **Roll Call** was taken and the following members were present:

City Council: ***Mayor Ashley Stolzmann
Mayor Pro Tem Dennis Maloney
Councilmember Kyle Brown
Councilmember J. Caleb Dickinson
Councilmember Deborah Fahey
Councilmember Chris Leh
Councilmember Jeff Lipton***

Staff Present: ***Heather Balsler, City Manager
Megan Davis, Deputy City Manager
Kevin Watson, Finance Director
Nathan Mosely, Parks, Recreation, & Open Space Director
Kurt Kowar, Public Works Director
Rob Zuccaro, Planning & Building Safety Director
Chris Neves, Information Technology Director
Sharon Nemechek, Library Director
Dave Hayes, Police Chief
Megan Pierce, Economic Vitality Director
Kathleen Hix, Human Resources Director
Emily Hogan, Assistant City Manager for Communications
& Special Projects
Meredyth Muth, City Clerk***

Others Present: ***Kathleen Kelly, City Attorney***

Mayor Stolzmann noted that because of the COVID-19 emergency the meeting is being held electronically. She gave information on how the meeting process will work and directions for those dialing in on how to participate when it is time for public comments.

Councilmember Brown noted that he would be leaving the meeting for a short time and rejoining again.

DISCUSSION/DIRECTION – CITY MANAGER’S PROPOSED 2021-2022 OPERATING & CAPITAL BUDGET, 2021-2026 CAPITAL IMPROVEMENTS PLAN, AND 2021-2026 LONG-TERM FINANCIAL PLAN

Mayor Stolzmann noted this is the first in depth discussion of the budget and there will be additional meetings and the public hearing in October.

City Manager Balsler noted an addendum to the packet was put out late today with additional information on the Recreation Fund and answering some Council questions.

Director Watson reviewed the Recreation Fund projections as it was the only significant change since the presentation last week. Staff is leaning towards a worst case scenario for 2021 with only a 10% increase in revenue from 2020, a return to 80% of pre-COVID numbers in 2022, and back to 100% by 2024. Additional transfers from the General Fund would be needed to keep the fund balance at minimum levels. Staff recommended an initial \$350,000 transfer for 2021 as a start.

Mayor Stolzmann supported the initial \$350,000 transfer from the General Fund.

Mayor Pro Tem Maloney agreed that using conservative numbers is the best plan as we don't know what will happen. He also supports the 2021 \$350,000 transfer.

Members discussed the policies and goals that guide the Rec Fund.

Public Comments – None

The consensus was to include the \$350,000 transfer for 2021.

2021-2022 OPERATING AND CAPITAL BUDGET

Mayor Stolzmann asked for questions about the proposed operating budget.

Councilmember Lipton noted the citizen survey showed people wanted a higher level of street maintenance and snow removal. He wondered if this needs to be addressed. Director Kowar stated the City is on pace to meet the pavement improvement goals in the six-year plan. Additional funds would be used to focus on neighborhoods. Staff is working on a list of projects that could be added if bids come in lower than anticipated.

Councilmember Lipton would like to find out what exactly people are dissatisfied with related to streets. He asked that this survey be part of the 2021 Work Plan discussion.

Councilmember Lipton stated he does not support full elimination of Nite at the Rec. While it can't continue right now he would like to keep a place holder for this in 2022. Members agreed it should be added back into the budget starting in 2022.

Mayor Pro Tem Maloney stated he supports the revenue assumptions in the proposed budget and he feels they are sound based on what we currently know.

Mayor Pro Tem Maloney asked for more details the plan to pay for the Transportation Master Plan items. He would like the 2021 Work Plan to include discussion of a possible ballot issue in 2021 to pay for these projects.

Mayor Pro Tem Maloney asked if the funding allocated for the Quiet Zones is sufficient. City Manager Balser stated that right now staff is confident what we have is sufficient and will cover most of what is planned. More information will be available in the next couple of weeks and that will allow us to lock in costs.

Mayor Pro Tem Maloney stated he wants to make sure we can pay for these upgrades as we have committed to them.

Mayor Pro Tem Maloney stated he supports including a 2% merit increase for staff for 2021 and 2022 rather than the proposed 1%. Members were supportive of the 2% merit increase for 2021 and 2022 being included. City Manager Balser noted that in mid-2021 she would like to look at the market increases that might be needed to keep us competitive in the labor market.

Members supported the proposed funding for sustainability staff and equity and inclusion efforts.

Public Comments - None

2021-2026 CAPITAL IMPROVEMENTS PLAN

Councilmember Lipton is concerned there are no placeholders in the out years for Transportation Master Plan projects. He would like a placeholder included in the CIP for these projects. Mayor Pro Tem Maloney agreed.

Mayor Stolzmann noted some of the projects in the Transportation Master Plan are just so high that a placeholder won't help.

Staff will look at some of the projects in the Transportation Master Plan that can be added in the out years and keep within budget. City Manager Balser noted this may require some other cuts to the CIP. This will come back to the next budget discussion.

Members discussed the option for solar panels on the Rec Center or other City facilities and if that could be fit in the budget.

Councilmember Brown left the meeting (7:28 pm).

Mayor Stolzmann noted staff is asking for direction on the CIP projections. As proposed in 2022 the CIP is projected to have less than \$1 million in fund balance. \$1 million is the typical minimum threshold for that fund, although no minimum fund balance is required. Members will look at this again after all the CIPs finalized in a later iteration of the budget.

Mayor Stolzmann reviewed the option for working with Xcel to purchase Renewable Energy Credits (RECs). The cost for 2021 is \$625,000. She noted it is one way to reach our sustainability goals and move something forward although it is not perfect. Our residents are very supportive of moving forward on reduced carbon emissions.

Councilmember Lipton stated he is not supportive of the REC purchase and would rather find ways to directly reduce emissions. He supports asking residents if they want to pay for this with a tax. He does not support the City paying it for this one year when we don't have a long term commitment.

Councilmember Dickinson stated he supports funding this but recognizes it would be difficult to do it this year.

Mayor Pro Tem Maloney supports making this a ballot issue for 2021 to see if residents support this. He stated his is reticent to do this this year without a long-term funding plan.

Councilmember Leh stated we need to find a way to reduce our carbon footprint and there are a variety of ways to do this; this might be one tool in the toolkit or there might be better ways to do this. At this point it is unclear.

Councilmember Fahey agreed everyone wants to reduce our carbon footprint but we can't afford to do it all right now. She supports a 2021 ballot question. This agreement is not ready to go right now.

Mayor Stolzmann supports the payment as a way to cost effectively reduce our emissions and this is what our residents want.

Councilmember Lipton suggested the \$600,000 could be used for other sustainability projects if it is not used on this.

Members agreed to put this on the 2021 Work Plan discussion and staff will look into what the \$600,000 could be spent on in 2021.

Councilmember Brown returned to the meeting (8:25 pm)

Members reviewed some of the CIP projects individually reprioritizing some items.

Members added the Front Street Plaza CIP to the 2021 Work Plan.

Public Comments - None

STRATEGIC PLAN AND PRIORITY INITIATIVE CHANGES

Deputy City Manager Davis reviewed the proposed updates to the Strategic Plan. The Strategic Plan includes the City's mission, vision and values, and highlights some of the high priorities the organization aims to accomplish over a two-year period, aligned with the biennial budget. The proposed changes to the Plan include new priority initiatives for FY 2021-22. Staff is also proposing some minor changes in the mission, vision, and values to reflect the City's values of diversity, equity and inclusion.

Davis reviewed how the strategic plan interplays with the budget with funding for projects and programs that have been identified through the budget process as areas where the City will increase our investments, service levels, and capital infrastructure in this two-year period to advance the Plan.

Councilmember Brown stated he wants to make sure the community conversations on racial equity are being incorporated in the plan. He wants to be sure the community is being open to everyone and this should be included throughout the Plan. He would like Council to look at policy options to address affordable housing.

Councilmember Fahey would like sustainability discussed in the Plan. Staff will look at how that can be incorporated more clearly.

Councilmember Leh agreed affordable housing needs to be addressed. He would like inclusivity addressed more clearly in the initiatives.

Public Comments – None.

ADJOURN

Members adjourned at 9:17 pm.

Ashley Stolzmann, Mayor

Meredyth Muth, City Clerk