

City of Decorah Council Budget and Finance Committee Budget Workshop

Wednesday, January 31, 2018 – 4:00pm

The City of Decorah City Council met in special session in a budget workshop to review the Fiscal Year 2019 City Budget. Chair Randy Schissel called the meeting to order and the following answered roll: Kirk Johnson, Johanna Bergan, and Andy Carlson. Dan Bellrichard, Steve Luse and Ross Hadley were also in attendance. Others in attendance: Mayor Lorraine Borowski, City Clerk / Treasurer Wanda Hemesath and City Manager Chad Bird. All department heads were also in attendance.

Agenda

1. Introduction and background

Schissel opened the meeting and turned further discussion over to Bird and Hemesath. Bird noted Decorah's taxable valuations increased this year by 8.4% or \$27,066,549. This compares to an increase of 1.8% in FY18 and an increase of 3.5% in FY17. Bird noted the state's residential rollback decreased by 1.3% to 55.6209% of assessed valuations.

2. Review levy rates and information

Bird noted in the proposed FY19 budget that the levy rate would decrease by 6 cents per thousand of assessed valuation. Bird reviewed rates and debt schedules and noted each budget center or enterprise fund is paying for its own debt service with the exception of the Hwy 9 Water & Sewer Improvement Project and the fire trucks. Bird noted those are paid from the general obligation debt service fund, which is made up of \$1.00 for the 2014 Hwy 9 water and sewer utility project, \$.48 for the aerial ladder truck, and \$.19 for the Engine One fire truck. This provides a total debt levy of \$1.67 and compares to last year's \$1.83 per thousand of assessed valuation. The proposed levy rate is \$14.08.

3. Review debt service

Bird and Hemesath noted in FY19 Decorah has seven outstanding debt issues and they reviewed each on a debt table. Bird added that for FY19, the city has added one new debt structure, which is the Hwy 9 water / sewer extension West. He noted it is a three-year debt retiring in June 2022. Hemesath noted four debt obligations set to retire in FY19;

- (1) the 2012 Short Street Improvement Project,*
- (2) the 2014 refinancing of the 2008 Business Park Improvements, including the elevated water storage facility,*
- (3) the 2012 refinancing of the Waste Water Treatment Plant Improvement Project, and*
- (4) the 2014 Engine One fire truck.*

She said retiring these four debt issues leaves the city in an extremely strong financial position.

4. Review Department Budgets

Bird reviewed each department budget with the council and there was general discussion about additions and deletions from several budget areas.

5. Review and prioritize new requests

Bird and Hemesath reviewed new requests from the departments including several improvements in the parks dept, a new computer for the fire dept, and a Gator for the park dept. There was also conversation about several needed repairs in the library and general conversation about looking to fund those via a city loan or bond.

Hemesath demonstrated the departments' ability to fund the new requests and the council generally agreed to keep them in the final budget request as presented.

6. Discuss other budget matters, priorities, and planning

1. Consider non-profit requests

The council reviewed the funding requests without physical or verbal presentations from the non-profits. The council generally agreed to fund the requests and include them in the final budget. There was general discussion about how to consider funding these special requests in the future. Bird noted he would ask each to present an annual report after the start of the fiscal year and then look to the finance committee for further direction.

7. Conclusion and direction

1. Budget must be adopted by March 15. Public hearing proposed for March 5.

The council conclude the review of the budget, thanked the staff for their work in preparation for FY19 and holding costs down. The council set March 5, 2018 as the date and time for the public hearing and adoption of the budget.

8. Conclusion and direction

Feb 5, set public hearing

Feb 13, publish budget certification

March 5, Public Hearing date and council approval

There was no other business and the meeting adjourned at 8:12pm.
Respectfully submitted,

