

OAK GROVE COUNCIL
Work Session Meeting Minutes
Monday, August 29, 2022

The Budget Work Session of the Oak Grove City Council was called to order by Mayor Denno at 6:00 p.m. on Monday, August 29, 2022. Pledge of Allegiance was said, and roll call taken.

Present: Dan Denno, Mayor
Weston Rolf, Council Member
Mike Wylie, Council Member
John West, Council Member

Also Present: Jessica Rieland, City Clerk
MaryEllen Stuk, Abdo
Rob Engler, Fire Chief
Matt Anderson, Public Works Director

Via Zoom: Paul Tradewell, Council Member

1. 2023 Preliminary Levy & Budget

MaryEllen Stuk with Abdo noted that this is the second budget work session, the first work session was in July. She presented the budget calendar and mentioned that they plan to adopt the preliminary levy on September 12th. Ms. Stuk reviewed the budget highlights and fund transfers. She noted that the projected tax rate for 2023 is 21.46%.

Council Member Tradewell asked if the parks and trails items come out of the general fund or parks fund. Ms. Stuk replied that the funds will come out of Parks.

Council Member Wylie inquired about the furnace and roof replacement at City Hall. Administrator Wickham replied that those expenses were planned for and will cost \$50,000. Council Member Wylie noted that the prices seemed low and asked when the quote was received. Director Anderson replied that the roof quote was received in the Spring. Administrator Wickham mentioned that both purchases were moved from the general fund into the CIP. He added that Staff will get updated quotes but they won't affect the budget next year since they are capital projects.

Council Member West inquired about the transfer of \$50,000 for trail maintenance. Administrator Wickham replied that the city has transferred \$50,000 into that account for the past couple of years. He noted that the need is greater than that, but that amount is enough to replace a section of trail if needed. Council Member West mentioned that he has been riding his bike on the trails and noticed that they are in rough shape. He asked if trail maintenance is on a schedule. Administrator Wickham stated that he is working on getting the trails on a schedule similar to the one the city has for roads.

Mayor Denno noted that the city has an increase in expenses of 8.57% yet the increase in taxes is approximately 25%. He inquired about the offset. Ms. Stuk replied that the city is reducing the transfers in and increasing the transfers out for capital expenditures which creates that gap.

Council Member Rolf mentioned that he visited the playground at City Hall, and he believes that the equipment there is in good condition and can be moved back in the CIP schedule. He noted that he has been to the public works garage to look at the trucks and they are in rough shape. He inquired about a bobcat that was scheduled to be purchased.

Administrator Wickham noted that a bobcat was scheduled to be purchased in 2023 and is not on the current report but needs to be added back on.

Council Member West also believes that the playground equipment can be moved back in the CIP schedule. He inquired about the portable generator for public works.

Director Anderson explained that the new generator would be replacing the one they have. He noted that they use one generator for six locations when the power goes out in the city. They bring it to the water plant, sewer plant, two lift stations, fire station 2 and public works. Administrator Wickham noted that Staff is considering using the American Rescue Plan Act (ARPA) funds to purchase a generator for the Lake George water plant.

Council Member West inquired about the proposed storage building for Public Works. Director Anderson replied that they have outgrown the three storage garages they currently have. The garages came from the old EDA property at Lake George and were moved to the public works building in 2002. The garages have deteriorated and need to be replaced. Director Anderson mentioned that he received a quote for a 42x96 pole building with a concrete floor and the estimate was \$173,000.

Council Member Wylie believes the city needs to start ordering the items on the CIP because they have been pushed off long enough. He noted that everyone would like to keep taxes down, however, this should be viewed as an investment in the city's future, and they are necessary expenditures.

Council Member Tradewell asked if the public works asset acquisition fund balance reflected the \$100,000 transfer in.

Ms. Stuk replied yes, the balance reflects the transfers in and the transfers out for capital purchases.

Council Member Rolf inquired what the ARPA funds will be used for. Administrator Wickham noted that he would add it to the regular meeting agenda for further discussion. He added that the city has until the end of 2024 to use the funds.

Council Member Rolf would like to reduce the percent of COLA and merit pay increases to 4% instead of 4.5%. He mentioned that he does not believe a merit system works well for the public sector and would like to move back to the step system.

Administrator Wickham noted that the current system is still half the amount than the old step system would have allowed. He mentioned that Staff will review and update the compensation analysis report that was completed by Abdo last year and bring it forward at an upcoming meeting. However, if the council would like to move back to a step system, he recommended budgeting for a more robust compensation analysis.

2. 2023 CIP

The council would like to move the playground equipment to a different section of the CIP since it comes out of Parks funds. They would also like the road maintenance allocation reduced to \$400,000 instead of the recommended \$600,000.

3. Adjournment

MOTION MADE BY COUNCIL MEMBER ROLF, SECOND BY COUNCIL MEMBER WEST TO ADJOURN. Motion carried 5-0. The meeting was adjourned at 7:55 p.m.

Respectfully Submitted,

Jessica Rieland
City Clerk