

Councilmember Barthel asked if gravel roads would be considered for rural areas.

Mr. Dickinson stated the policy decision previously made is for asphalt, noting that it's a quality of life issue. He reviewed the list of replacement equipment and the potential pedestrian tunnel under Crosstown Boulevard. He reviewed the proposed capital improvements related to water and provided details on the water meter replacement that may occur in the near future. He moved to pedestrian trails and provided details on reconstruction costs. He noted the Park and Recreation Commission has prioritized the list and confirmed that citizen complaints can be a part of that process. He provided additional details on the proposed street project areas and proposed intersection updates.

Mayor Trude stated even marked crosswalks provide another level of alert to drivers.

Mr. Dickinson stated the first round of selections has been made for the 2020 - 2024 street overlay program cycle, noting that staff is still working to identify additional roads. He provided details on cash flow and how road CIP projects would be funded. He provided details on the park improvement fund and identified projects.

Mayor Trude asked if lighting would be included for the north parking lot at Prairie Knoll Park.

Councilmember Bukkila stated that if lighting is added that would ruin the night sky.

Mr. Dickinson commented that lights can be put on timers, his understanding is there will be some sort of security lighting.

Mayor Trude commented it is difficult for people to find their way to their vehicles after games because of the darkness and therefore people are not parking in that location.

Mr. Dickinson stated staff can work with Connexus Energy to install one or two security lights put on timers which would shut the lights off at a certain time. He noted that football and soccer seasons would be the games that would require night lighting. He reviewed details on the equipment fund and trail fund. He noted he would recommend a transfer of about \$115,000 into the trail fund from the general fund to ensure there are sufficient matching funds available for the grant the City will receive for the trail along the WDE. He confirmed that all fund balances shown are current through the end of July. He noted the transfer to the trail fund would not need to occur until next year but could happen this year.

Councilmember Barthel noted the remaining trail projects should be pushed out into the future until funds are available.

Mr. Dickinson confirmed that would occur.

Mayor Trude suggested the trail connection in Catcher's Creek be added to the list, as grant funds could be applied for.

Mr. Dickinson noted grants can still be applied for, even if a project is not included on the CIP. He provided an update on the Veterans' Memorial Project. He provided details on the capital equipment reserve and explained how funding gaps are filled in on different projects.

Mayor Trude stated perhaps the Dalske Preserve boardwalk be pushed out a little.

Councilmember Holthus referenced the Pine Hills North parking lot and asked if that needs to occur this year.

Mayor Trude commented she would be fine with the Pine Hills North lot remaining gravel. She commented it is a very rural park.

Councilmember Bukkila stated she would also be fine delaying that improvement.

Mr. Dickinson explained not all of Pine Hills North is considered park area and is an outlot area that has the potential to be repurposed in the future.

Mayor Trude confirmed the consensus of the Council to delay the Pine Hills North parking lot improvement.

Councilmember Barthel stated he would like the Dalske Preserve boardwalk pushed to 2025.

Mayor Trude agreed.

Mr. Dickinson commented the Open Space Advisory Commission would like to meet with the Council sometime in the near future.

Councilmember Bukkila asked for an update on the golf course property.

Mr. Dickinson provided details on the existing drainage swale, noting that BWSR would most likely allow the City to place a premanufactured bridge over that area of the trail. He noted staff could determine a cost.

Mayor Trude stated that may be a better choice because it would be used by more people.

Mayor Trude confirmed the consensus of the Council to push the Dalske Preserve boardwalk to 2025.

Mr. Dickinson provided additional details on the building fund and utilities. He stated the predicted increase for the water rates would be one to 1.5 percent. He highlighted the sewer fund, noting that there would once again be a zero change in the sewer rates. He reported that both the water and sewer funds are healthy. He stated for the storm water utility fund, the rates are predicted to increase by five percent.

2020 BUDGET DEVELOPMENT DISCUSSION

Mr. Dickinson presented the staff report and explained the Council must adopt a preliminary levy by the end of September, which means that the item can appear on the agenda for either the September 3rd or September 17th meetings.

Mayor Trude asked if Mr. Dickinson would have information on employee insurance if the later meeting is chosen.

Mr. Dickinson replied that he would not have health insurance marketing information back until perhaps mid-October. He stated he is proposing a higher amount, because once adopted the preliminary levy cannot be increased, only decreased. He stated that based on the information provided by the County Assessor two weeks prior, there has been an increase in taxable market value from previous presented 7.46 percent to 9.72 percent. He explained this change will drive the tax rate down. He highlighted information related to the identified budget goals/guidelines and confirmed that the proposed budget meets those goals. He stated an update to the vision and organizational goals will be provided at the next workshop meeting. He provided details on the two new staff requests received from engineering and the community center. He reviewed anticipated retirements in the next two years and information related to cross training and personnel related items including employee health insurance, and contractual departments. He reviewed the items that would be identified to be funded through the charitable gambling fund. He provided a brief summary of the budgeted information for capital projects and debt service. He reviewed a summary of the general fund including a fund balance analysis and the items funded through the general fund. He again recommended the transfer from the general fund to the trails fund in the amount of \$115,000. He highlighted the proposed levy amount with an increase of 11.2 percent, confirming that would be somewhat offset by the increase in taxable market value.

Mayor Trude called for a brief recess at 7:54 p.m.

Mayor Trude reconvened the meeting at 8:04 p.m.

Mr. Dickinson highlighted the proposed amounts for the general fund, debt service levy, and bonds, which would be a projected increase of 1.89 percent for the tax rate. He reviewed previous tax rates, noting that the proposed 2020 tax rate is less than the tax rate from 2015, even though the 2020 budget includes the city campus expansion projects and an \$1,00,000 commitment to mill and overlay projects in addition to regular operations. He noted the impact to a \$250,000 home would be about \$100 increase for the year on the city portion. He provided an estimation on development that will most likely progress in the next 12 to 18 months.

Councilmember Barthel asked the average percent of increase each year.

Mayor Trude estimated between two and four percent on average. She explained how the increased construction of homes and expanded tax capacity factor into budgeting in order to

capture that growth and plan sufficiently for needs.

Mr. Dickinson stated that the proposed levy could come forward on September 3rd or September 17th. He noted the later date would provide an additional opportunity to discuss the budget in another workshop, if the Council feels that is necessary.

Councilmember Knight suggested considering the item on September 17th to allow additional time.

Councilmember Barthel stated as someone that supported the community center, he was anticipating this. He noted the increase is about \$100 per household, which is what had been anticipated during past meetings leading to approving the community center expansion. He stated City services are proposed to increase by 2.3 percent, which is the typical increase but because of the debt the levy is increasing. He stated he did not prefer one September date over the other. He noted even some of the items that could potentially decrease are not enough to significantly impact the levy or change the impact to a \$250,000 by more than a few dollars.

The Council had additional discussion and consensus was reached to move this item ahead to the regular Council meeting of September 3rd with an increase of 10.5 percent, which the understanding that the decrease from 11.2 percent to 10.5 percent is likely with the use of fund balance.

2019 BUDGET PROGRESS REPORTS

Mr. Dickinson provided a brief review of the budget progress reports.

2019 CITY INVESTMENTS REVIEW

Mr. Dickinson provided a brief review of the investments.

OTHER BUSINESS

Mr. Dickinson provided an update on a recent water utility issue that arose and identified the corrective action that will need to be taken to fix the issue.

Mayor Trude noted the Open Space Advisory Commission will be walking Northwoods Preserve the following Wednesday and interested members of the Council have been invited to attend.

ADJOURNMENT

Motion by Bukkila, Seconded by Knight, to adjourn. Motion carried unanimously. The meeting adjourned at 8:50 p.m.

Respectfully submitted,

*Andover City Council Workshop Meeting
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Amanda Staple, Recording Secretary