

Councilpersons:
First Ward: Gallenberger, Gibson
Second Ward: Schmidt, Hiers
Third Ward: Meurer, Bricher

Mayor: John Meisch
Clerk-Treas. Susan Schamaun
City Adm: David Schmidt
City Atty: Peter Ekstrand
Date: December 1, 2010

SPECIAL MEETING
PROCEEDINGS OF THE CITY COUNCIL

The special meeting of the City Council of the City of Wabasha was held on Wednesday, December 1, 2010 and was called to order at 3:00 pm by Mayor John Meisch.

Roll call found all members present except Councilperson Meurer who was ill.

Mayor Meisch announced the special meeting was called to discuss the 2011 City Budget.

Mayor Meisch opened the meeting by announcing the special meeting was being held for the sole purpose of discussing the budget. He stated the City levied the maximum in their preliminary budget knowing full-well the Council would meet to modify or alter before adopting the final budget. The City still does not know what will happen at the State level. He also informed the public they could come to the Council regular scheduled meeting on December 7th at 7:00 pm at City Hall to speak on the levy issue.

David Schmidt, City Administrator, stated in sitting down with staff in an effort to make additional cuts, \$157,000 has been cut from the budget, reflecting in two weeks unpaid furlough for all staff resulting in approximately \$56,000 and also approximately \$97,000 cut from budgeting equipment replacement funds for 2011 for Parks, Fire, Street and Ambulance Departments.

David Schmidt stated Minnesota ranked #3 in the entire nation in debt per capita which puts Minnesota five places ahead of California. Minnesota will be 7.2 billion dollars in debt on January 1, 2011.

Councilperson Gallenberger felt the City Administrator position should be eliminated on June 30, 2011, when the contract expires. She also stated the Zoning Administrator position should be eliminated with the City Planner taking over those duties as well as cutting one person out of every department. She felt roads need to be done.

Councilperson Schmidt felt with a new mayor taking office in January, 2011, the new mayor will need the City Administrator. He also suggested David Schmidt take over the entire Planning/Zoning Departments.

Councilperson Hiers stated their salaries represent monies going out but the work that they do also represents the monies coming in and wanted to know if the City would end up with less money in the long-run by eliminating these positions. She felt the money that they bring in is more than their salaries so if you eliminate their salaries, you are also eliminating the revenue coming in for the City.

David Schmidt gave a list of revenue that he and the City Planner have acquired for the City through various projects and grants. It was estimated at approximately \$4.75M in investments and/or savings to the community which is approximately \$593,750 per year during the eight years that the City Administrator, City Planner and Utilities Superintendent have been employed.

Councilperson Gibson stated she felt that more serious searching should be done in regards to generating income. David Schmidt stated the City is looking at charging for community events in regards to police etc. Police is also looking at having a police reserve unit which will help when there would be coverage during uncovered periods. The Fire Department is looking at charging insurance companies for fire runs through a billing company.

Councilperson Bricher stated he felt RFP's should be sent out on all areas that were recommended in September 2010 by Council for Legal, engineering, etc. David Schmidt responded Council has the information but has chosen not to act on it except for audit services which Council approved a 3-year rate by Abdo, Eick & Meyers.

Councilperson Gallenberger stated she felt Council should look again at legal health costs. She stated she felt the City can no longer afford that cost.

Councilperson Schmidt wondered if early retirement could be offered to city employees. David Schmidt stated some cities have tried it and further stated PERA had guidelines that would have to be followed and unless he looked into it, he would not be able to give any type of cost considerations.

It was determined a committee consisting of Mayor elect Rollin Hall and Councilpersons Gibson and Bricher would meet and review all job descriptions and also to work on future budget considerations for 2011 and beyond. Councilperson Hiers would be an alternate for this committee.

At 4:53 pm, Councilpersons Gibson and Schmidt moved to adjourn. Adopted unanimously.

Susan Schamaun, City Clerk/Treasurer