

**SANDSTONE CITY COUNCIL
SPECIAL MEETING - WORK SESSION
August 20, 2018**

CALL TO ORDER: 2:00 p.m.

ROLL CALL: Spartz, Palmer, Kester, Devlin

Members absent: Franklin

Staff present: Administrator George, Finance Director Newey

Others present: None

PLEDGE OF ALLEGIANCE:

Council and staff recited pledge of allegiance.

SPECIAL ITEMS OF BUSINESS:

2019 Budget Work Session

Council and Staff reviewed the 2019 Proposed Budget. Administrator George reviewed various proposed changes with the Council, as follows:

- Personnel expenses were increased generally by 3% across the board
- Gen Fund – Prof Svc: increase 8,000 for managed IT services
- Gen Fund – Furn & Fixtures: increase 11,000 for new computer server
- Street Dept – Training: increase 1,500 – joined 49ers Training Center
- Legal – decrease 10,000 – most legal fees are tied to specific projects/funds
- Engineer – decrease 5,000 – most engineering costs are tied to specific projects
- Law Enforcement – increase 5,892 per contract
- Rental Inspection – increase 3,500 – more active program anticipated
- Gateway Abatement – increase 18,600 as value of property comes on line
- City Hall Reserve Cash – increase 19,544 – earmarking rent income for building repairs
- Fund 323 – Bond – decrease 22,550 using fund balance for payments
- Fund 325 – Bond – decrease 16,000 using fund balance for payments
- Wild River Levy – decrease 50,000 using fund balance for bond shortfall, putting the 50,000 in Wild River reserve & replacement fund
- Fund 401 – State Aid for Roads – decrease 23,060 – hasn't been funded by the legislature
- Fund 401 – undesignated projects – decrease 29,090
- Add 80,000 for a Community Service Officer

There was some discussion about whether it makes sense to meter sewer usage. Currently, sewer bills are based on water usage; however, some people will use water to water lawns, etc., and that doesn't go through the sewer system. Some communities offer irrigation meters; however, the property owners typically do a cost-benefit analysis as there are costs involved to install separate meters. Residents can receive a credit if they fill their pools.

There was discussion about the Community Service Officer concept. George would like to pursue the possibilities in an effort for the City of Sandstone to stand out in Pine County as a safe

place for residents and business owners. Council Members had mixed feelings about the concept, with many questions about the details. Mayor Spartz and Council Member Devlin agreed to meet with George to further explore the idea.

Overall, the proposed 2019 Levy would increase 2.01%. Tax Capacity for the City is projected to increase about \$60,000. Therefore, a 2.01% levy increase results in a reduction of 6.8524% of the City tax rate, which would be 77.3315%.

The Preliminary Budget and Levy will be presented and adopted at the September 5th Council Meeting.

ADJOURN

Motion Kester, second Palmer to adjourn at 4:30 p.m. Motion carried 4-0.

Peter Spartz, Mayor

Kathy George, City Administrator