

Approved Minutes
Council Special Budget Session
August 14, 2019
Wednesday 5:30 p.m.

The special budget session of the City Council, City of Vermillion, South Dakota was called to order on Wednesday, August 14, 2019 at 5:30 p.m. at the City Hall large conference room.

1. Roll Call

Present: Hellwege, Holland, Humphrey, Price, Sorensen, Ward (arrived 6:11 p.m.), Willson, Collier-Wise President

Absent: Mayor Powell

2. Pledge of Allegiance

3. Adoption of Agenda

228-19

Alderman Price moved approval of the agenda. Alderman Hellwege seconded the motion. Motion carried 7 to 0. President Collier-Wise declared the motion adopted.

4. Visitors to be Heard - None

5. New Business

6. Budget Workshop - 2020 Proposed

John Prescott, City Manager, provided an overview of the budget noting that the budget presented should serve as the starting point for the process of developing the 2020 budget. John reported that for the property tax revenues the State regulated inflationary increase is 2.4% plus growth so property tax revenue increased over \$90,000. John stated that the sales tax revenues budgeted for 2019 were revised up based upon collections to date and for 2020 a 3% increase was budgeted less the half year loss of the sales tax on providing internet services. John stated that the proposed budget supports a wage adjustment of 2.5% as was approved in the union agreement. John noted that proposed budget included a 5% health insurance increase with the actual premiums not known until later this year. John stated that no rate increases were projected for electric, water and wastewater utilities for 2020. John stated that in October we will receive notice of any electric purchase of power rate increases and wastewater rates are reviewed in April of each year. John noted that storm water fee

would increase 4% or about \$8,700 total for the community in 2020. John reported that the proposed budget includes converting a part time library clerk to a full time Youth Library Assistant, adding a landfill equipment operator and a Water Department position. John reviewed the major items that were revised in the 2019 budget since it was adopted about a year ago. John reported that the individual departments will be covering the items in their budget that were revised for 2019 and the 2020 budget items. John stated that he has included a memo on the funding proposed for the outside agencies noting that their funding is in the general fund and BBB sales tax fund. John noted that there was a new outside agency funding application received and requested Council consideration of the funding. John noted that the general fund will be using reserves to balance the 2020 budget. John stated that last year we adopted an ordinance to utilize second penny sales tax funds to help support the 2019 expenditures but based on the 2019 revised proposed budget the general fund will not need the second penny sales tax funds. John noted the need to retain a healthy general fund reserve and that we will monitor the use of the reserve over the next few years. John noted that other policy decisions would be if the City Council wanted to continue the pledge of funding from second penny funds to the downtown project.

The Council started the review of the 2020 proposed budget, as well as revisions to the 2019 budget, by reviewing the following sections of the budget with the City Manager and department heads: Policy & Administration: Code Compliance; Special Funds: 911 Fund; Public Safety & Security: Police Administration and Investigation, (Alderman Ward arrived at 6:11 p.m.), Police Patrol, Fire and Rescue, EMS/Ambulance, Emergency Management, Human Development and Leisure: Public Library, Library Fund; Utility Fund: Joint Powers Landfill, Joint Powers Recycling, Curbside Recycling; Enterprise Funds: Liquor Store; Special Funds: Second Penny sales tax, BBB Sales Tax, Debt Service Funds: Special Assessments, TIF District No. 5, TIF District No. 6, City Hall Debt Service, Prentis Park Debt Service; Internal Service Fund: Unemployment, Copy/Fax/Postage, Custodial; Maintenance & Transportation: City Hall Maintenance; Policy & Administration: General Government, Finance; Outside Organizations Request: General Fund - Community Services, BBB Fund.

John reviewed the outside agency requests and what funding was included in the proposed budget. John reported that a funding application was received this year from the Vermillion Cultural Association and as the request indicates the funds would be used for operating expenses would need to be funded from the general fund. John noted that the Council will need to decide if it wanted to include funding for this agency and the amount.

City Council discussion followed on outside agency funding with the consensus to include funding for the Vermillion Cultural Association and reducing the funding for the Vermillion Area Arts Council.

5. Adjourn

229-19

Alderman Ward moved to adjourn the Council Meeting at 9:16 p.m. Alderman Price seconded the motion. Motion carried 8 to 0. President Collier-Wise declared the motion adopted.

Dated at Vermillion, South Dakota this 14th day of August, 2019.

THE GOVERNING BODY OF THE
CITY OF VERMILLION, SOUTH DAKOTA
BY _____
Kelsey Collier-Wise, President

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

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