

**CITY OF NISSWA  
MINUTES –CITY COUNCIL WORKSHOP  
TUESDAY, OCTOBER 19, 2021  
5:00 P.M. – CITY HALL**

A City Council Budget Workshop was held at City Hall at 5:00PM on Tuesday, October 19, 2021, and was available on YouTube Live.

Members present: John Ryan, Mark Froehle, Don Jacobson, Ross Krautkremer, Mark Utzinger.

Members absent: none.

Also, present: City staff – Jenny Max, Tom Blomer, Brittney Cotner, Shawn Bailey, Brian Farrell, Maggi Wentler, Kiki Lindbery.

Audience members: (1).

**Call to Order** – Mayor John Ryan called the meeting workshop to order at 5:00 p.m.

**2022 Budget Discussion:**

**1. Department Reports** – Jenny Max noted the Agenda and Order of Business for the workshop.

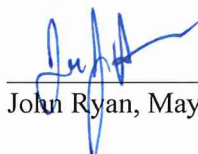
- a. **Wastewater Department** – Tom Blomer was present to answer questions and began the discussion by explaining two budget scenarios he submitted: one with an additional new employee, and the other with no new employee. A Capital Improvement Plan along with a Vehicle and Equipment Matrix were discussed. A new alarm system for a troublesome sewage line is one of the new line items, which was added due to on-going and continued maintenance needed for this part of the sewer system and inevitably amounts to increased overtime for staff. Discussion commenced about overtime expenditures and the possibility of adding additional staff to diminish some of the on-call and overtime costs for the Department. It is possible that a staff person could be ‘shared’ across both Public Works and Parks & Rec. Departments. Council Members noted that there needs to be a clear division of time spent between those departments for this position. Staff ‘burn-out’ is possible due to continued demanding work-loads and overtime requirements. Council Members noted that if the new staff position(s) were to begin mid-year 2022 – it would reduce the total projected 2022 budget expenditure for the City. Cross training between sewer and maintenance will be necessary, as there are staff nearing retirement. Other projections and scenarios were also discussed pertaining to the addition of new employees in the Department. Several very large projects for the City are in the planning stages – specifically the sewer expansion for Lift Station #12, and a possible new City water system - additional staff will be necessary long-term moving forward. It was noted that if these projects fall through, the addition of new staff does not need to occur right away. Council Members agree that a mid-year start for any additional employees would be of most benefit to the City. Sewer Connection fees will increase slightly due to continued expansion and development within the City Limits. Discussion continued.
- b. **Spirits of Nisssa** – Brian Farrell began by stating that 2021 sales for Spirits are strong even following a record-setting year in 2020. He predicts that 2022 will be similar to pre-Covid sales, and he used 2019 sales to forecast a 7% increase in projected revenue for 2022. Staff wages and merchandise affect the budget for Spirits the most, though expenditures will be up 6% mostly due to increased costs for merchandise, shipping, credit card fees, and infrastructure. Proposed Capital improvements may not get completed due to lack of supplies and shipping delays. Questions were fielded and discussion commenced. Utzinger complimented the format of the budget presented which was put together by Maggi Wentler. Credit Card fees have increased drastically in the past couple years, and are still on the rise. An increase of 50% is budgeted for that line item in the 2022 budget. Farrell also mentioned that he is looking into different companies for credit card services because the current company keeps changing the fees being charged. Credit card fees for 2021 have already

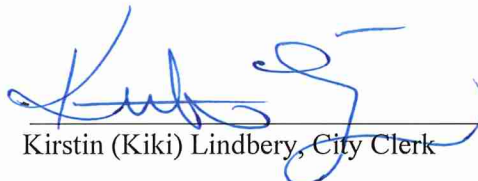
surpassed the budgeted amount by nearly \$25,000. Farrell noted he would like to see the summer wage rates for part-time staff continued year-round, due to market wage estimates and having to decrease hours during the winter season. A Capital Improvement funding Matrix was discussed, and Max suggested that the City create a Capital Improvement account for Spirits that is similar to that which was created for other City Departments. Farrell noted that lease negotiation with Schaefer's has begun; Jacobson inquired whether it would be possible to pre-pay rent so as to spend-down as much of the 2021 budget as possible. This concept is used with merchandise, but doing this with rent is a new concept. Rent of this building is a substantial cost for the City. The Liquor Committee will be meeting again soon to discuss rent and other expenses, and they will draft a proposal for potential increases in wages for part-time employees to present to the Council. Final decisions regarding budget levy are made in December, though the Budget can be modified at any time during the year.

- c. **Fire Department** – Shawn Bailey began by explaining some of what the Fire Department needs might be over the next decade. His requests have been compiled into a new 10-year Capital Improvement Plan for the Department. He noted that a new tanker truck will be needed in approximately four years (\$300,000), and that a 'grass-rig' (\$100,000) will also be needed. These are immense expenditures, and planning for them needs to start now. Discussion commenced about the possibility of purchasing used trucks. Ladder height is an important consideration. A ladder truck can also be used as a pumper truck – which could potentially eliminate the need for a \$300,000 tanker. Medical training, equipment, and funding were discussed. Bailey noted that he anticipates increased calls for First Responders due to the increased development and population of the City. Mayor Ryan asked if ARPA funding could potentially be applied to some equipment. Max said she would look into that question. The equipment budget line item for the department has increased from \$25,000 six years ago to the current \$55,000 annually. Bailey believes that an additional increase in funding for Department equipment is necessary.
2. **Capital Improvement Plan Funding Matrix** – Jenny Max noted that 10-year Capital Improvement Plans (CIP) will be established for all City Departments over the next two years. Three of the Departments have Resolutions to establish CIP Reserve Funds, with the Pickle, Planning & Zoning, and Public Works yet to come. Priorities for the Departments and the City as a whole were discussed.
3. **Closing Comments/Council Questions** – Max updated the Council about some potential draft agenda items for the November 16, 2021 City Council Meeting that relate to budget goals and priorities.

Adjourn – There being no further business, Motion by Jacobson, seconded by Utzinger to adjourn the City Council Workshop at 6:29 p.m. Motion carried unanimously.

Respectfully Submitted,

  
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John Ryan, Mayor

  
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Kirstin (Kiki) Lindbery, City Clerk