

Committee of the Whole
January 6, 2015

Present: Mayor Vulich, Council Members McGraw, Rowland, Gassman, Determann, Wilke, O'Neill, Allesee, City Administrator, City Attorney, City Clerk, Press and interested citizens.

1. CRDC Vision 20/20 Update – Jim Hizer/ John Eisenman / Bruce Christensen

Mr. Jim Hizer, Convergent Nonprofit Solutions advised the Council that the Vision 2020 Initiative economic development plan is to announce 1,500 new or retained jobs 400 of which will be new jobs with a pay scale beginning at \$16.75 per hour, \$100 Million in private sector investment and 500 visits to local employers. Mr. Hizer stated that when 400 new jobs are created 993 jobs are created with \$11,791,547 flowing through the community. He further stated that Vision 20/20 is requesting a resolution of support for an \$80,000 budget request for fiscal year 2015-2016 and also a resolution to authorize the Mayor and City Administrator to actively engage in implementing the plan.

Councilmember Rowland inquired regarding how the City would “stack up” as a contributor if the \$80,000 is approved. Mr. Hizer stated that the City would be a platinum level investor and probably one of the top three investors.

Mr. John Eisenman, Vision 20/20, advised the Council that the City needs to play a role in the development strategy for the next five years. He stated that he would like to re-establish ongoing conversations with the Council, City Staff and CRDC.

Councilmember O'Neill inquired regarding a Retention Specialist making only two visits per week. Mr. Eisenman stated that synchronist interviews would be held and be a benefit to the employer and the City. Councilmember O'Neill stated that the \$400,000 commitment would be used to increase jobs and thusly increase the tax base. He continued in stating that he is on base with the five year commitment.

Councilmember Determann stated that the Council does not take the \$80,000 commitment lightly. The public must realize that the CRDC is the City's economic development leader. He further stated that he would like to see the commitment increased to \$100,000. The City is not wasting this money but rather investing it.

M/S, Gassman-Rowland moved to forward a resolution of support to the next City Council agenda. On roll call, carried unanimously.

Councilmember O'Neill suggested that the City be given the opportunity to make the payment to the CRDC Vision 20/20 Initiative semi-annually.

M/S, Gassman-Rowland moved to forward a resolution to the next City Council agenda approving a semi-annual payment and directing City staff to work this into the budget. On roll call, carried unanimously.

2. Convenience Fee Policy – Jessica Kinser

City Administrator Kinser advised the Council that as the website is being developed we are at the point of discussing how transactions will be handled. Revize partners with a credit card processing group called Point N' Pay. There are two different costs to this service, if the City absorbs the cost it is cheaper than if the customer pays the convenience fee. Councilmember

O'Neill inquired regarding how it could be cheaper if the City absorbs the fee. City Administrator Kinser stated that the cost if the fee is absorbed by the City is 1.65% as opposed to the 2.5% the customer would have to pay to Point N' Pay.

Councilmember Determann stated that a convenience fee is just that, making it convenient for the customer to pay their bill. The rates can be adjusted accordingly.

M/S, Rowland-O'Neill moved to forward a resolution passing the convenience fee on to the customer to the next City Council agenda. On roll call, McGraw, Rowland, Gassman, Wilke, O'Neill, Allesee – Yes; Determann – No. Motion carried.

In discussion before roll call, Councilmember O'Neill inquired regarding the amount of money paid through credit cards. City Finance Director Anita Dalton stated that 20 people per month pay by credit card. She continued in stating that currently the cost to pay by credit card is approximately \$3.95 per transaction. There are many ways for customers to pay their bill. By passing the convenience fee on to the customer they would pay 2.5% in addition to their bill. If we absorb the cost it would be 1.65%.

Councilmember Determann inquired regarding what would be easier for the Finance. Director Dalton stated that currently people can make a credit card payment; however, \$3.95 on top of their bill is cost prohibitive.

Councilmember Wilke stated that the County and the state charge a convenience fee and apparently people like it. It is what a customer pays for the convenience of making a payment online.

Councilmember Rowland inquired regarding the cost of equipment. Director Dalton stated that credit card swipers would be available in departments which accept payments. The City would receive two free credit card swipers.

3. Revenue Options – Jessica Kinser

City Administrator Kinser stated that in preparation for the budget she would present each item to determine if the Council would want staff to move forward with the proposed options. She continued in stating that franchise fees are a charge made to gas, electric and water companies which the companies' then pass on to their customers. The revenue can be used for property tax relief, improvement of existing public improvements, projects to mitigate future disasters, etc. The franchise fee cannot be used to offset sewer fees, buy down utility rates or support salaries. Councilmember O'Neill state that the request was also supposed to include expense reduction.

O'Neill-Rowland moved to table this item until expense reduction options can be provided during the second budget meeting on January 19th. On roll call, McGraw, Rowland, Determann, O'Neill, Allesee – Yes; Gassman, Wilke – No. Motion carried.

In discussion before roll call, Councilmember Gassman stated that some of the items listed are benefits and not fees. Ambulance transfers provide a service, advertisements on solid waste containers would bring in revenue, and building permits should be brought in line with comparable cities. He continued in stating that franchise fees are the toughest.

Councilmember Allesee agreed with Councilmember Gassman that building permit fees need to be addressed.

Councilmember Rowland stated that only half of the information is provided. There is nothing about combining services or cutting programs.

Councilmember McGraw advised the Council that the City currently has the Local Option Sales Tax and if franchise fees are enacted the City would lose this revenue.

City Administrator Kinser stated that the intent to tie things together was not made clear. All information does not come at once and there is a lot of work that goes into putting a budget together. She further stated that she may not be able to provide the information by the date the Council has requested.

4. Hiring Freeze – Tom Determann

Councilmember Determann stated that it makes sense to enact a hiring freeze until we see where we are at. If there is an immediate need to hire an employee City staff can come to the Council for approval. Mayor Vulich inquired regarding whether this would include replacing people who have retired or left the City's employment. Councilmember Determann stated that the freeze would be for all positions.

City Administrator Kinser stated that all personnel positions come to her and if the position is approved in the budget the position would be replaced. She continued in stating that she does not take personnel decisions lightly and the Council must trust that she can perform her job. Councilmember O'Neill stated that it is not a matter of trust. The City must perform due diligence before hiring. He continued in stating that he did not remember approving the hiring of 15 part-time snow plow drivers. City Administrator Kinser stated that these are seasonal workers instead of contract employees.

Councilmember Wilke stated that the Council is bordering on micro managing and stepping on the toes of Administration and Department Heads who need to hire. He continued in stating that he would like to see the proposed cuts to expenses before enacting a hiring freeze. Councilmember O'Neill stated that this does not mean we will cut jobs, but rather all hiring requests must have Council approval. Councilmember Rowland stated that it would be worth trying a hiring freeze for one year. He continued in stating that he would expect the City Administrator to come forward with any vacancies she may have.

Councilmember McGraw stated that she hears all of the negative things being said about the City and this will not do the town any good. She further stated that she did not intend to micro manage when she ran for City Council. Councilmember Determann stated that the City always seems to run short and could perhaps catch up if positions are not filled.

City Administrator Kinser stated that the staff the Council has managing the budget always have discussions regarding filling positions and staffing needs. She further stated that it is premature to discuss a hiring freeze without seeing the proposed budget.

Councilmember Allesee stated that she agreed that the Council should not micro manage. Councilmember O'Neill stated that it is the Council's obligation to get things under control. We will have hard decisions to make regarding not hiring. Councilmember Determann stated that if a department needs more help to perform their job the Council would approve a hiring request. Councilmember McGraw inquired regarding why have a hiring freeze. Councilmember Determann stated that staff would be required to obtain Council approval before filling a position. Councilmember Wilke stated that the Council must trust in teamwork.

Fire Chief Mike Brown stated that there is a lot of negative perception of the City. He continued in stating that when he took the test to become a firefighter there were 40 or more applicants, now the City is lucky to get 15. The perception is that Clinton is not a good place to work. Councilmember Determann inquired regarding how Chief Brown would answer a person who made the statement that the City has lost people. Chief Brown state that there is half the amount

of people with double the amount of work. The point is how the City is perceived if we want quality people to come here.

M/S, Determann-O'Neill moved to forward a resolution enacting a hiring freeze to the next City Council agenda. On roll call, Rowland, Determann, O'Neill – Yes; McGraw, Gassman, Wilke, Allesee – No. Motion failed.

5. 2016-2021 Proposed CIP – Jessica Kinser

City Administrator provided the Council with a Power Point presentation of the Capital Improvement Plan for fiscal year 2016 through 2021. She stated that a Capital Improvement Plan is a long range plan identifying and prioritizing capital needs. It includes infrastructure, facilities, repairs and improvements over \$500,000 and is reviewed annually. GO Bonds are the most prevalent funding source along with Local Option Sales Tax and taxable bonds. She reviewed the 2015 projects which have been completed or are in process and identified over \$88 million in capital projects for fiscal year 2016 through 2021.

City Administrator Kinser advised the Council that there will be a public hearing on January 13, 2015 for consideration of the Capital Improvement Plan. She stated that the Council has the right and ability to make any changes. Councilmember Determann stated that she would like to see improvements to the Airport entrance moved up to be addressed next year as well as repairs to the north end bike path.

6. City Administrator & City Attorney Evaluations – Ed O'Neill

Councilmember O'Neill stated that it is past time for evaluations of the City Administrator and the law firm of Lynch Dallas as City Attorney. He continued in stating that Paul Greufe should be contacted to prepare the evaluation questions for distribution to the Council before the end of February.

City Administrator Kinser stated that she was just evaluated in July. She further stated that her contract calls for a yearly evaluation. Mayor Vulich stated that the annual review for the City Administrator is performed in the summer. He inquired regarding whether the Council wanted to perform the evaluation now and again in July. Councilmember O'Neill stated that an evaluation should be performed at the beginning of the year.

Mayor Vulich inquired regarding whether the Council would want input into the questions for the evaluations. City Administrator Kinser stated that the previous evaluation form was taken off of the ICMA website. The City Clerk makes copies and sends them to the Council. Councilmember Gassman stated that he would recommend holding the evaluation after the budget. A new Council comes in in January and is immediately burdened with the City budget.

City Attorney Patrick O'Connell stated that Councilmember Gassman makes a good point. He stated that he would like some time to get to know a new Council and for them to get to know him. The Council may want to consider doing the evaluations of the City Attorney and City Administrator in July. City Administrator Kinser stated that she echoed the City Attorney's preference to hold evaluation in July. Councilmember Wilke stated that the evaluations should be addressed at the end of the fiscal year.

M/S, O'Neill-Determann moved that the City Administrator and City Attorney evaluation packets be distributed to the Mayor and Council by February with the evaluations to be performed simultaneously at the first City Council meeting in April. On roll call, Rowland, Gassman, Determann, O'Neill, Allesee – Yes; McGraw, Wilke – No. Motion carried.

7. Mayor & Council Member Updates

Councilmember O'Neill thanked the Street Department for their rapid response to clearing the streets after Monday's snowfall.

Respectfully Submitted,

Pat Van Loo
City Clerk