COTTAGE GROVE CITY COUNCIL **August 28, 2024**
12800 RAVINE PARKWAY SOUTH
COTTAGE GROVE, MN 55016
SPECIAL MEETING - TRAINING ROOM - 6:00 P.M

1. CALL TO ORDER

Mayor Bailey called the Special Meeting to order at 6:00 p.m.

2. AGENDA

A. 2025 Budget Workshop
Staff Recommendation: Provide staff with feedback and direction regarding the 2025 Budget and Property Tax Levy.

Mayor Bailey said I'm going to have Director Malinowski Malinowski, Finance Director, get us going on the budget.

Director Malinowski stated this is our fourth workshop since May. The preliminary levy will be approved at the next week and that levy is maximum levy; you can lower it when you do your final adoption in December, but you can't go above whatever you set in September.
Director Malinowski reviewed the taxable values that were received from the County which were higher than the numbers received in March which is causing the tax rate to be lower than anticipated. This is good news. Based on the tax rate, the median home will experience a property tax increase of $70 compared to the anticipated increase of $108 that was predicted in July. On those four sample properties, the average increase is now at $104, based on the Property Tax Levy of 12.48%.

Council Member Olsen said when we met in January for our Strategic Planning session, we briefly talked budget, do you remember what the number was that you were projecting at that time? I do, it was over 16%. So, somehow from that date to now, we've reduced to realistically under 12%; I know you've got 12.48% projected here and there's going to be a little massaging to that, but that's an impressive improvement. Do you want to speak to kind of why?
Director Malinowski replied some are the changes that we looked at, and I'll point out that we're going to delay some of our equipment purchases, we pushed back about $1.2M in Equipment Replacements to do that. Department Directors also reviewed all the line items in each budget. We looked at Council direction that was given in May, that is what is included in the budgets that are in front of you.
Council Member Olsen said well again, compliments, because that was a little bit of a shock in January, but as you typically do as a team, you always kind of give us the

worst-case scenario, and then you kind of whittled it down from there. So, it's impressive work.

Financial Management Plan (FMP)

Director Malinowski said just as a reminder, here is the original plan, and you have it in front of you; you've got a stapled copy of the original plan from 2023, but also what we are predicting in July. So, the budget increase per year is based upon a lot of things, most importantly, it's based on our Tax Base increase. The FMP included a 2% increase in the tax base each year. But if that is higher, we need to provide services to those new residents. So, when that total Tax Base increase is higher than what we predicted in the FMP, we need to increase that General Fund Operating Tax Levy to serve those residents. The FMP targeted a $100 per year increase on the median home but $110 was needed in the first year of the plan.

Administrator Levitt said and Council Member Thiede, you had asked how the FMP plays; so, with the original, you can see where we were at and what we projected, then you can see the modifications are next to it.

Council Member Thiede said right, thank you for that.

Director Malinowski said in July, the city property tax increase on the median home was $108. The median home increase is now $70. Director Malinowski mentioned that any further decreases in the 2025 property tax levy will cause higher increases to the 2026 property tax levy. Currently the increases for 2025 and 2026 are at $70 and $143 for the median home. There was discussion on how to have a consistent increase for 2025 and 2026.

Council Member Olsen asked Administrator Levitt a couple years ago at the Mall of America, you talked at that time about how critical it was for us as a Council to consider the fact that in a growth scenario, which we were in and continue to be in, that our levy had to keep up with our growth. You stressed that very strongly at that meeting. As you reflect back on that advice and our actions since then, how are you feeling about the way that that vision is being executed?

Administrator Levitt replied I think it's the execution we needed because obviously there had been one year where I felt like we were in backwards related to growth, and then it took us so long to catch up that it then created that spike, and that was where we really obviously hit the turmoil. And if we stay with the $100, how does that level off 2026? Because anything we can do today is going to make tomorrow easier and better and give you a lot more options.

Council Member Olsen said so, you're setting the floor for next year. Administrator Levitt replied correct, and we were backlogged on equipment, I know Director Malinowski has a slide of how backlogged we are, and so that does give us some more cushion for Equipment Certificates.

Council Member Thiede said again, with the FMP, the more consistent you make it, without a lot of ups or downs, from any type of financial rating and things like that, they look on that favorably. Council Member Olsen said they sure do, yes.

Council Member Khambata said, I think I echoed something very similar last year is people aren't going to notice that we saved them $30 a month, but they are going to notice if it goes up by $60, you know? Council Member Olsen replied that's true. Council Member Khambata said so if we have a year where something falls off and it's going to drop, that's the year that we should kind of insulate ourselves, like you said, whether it be picking up additional equipment bonds to kind of chip away at our Fleet Management Plan. Council Member Khambata said to me, that makes more sense, and then from a credit rating and FMP standpoint as well, the more consistent we are, the better it's going to look in the long term.

Council Member Olsen asked Director Malinowski, so, what's the number?

Director Malinowski replied so $400K if we increase the levy this year for our median homes, that will increase next year's budget $400K, the Property Tax Levy increase would be 14.21%; that median home would be $92. Next year, the property tax increase would be 10.64%, $97 on the median home. Director Malinowski reviewed the new homestead market value exclusion formula, and that changes for 2025. The median home will have approximately a $30 decrease due to the new formula that will be shifted to the other tax classes including commercial and industrial.

Council Member Olsen said so, that's the gap. Mayor Bailey said so, they're picking that up. Director Malinowski said so they're picking up a little bit more. Council Member Olsen said we've got to be careful with that. Director Malinowski confirmed that.

<u>HRA Property Tax Levy Details</u>: Just a reminder that we are doing that HRA Property Tax Levy for the first time in 2025. The levy amount of $137,500 in included in the 12.48% increase but will be included on a separate line on the property tax statement. It will be called Cottage Grove HRA Levy.

C<u>omparison to other Washington County Cities</u>: Our median home will increase by $1,250; so, we haven't changed, we haven't moved up in the ranking at all, which is positive news, we're still second from the bottom.

<u>Tax Rates for Washington County</u>: We aren't the second from the bottom, but we're fourth from the bottom. As you can see, St. Paul Park moves up, Woodbury moves down.

Director Malinowski said Council Member Thiede also asked how a home in Cottage Grove compares to a home in Woodbury.

For a townhome in Cottage Grove and Woodbury, with the same square footage and built within one year of each other, city taxes are higher in Cottage Grove but in total the Cottage Grove townhome pays less in total property taxes. This is due to a lower estimated market value for this townhome in Cottage Grove compared to Woodbury.

On the homes, Council Member Khambata helped give me some information there. We did comparisons in two different ways: First, we compared on square footage-On the home in Cottage Grove, they pay $30-$40 more in City taxes, but in total, they paid less. Second, we looked at the property tax valuation, that Cottage Grove home compared to a Woodbury home: Yes, the Cottage Grove home pays more in city property taxes, just a little bit more when we look at total property taxes, but the Cottage Grove home is built in 2020 and the Woodbury home is built in 1998, so there's a difference in the type of homes there. You have a packet in front of you with that information.

Preliminary levies across the metro show large and small increases in property tax levies. Apple Valley is at the top. We are not at the top, but we are not the lowest; Inver Grove Heights holds that this year.

Council Member Olsen asked does this include Local Government Aid (LGA)? Director Malinowski replied yes. Council Member Thiede asked so what's Woodbury at, do you know? Council Member Khambata replied they're not even on the list, which means they're way higher. Administrator Levitt replied I think they're going to be at like 7-or-8%.

Council Member Garza asked I'm just wanting to understand a little bit. Why is the Inver Grove Heights Property Tax Levy increase 4.6%? Is that the money that they didn't borrow, so that's why they're so low, and we needed more? I'm just trying to understand why we're up higher.

Director Malinowski replied it's hard to say; maybe they intentionally said we are not going to issue any new debt, so that's the taxable levy in 2025. Maybe they had a large debt issuance fall off at the end of 2025. Maybe they've been very strategic and have been very good about doing some balancing, so it's easier and then they're not going up and down. But without looking at their particular certain financials, I don't know.

Council Member Garza asked where do they normally fall?

Mayor Bailey replied usually they're down around 8-or-9%. He said so a couple things, real quick. There are some weird numbers there on a couple of cities, like Shakopee, they're so low. Council Member Olsen said that's because of their fiscal disparities. Mayor Bailey said, yes, they get some extra dollars in there. Some of those other ones I can tell for a fact do, looking at the cities that are listed there. Inver Grove Heights, right, wrong, or different, I'm just going to tell you for the longest time their previous mayor worked up at the capitol and he was able to get a lot of dollars for his community. So, a lot of the road projects that happened in their community were all paid for by the State versus where we have to pay for them ourselves. Council Member Garza said good point, thank you. Mayor Bailey said but they are significantly lower.

Council Member Khambata said their rate of housing growth is significantly different than ours, and I would say that they have more established commercial corridors there. Council Member Thiede said Shakopee and so forth definitely have a lot of commercial also. Council Member Olsen said that's where their fiscal disparities come in. Council Member Khambata and Mayor Bailey agreed. Council Member Garza said I realize we have a ton of growth going, so I figured it's probably related to a lot of that, but I just wondered.

Mayor Bailey said so the only other thing I'll say, when we were talking earlier, I get how we said how we want to even off the differences between the two, but if you just use the numbers here and you use the number that she was just talking about, we would be at the top. We would be over the top of Apple Valley.

Council Member Olsen said right, and that's why I asked that question is because being at 14.21% this year and 10.64% next year makes no sense, it should be more level than that. So, the recommendation, or non-recommendation, of 12.4% makes more sense.

Council Member Garza said so that would put us up to the top, but that would help to even it out for our community. Mayor Bailey said for next year. Council Member Garza said well, we're at $70 now, right? So, it would be an additional $30, or what is it, what would it change to currently?

Mayor Bailey replied here's the funny thing, and this is I know is new for you, Monique, and maybe a little bit for Tony, but it all depends on how you pose it to the public, right? Somebody will dig up data that would show that we are at the top on this, we're raising our taxes more than every other community that is on this list. And we'll come back and say yep, we're keeping it under $100. So, it's all how you look at it, whether it's a percent or the Tax Rate.

Council Member Khambata said well, with the 12%, we're still the second lowest tax payment in Washington County vs. Shakopee, Roseville, Inver Grove. If their rates are already high, then they don't need to bump them up by a lot to collect a good amount of revenue.

Mayor Bailey said that's a great comment, by the way, because if you recall, a couple years back, when we probably should've went a little higher, all those cities did. They went higher and so we were way at the low end on that year or two, and then, lo and behold, now we're trying to fight to catch up.

Council Member Olsen said and remember, we're not getting a dime in LGA next year, not one penny. Mayor Bailey said or this year. Council Member Olsen said St. Paul Park is getting $800K, so it's not really apples to apples, per se.

Council Member Khambata said just for kicks, we should take that Property #4 and compare it to the same statistics in St. Paul and see what the tax payment would be. Council Member Garza said oh, I'm sure it will be higher. Council Member Olsen agreed.

Council Member Garza asked so, are we saying that we are going to try to make 2026 closer to not such a jump, or are we saying that we're not? Council Member Thiede said we can always work on that, right?

Mayor Bailey said well, let's let Director Malinowski finish her slides, and then we can start talking.

Director Malinowski said one of the ways that we could change things in 2026, and I'm not recommending it, we do have some debt that we're issuing in 2025 that will have some levy impact in 2026, I just wanted to tell you that; 2025 Pavement Management will add $186,000 to the debt levy for the 2026 Budget and the 2025 Equipment that will be purchased with equipment certificates will add $472,000 to the debt levy.

Council Member Thiede said so is the debt levy on the FMP, the bottom line? Director Malinowski replied so the numbers that are on this slide are included in the

August FMP. Council Member Thiede asked so what percentage from a FMP do you not want that percentage to go over? Is there any; do you look at that and say well, I don't want that debt levy to be greater than? A debt levy is a percent of total tax levy, I'm looking at the bottom line of the FMP.

Director Malinowski said yes, I looked out until 2032; in our original plan, we have 23% for debt levy. Let me look at 2032, we're at 20.87%, so we're within that target that we set with the FMP.

Council Member Olsen said well, and they expect a certain degree of debt, too. It's just a fact, and we're way below our debt capacity.

Council Member Khambata said it looks at our Tax Rate as well, .75% is the max, that's what they base our capacity on, right? It's 1.25% for commercial and .75% for residential? He said if we're at 30% of that, like our City Tax Rate is .25% now, right? Council Member Olsen said it's ridiculously low. Council Member Khambata said again, you can look at world communities that are paying .75% of their value in property tax. I think there's a lot of arguments to be made for justifying a 12% increase, but I agree with Council Member Thiede and I agree with Council Member Olsen that if we can level out the increases and decreases.

Council Member Olsen asked Director Malinowski that's what you want, too, right?

Director Malinowski replied I am kind of torn. What I know I can do is if you say Director Malinowski, I want you to cut the budget or cut the levy by $200K without cutting services or staff, correct? So, if Council wants to cut $200K out of the budget, I don't want you to think that we can still operate the same way that we operate today; some of this is going to have to be pushed off or a person is going to have to be pushed off, and that's what I don't want.

Mayor Bailey said well, what I'll share with you, what I'm hearing from the Council here is it isn't to pull back this year, it was a conversation about adding more, and I'm talking about funds to soften any concerns that you have for next year. Obviously, the biggest thing for us, at least from my standpoint, is the equipment, and the fact that we do keep pushing this off. Council Member Olsen said yes, and pavement management. Mayor Bailey said well, I'll get back to that. But on this, my question for you is what are our options on this? I mean, do we do more Certificates this year, and that number goes up for that?

Administrator Levitt replied we have a chart. Director Malinowski said instead of issuing more Equipment Certificates that we have to pay for, and if we still want to stay within that $100 per year, I would say that we start to fund for the equipment. So, we said we can $400K, but maybe we should say $200K, and that goes for, that helps take that Equipment Levy to where it needs to be.

Council Member Olsen said I had asked you two meetings back about our Fund Balance Policy and if you felt we needed to make any adjustments to that. A couple years ago we made an adjustment for the Fund Balance to go directly to equipment. Is that something we need to consider again, potentially? I don't know, but I'm just throwing that out there.

Director Malinowski reviewed items in the budget that have changed since July:

- The LGA that we had in the budget, $50K, is no longer in the budget for 2025 because we will not receive it in 2025.
- Annual Leave, we're raising the cap by 16 hours due to contracts; that's about $190K that we need to fund.
- Budget Adds that we had pushed off, those are a 40% increase, those are shown there.
- Equipment that we moved out to 2026 are listed on your sheet.
- In yellow are items for 2024, we're having favorable results in our General Fund, so those are continued from that year. We feel that we can fund those items in yellow with a budget carry forward.

Council Member Olsen asked so it would be budget neutral for next year? Director Malinowski confirmed for the budget, yes.

Administrator Levitt stated so that's why Director Malinowski started the meeting by saying we would do a workshop in November because we didn't know exactly how much Fund Balance we have, we could decide then. Director Malinowski and I feel confident the things in yellow we can fund where we're at today. We may be able to fund more in November as we get closer to the end of the year.

Council Member Olsen said but you can't go higher in November; Administrator Levitt replied correct. Council Member Olsen said so you've got to make that commitment now. Administrator Levitt stated but we're telling you there is going to be wiggle room the way the revenue is looking right now; so, we think we can pick the things up in yellow with Fund Balance and not need to increase the levy. That's why we need to have that conversation in November. Because remember that any Fund Balance with our Fund Balance Policy, you're going to take away from those buckets, taking that money, and you're going to use the cash then. So, that's going to be an important conversation before we go into December is how much cash do we want to use to fill the gaps.

Council Member Olsen said we're going to get to all of this in a few minutes, right? So, I shouldn't start asking questions now. Administrator Levitt replied well, I think we have one more slide.

Director Malinowski said these are things that the directors said could be pushed off; there was more information in your packet of these various things and then the effect on the levy. Administrator Levitt said they're grouped by department.

Council Member Olsen said well, one of the things that's not on that push list is this sidewalk machine, and I actually thought it might be on the push list; so, I'm just curious why it did not fall onto that list. This is an important, necessary piece of equipment; obviously the price point is pretty high, that's why I'm asking the question.

Council Member Khambata said I think the labor savings on it kind of justify the expense. Council Member Olsen said well, I think so, too, but it's still a $225K purchase point, so again, because it's the highest number, I just wanted to ask the level of critical need.

Director Burfeind asked are you looking at the sidewalk machine that's on the first page? Council Member Olsen replied yes. Director Burfeind replied that one was pushed. Administrator Levitt stated that was already cut to get to 12.48%. Director Malinowski said so, if you wanted to add it back in, we pushed it to 2026, this is the avenue if you wanted to put it in 2025. Council Member Olsen said okay, all right, so it's not in the budget. Administrator Levitt replied everything on this sheet is not in the budget of 12.48%. Council Member Olsen said okay, I thought that was just the items in yellow; so, good, thank you, I misunderstood. Administrator Levitt stated the yellow stuff is what we feel confident we can fund. Council Member Thiede stated it will maintain the 12.48%, and Administrator Levitt stated correct.

Council Member Olsen stated so then what you're saying is anything that we have on the back here would be additional savings should we choose to want to exercise that; that was confirmed by Administrator Levitt.

Administrator Levitt stated so, mayor, it's up to you; the directors are prepared to speak on items that you asked them to cut or push if you'd like them to go through them. Mayor Bailey said so what you're talking about here are the possible cuts; Administrator Levitt stated correct. Mayor Bailey stated these are already in the budget.

Council Member Garza asked how does this affect leveling out the tax across, whether we add or delete; like, how does that affect it? Mayor Bailey replied if you look on that page here, for each one of the items, there's a dollar amount, and then starting from where we're at right now, 12.48%, as you reduce, it would go all the way down to 11.10% basically.

Administrator Levitt stated so really, if you think about 2025 and 2026 like a seesaw, the more you add, the lower 2026 will go; but the lower you push 2025, the higher 2026 will go.

Council Member Olsen said but if you maintain 2025 at 12.48%, what was your 2026 number again? Please repeat, I didn't catch that. Administrator Levitt replied, preliminarily 13.88%. Council Member Olsen said okay. He asked is that using the same budget assumptions you used for this year, in terms of growth and all that; Director Malinowski replied yes.

Council Member Olsen asked Director Koerner what was it that Captain Rinzel was all twisted up about, what was it? Director Koerner asked which list? Council Member Olsen said there was something.

Director Koerner replied it was the administrative vehicles. Council Member Olsen asked where do I see that on this? Director Malinowski replied $52K. Council Member Khambata said that's already taken off the list, Director Malinowski said yes; if you want to add it back in, we would need to add $52K back. Council Member Olsen said okay, which would put us at what? Director Malinowski replied 12.93%. Council Member Olsen said okay, and does that give us a reduction for next year? Director Malinowski replied for this year, our median home that was at $76 for next year is $131. Council Member Olsen said okay, what does the levy percent for next year drop? Director Malinowski replied 13.03%. Council Member Olsen said okay, so we're getting closer, 12.93% to 13.03%, so we're almost even at 13%.

Council Member Khambata asked all right, so what else on that list really matters? Council Member Garza said right, what do you guys really need? Because how do we pick and choose what they really need, you guys really need to say what you really need. Council Member Olsen said we ask, that's it.

Council Member Khambata said I think I'm going out on a limb here and assuming that some things in the preliminary budget for next year might get more expensive; so, if we can stomach a little bit more of an increase this year, it gives us more of a margin of error for next year.

Council Member Olsen replied yeah. So, when you look at the stuff that's not in yellow, obviously, we've got Forestry, that looks like it was a reduction that ultimately didn't even make the cut. We've got equipment, 2013 vehicle for Recreation; what is that one for, Zac? Zac replied it's just to replace one of our vehicles.

Council Member Khambata said okay, so if $100K is about a half a percent in levy increase, is there any way to split that sidewalk machine? Director Malinowski said we can start funding it. Council Member Garza said that would be good. Council Member Khambata said that would give us like 13.48%. Mayor Bailey asked do we absolutely need the sidewalk machine? Is it working fine or is it we just don't like to work with it?

Director Burfeind replied so that is one, its actually a combination of one that was up for replacement and one that was bought before my time that doesn't work as well. It's still functioning, but we're trying to swap with one that is due for replacement, but it's that Bombardier; it has different drive tracks and the steering like this. It's challenging, but it still works, which is why when we did the initial round, that was one of the things that we pushed, and we felt more comfortable pushing that one vs. like the dump trucks and things like that.

Council Member Thiede asked why is it $225K? Director Burfeind replied they are unique pieces of equipment; because we have 5-foot sidewalks, they have to be a little narrower than that, so they're 4 feet wide, and they plow our 4-and 5-foot sidewalks, but they have to have physical power to remove not only the snow itself but all the snow that our trucks push onto it.

Council Member Thiede said well you could just take 6 inches on each side of a 5-foot sidewalk and make it 6 foot. Director Burfeind said that's actually my plan going forward. I will say we have 5-foot sidewalks we can't get rid of, but once we cross Keats into like a new neighborhood, my proposal is to go to 6-foot sidewalks because we've found multiple pieces of equipment that cost around $80K-$90K that will do the job just as well.

Council Member Garza asked when you use those now on the 5-foot sidewalks, do they do damage? Director Burfeind replied we just tear everything up because everyone's sprinkler heads are right next to the sidewalks.

Council Member Thiede asked if it was a blade or; Director Burfeind replied it's a blade until we get too much snow and then we use the blower, which slows us down. But you have to envision you're out there, you don't know the area, you have to have a little room for getting this because you're out maybe in a blizzard trying to plow sidewalks. It's not like a homeowner where you know right where your sidewalk starts and ends; so, that's why we always try to be about a foot narrower to know we're actually clear.

Council Member Khambata said and it's not only the blade, it's the machine itself that has to be narrower; Director Burfeind confirmed that. He said the other reason we'd like to switch, like I said, we have 5-foot sidewalks and we need three of these going forward, we use these most of the year round, except for the track ones. We use them

for mowing in ponds, we use them for stripping sidewalks, so it's not a problem to have these because we use them year round. It's just going forward we want to switch to a different type of piece of equipment.
Council Member Thiede said so that's \$130K-\$135K less for the 6-foot. Is there any modifications that you can do to a 6-foot to run it on a 5-foot? You could even almost buy a different blade or something like that that's narrower.

Director Burfeind replied it's actually the size, so they need enough power. We looked at other things that are smaller, and they just don't have the power, we took them out when we had like a 12-inch snowstorm. It's actually the wheels and the size of the machine.

Administrator Levitt said Zac or Ryan, maybe you could talk a little bit about some of the challenges regarding Forestry in the budgets.

Ryan replied for me, that Forestry addition was big; that was a \$50K request that got trimmed to \$30K, and I know I had this discussion of not planting boulevard trees going forward. This budget addition was just an attempt to properly maintain our current inventory. But even if we do decide to go away from boulevard trees going forward, we still need that full \$50K; and that's even going to a 6-year cycle on trimming the trees, which we never said we would but we have to. So, for me, that \$20K reduction was my biggest concern.

Council Member Garza asked with the trimming of the trees, is that a safety concern as well? Ryan replied yes, and we're required to maintain a 14-foot clearing height for garbage trucks, school buses, and dump trucks.

Council Member Olsen stated when I look at these pushes, I don't really like any of them, to be honest with you. The only one that appears to be a maybe to me is this seasonal Code Enforcement Officer, but what is the impact of that if we were to push that?

Director Schmitz replied we felt meeting that Strategic Plan Initiative we started our pilot program this year with our proactive group. However, with the addition of these Code Enforcement Officers we tend to be more proactive and focus more directly on this.

Council Member Olsen said yes, and as we grow, I know that becomes even more important. Then with respect to the vehicle for Inspections, that's a 2011 vehicle; that doesn't seem logical to keep pushing that. What do you think?

Director Schmitz replied we've pushed it several times; however, in all fairness, the maintenance report on that comes back favorably, which is why we thought that it could be on there.

Council Member Olsen asked if you had to pick one of those two to push, which would you push? Director Schmitz replied the vehicle.

Council Member Olsen said I just don't support pushing back the police officer start date. I know that the portable restroom thing is a huge deal; so, for a \$10K savings, that just doesn't seem like the juice is worth the squeeze there. Court resurfacing, Zac and I have had several conversations about that this year in different parks; we can't go backward on that, we should be moving forward. Public Works pursuing a used facilities van, what's that about?

Director Burfeind replied I was just trying to think outside the box for each of our divisions when we had to come up with what would you push? It wasn't so much pushing the van because we don't want to push that van, we're using a van that was kind of retired from the seasonal fleet and it's back into the fulltime fleet now. We're trying to find a reasonably used and hopefully properly set up van to use for our facility person.

Council Member Olsen asked and then for your asphalt, I think we discussed this during your session but all that's going to do is put us behind. Director Burfeind said that was probably my, out of all of mine, that was my least desirable one for us to pursue.

Council Member Olsen said and then remove budget add for trimming in 2025 if no longer planting boulevard trees; tell us more about that.

Director Burfeind said that is just trying to come up with more options, and if we just stopped that, realistically we need to grow that Forestry budget still over time because with what's happening with the inventory. But if we were going to just stop in 2025 with no more boulevard trees in new developments; Council Member Olsen said but that's not realistic, is it Ryan? Ryan asked to not plant new boulevard trees? Council Member Olsen replied well, to cut that. Ryan said to cut that, no, I think that's another one of my last ones I would cut. Council Member Olsen said I appreciate you guys going to the well, but some of this stuff just seems like biting off your nose to spite your face, honestly.

Council Member Khambata said we did ask them to tell us what they could cut. Council Member Olsen said yeah, we did. Ryan said these are the next ones, these are the next lowest things for budget, but they're still pretty high on the tree. Council Member Olsen said okay.

Council Member Garza asked and you currently have a plan that you're using? Ryan replied we have plan for replacement and then put the seasonals in the replacement vehicles. Ryan continued, like any piece of equipment, you can make it run, right? Council Member Garza said yes, depending if you put enough duct tape in. Ryan said this is one that has been discussed for many years and many budget cycles.

Council Member Khambata asked is the reason why you're proposing a used vehicle for that is because it's not a highly specialized vehicle, and there's an actual opportunity to start with something easy? Ryan said that was the hope, right? Is there enough? I don't know what that business is selling if it's just a pretty well operating van setup for facilities. Council Member Khambata said I'm just thinking of like a fleet van with like the racks inside to put pipe fittings and tools, right? Ryan replied yes. Council Member Khambata said we're not talking like a special vehicle body or anything like that. Ryan replied no, it's like a walk-in style.

Council Member Garza said the nursing home by Holiday, they use a Metro Mobility bus for their maintenance van, and it's nice. I saw it when we went there for the noon out, and it was cool. I just noticed it because it was well equipped, so that might be an option, a Metro Mobility bus, and it was really neat the way he had it done.

Council Member Khambata asked what’s your estimate? If we’re looking long term, if you buy something that somebody else has eaten the initial depreciation on, how many years of useful service life does that take off of the back end for you guys? Council Member Olsen asked or are we just kicking the can down the road?

Ryan said obviously its an older vehicle, the more maintenance it should have. You can never save, right? You’re never sure if it will last a long time or if it’s like a new car that breaks down right away. I think with that one I was just trying to come up with some options that the Council could consider vs. getting rid of the van entirely. I think certainly there’s other things that we would do before that, which we have done up to this point.

Mayor Bailey asked Director Malinowski from a grant standpoint, how much of an effect can we have on the overall levy to gain some additional cash, if you will, to put in the Equipment Replacement Fund?

Director Malinowski replied we’re doing some math here, behind the scenes. If we increase the levy to 13%, it would be $120K, that median home for 2025 would increase by $77, which is about the same that it increased for 2024. Then it would lower that tax next year to $129 and your levy would be 12.89%.

Council Member Olsen said that’s what I was kind of shooting for was that balance, that teeter totter, 13% and 13%, in that range for both 2025 and 2026.

Mayor Bailey said but the idea, I’m assuming, would be the $120K would go towards Equipment Replacement.

Mayor Bailey said for the rest of the Council, we don’t know; I mean, we have ideas, or you guys have ideas. They highlight the yellows because we expect that those would be able to be covered with extra Fund Balance. There might be some opportunities when we have our meeting in December to maybe kick off a couple of these others, possibly, depending on what the number is. But what I don’t know that I want to do, other than this one thing, if you’re saying it’s $120K, we’d put $100K towards Equipment Replacement, be at 13% or 12.99% or whatever. Administrator Levitt said if 12.99% feels better to you, we can do 12.99%. Mayor Bailey said it does, thank you. Council Member Olsen said it feels a lot better. Mayor Bailey said plus it doesn’t get us up in that 13% range that I saw earlier. Council Member Olsen said it makes me feel happy, we’ll still be second lowest in Washington County. Mayor Bailey said what I’m also just trying to think is how could we buffer next year a little bit more.

Council Member Khambata said so, if I am hearing you right, I understand we’re not going to take any of the deletions off; Mayor Bailey replied no. Council Member Khambata said we’re going to add in the $104K for the assigned-vehicle program, that’s 2 vehicles, right? Mayor Bailey said no. Council Member Olsen said no, he doesn’t want that; he just wants $100K to go to the Equipment Replacement and bank that, and then $20K should go to the tree deal. Council Member Khambata said and that brings us right under 13%. Council Member Olsen said and if we get tree money at the end of the year with our Fund Balance; oh, I’m sorry, I’ll wait, the experts are speaking. Council Member Garza said but the yellow we think will be funded, that was confirmed. Council Member Olsen said and maybe the $20K; so, then you just take $100K, bank it for

Equipment Replacement and call it a day. What about the assigned-vehicle program spares, if you get one?

Administrator Levitt said I'm going to be honest. The fact that we have vehicles that are 2011, we have a lot of other people whose vehicles have been pushed off, the fact that they want it more as a spare rotator vehicle, not an immediate necessity. I just feel like Rec's vehicle, the Fire Marshal's vehicle were a complete ban. I feel that honestly has to take precedence; I'm sorry, my Public Safety friends, but just to be honest, it just doesn't feel right in that program.

Council Member Olsen said and that's exactly why you're here is to tell us this, so that's good. So, then, if you were making the call, what would you want?

Administrator Levitt replied I think when we look at it, the Community Development vehicle, the Rec vehicle would be two that I think are important. They're low-hanging fruit, we could even use cash, and so if we try to maximize how we use cash for some of those smaller purchases, it's crazy that we're saying smaller, but it's relative in the conversation; but if we could pay cash for the Rec vehicle and the Community Development vehicle, I think that goes a long ways for morale, not that everybody doesn't get love in this organization, but some have gotten more love than others. So, I think it would go a long ways for Community Development and Rec to have those; the Fire Marshal is probably the third.

Council Member Garza asked so is that Fire Marshal 2014 vehicle in bad shape? Does it need to be replaced, or what's up with that one?

Chief Pritchard said comparatively, let's talk about the maintenance van; that thing's at the Fire Station a lot, and I see that and the picture on it, that's when River Oaks had it. It's not great, but when you compare it to the other things, I think those are like, I think I agree with Jennifer in that that would be the order that I would see on that.

Council Member Olsen asked so can you do all that at 12.99%?

Council Member Garza said that $72K, that's like a truck, is that what that is? Director Koerner replied it would be another Explorer or it would be very similar. Chief Pritchard stated some uses would be for like how you hold gear, so then we have those bigger calls.

Mayor Bailey asked but are you certain because I know we keep adding. Council Member Olsen said I don't want to commit to it unless you tell me we can do it.

Council Member Thiede said the Community Development vehicle is still in there at the 12.48% because it's on this page; Administrator Levitt stated everything on that is still under the 12.48%.

Council Member Khambata stated so, we're actually adding two more vehicles in addition to what's on that page then, and that includes the Fire Marshal. That was confirmed.

Council Member Olsen said but they can do that at the 12.99%, right?

Mayor Bailey said while they're figuring that out, some of those vehicles are already in the budget; Administrator Levitt stated yes, the Community Development vehicle is, so we would be funding the others because, Ryan, your vehicle is in at the full value for Fleet. Ryan confirmed that.

Council Member Olsen said speak your peace, guys.

Director Koerner said I honestly think with what Greg's recommending, I just think they're more than a spare. Captain Petersen agreed, saying they're a spare is not fair.

Council Member Garza asked what are they used for?

Council Member Khambata said and it's not like you're not going to get it, the question is can it carry over until next year's budget.

Council Member Garza asked is it just like an extra, like if you have 2 people, they'd each need a car? Or like what is it? Captain Petersen replied essentially, this is a pilot program, everybody's going to get their own car, right? This is my car. But then we've got a plan for my car breaks down and you have an extra. Council Member Garza said gotcha.

Captain Petersen said we need to get people more information, who aren't eligible to have their own car, so we'll have to transfer those cars. So, I would say we're going to have 40 cars plus an extra 5 this year, but that's kind of oversimplifying things.

Council Member Garza said but that's the gist of it; what about any current vehicles? Captain Petersen said I wouldn't define these 2 as spares; they would come in and replace some older cars that we've had. So, like one of the cars we'd replace is a 2011 or 2012, a pretty old car, but it's still functional and we could get by another year without it.

Council Member Thiede said so, I'm just thinking these are squads, right, like regular police squad cars? Captain Petersen replied those specific 2 would be unmarked civilian cars.

Council Member Thiede said oh, they're civilian, okay. Council Member Olsen said investigators use them. Council Member Thiede said okay.

Council Member Garza asked do we have an opportunity that we have an extra squad or unmarked car?

Council Member Thiede asked what do you actually have in them? Is it something that when you have an issue where somebody needs a car that you would have programmed with some rental place or something like that?

Council Member Olsen said they have to be the police package, don't they? Council Member Thiede said well, that's my question; I'm saying, what's special about the cars?

Director Koerner replied yeah, our investigator cars they're set up with the computer, and so they have to have the lights and siren and things like that.

Council Member Thiede said so my question might be is what if we kind of work with other communities, let's say talk to Woodbury or something like that, and if some car like that could be in a combined pool; because I'm thinking you need spares because a certain percentage of time they'd be sitting idle, true or false?

Captain Petersen replied sometimes, yes, it wouldn't be much, but sometimes.

Council Member Thiede stated so I don't know all the stats on it, but the question is, is it something that we could be proactive about and start some sort of public safety community pool for spares or something like that? And it may not be possible at all, but it's just a thought.

Zac said with all I've heard, if you want to swap one of those cop cars for the Rec vehicle, we could wait a year.

Council Member Khambata said when we're talking about the assigned vehicle spare program, we're also talking about like a critical service vs. a non-critical service, right? Like you can't just have officers and detectives who like can't go if they don't have a car, right? So, that's not really a scenario we want to find ourselves in where either through the course of a winter accident or a breakdown and now we don't have enough cars; and I don't know what the policy is on them driving their own car, but when you need a spare car, you're just going to need a spare car to be available. So, I think we're kind of walking a fine line with that, depending on how that program goes.

Council Member Thiede said that can happen with spares that we have, too, that we have just a really unlucky period and not having these cars filled.

Council Member Khambata said right, and that's the liability; because if we do our math wrong, and we end up with no spares and no margin for error on that, then we're going to find ourself in a position of crisis where we're paying over sticker to try to expedite a purchase when it wasn't in our normal plan or cycle.

Captain Petersen stated I appreciate your point, but we wouldn't get to that, though. I would just let less vehicles go home; I would always make sure that we've got enough of a fleet here to sustain our operations, so that means that somebody can't take their car home.

Council Member Olsen said, Zac, your offer doesn't surprise me and is very kind, but let's look at it from an objective perspective. What you're saying is I could push my 2013 vehicle to 2026 in exchange for this Public Safety vehicle. Tell me about that 2013 vehicle. What kind of shape is it in?

Zac replied it's fine, and I think Council Member Thiede made a great point. If that vehicle breaks down, we'll find another vehicle in the fleet or we rent or whatever; cops can't do that. So, there's nothing special about our vehicle.

Council Member Olsen asked Pete or Brad, what do you think of that? Director Koerner said I would appreciate it, but I think Brad and Greg are the ones who are really running with this assigned vehicle plan.

Council Member Olsen asked Brad, what do you think of that? Brad replied they lock up our buildings at night, we've got to do something for them.

Council Member Khambata asked Zac but is that something that hurts your feelings in the long run, or does that seem like it's a rational compromise? Zac replied I think Jennifer's right, all we use these vehicles for is morale and everything else, but one more year isn't.

Mayor Bailey said I have a couple questions. So, what you would propose is that they would get one of those cars, not both of them? Zac replied well, we only had $50K of value there. Council Member Olsen said so, it would be a trade. Zac said and then they can get at least one ahead, and he's saying they have a 2011 or 2012, which is even older than ours, right? Administrator Levitt replied yes. Zac said get them going in the right direction and then we'll come in next year.

Council Member Khambata said yeah, and then next year they get one more and it's yours, hopefully.

Mayor Bailey said well, it might not because next year is a whole new budget. I'm all for Public Safety in a big, big way, but we always push Parks off, and I get what you're saying, Zac, and I truly appreciate it. If internally you guys say Zac, we'll give you the one car vs. waiting another year, and if you feel that that car is going to be fine, I'm okay with that. All I'm saying, though, is I want to make sure that, because I know the purpose of some of this, though, wasn't it to do the fleet or the sending cars home thing?

Brad replied yes, but we know that's not going to be a full implementation immediately, so we have to grow into that over two years; so, if two officers have to wait a little bit longer to take their car home, that's not that big of a deal.

Council Member Olsen asked and you're comfortable with that? Brad replied yes.

Council Member Thiede said and I guess I would recommend that again, if we decided on a bottom line, these guys know a lot more working as a team, and they work excellent as a team, always knowing which direction to take that and what decisions to make in that final decision.

Council Member Garza asked what do you think about cost? So, if we were to push the two squads, like I think someone mentioned earlier that the cost to put all the equipment and everything that you need in there, it may go up by next year if we don't do it this year. Brad replied yes, and we were seeing that increase in inflation every year, so it sounds like it's going to be.

Council Member Garza said and it will be more impactful for you than it would be for your regular vehicle probably because. Council Member Olsen said well, that's hard to say. Council Member Khambata said yeah, because as he said, like they have to grow into the program. Council Member Garza said all I'm saying is inflation wise, if we waited a year, his vehicle inflation wouldn't be as much as his vehicle. Council Member Olsen asked well you guys both buy on the State contract, do you not? Brad replied we do. Council Member Olsen said so it'd probably be a horse a piece because they buy on the State contract.

Mayor Bailey said the difference between the two will be the outfitting of the police car, but I will tell you every year we have this same conversation; in fact, 16 years ago we were talking about how much the costs are.

Council Member Olsen said Brad, if you truly feel comfortable waiting another year on those two spares and you're willing to do that, leaving the Zac vehicle as part of the conversation I think is a wise choice. Is that something you're going to be able to deal with and live with? Brad replied I can make it work. Council Member Olsen said okay, all right.

Director Koerner said I think the other thing, too, is with Jon and Nick in these new leadership roles, we really need to look at that Fire Marshal vehicle, that he's not responding Code Blue, I want to make sure. Director Koerner said I think that's still another conversation on what we even do for Steve or what kind of vehicle, so there needs to be some changes.

Council Member Olsen said tell me more about that; are you not comfortable with what our decision is so far? Director Koerner replied no, I'm just saying, like Jennifer had said, it's up on our priorities, but I think internally I would like me, Jon, and Nick to just look at our fleet and really decide what vehicles do we need with the Fire Department.

Council Member Garza asked is it really a $72K vehicle or is it a $50K vehicle? Director Koerner replied right.

Council Member Olsen said oh, I misunderstood; because when you did your management plan for the Fire Department, that vehicle was part of that plan. Director Koerner said it is, he needs something, but I would like Nick and Jon to kind of really take a stab at what is needed because there are some needs in Jon's vehicle, too, on how the equipment is; we had that listed as one of our, initially we were going to do a Budget Addition for that.

Council Member Olsen asked what was that Budget Add? I don't recall. Jon replied one of the things was on these containers that we were going to put our firefighter gear in and like the air things. Right now, it just kind of free flows in our vehicles, and since we respond to fires, we do need that equipment. But in that same token, we also found that some of our budget amounts, as long as it didn't go down we might have flexibility, but at some point we need to get all of that in there, which is frankly about 7-to-10 years of Best Practice for having that in Chief level officers that are in the industry of vehicle cars. So, we have to get back up there, but we're going to try to take swings at that over the next two years, to start getting that into our vehicles with some already existing budget amounts.

Council Member Olsen asked how much does that cost? Jon replied roughly about $60K to $80K per vehicle, which we do feel like we could probably incrementally do over the next few years.

Council Member Olsen said so what you're saying is if you do a Budget Add for this vehicle for Steve, and you end up spending less on that, you want to be able to reallocate some of those funds to this project?

Director Koerner said we didn't even bring that to the budget, it was just in our conversations initially. Council Member Olsen asked can we still do that at 12.99%? Well, then it's no big deal to me, do it.

Mayor Bailey asked do you think you actually can do that? Director Malinowski said $115K-$116K we can add, which would put you at 12.98%; that is the $50K recreation vehicle, and the $72K Fire Marshal vehicle. $6K from the Equipment Replacement Fund would also need to be utilized.

Council Member Khambata asked where does that leave Ryan and the Forestry budget? Administrator Levitt replied he's one of the yellows, that was already there. He's anticipating a light winter, we won't use much salt.

Council Member Olsen said okay, so let's hear it; after all that stirring and draining, what are we at? Director Malinowski replied we're at 12.983%. Does that make Director Malinowski happy? Director Malinowski replied that makes me happy, thank you. And then the median home is $77, so comparable to the $78 that it pays this year. And that puts us next year at under 13%, correct? Director Malinowski replied yes, 12.93% for next year and $129.

Council Member Garza said that's a lot better than that $160.

Mayor Bailey asked Council for their thoughts. Council Member Olsen said I'm good, I like it. Council Member Khambata said I'm agreeable. Council Member Garza said so we will raise the preliminary levy? Council Member Olsen asked Council Member Thiede if he's all right, and Mayor Bailey said he's good.

Administrator Levitt said we're at 12.983%. Mayor Bailey asked can you believe that? Council Member Olsen said if you want to round it up to 12.9%, but don't let the County mess with you.

Mayor Bailey said the only thing before we go to our next agenda item, if Council is good, I just want to interject that we obviously don't know until December what the final extra cash, if you will, that we're going to have in the Fund Balance at the end of the year, right? And you've got these things in yellow, so what I'd like to ask is if it's possible at that time, if we get the ability to do it, to do one of those vehicles for Public Safety and then slide the other one into 2026. So, that would be our extra add on there if we have it; if we can do it this year, I'd like to see it. And if you're telling me you'll be able to cycle this over the next couple years and then they'll be able to do it, in essence there'd be a car in 2025 and 2026, correct? That was the intent.

Council Member Khambata said so you're saying rather than an adjustment down in December, keep it where it is.

Mayor Bailey replied well, my belief is in December we're going to keep the levy because we can't go higher, we were not going to drop the levy. What I'm suggesting, though, is they're going to come back to us and say here's how much Fund Balance we have that we can use to pay for these yellow items that are already on here, what they think they can do; based on whatever that real number is, I'm suggesting that we could add at that point in time one of the vehicles.

Council Member Thiede said what we really need is come December, if we could actually say we were able to lower it a bit, like maybe 12.97%. We'd be able to say we actually lowered it from our initial projection.

Administrator Levitt said we can talk about that on November 28th.

Council Member Olsen asked what do you think of that, Pete? Pete replied I like it. Mayor Bailey asked Council? Council Member Thiede replied yeah. Council Member Olsen asked Brad, are you good with that? Brad replied sure. Council Member Olsen said and Jon, that gives you the opportunity should you be able to find some savings to get some of your stuff done. Jon replied absolutely.

Council Member Olsen said and then you still get your vehicle, Zac; who drives that? Zac replied everybody. Mayor Bailey said I remember when Ryan was the administrator; Administrator Levitt said the Christmas lights. Mayor Bailey said yes, we were out looking at Christmas lights to judge with Molly in the Park and Rec van, and it broke down on 80th Street; and we're sitting in this broken-down piece of crap car where you can look and see the ground, and I'm like never again are we going to do that. So, I remember that. Council Member Thiede said it's kind of like a reverse convertible. Mayor Bailey said and I was in that van. Zac said and that was the better of the two vans; Mayor Bailey said I know, that's what I was told, that was crazy.

B. Deputy Fire Chief Position Addition 2024

Staff Recommendation: Approve the addition of a second deputy chief authorized to start on or after October 7, 2024.

Mayor Bailey said this is a fairly straightforward formality, but who wants to take this, Pete?

Director Koerner said yes, I'll take this. In your packet we put a detailed memorandum, but we covered it in our last workshop when we did the Strategic Plan. So, I think you are well versed on it. When we did the organizational study, we identified the need for the fulltime Fire Marshal, which we have now with Steve Zaccard, and the shift-based supervisors and we started with the three fire captains. What we had in there was the second Deputy Chief and how that was broken down, similar to the Police Department where we have a Patrol Captain and Administrative Investigations. In the Fire Department, we have the Operations Chief, who does a lot of the daily work and supervision of the Captains. What we really struggle with right now is our Fire Captains are doing a lot of the administrative duties, and we want them to be frontline supervisors, similar to our sergeants; they're out taking medicals, they're in the rig, and this new additional position would take a lot of the load off of Nick with doing Fire-EMS training and a lot of the operations and field training. We have the organizational chart that we've kind of been following, and I just need you to know some of those things where you see the asterisks, those aren't additional positions, those are just specialty positions, similar to a detective. That's just kind of how we have it broken down; obviously, you can see that one set is more operations, the other is a lot of administrative.

With that, we've talked about the positions included in the 2025 budget, and we're using the one-time Public Safety Aide for two years. When talking with Director Malinowski, she said that we have approximately $45K, that was some savings that we had from personnel. We've been asking for this for a while, but we are trying to space this; when Nick started, he started a few months later in the year. Right now, we have our backups with our two internals that we're sending to medic school, and we have three fulltime; so, we're at the point where we believe we'll be able to have both of these onboarded. So, we're trying to work it out with payroll, the right kind of pay schedule. We also don't want to put this position and then be trying to fill it with overtime or whatnot. So, when I say this person will start on or after October 7, realistically I think we'll get it a little after October 7, but we want to get those other bodies in, so.

Mayor Bailey asked do we have an extra candidate that we're interested in, not specifically for the Deputy Chief, I'm talking about somebody that would do the backfills. Administrator Levitt said when we did the interviews on August 14, we came up with three candidates that we were backgrounding; so, we would hire any of the three, but we would hire two if you permitted us to do that.

Mayor Bailey said okay, so we'd be able to hire that third to do backfill, okay.

Council Member Olsen said well, let's talk about that. I said what I said last week, and I appreciate the various leadership taking that into account. If you want to move this Deputy Chief position forward, that's great. What downfall is there to opening up the Captain opportunity to the team to see who all might be interested?

Pete replied what we did is when we promoted Nick, at that point we did a Captain posting to fill his position. Obviously, we went with Captain Ekren, so we do have another third candidate. I honestly couldn't tell you if we have any other internals that would be interested right now, as that was months ago, March or April, and we had two people at that point who were interested.

Council Member Olsen said okay, but that doesn't answer the question; what would be the bad part of reopening it up to see what you have, if there was anybody else interested?

Deputy Fire Chief Nick Arrigoni asked are you talking about the captain position? Council Member Olsen replied correct. Nick said I can confidently say, if I may, that I don't think anybody, other than our next candidate, would be ready for a captain position in our organization right now if I'm going to be honest with you.

Council Member Olsen asked and you think your preferred candidate is ready? Nick replied yes, I do. As always, like what happened with me or any other captain or deputy chief, I think there's going to be coaching and mentoring opportunities there, but I'm confident that they're ready.

Mayor Bailey asked on your organization chart, which role are you playing on there? Nick replied I'm the Operations Chief. Mayor Bailey said okay, I just was curious.

Nick said I can elaborate, too, Council Member Olsen. When I say, "not ready," we have benchmarks. Chief Pritchard made benchmarks for career paths; and we have a lot of things that we want to see people hit in regards to education and certifications that really help make them ready for that position, along with just growing in the organization. When I look through our ranks, quite honestly, nobody's there yet. I think obviously we will get there, but it's not right now.

Administrator Levitt said I think in your organization chart, too, when you see the operations with the Shift Captains under Nick, I think his style, his leadership, his coaching as he mentioned, is the key to the success of those Shift Captains. I think he's doing a great job. We believe strongly in coaching and getting them the tools and the resources because I'll be honest, all three captains are not at the same level. So, it's helping them all to rise to a higher degree of performance, and that's what I believe Nick and Jon are committed to doing; but the way it falls under the organization chart, that's really Nick's thing. He has to ensure that operations run smoothly. I guess at this point I am very confident in his leadership to do that.

Council Member Olsen said I'm not trying to cast any aspersions towards Nick and his leadership abilities, or anybody else for that matter. My primary concern is the morale of the team down there, it's not great, it's no secret. I think there are opportunities to build bridges vs. poking the bear, and we haven't always taken those opportunities and this might be a chance for us to do that. Opening that Captain's spot for internal candidates to express interest does nothing other than provide opportunity for people to say this might be something I want to do. If you go through the process again, and you land on a preferred candidate, you would have the ability to look back and say we made a decision to open it up and this is where we landed, and nobody can argue with that. But if you don't do that, there's always the chance that somebody might say well, I never had the opportunity. Again, if you're trying to build bridges and you're trying to create positive morale, I just don't see a downside to giving people the chance to say that they may be interested. Nobody may raise their hand other than the individual that you're already thinking about, but at least the opportunity was presented. I would love to see you do that with your Deputy Chief, but I'm not asking you to do that; I'm going to support your decision there, but on the Captain's role, that would be my advice. If you choose not to take that advice, that's totally up to you.

Council Member Thiede said but it could go both ways. If for some reason the morale is low, it could end up being a situation where they say well, they put it out for people to sign up, but they know which direction they're going to go anyway. So, why should I bother? And that could actually make things worse.

Council Member Olsen said well, you get plausible deniability in that case if you haven't given it a chance, but I mean.

Nick said five months ago we put it out there for people to apply. The only new person that's entered our organization since that point was one person, who was literally still on probation. I still feel very confident in this person, and I think the morale piece I guess I'm not aware of specific situations. I don't think there's anything in this person's personnel file or on our psychiatric evaluation, which they were recommended, but it sounds like we're talking about an individual; then I guess I'm confused because we're kind of based on our hiring process, that person was recommended to backfill and take this position.

Council Member Olsen said I've already had the conversation I needed to have with the director, so I'm just going to leave it at that. I don't know what he has or hasn't shared with you, but I'll leave it alone.

Mayor Bailey said I think the request here by staff is to add the second Deputy Chief to start after October 7, is that correct? Administrator Levitt said yes. Mayor Bailey asked do you need us to actually vote on that right now? Administrator Levitt replied I'd like a motion. Council Member Olsen asked and it's already baked into your budget, right Director Malinowski? Council Member Khambata said 2024, 2025, and 2026 are paid for. Mayor Bailey said yes, and then they're using the extra money this year. Director Malinowski replied for 2024, we have savings in personnel, yes. Council Member Olsen asked is that true for the captain's role as well? Director Malinowski replied yes. Council Member Olsen asked and then do we have a candidate to backfill that spot? Nick replied yes.

Council Member Garza made a motion to approve the addition of a second Deputy Chief authorized to start on or after October 7, 2024; second by Council Member Thiede. Motion carried: 5-0.

Mayor Bailey asked Council before we adjourn if there were any other topics budget wise or other questions for staff.

Council Member Khambata asked if we could go back to that organizational chart real quick.

Council Member Garza thanked the other Council Members for helping her get up to speed on this budget stuff. Council Member Olsen told Council Member Garza you're doing great, lots of good questions.

Council Member Khambata said just for clarity, we've got a Shift Captain, who is moving up to a Deputy Chief, and we've got somebody to backfill that Shift Captain; so, we're still going to keep our three crews, staffing and everything is going to be fine?

Jon replied yes, and that's where in reference to our fulltime interviews on the 14th, we had the opportunity, we had three open, but we found four great candidates, and that will give us an opportunity to make us whole with those.

Council Member Olsen asked when do you rotate shifts? Jon replied it's really, the union kind of says hey, we'd like to rebid it, and it's usually yearly. Council Member Olsen asked is it similar to what the police do; do your people bid for a shift? Jon replied yes, it's by seniority. Council Member Olsen said there might be some value at some point in discussing sort of rebalancing that. Nick stated that's something Pete, myself, and Chief Pritchard have looked at, too, and I think by nature, things are going to get fixed. Council Member Olsen said they probably should, and Nick agreed.

Mayor Bailey said I want to thank staff again, good job on presenting both sides of the coin, giving us options to cut if we needed to, but our goal here I think is to make sure that we can give you guys the equipment, the processes, the people that we need to keep the City moving in the great direction it already is running. So, kudos and thank you. Director Malinowski, thank you for putting the budget together.

Council Member Olsen said and I think we're sticking pretty close to that FMP as well. Mayor Bailey said yes, we are, so Council Member Thiede's really happy now. Council Member Thiede said 12.97%, that's good. Council Member Garza said thank you.

3. ADJOURNMENT

Motion by Council Member Olsen to adjourn; second by Council Member Khambata. Motion passed: 5-0. The meeting was adjourned at 7:35 p.m.

Minutes prepared by Judy Graf and reviewed by Tamara Anderson, City Clerk.