

JOHNSTON CITY COUNCIL
Work Session No. 17-01 - Minutes
Johnston City Hall, 6221 Merle Hay Road
TUESDAY, January 3, 2017
6:00 p.m.

1. CALL TO ORDER

Mayor Dierenfeld called the meeting to order at 6:05 p.m.

2. ROLL CALL

Present: Clabaugh, Brown, Cope, Lindeman, Temple

3. BUDGET DISCUSSION

City Administrator Jim Sanders initiated the discussion and started by thanking all involved for their patience, and Teresa Rotschafer in particular for all her work done overall. The valuations were just received a little over a week ago and Rotschafer conducted a significant amount of work and analyses in terms of how the department head requests and new valuation will impact the City's tax rate.

The City's growth of approximately \$74,000,000 is able to fund the personnel and commodities that exist today with the increase factors for the upcoming fiscal year, while maintaining the tax rate at its current amount. However, in order to efficiently and effectively operate the growing City, the City will have to find a way to fund the prioritized decision packages. Much of the funding from the increased tax valuation is going to worker's compensation insurance – nearly half.

Sanders provided an overview of where the City's reserve will be based on the preliminary budget, and provided a brief history and policy analysis on the City's reserve fund.

The next topic of discussion was a summary of the decision packages and the procedures regarding the decision packages. The first step is examining personnel requests and how they relate to the general fund levy. It was discussed that unlike in other recent past years, we are beginning already under the 25% reserve the City has set as general policy practice. The next step in the decision package examination is reviewing personnel requests related to funding from sources outside the general fund levy. The last category is equipment and services from funding sources outside the general fund levy.

Councilmember Clabaugh initiated some discussion and requested clarification with regard to how much increased funding is available based on the increase in property valuation and why / what is taking up that increase to leave the City at status quo and unable to fund decision packages at the \$11.40 tax rate. The new increased valuation equated to a little over \$500,000 in actual tax dollar revenue. That covered essentially the cost of doing business from one year to the next: operations and maintenance; and the majority from wage increases and worker's compensation insurance. Overall health insurance went down for a savings of approximately \$94,000 based on the high deductible plan and larger employee share.

City staff were directed to examine a combination of revenue options and spending decreases that fall outside of the general fund tax levy in an effort to fund highest priority decision packages.

The meeting adjourned at 7:05 p.m.

Paula S. Dierenfeld, Mayor

ATTEST:

Cyndee D. Rhames, City Clerk