



Minutes of the Arlington City Council Zoom Retreat

October 9, 2020

Councilmembers Present: Mike Hopson, Marilyn Oertle, Jan Schuette, Jessica Stickles, Don Vanney (joined at 2:30 p.m.), and Michele Blythe.

Council Members Absent: Debora Nelson, excused.

Staff Present: Mayor Barb Tolbert, Paul Ellis, Bryan Terry, Kristin Garcia, Jim Kelly, Dave Ryan, Jonathan Ventura, Dave Kraski, Marc Hayes, James Trefry, Wendy Van Der Meersche.

Mayor Barb Tolbert called the retreat to order at 2:00 pm, and the Pledge of Allegiance and roll call followed.

APPROVAL OF THE AGENDA

Mayor Pro Tem Jessica Stickles moved to approve the agenda as presented. Councilmember Marilyn Oertle seconded the motion, which passed with a unanimous vote.

Mayor Tolbert welcome everyone, and introduced City Attorney Steve Peiffle as facilitator. Mr. Peiffle reviewed rules and procedures, and turned the retreat over to City Administrator Paul Ellis.

DISCUSSION ITEMS – NO ACTION WAS TAKEN

2021-2022 Budget

Mr. Ellis began with a review of the slide deck for the 2021-2022 Budget.

2021/2022 Budget Overview

- No new discretionary spending
- “Hold the line” budget
- Fiscal sustainability

FINANCIAL ASSUMPTIONS

General Revenue Assumptions

General Property Tax - 1% plus new construction, plus banked capacity

EMS Tax Levy – 1% plus new construction

Retail sales tax - 3% over 2019 actuals

Ambulance Utility Fee - \$15 per unit in 2021, \$30 per unit in 2022

Water, Sewer, Storm - no rate increases

Cemetery – no rate increases

Airport – land rentals adjust by appraisal, buildings adjust by CPI

General Expense Assumptions

No new department discretionary spending
 2020 discretionary spending reductions carried forward
 Liability insurance premiums increasing 4.3%, increased 5% in 2022
 Property premiums increasing 9%, increased 5% in 2022
 No new lodging tax grants awarded in 2021, new grants in 2022
 Art fund to award grants in 2021 and 2022

Expense Assumptions - Staffing

Salary adjustments per union contracts
 Medical premiums expected to increase up to 7.5% in 2021
 Dental premiums expected to increase up to 3% in 2021
 Eliminated shared administrative assistant position
 Two unfilled positions
 Communications manager
 Maintenance & Operations
 Four new public safety positions added
 Police support officer
 Three FTEs for dedicated BLS unit

CAPITAL IMPROVEMENTS

Capital Improvements for 2021-2022

Department / Division	2021 - 2022	Revenue
Airport	\$3,992,110	FAA grant, Airport operation reserves
Parks • Evans Park	\$100,000	Park mitigation
Capital Facilities	\$4,501,000 (\$1 million expected to be spent in 2020)	Bonds
Economic Development • Fiber and Innovation Center	\$505,000	Grant, REET 1 funding
Utilities	\$18,010,308	Water, Sewer, Storm operations
Transportation	\$14,581,883	Grants, traffic mitigation, two tenths of one percent sales tax (TBD)
TOTAL	\$41,690,301	

Airport

2021

\$167,000 obstruction survey
\$715,000 fencing

2022

\$3,110,110 Runway 16/34 overlay
(Projects expected to be funded 90% by FAA grant.)

Parks**2021**

\$100,000 Evans Park
Roof
Backstop
Fencing
ADA sidewalk and playground improvements

\$10,000 per year for safety/repairs to parks
York Park – landscape, irrigation upgrades
Quake Park – replace pea gravel and lay chips, ADA path to restrooms
Forest Trail Park – replace parking lot curbing, basketball court updates,
landscaping
Jensen Park – shelter renovation, picnic table upgrades
Terrace Park – shelter lighting

Capital Facilities

Issued \$5,500,000 in 2020 for the construction of a new fire station, police impound facility and M&O facility.

Budgeted to spend \$4 million on Station 48

Budgeted to spend \$1.5 million on the police impound and M&O facility

Construction on Fire Station 48 will begin late 2020, so the majority of bond funds will be carried over into the 2021 budget. It is expected that the projects will be completed and bond funds fully spent by the end of 2021.

Economic Development**2021**

\$205,000 Phase II Innovation Center
Roof
New concrete on lot
Exterior paint
Foyer remodel
Heat/air conditioning

\$150,000 per year for Fiber

Innovation Center project expected to be funded by a grant

TRANSPORTATION/UTILITIES

Utilities

- Water main replacements
- Water treatment plant design/construction
- Gleneagle and 520 reservoir improvements
- Wastewater equalizing basin improvements
- Wastewater membrane replacements
- Prairie Creek culvert

The 2021/2022 budget includes \$1.4 million of anticipated grant revenue

Transportation

- 173rd Construction
- 40th Ave/SR 531 Intersection
- SR 530 Roundabout

The 2021-2022 transportation improvement budget includes \$6.5 million in anticipated grant revenue.

Conclusion

- Continue monitoring revenues and expenses
- New program requests will be reviewed/discussed at April retreat
- Potential budget adjustments pending outcome of RFA

Next steps

Council Workshop	<ul style="list-style-type: none"> • Re-cap of 2021/2022 preliminary budget • Preliminary budget available to public • Review proposed 2021 general property tax and EMS tax levies 	October 26
Council Meeting	<ul style="list-style-type: none"> • Public hearing on proposed 2021 general property tax and EMS tax levies • Public hearing on proposed 2021/2022 budget 	November 2
Council Workshop	<ul style="list-style-type: none"> • Follow up discussion on preliminary budget/tax levies (if needed) 	November 9
Council Meeting	<ul style="list-style-type: none"> • Adopt resolutions setting the 2021 regular property tax levy and the EMS tax levy • Adopt 2021/2022 Budget Ordinance 	November 16
Council Workshop	<ul style="list-style-type: none"> • Review 2020 budget amendments 	November 23
Council Meeting	<ul style="list-style-type: none"> • Public hearing on proposed budget amendments • Adopt Ordinance for 2020 budget amendments 	December 7

Discussion followed with City Administrator Paul Ellis and Finance Director Kristin Garcia answering Council questions.

With additional time remaining, Mr. Ellis asked Council to refer to the slide deck for the RFA Annexation Levy follow-up.

Mr. Ellis stated that the RFA Council retreat was held in June, with Council being kept informed of the RFA committee’s meetings. Over the next two Council workshops, discussions will continue. On November 2, Council will vote whether to adopt the North County Regional Fire Authority’s (NCRFA) plan, and approve the resolution to put this before voters on the February 9, 2021 special election ballot.

Estimated Cost to Taxpayer Annexation Scenario

	2020	2021	2022 No Annexation	2022 With Annexation
City General Levy	\$1.42	\$1.35	\$1.29	\$.82
City EMS Levy	\$.33	\$.32	\$.30	0
RFA Fire Levy				\$1.47
RFA EMS Levy				\$.35
SUBTOTAL	\$1.75	\$1.67	\$1.59	\$2.64
AMBULANCE UTILITY FEE	\$180 per year (\$15 per month)	\$180 per year (\$15 per month)	\$360 per year (\$30 per month)	\$0
ANNUAL COST FOR A HOME OF \$400,000	\$880	\$848	\$996	\$1,056

General Tax Levy

If the City retains \$.82 of its 2022 tax levy (an approximate \$.50 cent reduction), the City gains about \$677,000 in revenue.

Proposed Use of Tax Revenue
 SR 530 Roundabout
 169th gap

Discussion followed with Mr. Ellis answering Council questions.

ADJOURNMENT

The retreat was adjourned at 4:09 p.m.


 Barbara Tolbert, Mayor