

**CITY OF LEXINGTON
WORKSHOP SYNOPSIS
Thursday, August 19, 2021
Immediately following Council meeting
City Hall**

- 1. Call to Order:** Mayor Murphy
- 2. Roll Call:** DeVries – Harris – Hughes – Winge

Vice Mayor Harris called to order the workshop for August 19, 2021 at 8:25 p.m. Councilmembers present: Devries, Hughes, and Winge. Mayor Murphy was present via Zoom communication. Also Present: Bill Petracek, City Administrator; Chris Galiov, Finance Director.

3. Discussion Items:

A. Discuss 2022 Preliminary Budget

Petracek provided an overview of the preliminary budget. He explained that based on the increases to fire department and police department operations budget – 10% for F.D. and 8.6% for P.D. - that a preliminary levy will be recommended at 7%, with a possible 5% increase to the 2021 General Levy to offset the increased costs to police and fire operations budget.

Vice Mayor Harris questioned the need to increase the General Levy to 5% with the increase in liquor store revenues in 2020. She stated that this year is not a good year to increase it. Petracek explained that last year a 0% increase to the General Levy creates a need to increase it for 2022 budget Discussion ensued. Petracek explained that Lexington's portion of the police budget went up \$87,000 due to the increase of Lexington's population and how the Centennial Lakes JPA calculates the three city's annual contribution to the budget – population, call volume, and a formula determined by the IACP – International Association of Police Chiefs.

Petracek also explained that the fire department's budget has gone up due to increase in call volume and salaries being paid to firefighters. Petracek also explained that an increase to the fire fighter retirement contribution is also being proposed. He stated that there will be more discussion on this as final budget estimates are submitted. Discussion ensued.

Petracek also informed the Council that he had spoken with the county assessor, and he was informed that none of the new development – Lexington Lofts Phase 1 or O'Reilly's – would be included on the tax roll for 2021. He added that the property owner's in Lexington would not benefit from the new tax valuation with this year's tax levy. Discussion ensued.

B. Discuss American Rescue Plan Act Funds (ARPA)

Petracek provided an overview of his memo regarding the funds received from the American Rescue Plan Act. He stated that we have received the first payment in the amount \$140,313; the second payment will be \$140,313 totaling \$280,626. The second payment will be received May of 2022. The City of Lexington would have until December 31, 2024 to spend the funds.

Petracek explained his recommendation to consider:

We are in need of replacing our fire hydrants in Lexington– 70 fire hydrants – at an estimated cost of \$8000/fire hydrant – Total cost \$560,000. Replacement of fire hydrants has been put on hold over the past few years. This was due to the money that was spent on the new Wellhouse in 2017, and the lack of funds available for the gradual replacement.

The fire department is in need of replacement of air packs for the fire fighters – estimated cost \$120,000. Discussion ensued. Petracek added that these recommendations would fall under the guidelines of how the ARPA money is to be spent.

Petracek stated he would be having more discussions with the Council regarding ARPA funds along with the proposed 2022 budget, as the final budget numbers are determined.

4. Staff Input

None.

5. Council Input

Councilmember Devries stated that a police officer was speeding off Lake Drive onto Restwood by Cowboy's without lights and sirens while chasing another motor vehicle last Saturday at about 11:00 p.m. He felt this was very dangerous and the police chief should know about this. Petracek stated he would let Chief Mork know.

6. Adjourn

Councilmember Devries made a motion to adjourn at 9:26 p.m. Councilmember Hughes seconded the motion. Motion carried 5-0.