

**MINUTES
SPECIAL JOINT BUDGET & FINANCE COMMITTEE & CITY COUNCIL**

APRIL 12, 2010

Jean Soine called the meeting to order at 5:30 p.m. Other members present were Dennis Zimmerman, Renee Eckerly, and Belinda Ludwig. Also present was Stephanie Hormann, Cable Coordinator; Rick Paul, HF Paul & Associates; Brian Koehn, LarsonAllen; and Dennis Schmidt, LarsonAllen. Kirk Johnson, Jeff Thompson, Jeff Bertram, and Gene Beavers were absent.

Motion was made by Zimmerman to approve the March 8, 2010 Budget & Finance Committee Meeting minutes. Seconded by Ludwig and unanimously carried.

INSURANCE AGENT

Paul was in attendance to discuss the insurance agent rate. The renewal is mostly done internally because the City knows the numbers and data better than he does. The format of the renewal has changed. The renewal is not the majority of the time spent. It is questions that are asked; such as coverage for the airport fly in and other questions that come up. The City is under a budget crunch. Compared to other insurance that is written, the City is the largest client. On a percentage basis, Paul can renew smaller clients and get 15 – 20% commission. With the City, Paul gets 10%, but there are agents that are getting 5% on larger cities such as Alexandria. Paul is the agent for three cities. There is an exposure to him to cover a city (errors and omissions). There is a pretty large financial exposure for Paul to insure the cities they have. Paul has expertise when insuring the cities. Paul feels he is worth more than 10%. Paul knows what is going on in the City and is aware of what the City is doing to make sure safety is addressed. It is good to have someone aware of exposures and how to cover or attempt to cover. Any changes need to be done prior to July 1st; application should be done by June 1st. Paul has 25 years of experience and his dad had 15 years of experience previous to that. The Committee will review the process and prepare a resolution and negotiate an amount.

2009 AUDIT

Koehn and Schmidt distributed a new draft audit. They thanked the City for the opportunity to be the auditing firm. Koehn reviewed the upcoming GASB regulations.

- GASBE 54 – fund balance and government fund type
 - Five new categories:
 - Non-spendable – pre-pays, inventories, and certain receivables
 - Restricted – external restriction
 - Committed – formally established by Council (before year end)
 - Assigned – intended purpose (no formal action)
 - Un-assigned – everything else; usually general fund
 - 2011 implementation
- Definition of special revenue fund amended – the key is to have specific revenue sources.
- GASB 55 – The hierarchy of General Accepted Accounting Principals
 - Effective now
 - No impact on City
- GASB 56 – Codification of Accounting and Financial Reports

- No effect on City
- GASB 58 – Chapter 9 Bankruptcies
 - No effect on City
- GASB 57 – OPEB

Koehn needs an email from Eckerly to officially close the audit. Koehn will give a 10-15 minute final presentation to Council on April 28, 2010.

INSURANCE AGENT CONTINUED

The Committee discussed going ahead with RFP's for other agents. Eckerly is to get the RFP out right away. This is the earliest that a renewal has been available for the City; usually it is not here until late May or early June.

TRANSFER OF FUNDS FOR TRAIL

Motion was made by Zimmerman to approve the transfer of \$50,000.00 for Phases 7 & 8 from General Fund Reserves to Fund 127 Trail. Seconded by Soine and unanimously carried.

TRANSFER OF FUNDS FOR SEWER INTERCEPTOR PROJECT

Motion was made by Zimmerman to approve the transfer of \$117,200.00 from Sewer Equipment Replacement Fund 116 to Fund 560 Sewer Interceptor. Seconded by Soine and unanimously carried.

HEATHERWOOD PLAT 3 – AGREEMENT REGARDING TRANSFER OF LOTS

Eckerly reported that the draft agreement contains the fees of \$7,583.08 plus 1.5% interest.

Motion was made by Zimmerman to approve the Agreement Regarding Transfer of Lots in Heatherwood Plat 3. Seconded by Eckerly and unanimously carried.

SERVER UPGRADE

The Committee stated that labor is outrageous and this will be tabled until an explanation of the labor expense is received. The upgrade should take about 5 hours. It was questioned what the two external drives are for.

CITY HALL FURNACE GRANT

Eckerly reported that the City has been awarded \$47,069.00 to replace the HVAC unit at City Hall and lighting at the Fire Hall. The project cost is \$52,106.00. The City's amount is \$5,000.00. Plans are required before the grant documents are issued. Eckerly is working on waste management and historic preservation right now. A preliminary meeting is scheduled with Inspectron, Inc. and Voss to review the plans. WSN would be the architect since they are familiar with the building from the auto crash repair.

LIQUOR STORE UPDATE

It was reported that the Armory property is now for sale and the Credit Union is interested in sharing this property with the school.

2010 BUDGET

Holiday Lights – Eckerly will contact the Chamber of Commerce to see if they are interested in reducing the hours or putting in LED bulbs. There may be an energy rebate for the LED bulbs.

Snowmobile Club - The Club is not interested in mowing for their donation.

2011 BUDGET

Eckerly gave an update from the state.

There being no further business, the meeting was adjourned at 7:50 p.m.