

**MINUTES
BUDGET & FINANCE COMMITTEE**

JUNE 7, 2010

Jean Soine called the meeting to order at 5:30 p.m. Other members present were Dennis Zimmerman, Renee Eckerly, Belinda Ludwig, and Kirk Johnson. Also present were Ron Mergen, Kent Kortlever, and Bill Ludwig.

Motion was made by Zimmerman to approve the May 10, 2010 Budget & Finance Committee Meeting minutes. Seconded by Johnson and unanimously carried.

GO BOND 2004 (FUND 485)

Belinda Ludwig reported that an option on this bond would be taking the total amount due from 2010-2013 and dividing it among the remaining years. Monte Eastvold stated it can be done, but wouldn't recommend it. The difference would be \$7,800.00 per year instead of the higher amounts each year. This would be a savings of \$10,200.00 - 13,200.00 each year. The down fall would be less interest allocation. It was suggested to have Eastvold do a new cash flow and find out the impact.

Motion was made by Zimmerman to go ahead with the GO Bond 2004 (Fund 485) to the tax levy amount and recommend such to the City Council. Seconded by Ludwig and unanimously carried.

LIQUOR STORE UPDATE

Eckerly gave a liquor store update regarding the Armory property.

2010 BUDGET

Holiday Lights – Eckerly reported that the Chamber is not interested in replacing the bulbs to more energy efficient bulbs. The Committee discussed reducing the number of lights and the hours they are on. The reduction in hours would reduce the cost from \$1,786.40 to \$893.20. Next time bill is paid in March 2011. The decision was made to put up lights only in the main area and for 7 hours.

Banners – The banners are not up because the man hours are not available.

The Committee discussed the \$44,000.00 reduction.

Motion was made by Soine to transfer \$44,000.00 from the Heatherwood Project to the General Fund and recommend such to the City Council. The original money for Heatherwood was borrowed from the General Fund. Seconded by Johnson and unanimously carried.

2011 BUDGET

School Fields – The Committee discussed whether to continue the \$9,150.00 for the field maintenance. After a long discussion, because the school can pass a levy to pay for recreational facilities, it was decided to eliminate the \$9,150.00 for now from the 2011 budget.

Projected Tax Levy – Belinda Ludwig can add a column showing the effect on a \$150,000.00 home. There is a need to be prepared in 5 years to be without LGA.

The Committee discussed the budget for money from the sale of the Heatherwood lots. Belinda Ludwig reviewed data that she reviewed in the budget:

- The City has approximately 50 funds, not just the ones that staff and Council do budgets for
- 51% of the expenses in 2009 were for projects, 14% were wages
- The 2011 Sealcoat project is estimated at \$70,000.00.
- A no travel policy was discussed. A policy to use the City vehicle only was also mentioned. The currently Travel Policy states that the meeting has to be more than 50 miles away to get a hotel room.
- The Council needs to reduce travel and school
- Increase downtown fee for snow removal and make it quarterly instead of annually
- Keep library
- Discuss eliminating the skating rink \$7,000.00
- Lay-offs – The City would pay 70% of the employee's current wages for 39 weeks.
- Discussed annexation and raising taxes; the City has limited options to raise revenue

Motion was made by Eckerly to annex the Township property inside the City limits and recommend such to the City Council. Seconded by Zimmerman and unanimously carried.

The Committee recommended going ahead with the cuts Eckerly presented:

- Cut half of the Council training \$2,500.00
- Eliminate all recreational programs \$34,151.00
- Eliminate the Human Rights Commission \$210.00
- Cut half of Administration Capital Improvement \$800.00
- One layoff \$14,000.00
- Eliminate most of General Planning
- Cut ½ of Municipal Building Capital Improvement \$2,500.00
- Reduce Fire Capital Improvement by \$10,000.00
- Eliminate Treed Inspection \$15,593.00
- Eliminate Emergency Services Director \$2,500.00
- Reduce Christmas Lights \$890.00
- Eliminate monies for the Ice Arena Manager and outdoor rink \$7,000.00
- Cut most of beach budget
- Cut half of Park Capital Improvement \$15,000.00
- Eliminate Fly In \$2,000.00
- Reduce EDAP \$5,618.00

GRANTS

The Committee reviewed the sheet and City costs.

INVESTMENT POLICY

The Committee reviewed the email from Spooner; he had no issues with the policy. Eckerly had also sent the Policy to the Credit union for comments.

Motion was made by Eckerly to approve the Investment Policy and recommend such to the City Council. Seconded by Ludwig and unanimously carried.

TRAIL

There is a need to market the Trail to stimulate revenue to the local economy.

There being no further business, the meeting was adjourned at 7:55 p.m.