

**MINUTES
SPECIAL BUDGET & FINANCE COMMITTEE**

OCTOBER 20, 2014

Jean Soine called the meeting to order at 4:30 p.m. Other members present were Kay McDaniel, Belinda Ludwig, Finance Specialist.; and Renee Eckerly, City Administrator. Ron Mergen, Public Works Director/Airport Manager, Bill Ludwig, Liquor Store Manager and Paul Wegner, Police Chief were also in attendance. Elliot LaBeau was absent.

Motion was made by McDaniel to approve the minutes from the May 8, 2014 and August 18, 2014 Budget & Finance Committee meetings. Seconded by Ludwig and unanimously carried.

2015 BUDGET

Water and Sewer Budgets

Mergen reviewed the budget line items along with the proposed rate increases, rate comparisons, conservation rate, WAC and SAC charges, trunk charges, water and sewer loss reports, projected revenues, cash balances, and irrigation details. The proposed rate increases are as follows:

Water	base charge \$1.00	bulk rate \$.12
Sewer	base charge no increase	bulk rate \$.10
WAC & SAC	no increase	
Trunk Charge	no increase	
Industrial Rate CBOD charge for wind mixers reduce to .005 cents per pound of CBOD.		

Liquor Store Budget

Bill Ludwig reviewed the budget line items along with the proposed percentage increase in sales and the actual margins of budgeted sales. Discussed the tobacco product line and working with the Policies & Procedures Committee regarding staffing. It was recommended to adjust some dollars between lease/maintenance and office supplies. The Committee recommended moving the lease payment for building out of Capital Improvement and into the 2015 budget. This amount would be \$19,740.00. Belinda Ludwig will make the recommended adjustments.

General Fund

Eckerly reviewed the budget line items that were changed from the preliminary budget.

Revenue:

Property Tax levy decrease to \$581,354.00 which is a 2.76% levy increase.
State O&M Grant Airport increased to \$15,174.00.

Expenditures:

Municipal Building - Utilities were increased \$1,800.00 for an increase internet speed. The charge from Mediacom would go from \$135.00 per month to \$299.95 for 105mg download speed and 10 mg upload speed. This may allow us to web stream the Council meetings.

Multiple Departments - Equipment rental/lease were decreased to \$435.00 due to the new copier.

Streets & Alleys - Uniforms was increased \$200.00 for safety boots.

Snow & Ice Removal - Blading was increased \$3,032.00 for snow removal.
Beach - Contractual service was increased \$2,500.00 for invasive species and mowing.

EDAP FUND

Eckerly stated there were no changes from the preliminary budget.

Motion was made by Belinda Ludwig to approve the 2015 General, EDAP, Water, Sewer and Liquor (with noted changes) Budgets and recommend such to the City Council. Seconded by McDaniel and unanimously carried.

DISCUSS COUNCIL CHAMBERS RE-DESIGN COSTS

Eckerly reviewed the costs of the projects proposed by the Ad Hoc Council Chambers Design Committee and approved by City Council of \$26,434.00. The Committee estimated the construction to be approximately \$25,000.00 (bids have not been received yet.) There has been \$9,414.20 already charged to the Cable Capital Improvement for the server and flat panels. The Committee reviewed the Capital Improvement report for September and estimated the total cost to be \$60,848.20.

Motion was made by Eckerly to transfer \$12,000.00 from the Motor Vehicle Department to the Municipal Building Department, \$4,707.10 from the 605 Lake Ave. Department to the Cable Department, and \$39,434.00 from the 605 Lake Ave. Department to the Municipal Building Department all with Fund 121 General Capital Improvement to cover the cost of the council chambers renovations and recommend such to the City Council. Seconded by McDaniel and unanimously carried.

DOWNTOWN CHRISTMAS LIGHTS AND BANNERS

Eckerly reviewed the deteriorating condition of the City banners and Christmas snowflake lights. The Christmas lights are not LED and cost approximately \$1,800.00 to operate for 6 weeks. If replaced with LED decorations the cost would decrease to \$300.00. The Chamber of Commerce is responsible for the replacement of both of these items. Eckerly had contracted the Chamber and they have approved replacing two of the Christmas lights at \$250.00 each. There are 60 lights and banners, not including the large string lights that go across the street. The Committee discussed that the Chamber has fundraised and has money to replace these items. Eckerly reported that she has spoken to the Board multiple times during the last 8 years and nothing has gotten done. The banners and Christmas lights promote the City and give a welcoming appearance. The Committee estimated the cost for the banners to be \$6,000.00 and the Christmas snowflakes at \$15,000.00. After this item is presented to EDAP and Council, Eckerly will request the Chamber to donate the fundraising money to the cause. The Liquor Store may also be able to do a fundraising wine tasting event. Eckerly suggested taking \$10,000.00 from the EDAP Revolving loan fund for 2015 for the banners and as many snowflakes as the money will purchase.

INCREASE FEE FOR SPECIAL REQUEST FOR POLICE OFFICER

Chief Wegner reported that he is requesting an increase in the special request fee from \$35.00 to \$45.00 per hour to cover the current officer costs. Wegner reported that the rate of \$45.00 is the same as the Sheriff's Department and surrounding communities. There are only a few events a year such as street dances and Firefest (Cold Spring).

Motion was made by McDaniel to approve the increase in the Special Request for an Officer fee from \$35.00 to \$45.00 and recommend to the Council. Seconded by Ludwig and unanimously carried.

POLICE DEPARTMENT – COURT FINE DECREASE UPDATE

Chief Wegner reported that he has sent out requests to the courts and has received no response. He has also contacted Stearns County and received no response. This is not a County issue, but he will need to contact Representative Howe or Senator Fischbach to get the law changed so the cities can get back the fine money that once was the City's and now is going to the State or County. This item will be put back on the January 12, 2015 meeting.

CREDIT CARD PAYMENT – UPDATE

This item was tabled to the next meeting.

NEXT MEETING

The next meeting is scheduled for November 10, 2014. Ludwig will not be available for this meeting. Meeting is only to be held if necessary.

There being no further business, the meeting was adjourned at 6:15 p.m.