

**MINUTES
BUDGET & FINANCE COMMITTEE**

NOVEMBER 1, 2016

Jean Soine called the meeting to order at 4:45 p.m. Other members present were Belinda Ludwig, Finance Specialist; Elliot LaBeau; Renee Eckerly, City Administrator; and Neil Herzberg. Also in attendance was Bill Ludwig, Liquor Store Manager.

Motion was made by Herzberg to approve the minutes from the October 4, 2016 Budget & Finance Committee meeting. Seconded by Ludwig and unanimously carried.

LIQUOR BUDGET

Ludwig explained that he started at 3% and changed to 2% over actual 2015 sales for 2017. Liquor sales currently are flat across the State of Minnesota, not just in Paynesville. Total projected revenue is \$1,543,327.00. Freight is up 2%. Projected margins for 2017:

Merchandise	25%
Liquor	24%
Beer	21.5%
Wine	30%
Tobacco	12%
Lottery	5.5%

Ludwig reported on the status of his staff and the hours they are working. Ludwig is looking into a new rug rental business. The store is making their own signs for advertising. Ludwig reviewed the overhead expenditures. The store is paying for rent instead of it coming out of Capital Improvement. Total projected expenditures are \$1,542,396.00. Year to date actual expenditures have been paid for October, but revenues have not been entered for October; which explains the negative \$48,795.00.

2017 BUDGET

Eckerly reviewed the changes to try to get the 2017 budget balanced; with the changes to the budget. The expenditures are \$4,199.00 higher than the revenues.

Historical Society – The Committee discussed their request increase. The museum has grant options available to them.

Area Center – The Committee discussed their request increase.

AIS Starry Stonewart – The Committee discussed no money, but recommended to send a letter to the legislators and DNR to request money to help with the problem and financial challenges.

Compost Site – Eckerly will talk to Don Pietsch in November regarding putting money toward the site.

Motion was made by Herzberg to recommend the Historical Society contribution be at \$6,750.00. Seconded by Eckerly and passed 4:1 (Soine, yes; Herzberg, yes; Eckerly, yes; Ludwig, yes; and LaBeau, no).

AUDITOR RFP'S

Eckerly reported on the auditing RFP's. Schlenner appears to be the most economical. Eckerly will check their references. LaBeau was familiar with the auditing firm.

Motion was made by Eckerly to recommend Schlenner Wenner & Co. for auditing services; pending reference checks and recommend such to the City Council. Seconded by LaBeau and unanimously carried.

There being no further business, the meeting was adjourned at 5:50 p.m.