TO: Citizens Budget Advisory Committee Members

FROM: Denise Hish, Administrative Assistant

DATE: October 27, 2014

SUBJECT: Minutes of October 22, 2014 meeting

In attendance: Jim Dale, Marv DeSelm, Ed Dorsey, Jean Garrabrant, Peter Luptovic, Marv Morgan, Bob Nelson, Karen Oxman, Eric Scabro, John Spice, Dick Sugg, Bethany Thomas, Lynda Wentworth

Staff: Mike Bestor, Jeff Hansen, Denise Hish

City Council: Saoirse Charis-Graves

I. MINUTES APPROVAL

With a motion by Bethany and a second by Dick, the September 17, 2014 minutes were unanimously approved.

II. SALES TAX

Sales tax collections are up $93,276 (+9.2%) for the month and Use tax collections were up $80,120 (+40.9%) for August. In the area of audit revenue, $46,057 was collected in September. Total audit revenue collected in 2014 is $637,438.

Had 2 major remittances for Use Tax throughout the year because they were reinvesting in their businesses and that what was the biggest increase, but even without those 2 large remittances, we were still above last year.

III. 3rd QUARTER FINANCIAL REPORTS

- Overall we continue to do very well.
- The cemetery is doing better this year than they have ever done in the past.
- Community Center - Revenues are up by 2%, budget expenses look a little higher but nothing to be alarmed about. The subsidy will be reduced because the Community Center has more
reserves than it is allowed so we are bringing the Fund balance back down per policy.

- It has been a very good year for the Golf Course but we will need to look at buying new carts in 2016 and will evaluate the debt service transfer at year-end.
- Fund Balance policy – that policy was explained but Mike felt it would be a good thing to discuss in more detail at a CBAC meeting in 2015. (Put on an agenda for 2015).

IV. 2015 BUDGET & CIP – Mike Bestor

Discussion:

- Street lights are going to be a big budget item and we are in negotiations with Xcel on the price of the lights. It is a very significant battle and could be a significant cost to the City. Peter asked if the City has a policy for streetlights. The City is not required to provide street lights, but it is something that the citizens typically want.
- In 2015 there will be no increase to employees or the City for health insurance. The employees handle their health choices very well. Due to the Affordable Care Act we are required to offer health insurance to those employees working over 30 hours a week and offer an Open Enrollment option – the City has never offered that previously. We do expect some increases in enrollment but do not anticipate many problems. We also have a great wellness program that many employees participate in and that works well to keep employees healthy. We are also starting a program to increase costs of health insurance if employee or spouse uses tobacco and we will also pay 100% for tobacco cessation.
- Mike discussed the reasons behind the new positions that he is requesting in this budget. All of this information is in his memo but he went into a little more detail and answered questions by the committee members. He also went into more detail about the possibility of establishing a Regional Dispatch Center and how that would be handled. There are still many budget and policy issues to work out with other municipalities before moving forward.
- Drainage Fund will be significant this year and next year due to many improvements that need to be done moving forward. We will be discussing with Council, increasing the drainage fees to cover these improvements because it is so important to maintain and improve our drainage areas.
- The Parks Board, last night during their meeting, approved using $1M to improve the Ulysses Skateboard Park.
- The budget proposes borrowing $2.2M to replace all the water meters.
- Public Hearings will start and then at the Council meeting on November 13 the approval of the final budget.
- CIP - Drainage Utility Fund – Page 8 changes - local drainage – projected is $65,000 – Kinney Run we will spend $200,000 this year and $300,000 in 2015.
- Revenue Manual – a lot of numbers were updated so that is why a new draft was sent to you. Jeff suggested on the water bills, we will probably add a line item for the drainage charge and then another line for the surcharge and then the surcharge will eventually go away. Jim suggested we just make the fee higher and not have it go away because we will always need to update and improve drainage.
- This is our 2 year budget so next month we will need to update the CBAC message for the budget document – everyone read the message and email the group with your suggestions and email Denise and then finalize it at the meeting.
V. **CITY UPDATE**

- Peter asked about the neighborhood meetings for 6th and 19th – Mike replied that the basic designs have been approved by Council and you can go to the City website to see those. Now we will start detail engineering. Construction is anticipated to start late next year.
- Natural Grocer’s is now open.
- Ed Dorsey gave a quick update on DDA – The sales tax for the DDA will never reach the scope of what GURA received; they will get ½ of the increment that GURA received. The DDA has finished their draft plan and it has been reviewed by Planning and City Council. They will be going to Council next week for approval and if given approval, everything is in place and they are ready to go. All agreements are also now in place.

VIII. **VOTING MEMBERS – AS OF OCTOBER, 2014**

- Jim Dale
- Louanne Dale
- Marv DeSelm
- Ed Dorsey
- Peter Luptovic
- Marv Morgan
- Bob Nelson
- Bob Nettleship
- Karen Oxman
- John Spice
- Dick Sugg
- Bethany Thomas
- Leonard Todd
- Lynda Wentworth

IX. **OTHER DISCUSSIONS / CITY UPDATES**

- Adjourned at 9:30 am.

Next CBAC Meeting will be held on Wednesday, November 12, 2014 at 7:30 a.m. Meet at the City Council Chambers.