

Present: Mayor – Joyce Hudson
Council members Jeff Kennedy
Duane Oliver
Tim Strauser
Jeff Whiting
City Administrator Bruce Clymer
City Clerk / Treasurer Connie L. Dalrymple

Also present: Joan Windrum, CPA

Mayor Hudson opened the meeting at 5:30 p.m. Advance notice and a copy of the agenda was given to the Council and members of the press. City Council meetings are conducted in accordance with the Open Meetings Act, a copy of which is available for public inspection on the north wall of the Council Chambers.

The meeting was called as a work session on the 2013-14 budget. The proposal for each fund was reviewed and /or modified and a final proposal will be prepared for public hearing.

Administrator Clymer reviewed the Municipal Equalization Fund (MEF) calculation which is based on our valuation and comparison to other communities. Due to some tax increment projects being completed and coming on to the tax rolls, our MEF receipts are greatly reduced from prior years.

We have received a request from Building Blocks Day Care for \$20,000 for repairs to the building that include doors and windows. Since the City owns the building, all agreed to incorporate the request into the budget.

The budget proposal for City funds includes:

- The in lieu of tax payment from the Public Works Division to the City will not change
- \$48,000 - ADA study, comprehensive plan, and removal of a structure determined to be a health hazard
- \$6750 grant for police cruiser in-car camera
- \$42,000 police cruiser, including equipment. The department uses a four year rotation for new cruisers.
- \$160,000 street sweeper
- Anticipate increase in Highway Allocation funds
- \$48,000 for storage facility at shop
- \$1,230,498 in grants from NDEQ and Game & Parks Commission for Lake Helen rehabilitation
- \$35,200 transfer from KENO funds to Park fund for Lake Helen project
- \$1,510,194 - Lake Helen project. \$279,696 is City cost, balance from outside sources.
- \$20,000 - 2nd of 3 years at \$10,000 / year for Park Dept. pick up
- \$20,00 future Fire truck replacement
- \$5000 Fire Dept pager replacement
- \$6000 – 3 computers / software for library
- \$5000 LED lights and new furniture or coverings at Library
- Discussed a one-time transfer of \$120,000 to from the Public Works Division to the Park Fund for assistance with the \$279,000 City share of Lake Helen costs. The loss of State Aid has created a deficit in the general fund. Another option would be to raise the levy or use contingency funds.

The budget proposal for Public Works Division funds includes:

- A 2.08% rate increase from NPPD resulting in 1.1% increase from City to customers
- \$60,000 electrical system repair and maintenance
- \$180,000 potential projects upgrading electrical system, such as eliminating more overhead lines
- \$50,000 – 1st of 4 years for electrical bucket truck
- 5% increase in water rates would still net a \$280,000 loss in the water department
- \$642,330 water system improvement projects
- \$58,000 to defend sewer lawsuit
- \$20,000 – cleaning sewer lines
- \$2,233,400 sewer system upgrade
- \$185,000 sewer jet
- No increase in sewer rates
- \$1,251,803 cash reserve

Proposed employee wage increases will be the Consumer Price Index of 1.8% with some adjustments for training and comparability.

Special Use Funds proposals:

- Debt Service - There is a sufficient balance to call a bond issue if desired. Savings would be minimal because the bonds will retire in three years.
- Downtown Revitalization - \$18,000 for new planning grant (\$14700 grant, \$3300 City)
- Owner Occupied Housing – Have applied for \$155,00 DED grant
- Sales Tax Fund – Dawson area Development membership increase of \$5000 to \$24,000
\$60,000 for City share of \$360,000 REDLG grant for hospital IT system

The Airport Authority has submitted a request for \$72,669 in tax dollars. In the past year the hangers have been rehabilitated and rented, a card payment fuel purchase system has been installed for pilots and the airport has been brought up to state standards that will put it in line for grants. In order to apply for grants there must be an airport plan and the Authority has budgeted \$40,000 to do it.

Whiting moved, Oliver seconded, to approve the Airport Authority's tax request for \$72,669. Roll call vote: Yea – Kennedy, Strauser, Oliver, Whiting. Nay – none.

Strauser moved, Kennedy seconded, approving the 2013-14 budget proposal for public hearing on September 17, 2013 at 7:00 p.m. Roll call vote: Yea – Whiting, Oliver, Kennedy, Strauser. Nay – none.

Oliver moved, Whiting seconded, to adjourn the meeting at 8:24 p.m. Roll call vote: Yea – Strauser, Kennedy, Oliver, Whiting. Nay – none.

Joyce Hudson, Mayor

Connie L Dalrymple, City Clerk