

FINANCE COMMITTEE MEETING
SEPTEMBER 14, 2015 – 5:00 P.M.

The Finance Committee was called to order by Fred Horne at 5:00 p.m.

Roll call was taken.

Members Present: Fred Horne, Jim Zajkowski and Jane Hansen

Others Present: Mike Darrow, Bev Langenback, Ray Rivard, Jim VanderWyst and Mark Samelstad.

Jim Zajkowski moved to adopt the agenda, seconded by Jane Hansen and carried.

Jim Zajkowski moved to approve the minutes of the August 10, 2015 meeting, seconded by Jane Hansen and carried.

Financial Advisors – Groups to Interview

Mike Darrow stated that staff would like to send out Requests for Qualifications for 2016 Financial Advisor services. This will be put on the League website and sent out to Ehlers and Springsted. Jane Hansen moved to proceed with Requests for Qualifications for Financial Services due by October 1, 2015. Interviews will be at the first Finance Committee meeting in October, seconded by Jim Zajkowski and carried.

2016 Vehicle Replacement Plan & Approval

Mike Darrow discussed capital equipment that needed replacement in 2016. We have \$70,000 in the capital replacement account and we are asking to transfer an additional \$75,000 into that account. We are down a plow truck right now because the frame is cracked. The proposals are at \$180,000 to \$190,000. We would put \$70,000 down and then the remaining would be paid from debt levy in 2016 and 2017. The Street Department has a dual rear wheel pickup with a dump box that needs to be replaced. The total cost will be approximately \$40,000 and the trade-in value of \$10,000 so the total cost would be \$30,000 and we are planning to pay for that with cash on hand in 2015. The Police Department has a detective vehicle that they would like to replace with a van. Estimated cost would be \$22,000 would be paid for with cash on hand in 2015. Two squad cars will be purchased in 2016 using cash on hand. The Fire Department needs an E cutter and the City's share of the cost is \$4,590. This amount will be budgeted in general Fund outlay in 2016. The Fire Department is looking at purchasing a used pumper rescue truck. The City's cost is estimated at \$255,000. We could pay approximately \$70,000 from the capital replacement fund in 2016 and borrow the remaining funds with the first payment in 2017. Mike Darrow reviewed the City's general obligation debt. He also discussed other equipment needs including the reason for wanting a new street truck. The Finance Committee would like more information on the dual rear wheel pickup and the tandem axle plow truck. Jim Zajkowski moved to request bids for the three police vehicles at this time, seconded by Jane Hansen and carried.

Transfer Fund Balance to Replacement Levy

Bev Langenback explained that in 2014, the City added \$122,482 to the general fund balance. The available fund balance as a percentage of revenue for 2014 is 31.46%. The current balance in the capital replacement fund is \$70,405. With the need to update existing capital equipment,

staff would like to transfer \$75,000 from the general fund to the capital replacement fund. The available fund balance as a percentage of revenue, after the transfer, would be reduced to 30.08%. Jane Hansen moved to transfer \$75,000 from general fund to the capital replacement fund, seconded by Jim Zajkowski and carried.

State Trust Fund Loan

Bev Langenback explained that the Finance Committee previously agreed to borrow from the State Trust Fund for the projects listed in the capital improvement plan that have been paid out of cash on hand. The State requires adopting a resolution authorizing the application for State Trust Fund loan. Jim Zajkowski moved to recommend approval of the resolution for the State Trust Fund Loan application, seconded by Jane Hansen and carried.

RFP - Assessor's Contract

Mike Darrow explained that the current assessor contract is done at the end of this year so we need to get this RFP out so we can do interviews in October. Mike would like to have market drive available for people to look up properties online. This will be added to the RFP. There was also discussion regarding tax exempt parcels. Jane Hansen moved to proceed with the RFP process for the Assessor's Contract, seconded by Jim Zajkowski and carried.

Police Lieutenant Position

Mark Samelstad stated that Jerry Cody has given his retirement notice for October 2, 2015. His vacation will take him through December 7, 2015. Mark will meet with the Police and Fire Commission on Wednesday to discuss how they want to proceed with filling that position. The Finance Committee discussed the salary range for this position as well as compared to other officer's pay. They also discussed the possibility of having three detectives rather than a lieutenant. The Finance Committee decided to let the Council make the decision on this issue.

Communications and Miscellaneous

The County Bike Pathways Committee will have a meeting on September 22, 2015. Mike stated that there are a couple parcels with annexation issues and that will be brought to the Finance Committee soon.

Adjournment

Jim Zajkowski moved to adjourn the meeting, seconded by Jane Hansen and carried.

Meeting adjourned at 5:37 p.m.

Tanya Reigel,
City Clerk