

JUNE 28, 2017, FINANCE COMMITTEE MEETING MINUTES

3 p.m. Council Chamber. Members present: M. Hraban, R. Moore, M. Platteter. Others present: A. Christianson, K. Gorsegrner, M. Reynolds, T. Verdegan.

Call to Order:

Chair Moore called the meeting to order and presided.

2016 Audit:

Comptroller Verdegan reviewed the General Fund Balance of \$2,205,618 as of 12/31/16, which the Council will need to agree upon before the 2016 audit can be completed. Next she reviewed in detail the \$724,239 "assigned" portion of the balance item by item asking if any changes were desired in a couple cases. Lastly, she reviewed Council motions approved in 2017, which resulted in application of \$46,800 in fund balance monies to the 2017 budget, for which a 2017 budget amendment resolution is needed. Motion was made by M. Hraban, seconded by Platteter and carried by voice vote to recommend Council approval of both the aforementioned General Fund Balance and resolution. It is anticipated that after these actions are approved at the July 10, Council meeting, that CliftonLarsonAllen, CLA, will present results of the 2016 audit at the July 24, Council meeting.

The \$2,205,618 balance represents 30.7% of the prior year's budget. That number was 34.9% at the end of 2015, so has dropped some. The City's auditors recommend that the balance be kept in the 25-30% of prior range so we currently have a little extra.

Although \$50,000 was budgeted in 2017 for City Hall upgrades, there is \$25,000 in the fund balance that could be reallocated toward that. While this expenditure is in the 2017 budget no offsetting revenue source was. Including such revenue in a borrowing package was discussed, but never acted on as yet. It is to the City's advantage in avoiding interest to stave off borrowing for so long as it can.

Mayor Reynolds may renew contacts with a consultant in regard to evaluating what additional measures would be necessary to enable creation a quiet zone here, and at what cost.

2018 Budget:

Adm. Christianson reviewed item by item a listing of 2018 budget items or potential budget items, which are new or expected to increase budget line items. It was noted that these appear to put the draft budget out of balance by in excess of \$200,000 already, even though many items need to be added, which we don't yet have estimates for. A question was raised what wage treatment is to be afforded non-represented employees for 2018. That is one of the items not yet estimated.

It was mentioned that keyed access to the lower level of the library has already been replaced by key pad access with assigned codes.

It is believed that health insurance costs are likely to be about the same for 2018, as the City continues to be allowed to keep its own group's history as the basis for its rates. After 2018 changes being discussed at the federal level could alter them. An example would be if City rates were based on County wide experience rather than just the City work group.

Future Meetings:

It is anticipated that there will not be an All Committee meeting on July 3rd. It is also anticipated that the Finance Committee will begin meeting with department heads in July.

Adjourn:

The meeting adjourned at 4:43 p.m. Pioneer Bank Clock Time.