Mayor Paul Whitcomb called the meeting to order. Council member present was Thom Walker, Dick Dobson, Jules Zimmer, and Victoria Hallin. Staff present, Finance Director Steve Jackson, Public Works Director Bob Gerold, Community Development Director Jolene Foss, Liquor Store Manager Nancy Campbell, Police Chief Todd Frederick, and Clerk Shawna Jenkins. Absent was Administrator Mark Karnowski.

2017 Budget

Liquor Store
Jackson reported that the Liquor Store continues to do well, and there are not many changes to this budget.

Sewer
Jackson reported that some unexpected maintenance was needed, which came in at about $30,000 more than budgeted this year.

Hallin stated that in regard to city sewer systems, it was mentioned at the CGMC conference that MPCA is trying to add some additional mandates that are extreme and will be quite expensive. CGMC is working on something to stop this, and she will keep the Council and staff informed.

Walker asked for clarification if the Sewer fund is $600,000 deficit. Jackson said a major portion of that is the depreciation, and isn’t actually cash flow out. Walker asked when it is fully depreciated. Jackson responded that some equipment depreciates quickly, while some others can go out 30-40 years. All the city’s sewer lines in are in this fund as well, and some of those are much older.

Gerold reported that they are working with the MPCA on some streambank issues, due to the high river levels spring and fall.

Police
Jackson and Frederick reported on the Police Budget. One change from the previous budget is there is no “building rent” anymore, as that debt was refunded to the EDA. Otherwise, the 2017 budget is similar to past years.

Fire
Roxbury reported that one change that he is requesting is for the firefighters to receive 2 hours of pay for the training they attend. The trainings do last 2 hours, but have only been paid for one.

So far this year the Department has had 274 calls. Last year was a record year, and this year will again be a record.

Hallin asked about the general supplies line in the relocation fund. Roxbury replied that those vary depending on what equipment and items are needed.

Zimmer asked they have a fix for the 800 MHz radios. Roxbury said they discovered a resolution for the high school, but have issues in many of the other buildings. Walker asked if its building materials that are causing the issues. Frederick and Roxbury responded that it is affected by a lot of things, where the towers are, building materials, lines of site, weather, etc.
Public Works

Walker asked about state requirements in regard to surface water. Gerold said originally they wanted sewer and surface water to be treated separately, now there are rumors that they are thinking surface water and sewer should run together so both are treated.

Jackson stated that the Council set the preliminary levy at 2.5%, but it can probably be lowered a bit if the council wanted. He said 2% it could be set at 2% and a transfer put in from the liquor store as a place holder if needed.

Walker stated that the actual figures from 2016 are down from the budget. Jackson said gas could triple in price, but is comfortable lowering it, as many times the actual figures come in less then what is budgeted for.

Jackson commented that last year’s Levy was 2.9%. Zimmer said everyone’s taxes are going way up, and suggested if the city could lower their levy, it would help.

Whitcomb suggested lowering it to 2%. Walker said with the large increase in property taxes, he suggested lowering it to 1%. Whitcomb suggested 1.5%.

The consensus from the council is to levy 1.5% and use additional Liquor Store funds.

Jackson said if they are comfortable with the budget, the Study session Thursday can be cancelled.

ZIMMER MOVED TO CANCEL THE THURSDAY DECEMBER 1 STUDY SESSION. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Dobson thanked the apartment heads for being efficient with the city’s money. He thinks they are doing a great job and thanked Jackson for putting this together.

ZIMMER MOVED TO ADJOURN THE STUDY SESSION AT 6:30PM. HALLIN SECONDED THE MOTION. MEETING ADJOURNED

Respectfully Submitted,

__________________________________________
Shawna Jenkins
City Clerk

ATTEST:

__________________________________________
Paul Whitcomb, Mayor