

Finance Meeting 6/5/17

Chamber office at the City Building

7:00pm

Present: Matt Mattone, Jason Reser, Cooper Ambjorn, David Baker, Gary Huff, Elisha Chamberlain, Alex Mattingly, Kathy Zembrodt, Pam Spoor, and Karl Oberjohn, resident and Dan Vonhandorf, PW, Debbie Newton, Resident.

Minutes for meeting 4/3 and 5/1 were approved by committee

Minutes from 4/28, 11am meeting were not approved yet

Pam will no longer be taking minutes; Kathy is taking minutes at this meeting.

David Baker started off that he met with Mayor and gave his proposal for the city's cash flow analysis. He did say that the budget looked good and needs to move on to get approved in June.

He had given Matt a proposal for long term plan for the city.

He stated we should use the restricted funds first before general funds.

Also wanted to look at the debt for road fund and how to pay all back. Kathy said that it was a 15 yr loan and set up to amortize before that. It is due in Oct 1, 2030.

Mr Baker thought it would be good to set up a Growth Fund.

There was talk about the restricted funds and their use first and discussed the restrictions to the accounts. It was said that the Creighton Fund had restrictions

that were the use of the Volunteer Fire Dept budget. It was asked that the supply, repair, and gas come from the Creighton fund.

Pam had mentioned that Chief Rigney has done a good job of recruiting volunteers. The dept also had 2 paid guys on duty to cover the city, but was kept mostly volunteer dept. The Creighton fund is very restricted as to how it is used. It had been money left to the city for use of the interest to be spent on volunteer fire dept.

Baker said that to spend the restricted first was good, and to set up a capital improvement line to fund Capital Improvements to match the depreciation schedule.

In his short term analysis he said that income was slowing and expense was growing. So the city would need to find additional income sources or where to cut in the next couple of years. That is why we need a plan.

The reserve funds for the departments should be called designated funds because they are not restricted. We will check with the auditor as to how he is labeling them. Restricted funds are from 3<sup>rd</sup> party or a tax that has it written how to use the monies in a certain way.

Kathy explained that the dept funds were designated for future needs of the depts and gave them incentive to save and not spend down their budgets at end of the year. The reserve funds for depts have ordinances for vote on how to spend.

It was discussed that Mayor should meet with the dept's to determine what their dept needs are for an upcoming budget.

Mr. Baker said our expenses and governmental balance sheets should be done as "Fund Accounting" and not gap balance sheets.

It was talked about that the space for police was tight, no showers and it was thought possibly combine the fire and police depts spaces to use or possibly improving the space in the chamber room for their use. Putting together use of the spaces for fire and police may save costs and achieve the goal they are looking

for. Management should consider the needs of employees over a purchase, such as car etc, when cash flow tightens.

Pam mentioned how the Depts have brought the city income such as the Creighton fund or the Bromley contract.

Jason talked about the officers costing 91000 each as an estimate, which was close to the Bromley contract amount. Kathy said that this is an est. that covers pay, pension and benefits total. If we lost the contract then 1 or 2 officers would have to be laid off.

5 year plan was discussed again and Elisha said she will give us info for a 5 yr plan.

Baker gave an estimate of \$1200 to do a projection of cash flow and capital improvement plan. He would also do a flat fee, possibly for a budget review or reconciliation.

Dan from PW had asked to speak and asked for a raise to 20.00 per hour. He talked about all the things he does for the city with his own equipment at times and loved the city, but needed more pay. He also spoke about the annex and the extra work done there behind the VFW.

It was then discussed that that would be a 15% raise and possible spiking issues unless the job title was evaluated. Huff mentioned that AN EXEMPT director was not the way to go, because law says as director you have to be over 2 or more employees. Other ways were discussed to give Dan a raise. It was also discussed that Dan should not be using his own equipment in the city because of liability issues.

Next it was talked about how to increase the city's income or where would the money come for the raise. Cooper mentioned the comp rate and Alex mentioned looking at municipal or payroll taxes. Huff said that would be good and possibly change the city sticker to be put as a charge on the tax bill per dwelling unit to cover all residents including rentals instead of the sticker.

It was then discussed that Mayor should do a written statement that "employee's equipment" should not be used in the city. Then it we discussed the raise for PW

Dan Vonhandorf, of 3% plus increasing the OT budget line, another mentioned going ½ way in request to 18.50 per hour and increasing the OT line. All were for that with a limit of 5 hours per week OT or 21 per month to keep in line with budgeted amount. The money needed for the OT line could be funded from the 5000 under pathway in PW budget to move it to OT line and to take 2000 from the Part time line.

Talked of need to limit the PT budget and possibly to have a contract with someone for the park cutting and mulching to free up some of Dan's time.

Talked also about the attorney fees and Engineering fees being high. It should be looked at where other savings can be found. Look at if an Admin would possibly cut fees for other areas, or should the Bromley have a costs of living adjustment. Talked again about using the restricted funds first for allowed expenses.

It was also discussed of how the salaries for dept employees could be better utilized, suggested that the city could better utilize the current salary expense by having employees cover more duties of the city instead of sending to outside counsel or engineering.

We went on to summarize the raise for PW which would be a yearly pay of 38480 which is a 7.5% increase plus the OT -5 hours per week limit. Money would be moved from pathways of 5000 and possibly 3000 from reserves to cover the differences in pension and social security and other benefits that the pay raise would affect.

All agreed to adjourn at 10 pm