

**SPECIAL CITY COUNCIL MEETING MINUTES
ENTERPRISE FUND BUDGETS
NOVEMBER 3, 2016**

CALLED TO ORDER

Pursuant to due call and notice thereof, the Special Meeting of the City Council was called to order by Mayor Deiss at 4:40 p.m. in the Council Chambers located in the City Administrative Center.

MEMBERS PRESENT

Mayor Deiss, Council Members Wiese, Uselman and Niles. Council Member Kempf arrived at 5:05 p.m.

OTHERS PRESENT

City Administrator Brad Swenson, Finance Officer Lloyd Lanz, Council Member Candidates Toby Pierce and Wade Miller, and Development Authority Director Dean Uselman.

KERN LASER SYSTEMS - UCC RELEASE

Dean Uselman reported that Kern Laser Systems is looking to do some refinancing and establishing a line of credit and to do this they are asking that the City do a UCC Release for their existing loan with the City for the MIF Fund Loan. Dean updated the City Council on the status of this loan and stated that the Development Authority looked at this and they are recommending to the City Council that they release this UCC filing so that they can proceed with their loans that they are working on.

Motion by Niles, second by Uselman to authorize the UCC Release for Kern Laser Systems.

Upon voting, Mayor Deiss declared the motion carried. All members voting aye, except Council Member Kempf who was absent for this portion of the meeting.

LIQUOR STORE - ENTERPRISE FUND BUDGET

Tim Booth, Wadena Municipal Liquor Store Manager, was present to review with the City Council the proposed budget for the Liquor Store Budget for 2017. The City Council went through revenues and expenditures and the only change that came out of that is changing the revenue item for interest earnings from \$5,000 to \$3,000.

No other changes were recommended for the Liquor Budget.

Gillette Kempf arrived the meeting at 5:05 p.m.

GOLF COURSE - ENTERPRISE FUND BUDGET

Kevin Ross, White Tail Run Golf Course Manager, was present to review with the City Council his proposed budget for the golf course for 2017. The only change that was recommended was cutting the capital account entitled Machinery and Equipment from \$10,000 to zero, which was to replace the lawn mower.

No other changes were recommended for the Golf Course.

Deb Wiese asked if we could break out more accounts such as credit card fees from account number 602.49833.225. Brad and Lloyd would look at these accounts and what can be added.

WASTE WATER TREATMENT PLANT - ENTERPRISE FUND BUDGET

Dan Kovar, Public Works Superintendent, was present to review with the City Council the proposed budget for the Waste Water Treatment Plant for 2017. Dan reviewed the revenues and expenditures for the WWTP. The capital items seems to get the most discussion and there was discussion about whether or not to sell the backup generator that we have which is worth about \$4,000. City Council decided that if the Electric Department has no use for it we should sell it before the value reduces any further. The City Council eliminated Capital items as follows: 3 Point Pump & Hose for \$7,600, a Snow Blower that attaches to a lawn mower for \$10,000 é Sandblast Trickling Filter for \$3,000 from the capital budget. Dan was asked to look into what it would cost to demolish the trickling filter rather than repairing it since that building will most likely no longer be used for operation at the WWTP. Those items were approved to be changed in the WWTP Budget.

No other changes were recommended for the Waste Water Treatment Plant.

ELECTRIC é WATER DEPARTMENTS - ENTERPRISE FUND BUDGET

Dave Evans, Electric & Water Superintendent, was present to review with the City Council the proposed budget for the Electric é Water Departments for 2017. Dave reviewed the revenues and expenditures for Electric Department for next year. The only item was that the short fall in the budget is larger than the depreciation amount by \$5,863. Dave was asked to see if the budget could be amended some to fall within the depreciation amount. Dave stated that he will work with Brad and Lloyd to get that taken care of.

Dave Evans asked the City Council about the request from the Initiative Foundation for our annual contribution to them from the City. They are asking for \$3,600.00 for 2017. Dave stated that the amount keeps increasing every year and asked what the City should contribute and asked why this comes from the Electric Department Budget. The City Council came to the consensus that we would contribute \$3,000.00 for 2017.

Dave Evans also reviewed with the City Council the proposed budget for the Water Department for 2017. Dave reviewed the revenue and expenditures for that budget.

No other changes were recommended for the Electric & Water Department.

WELLNESS CENTER - ENTERPRISE FUND BUDGET

Eric Robb, Maslowski Wellness & Research Center Manager, was present to review with the City Council the proposed budget for the Wellness Center Budget for 2017. Eric reviewed the revenue and expenditures for the Wellness Center. There was a lot of discussion about the HVAC System and a possibility of having a special meeting for this meeting with the City Attorney, Contractors, Engineers, Construction Manager, Electrical Engineer, questions about 2 year statute of limitations 2 year warranty. Eric stated that the system has never worked properly. They are continually tweaking the operations of that to try to get different zones of the building to work and have a balanced system. Brad stated that he would talk to City Attorney Jeff Pederson again on this matter and see what kind of plan of action he would recommend.

The City Council felt there were concerns with the deficit that was being showed compared to the depreciation and Brad and Lloyd were directed to work with Eric on doing some tweaking to the budget to try to get the budget to stay within at least the depreciation amount.

No other changes were recommended for the Wellness Center.

ADJOURNMENT

Motion made by Wiese, seconded by Uselman to adjourn the Special City Council Meeting at 8:05 p.m.

Bradley A Swenson
City Administrator

George Deiss
Mayor