

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF CITY COMMISSIONERS
HELD AUGUST 1, 2013

Pursuant to due call and notice thereof, a special meeting of the Board of City Commissioners for the City of Devils Lake, North Dakota was held at the City Offices on Thursday, August 1, 2013 at 12:00 P.M. with the following members present: Commissioners Tim Heisler, Dale Robbins and President Richard Johnson. Commissioners Craig Stromme and Rick Morse were absent. Others present were John Nord, Airport Manager; Chris Schilken, Executive Director of Forward Devils Lake; Fire Chief; Public Ways Supervisor; City Attorney and City Administrator.

President Johnson said that the purpose of the meeting was to review and discuss the 2014 Preliminary City Budget. The City Administrator gave the Commission a copy of the revenues and expenditures for the Trust and Agency Funds, the Special Revenue Funds and the Debt Service Funds.

SPECIAL FUNDS – 2000 ACCOUNTS

2001 – Highway Distribution – Highway distribution revenue is based on data received from the League of Cities which reflects a 5% increase. The City has previously received weather-related funds, but it is unsure whether these funds will be available in 2014 so no dollar amount was included in the budget. Funds to purchase a front mount mower are included. Street repair expenditures are lower since no weather-related funds are expected. Discussion followed on the mower to be purchased, and if it would be better to purchase a bigger mower.

2003 – City Share of Special Assessments – This fund includes the City's share of different projects. Several of these projects will be paid off in 2016 and 2017.

2004 – Sales Tax – The funds are used to pay the lemna loan to the general fund. No sales tax is allocated for 2014 since there is enough money in the reserve to make the last payment. Any excess will be closed out to the general fund.

2005 – Advertising and Promotion – The League of City's membership comes from this fund and has increased slightly. Also, the City has increased its support to Lake Region Community Service & Restitution.

2007 – Insurance Reserve Premium – Property tax dollars and the rebate received, which is based on their investments and claims, are used to pay the equipment insurance.

2008 – Cemetery Fund – Five mills are allocated for this fund. The reserve at the end of 2014 contains enough to cover expenses for one year.

2010 – Temporary Employees Fund – Same as 2013.

2012 – Equipment Reserve – The fire truck lease comes from this account. The \$77,000 for the Water Department is for a dump truck and skidsteer. Twenty-five thousand was added for the Sanitation Department reserve. Sanitation has a need for a new front end loader.

2021 – Special Assessment on City Property – This is for the Roundhouse project. The assessment goes down as lots are sold, and ends in 2017.

2022 – Public Buildings – This fund is for maintenance on city owned buildings. Five thousand has been added each year to this fund in case the daycare building or the senior meal building need repairs. Also, the roof on city hall may need to be replaced.

2030 – Penalty & Interest on Special Assessments – This is used to pay any shortfall on bond funds.

2031 – Weed Control – This fund is allocated 2 mills.

2033 – Infrastructure – The percentage of sales tax was increased since the lemna loan will be paid off and the sales tax bond will have enough to cover payments. Sales tax was estimated at \$3.3 million for 2014. Nine hundred thousand dollars should be available for projects.

2034 – Economic Development – Ten percent of sales tax was allocated for this fund. The amount given to Forward Devils Lake is \$60,000 with the remainder going to the Growth Fund. The amount for administration was kept the same as 2013 since the executive director will be leaving in the September 2013.

DEBT SERVICE FUNDS – 5000 ACCOUNTS

5001 – Special Assessment Deficiency – This fund is to help balance the bond payments. 2014 should be the last year \$50,000 in property taxes is needed.

5005 – Non-Bonded Debt Service – This fund is used to cover small projects which are not bonded. The assessments from the projects funded go back into this account.

5101 - Sewer Separation #1 – 2008 was the last year for assessments.

5476 - SRF Bonds 2010- This fund is for the local share of the embankment raise. The bond will be repaid with sales tax dollars.

5477 – Refunding Bonds of 2010 – This fund should have \$50,000 left at the end which can be transferred to the general fund. Penalty and interest and special assessment deficiency are used for this fund. The last payment is in 2018.

5478 – Refunding Bonds of 2011 – There should be \$400,000 left at the end of this bond which can be transferred to the general fund or to another bond fund.

5479 - Refunding Bonds of 2013 – This is the new bond approved on July 29, 2013, and includes the Elkhorn project and street projects.

5490 – Landfill Closure Debt Service – The City will be taking the 4% fee off of the utility bills for this bond fund. The loan will be paid off early in 2013, and the fund will be closed out in 2013. There will be a slight increase in the can charge which will offset the elimination of the 4% closure fee.

5491 – Landfill Closure Reserve – Reserve was required to borrow the funds, and will be closed out in 2013 since the bond will be paid off.

TRUST AND AGENCY FUNDS– 8000 ACCOUNTS

8002 – Library Fund – The mill levy was kept at 6 in order to qualify for State funds.

8004 – Planning – Property tax was taken out since the fund balance was large. The fund is used for mapping, zoning and renaissance issues.

8006 – Parking Authority – The City assesses for maintenance of the downtown parking lots. The parking lot rent has been going to the general fund, but since it is for a parking authority lot, the Parking Authority has requested the money be put into this fund.

8007 – Shade Tree – Three mills are allocated for this fund. The amounts for stump removal and equipment maintenance were increased. In 2012 a contractor bid low for the stump removal and determined he wasn't making any money so he did not complete the work. For 2013 they will need to catch up. Proposals for stump removal for 2013 are being requested now. Discussion followed on the

boom truck. The City has had it for ten years, and it was used when the City purchased it. Ten to fifteen thousand will be needed to purchase a different one. The equipment reserve for this fund has approximately \$12,000 available. Discussion followed on having the truck certified. Currently there are 100-150 trees that need to be taken down. The Street Department plans to help again this fall.

8008 – City Beautification – This fund is used for Christmas decorations, flowers and banners. Discussion followed on expenditures compared to the funds available.

8009 – Devils Lake Historical Preservation – Small amount of funds are available from a previous state grant.

8010 – Job Development Authority – Three mills are allocated for this fund. The amount for Forward Devils Lake is for operating expenses.

8011 – Self Insurance Fund – The expected increase for the reserve at the end of 2013 is \$90,000. There is no plan for an increase in the family policy even though premiums increased 8% on the BCBS administration side.

8013 – Lake Region Growth Fund – Income for this fund includes \$265,000 in sales tax and \$20,000 in loan repayments.

8015 – Airport Hangar – Fifteen thousand dollars from the Growth Fund is used to help repay the hangar loan to the general fund. Three payments are left on this loan. The current tenant pays about \$10,000 per year in rent to this fund.

9000 – Devils Lake Airport Authority – General Operations – The City provides 3 mills and most of the other revenues for the Airport are under contract. The Airport Manager stated the Airport is authorized for 4 mills from both the City and the County. They have only been taking 3 mills from the City, and the County has been providing approximately 2.5 mills. For 2014, \$8,000 has been added for the state airline tax. The Airport has not received any of this funding the last two years because Mesaba had filed bankruptcy. The Airport Manager has had discussions with two interested parties in putting up hangars at the Airport. This would increase the lot fees. He has increased the revenues by about 7% and has cut overtime, part-time and education and training expenditures in order to provide the \$12,000 to pay the Fire Department for the personnel to assist with ARFF.

The City Administrator indicated the budget includes a 2% cost of living raise, no increase in the family health insurance premium, 1/2% increase in retirement to coincide with NDPERS, and a 1% raise in property taxes. Overall the mills will decrease by 9.37 for a total of 101.6.

As for the utilities, there will be a small water rate increase, and a can charge increase. With the elimination of the 4% closure fee, the average bill should increase \$1.20.

Chris Schilken, Executive Director of Forward Devils Lake, presented the budget for Forward Devils Lake. They have asked for an increase in the mill levy with the request to the County being for \$10,000 more. Wages and benefits will be lower because of the change in the executive director. Discussion followed on their different checking and savings accounts.

The next budget meeting is scheduled for Thursday, August 8, 2013 at 12:00 P.M.

There being no further business to come before the Commission, President Johnson adjourned the meeting at 1:00 P.M.

LINDA LYBECK
CITY AUDITOR

RICHARD S. JOHNSON
PRESIDENT