

CITY OF CASSELTON
Tuesday, August 14, 2012
PRELIMINARY BUDGET MEETING 7:00 P.M.
Council Chambers

Present: Mayor Edward McConnell, Councilmen Joan Carvell, Fred Wangler, Lee Anderson, Steve Link and Mike Eberhardt. Also present: Sue Quittschreiber, Susan Kempel, Sheila Christianson, Jan Karlstad, June Calderwood, Public Works Supervisor Kevin Mayer and City Auditor Sheila Klevgard.

Major change from last year is to reduce General Fund budget for Repairs and Maintenance from \$21,000 to \$5,000. Last year's budget was based on repairs to the auditorium. Professional Fees is high due to work done by Moore Engineering that was not assigned to a specific project.

The Quiet Zone project is \$475,000 under budget leaving the fund balance at (\$584,405.95). The city will be tight in reserves if it self-finances the project rather than financing with a bond, but it would save the city \$10,000 and 3.5% interest which is hard to make up in today's market. There is also the option to charge ourselves interest. Major expenses coming up are seal coating the streets and the sanitary system repairs. If sales tax decreases it could take longer than 6 years to pay it off. The city could always get a loan from the Bank of North Dakota if the city runs short on money later. Councilman Wangler made a motion, seconded by Councilman Link to self finance this project for now. All voted aye on roll call vote; **motion passed.**

Health insurance budget is increase 14% for next year. 1 mil was set aside for the library to help pay for the librarian's health insurance the last two years. Sheila Krueger was hired with the impression that the city would contribute toward her insurance annually. According to the mayor each approval was for one year, not continuing. Library budget does not have the funds available to pay extra for the librarian's insurance, but they want to be sure to keep her employed since she is doing such a good job. The mayor recommends funding the library again this year although the stipulation that it is used for insurance could be taken off or changed to be used for compensation. Councilman Link made a motion, seconded by Councilman Wangler to allocate 1 mil to the library budget with no earmark. All voted aye on roll call vote; **motion passed.** It was suggested that the Library Board check with Barb Cote, Bev Drager, Community Chest or Friends of Library for additional funding.

Last increase in landfill fees was in 1993 for the residential rate. Tipping fees went up when Fargo went up. Recycling income is going down. Income from trash collection has gone down about \$1,200 per month since about 70% of residents are using the small totes. Residential comingled recycling collection would cost the city since Minnkota charges to take it and sort it themselves. The recycling baler needs to be replaced at \$20,000 and a new garbage truck will be needed too. It is expected to last another 2½ years. The current truck will still be needed for the dumpsters since a new one-armed bandit truck cannot be used for dumpsters. Cost of the truck is unknown, but labor cost would be reduced about \$50,000 per year since only one employee would be on the truck.

Budgeting 5% salary increase, 14% group insurance increase base on 70% of premium paid by the city for single and family coverage and a 5% increase on police contract. A meeting needs to be scheduled between Sheriff Laney and the police committee to try to make their service more productive. \$5,000 is budgeted for accounting software in case it is not purchased this year. Summerfest is budgeted for \$10,000 although a report on expenses is requested.

Cass Rural Water Users is increasing their rate effective January 1, 2013 by \$0.25 and will need to be passed on to the consumer. Council will need to pass a motion to change the rates to a minimum rate of \$17.50 and a per gallon rate of \$7.25 for each gallon over 2,000. The city gets 8 votes as a membership since the city uses 25% of their water. Bulk users have not been allowed on their board. Bulk rates are reviewed in even number years and individual users are reviewed in the odd numbered years. Mayer believes they are buying water from Fargo for the Hickson phase and from Enderlin for the Leonard phase, which is the phase connecting Casselton. Could the city permit to pull water from Buffalo or pull the Artesian water? The general membership meeting is in March. Between the cost of water and water loss in purchased and sold gallons, this is the biggest problem in the budget. If any leaks are going directly into the sewer system, the repairs to the sewer should help locate them.

Councilman Link made a motion, seconded by Councilman Carvell to approve the preliminary budget. All voted aye on roll call vote; **motion passed.**

CITY OF CASSELTON
Tuesday, August 14, 2012
PRELIMINARY BUDGET MEETING 7:00 P.M.
Council Chambers

Property owned by Marion Schmidt was mapped on the county website incorrectly and therefore the city incorrectly assessed her for too much on the 2008 Flood Control project. The adjustment of property and assessment chargeable to Jerry Fletschock Sr totals \$7,577.82 plus interest and city street property adjustment totals \$1,120.41 plus interest. Councilman Link made a motion, seconded by Councilman Eberhardt to credit Marion Schmidt, charge Jerry Fletschock for his portion and absorb the street portion rather than recalculate the assessment to collect from other properties. All voted aye on roll call vote; **motion passed.**

First State Bank and Lake Agassiz CDC are requesting a subordination agreement from the city to allow The Portland, LLC to obtain additional financing. Councilman Anderson made a motion, seconded by Councilman Link to agree to the subordination. All voted aye on roll call vote; **motion passed.**

Councilman Wangler made a motion to adjourn at 8:44pm.

Respectfully Submitted,

Sheila K Klevgard
City Auditor