



CITY OF FREEPORT

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October 15, 2013 – City Council Special Meeting Minutes

A special meeting of the Freeport City Council was convened at 6:10 P.M. by Mayor Matt Worms with Council Members Ken Goebel, Ron Ritter, Carrie Goebel and Rodney Atkinson present.

Staff in attendance: Mason Schirmer.

The Pledge of Allegiance was said by those in attendance.

REVIEW OF 2014 BUDGET AND TAX LEVY

Schirmer said he reviewed the budget again, since the meeting packet was distributed. Schirmer said he was able to identify more opportunities to shift funds between accounts in an attempt to ensure sufficient budget dollars for each line item object code. Schirmer said the shifting of dollars results in a nominal increase to the fund total.

Worms suggested going through the general fund expenditure budget line by line. Council discussed postage expense.

Atkinson asked about liability insurance. Schirmer said the 2013 actual liability insurance originates from the renewal payment made in November 2012 for insurance and that since the city now uses accrual accounting methods, only a portion of the payment was applied to 2012 expenses and the rest was applied to 2013 expenses. Schirmer said the city will renew liability insurance again in November; thus, the 2013 actual total will increase. Schirmer said the 2013 Budget used an Insurance account to consolidate all general fund insurance expenses. Schirmer said discontinuing the use of an Insurance account and instead dividing the expense among existing accounts, such as General Government and Streets will help the city get a better understanding of the true costs associated with each service.

Atkinson asked if it would be better if the city renewed insurance in January. Schirmer said he would check with the city's insurance agent regarding renewal dates.

Atkinson asked if the city owned its printer machine. Schirmer said no, that the machine is rented from a company. C. Goebel suggested that the agreement is more likely a lease. Atkinson asked if the machine did more than printing. Schirmer said the machine is a combination printer/copier/scanner/fax.

Atkinson asked if Stearns County will pay for election judge compensation for the upcoming county commissioner election. Worms said the city pays for it.

Atkinson asked how the formula used to calculate local government aid is impacted by the city's tax levy. Schirmer said the formula is complicated; however, Melrose City Administrator Mike Brethorst would be good resource to ask, since he is a member on the Minnesota Association of Small Cities and testified at the

state capital on the formula. Atkinson said he does not want Mike Brethorst's opinion. Schirmer said he would look into the LGA's relationship to city tax levy.

Atkinson asked how many tax increment financing districts remain within the City. Schirmer said he is aware of one, created for Swaney White Flower Mill reconstruction.

C. Goebel moved and Atkinson seconded a motion to authorize the purchase of Utility Billing Analysis Software from Black Mountain. Motion carried 5-0.

Atkinson suggested budgeting to use one-hundred percent of Local Government Aid and to setup sinking funds. Schirmer said he would ask the city's financial consultant Joe Rigdon (KDV, Ltd) for information on how to properly setup and administrate so-called "sinking funds."

ADJOURNMENT

Worms moved and K. Goebel seconded a motion to adjourn. Motion carried 5-0. Meeting adjourned at 7:17 P.M.

Mason Schirmer, City Clerk

Matthew H. Worms, Mayor