

Finance & Administration Committee
Minutes and Report to City Council
4:00 p.m., March 29, 2023

Roll Call:

Terra Waldrop
Juanita Brace
Mayor Dan Kleiss
Drew Hoel
Alta Long

- Administrative Department.
 - Long stated that revenues are up substantially across many lines. The tax levy was increased due to the termination of the TIF funds. Sales, gaming, and income taxes are all up versus prior years, due likely to a combination of inflation, increased retail activity post-COVID, internet sales tax collection, and increased interest earnings on fund balances.
 - Some formerly TIF administrative expenses (a portion of Hoel’s salary, a portion of attorney expense, TCED contribution, downtown streetlight electricity, etc.) will be transferred to the General Fund for the last six months of the coming fiscal year.
 - Small equipment includes funds for a phone system replacement in City Hall, which is already on order, and some computer replacements.
 - Capital Outlay includes funds for the City Hall HVAC replacement (already approved, not yet installed) and new exterior doors and electronic door locks at City Hall.
- Committee Members reviewed a fund balance and cash flow estimate prepared by Long. There is significant capital spending in the proposed budget, but this can all be accomplished with funds on-hand. In the General Fund, the Reserve Fund is not projected to decrease at all, in spite of a projected \$2.3 million “deficit” of expenses over current year revenues. This is due to a sizable existing fund balance in operating cash. Hoel and Long recommend not adding to the reserve/rainy day fund in General this year due to the planned “draw down” of fund balance for capital spending.
- Equipment Replacement Plan. Committee members also reviewed the proposed Equipment Plan, which includes several items that were intentionally deferred during COVID. There is ample fund balance to accommodate these planned purchases, but Hoel and Long also recommend increasing the annual allocation to the Equipment Replacement Reserve from \$240,000 annually to \$360,000 to accommodate dramatic recent increases in costs for equipment.
- Wage and Salary. Long and Hoel left the meeting. Mayor Kleiss and committee members discussed possible recommendations for wage/salary increases for City employees. Long will publish a detailed schedule of wages and salaries for review at the budget study session, which will likely be held immediately prior to the April 10th City Council meeting.

Meeting adjourned at 6:15 p.m.