

**ARLINGTON CITY COUNCIL
BUDGET WORKSHOP
MEETING AGENDA
MARCH 3, 2014 AT 5:00 P.M.
COUNCIL CHAMBERS**

1. Call to Order

DISCUSSION ITEMS

2. Presentation of Draft Five Year Plan. (Tom Olinger, ABDO, EICK & MEYERS, LLP)
 - a) Looking out Five Years
 - b) Council Thoughts/Ideas on the Draft Plan
3. Capital Improvement Plan
4. Utility Rates for 2014 and beyond
5. Hospital Affiliation Lease
6. Adjournment

**ARLINGTON CITY COUNCIL
SPECIAL WORKSHOP MEETING MINUTES
MARCH 3, 2014**

The meeting was called to order at 5:00 p.m., Mayor Kreft presiding.

Members present: Mayor Kreft, Jaszewski, Nuesse, Reetz, Ruehling, Wills

Members absent: None.

Also present: City Administrator Donabauer, Tom Olinger (ABDO, EICK & MEYERS, LLP).

The following items were discussed in detail:

7. Presentation of Five Year Plan Draft. (Tom Olinger, ABDO, EICK & MEYERS, LLP)
8. Capital Improvement Fund
 - Discussion to internally fund the street sweeper (7 yrs.) and water tower painting. City saves on issuance costs and pays itself interest.
 - o Council to adopt resolution allowing City to borrow from one fund to another, establishing interest rate, setting amortization schedule (5-7 yrs), future levies to match amortization schedule.
 - o In determining a rate for borrowing when internally financing, select an interest rate between current CD rate and borrowing rate (i.e. 2014 equipment note for fire pumper is 2.15%)
 - o Schedule to renew CDs to come due at time to finance street sweeper and water tower repainting.
 - Tom Olinger to discuss with Jason Femrite (Bolton & Menk) RE: Scope of 2017 Street Improvement Project.
 - Council/Staff to discuss with Jason Femrite (Bolton & Menk) projects schedule/scope after 2017. Olinger discussed the importance of starting a “cycle of projects”.
9. Utility Rates for 2014 and Beyond
 - Sewer Funds 602 and 603
 - Tom Olinger proposes sewer rate increases:
 - o Debt payments are approximately \$400,000 annually.
 - o Minimum cash balances should be approximately \$500,000 and currently stand at \$290,000.
 - o 2014 projected cash \$180,000.
 - o 2015-2018 losing an average of \$35,000 annually in cash.
 - o 2011A bonds drop off in 2018 (\$85,000 in payments).
 - Storm Water Fund
 - Tom Olinger proposes 5% increase in Storm Water rates:
 - o Storm Water collections approximately \$23,000 annually.
 - o High Island Creek Watershed Assessment to come from this fund.
 - o Future Debt requirements
 - 2014-2015 \$10,000 annually
 - 2016-2017 \$35,000 annually
 - 2018 \$47,000

Electric Fund

- Shannon Sweeney recommends that in preparation of securing financing for the 2014 Electrical Improvement project, the City will need to increase rates to meet debt coverage at 125% (meet debt payments and build reserves).
- Tom Olinger will re-evaluate fund to determine appropriate rate increase.

10. Hospital Lease Payments

- Discussion on use and accounting of funds (i.e. sidewalk portion of 2015 Street Improvements).
- Tom Olinger recommends that Council/Staff examine ways to use the Hospital Lease Revenue to bring down impact on tax levy.

No action was taken. Tom Olinger, ABDO, EICK & MEYERS, LLP presented the City with an updated draft of the five year comprehensive budget plan. Olinger sought input from Council. Olinger also provided insight on future utility rates and discussed the potential of raising the base fee amount in sewer to cover debt.

Motion by Nuesse, seconded by Wills, and passed by unanimous vote to adjourn the meeting at 6:27 pm.

City Administrator Liza M. Donabauer

Mayor James R. Kreft