

## CITY OF CARO SPECIAL COUNCIL MINUTES

Special Council meeting called to order May 19, 2010 at 5:30 p.m. by Mayor Tom Striffler

Present: Mayor Tom Striffler, City Council Dick Pouliot, Mike Henry, Charlotte Kish, Rick Lipan, Amanda Langmaid

Absent: Joe Greene

Others in Attendance: Brent Morgan – City Manager, Karen Snider – City Clerk/Treasurer, Charles Sundblad – DPW Superintendent, Curtis Wells – WWTP Superintendent (for 590 fund only)

PUBLIC COMMENT: None

The purpose of this meeting is to have a budget work session on the FY10/11 proposed budget for funds 590, 592, 596 and 661.

### SPECIAL AGENDA:

1. Review of Sewer – Fund 590 – Note: The Sewer and Water Funds are Enterprise Funds and need to be self-sustaining. The Council reviewed the revenue proposed and raised the water/sewer sample testing to \$5,000. Also discussed that the manager and clerk should put together a fee schedule based on costs to perform the testing. Items reduced under plant operations were: OM&R to \$20,500, contracted services to \$121,000 and capital outlay to \$750. Under the collection system, chemicals were reduced from \$12,000 to \$10,000. Discussed the need for a rate increase. The clerk provided a spreadsheet on the rate needed per thousand to have enough revenue to cover expenditures. The clerk will also review the figures in the sewer study with Jamie Peasley at ATBD to help determine why the debt service is so low and the projected rates do not meet expenditures. It needs to be determined what factors changed.
2. Review of Water – Fund 592 - Reviewed the revenue which consists mostly of revenue brought in from water sales through the utility billing system. Changes made were under OM&R as follows: reduce contracted services to \$38,800, capital outlay to \$1,000 and add a new line – 592-557-801-003 Contracted Services – Construction Engineering. This line will be used for upcoming projects in the amount of \$20,000. Need to also look at the declining water rates at the high end of the gallon usage.
3. Sanitation – Fund 596 – Reviewed the increase effective January 1, 2011 pursuant to the City of Caro's contract with Richfield Equities. Last year the increase was not passed on to the customer; however, it appears this year that the rates will have to be picked up by the residents. The determination as to how much has not been decided. It appears that approximately \$15,000 to \$25,000 will need to be transferred from the General Fund to cover the balance of the expenditures. Will also need to study the recycling programs and see if there are any ways to save money next year.

4. Motor Pool – Fund 661 – The revenue for the Motor Pool Fund is transfers of equipment rent from other funds. **Moved by Henry, seconded by Pouliot to direct the clerk to transfer 35% of the 2009/10 3<sup>rd</sup> quarter ending equipment funds back to the funds they came from. Motion carried.** Need to add \$25,000 to revenue for sale of equipment as listed under the DPW's explanation. Other changes made were: put contracted services at \$5,000 and increase transfer to General-Bldg expenditures to \$40,000.
5. Schedule Budget Meeting – The next budget session is scheduled for May 25, 2010 at 5:30 p.m. to reevaluate all funds.

**Moved by Langmaid, seconded by Kish to adjourn the meeting at 10:02 p.m. Motion carried.**

Meeting adjourned.

Karen J. Snider, City Clerk/Treasurer