

NOTES FROM A FINANCE COMMITTEE MEETING HELD WEDNESDAY, MAY 29, 2013 –4:00 P.M. ROCKVILLE CITY HALL

The meeting was called to order by Chair Sue Palmer. Roll Call was taken and the following members were found to be present: Chair Palmer & Randy Volkmuth. Absent: None.

Staff present: Administrator/Clerk Rena Weber & Finance/Billing/Administrative Asst. Judy Neu.

Other's present: Mayor Hagen, David Drown, Duane Willenbring & Rick Tallman.

DAVID DROWN – REFUNDING PRESENTATION

CITY HALL/FIRE HALL REFINANCING – David Drown presented his report on a possible refinancing of Fire Hall/City Hall citing that August 2015 is the first time that we can refinance. Advanced refunding is a process where two bonds are out for the same bond. The interest rate is 4.75% on the original bonds, but current rates are around 2%. Today's savings would amount to \$160,000 or \$170,000. Factor's to consider:

- Advanced Refunding required an approved Capital Improvement Plan. The council could adopt the resolution on the refunding and wait 30 days, if no objections the bond is okay.
- Reverse referendum –

David recommended at least passing the trigger resolution

Motion by Member Volkmuth, second by Chair Palmer, to recommend the council get the process going on June 12th by scheduling a public hearing on 7/2/13 at noon. Motion carried.

WATER TOWER REFUNDING – David indicated that he did not have a memo regarding this, but would have ready by 6/12/13.

Motion by Member Volkmuth, second by Chair Palmer, to have David Drown compile a memo regarding refinancing of the Pleasant Lake water tower bond for the 6/12/13 meeting.

VOIGT FAMILY REQUEST TO REDUCE SPECIAL ASSESSMENT

Member Volkmuth indicated that he feels the initial offer from the family is too low. He would consider a counter offer and possible give up \$50,000.

David Drown voiced concern that this is a business deal and it is the council's job to look out for the taxpayers. Questions to ask ourselves:

- What is in it for us? Little bit of cash – do we have a cash flow problem?
- What happens if we don't back away from the assessments? County will try to sell the property once forfeited and if it doesn't sell the County should sell it to the city. Be patient – let it fall back to forfeiture.

Chair Palmer asked if we can verify that 10 acres is equal to \$100,000 and settle for \$252,000 - are we okay with that?

Chair Palmer wanted to discuss all options.

Administrator/Clerk Rena Weber reported that in response to the Voigt's claims that we do not have easements on three areas:

Voigt Lift Station – family was sent the easement to sign – never returned

900" pipe coming from the lift station – city has signed easement

Cul-de-Sac on Pleasant Road – the use has occurred long before Rockville became a city so by virtue of use – it is the cities.

Rena further reported that in talking to the city attorney Adam – the very fact that we have an assessment agreement in place with the easement for the pipe coming from the lift station, the city maintaining the lift station for 7 plus years – we take it by reverse possession.

Rena asked David Drown what is the best way to secure payment for assessments in the future.

David recommended that in the future the city should obtain a letter of credit to cover all expenses and/or assessments.

Motion by Chair Palmer, second by Member Volkmuth, to recommend rejection of the Voigt Family offer and further require them to pay in full. Motion carried.

NEXT FINANCE COMMITTEE MEETING - June 12th 5:30 p.m.

GARBAGE HAULERS – Rena Weber had obtained a large packet of information from Sauk Rapids on how they handled their decision on garbage hauling by setting up zones. She had certain parts of the packets copied for the council to review for discussion later. The information went very in depth with questions that were asked of the haulers and ultimately of the council. Since this work has been done it was determined that members would read the information, make a list of questions they may have and share with the whole council.

RENTAL INSPECTION FEE – When the amended rental ordinance was adopted it was done with the caveat that the city should not be losing money on the inspection fees.

Rena Weber reported that after talking to Gary Utsch she feels strongly that we should go to an hourly rate of whatever the current building inspector rate per hour is plus \$50 for admin. We need to charge a minimum of one hour which includes the inspectors driving time. By doing this every 5 years will mean more time spent at the site (especially in the older units).

Per our current rate the fee covers the initial inspection and a follow up inspection. I believe it is cleaner just charging the actual cost.

Also by increasing the late fees and penalties (like with did with the water/sewer shut offs) should take care of those who don't respond.

She asked the committee to make this effective going forward – not with this years licenses.

Discussion was held regarding:

- Rental rates – need building official rate for rental inspections – fee per unit
- Plus 10% administrative fee
- Can we schedule all inspection for a 1 week period to save on mileage?

Motion by Member Volkmuth, second by Chair Palmer, to recommend keeping the 2002 rates to recoup more of the costs. Motion carried.

Motion by Member Volkmuth, second by Chair Palmer, to recommend doubling the late fee charge. Motion carried.

ADJOURNMENT – *Motion by Member Volkmuth, second by Chair Palmer, to adjourn the meeting at 4:50 p.m. Motion carried.*

Submitted by:
Rena Weber
Administrator/Clerk