

Agenda
Elk Point City Council
Special Meeting
Monday, August 27, 2018 @ 5:00pm
Elk Point City Hall

- (1) Call to Order and Roll Call
- (2) Approve Agenda
- (3) Approve Payment of Bills
- (4) Public Forum
- (5) Unfinished Business
 - Motion to hire Diane Gardner as library employee.
- (6) New Business
 - First Reading to Ordinance No. 395, 2019 Budget
 - Motion to hire TJ North as an on-call police officer
- (7) Executive session per SDCL 1-25-2 (4) Preparing for contract negotiations or negotiating with employees or employee representatives

City of Elk Point
PAYMENTS BY FUND

OBJ Descr	Check Name	Amount	Proj Nbr	Comments
FUND 101 GENERAL FUND				
DEPT				
	UNUM LIFE INSURANCE	\$143.30		LIFE & AD&D COVERAGE
	SANFORD HEALTH PLAN	\$10,154.27		MONTHLY PREMIUM
		<u>\$10,297.57</u>		
DEPT 41100 LEGISLATIVE				
SUPPLIES AND MATERIALS	ONE OFFICE SOLUTION	\$41.45		ENVELOPES
PROFESSIONAL SERVICES AN	TUDOGS COMPUTING, L	\$25.00		DOMAIN NAME REGISTRATION
TRAVEL AND CONFERENCE	SOUTH DAKOTA MUNIC	\$65.00		SDML ANNUAL CONFERENCE IN
SUPPLIES AND MATERIALS	ONE OFFICE SOLUTION	\$6.03		PENCILS
SUPPLIES AND MATERIALS	ONE OFFICE SOLUTION	\$24.96		PENS
		<u>\$162.44</u>		
DEPT 42100 POLICE				
SUPPLIES AND MATERIALS	CAMPBELL SUPPLY	\$60.58		HARDWARE FOR POLICE DEPT
		<u>\$60.58</u>		
DEPT 42900 OTHER PROTECTION-SELF DEFENSE				
MACHINERY AND EQUIPMENT	FRONTLINE WARNING S	\$17,910.00		INSTALLATION OF NEW OUTDO
		<u>\$17,910.00</u>		
DEPT 43100 HIGHWAYS AND STREETS				
STREET REPAIRS	BARKLEY ASPHALT INC.	\$390.88		HOT MIX ASPHALT
SUPPLIES AND MATERIALS	BOMGAARS	\$19.99		CONNECTOR TWISTLOCK 30 A
TRAVEL AND CONFERENCE	SOUTH DAKOTA MUNIC	\$65.00		SDML ANNUAL CONFERENCE IN
SUPPLIES AND MATERIALS	UTILITY EQUIPMENT C	\$70.08		REPAIR CLAMPS
REPAIRS AND MAINTENANCE	TRANSOURCE	\$962.52		EVAPORATOR & COMPRESSOR
SUPPLIES AND MATERIALS	MSC	\$83.63		POWER ADAPTER & BOOST HD
SUPPLIES AND MATERIALS	CAMPBELL SUPPLY	\$32.03		AIR CHUCK, COUPLER PLUG & B
STREET REPAIRS	BARKLEY ASPHALT INC.	\$424.80		HOT MIX ASPHALT
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$63.40		STRING TRIMMER & BATT SET
SUPPLIES AND MATERIALS	ONE OFFICE SOLUTION	\$27.36		RED & BLACK PENS FOR TREVO
OTHER OTHER CURRENT EXP	SD DEPT OF REV/MOTO	\$21.20		TITLE/LICENSE FEE FOR POTH
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$37.61		NINJA FLEX 15 GAUGE LARGE &
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$37.71		BOOSTER CLAMPS
SUPPLIES AND MATERIALS	TRANSOURCE	\$30.71		V-BELT FOR STREET MAINTAIN
		<u>\$2,266.92</u>		
DEPT 43700 CEMETERIES				
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$63.40		STRING TRIMMER & BATT SET
		<u>\$63.40</u>		
DEPT 45100 RECREATION				
OTHER MATERIALS FOR RESA	MIDWEST MINI MELTS	\$134.25		POOL CONCESSIONS MINI MEL
UTILITIES	Vast Broadband	\$42.34		#004108102 POOL PHONE
UTILITIES	MIDAMERICAN ENERGY	\$510.74		207 S TRUMAN LN POOL
		<u>\$687.33</u>		
DEPT 45200 PARKS				
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$63.40		STRING TRIMMER & BATT SET
REPAIRS AND MAINTENANCE	NUTRIEN AG SOLUTION	\$125.00		LOW VOL 6 2X2.5 GA
		<u>\$188.40</u>		
DEPT 45500 LIBRARIES				
BOOKS	INGRAM LIBRARY SERVI	\$47.45		BOOKS
SUBSCRIPTIONS	LEADER-COURIER	\$34.74		1 YEAR SUBSCRIPTION FOR EL

City of Elk Point
PAYMENTS BY FUND

OBJ Descr	Check Name	Amount	Proj Nbr	Comments
BOOKS	INGRAM LIBRARY SERVI	\$23.94		BOOKS
DEPT 45500 LIBRARIES		\$106.13		
FUND 101 GENERAL FUND		\$31,742.77		
FUND 602 WATER FUND				
DEPT 43300 WATER				
DUES	SD ASSOCIATION OF R	\$625.00		ANNUAL DUES: CLASS B MEMBE
REPAIRS AND MAINTENANCE	USA BLUE BOOK	\$2,200.11		REPAIR KIT & 240 GPD; 150 PS
SUPPLIES AND MATERIALS	HAWKINS, INC.	\$1,047.86		Azone-bulk chemicals for water
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$37.61		NINJA FLEX 15 GAUGE LARGE &
SUPPLIES AND MATERIALS	UTILITY EQUIPMENT C	\$70.07		REPAIR CLAMPS
OTHER OTHER CURRENT EXP	SOUTH DAKOTA ONE C	\$11.55		LOCATE TICKETS
DEPT 43300 WATER		\$3,992.20		
FUND 602 WATER FUND		\$3,992.20		
FUND 604 SEWER FUND				
DEPT 43200 SANITATION				
PROFESSIONAL SERVICES AN	PER MAR SECURITY SYS	\$72.12		Acct # 54627 Dunham Lift
SUPPLIES AND MATERIALS	HAWKINS, INC.	\$1,081.50		chemicals for lagoon
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$37.61		NINJA FLEX 15 GAUGE LARGE &
PROFESSIONAL SERVICES AN	PER MAR SECURITY SYS	\$74.31		Acct # 54638 Wurtz Lift
REPAIRS AND MAINTENANCE	BATTERIES + BULBS	\$32.99		12V LEAD DURA 12-5F
SUPPLIES AND MATERIALS	BIERSCHBACH EQUIPME	\$121.60		24 - 20 OZ BLUE PAINT & 1 MA
PROFESSIONAL SERVICES AN	PER MAR SECURITY SYS	\$72.12		Acct # 54621 Kum & Go Lift
OTHER OTHER CURRENT EXP	SOUTH DAKOTA ONE C	\$11.55		LOCATE TICKETS
PROFESSIONAL SERVICES AN	PER MAR SECURITY SYS	\$74.31		Acct # 54614 Green St. Lift
SUPPLIES AND MATERIALS	UTILITY EQUIPMENT C	\$70.07		REPAIR CLAMPS
PROFESSIONAL SERVICES AN	PER MAR SECURITY SYS	\$120.93		Acct# 54633 Westside liftstati
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$63.39		STRING TRIMMER & BATT SET
DEPT 43200 SANITATION		\$1,832.50		
FUND 604 SEWER FUND		\$1,832.50		
FUND 610 ELECTRIC FUND				
DEPT				
	JACQUES CORY	\$127.95		METER DEPOSIT REFUND FOR
	RESCO	\$1,334.00		1 - 100 GALLON WATER HEATE
	RESCO	\$1,665.00		2 - 50 GALLON WATER HEATER
	RESCO	\$230.75		5 UPPER ELEMENTS FOR WATE
	RESCO	\$276.90		6 LOWER ELEMENTS FOR WATE
	PHELPS, BART	\$13.25		METER DEPOSIT REFUND FOR
DEPT		\$3,647.85		
DEPT 43400 ELECTRICITY				
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$63.40		STRING TRIMMER & BATT SET
REPAIRS AND MAINTENANCE	JEFF'S LAWN CARE	\$96.90		FOLLOWING WORK DONE AT S
SUPPLIES AND MATERIALS	BORDER STATES ELECT	\$138.32		Z BAR 8 CONDUCTOR
SUPPLIES AND MATERIALS	METERING & TECHNOL	\$1,903.59		3 HP RADIO BOARDS
PROFESSIONAL SERVICES AN	DGR CONSULTING ENGI	\$663.00		ELECTRIC DISTRIBUTION SYST
SUPPLIES AND MATERIALS	UTILITY EQUIPMENT C	\$70.07		REPAIR CLAMPS
CONVERSION	DGR CONSULTING ENGI	\$402.00		ELECTRIC SYSTEM CONVERSIO
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$37.60		NINJA FLEX 15 GAUGE LARGE &
SUPPLIES AND MATERIALS	DISPLAY SALES	\$1,865.00		15 NEW BANNERS FOR MAIN S
PROFESSIONAL SERVICES AN	DGR CONSULTING ENGI	\$51.00		MISC ELEC ENGR SERV AS REQ

City of Elk Point
PAYMENTS BY FUND

OBJ Descr	Check Name	Amount	Proj Nbr	Comments
SUPPLIES AND MATERIALS	BORDER STATES ELECT	\$939.40		INSUL STANDOFF BSHG
SUPPLIES AND MATERIALS	BORDER STATES ELECT	\$123.00		BRNZ GRD CONN
OTHER OTHER CURRENT EXP	SOUTH DAKOTA ONE C	\$11.55		LOCATE TICKETS
DEPT 43400 ELECTRICITY		<u>\$6,364.83</u>		
FUND 610 ELECTRIC FUND		<u>\$10,012.68</u>		
FUND 612 SOLID WASTE FUND				
DEPT 43250 SEWAGE COLLECTION AND DISPOSAL				
UNIFORMS	KEEGAN, JUSTIN	\$44.94		CLOTHING ALLOWANCE REIMB
SUPPLIES AND MATERIALS	UTILITY EQUIPMENT C	\$70.07		REPAIR CLAMPS
REPAIRS AND MAINTENANCE	GRAHAM TIRE COMPAN	\$2,664.92		6 TIRES PURCHASED FOR GARB
SUPPLIES AND MATERIALS	MSC INDUSTRIAL SUPP	\$37.60		NINJA FLEX 15 GAUGE LARGE &
SUPPLIES AND MATERIALS	PHEASANTLAND INDUS	\$527.04		SIGNS FOR LANDFILL
REPAIRS AND MAINTENANCE	JOHNSON FEED, INC.	\$24.88		SINGLED OUT LRO DRIVE TIRE
DEPT 43250 SEWAGE COLLECTION AND DISPOSAL		<u>\$3,369.45</u>		
FUND 612 SOLID WASTE FUND		<u>\$3,369.45</u>		
		<u>\$50,949.60</u>		

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Appendix E

ORDINANCE NO. 395

AN ORDINANCE PROVIDING FOR THE ANNUAL APPROPRIATIONS FOR THE CITY OF ELK POINT, SOUTH DAKOTA AND LEVYING FOR THE YEAR 2019

Be it ordained by the Common Council of the City of Elk Point that the following sums are appropriated to meet the obligations of the municipality.

	General Fund	UDAG Fund	Liquor, Lodge, Dine Sales Tax Funds		Other Governmenta l Funds	Total
Governmental Funds						
410 General Government						
411 Legislative	262,575.00					262,575.00
411.2 City Hall	30,825.00					30,825.00
411.5 Contingency	30,000.00					30,000.00
412 Executive	21,000.00					21,000.00
413 Elections	2,000.00					2,000.00
419 Other General Government					-	-
Total General Government	\$ 346,400.00	\$ -	\$ -	\$ -	\$ -	\$ 346,400.00
420 Public Safety						
421 Police	347,805.00					347,805.00
429 Other Inspection	6,500.00					6,500.00
Total Public Safety	\$ 354,305.00	\$ -	\$ -	\$ -	\$ -	\$ 354,305.00
430 Public Works						
431 Highways and Streets	961,055.00					961,055.00
437 Cemeteries	36,600.00					36,600.00
Total Public Works	\$ 997,655.00	\$ -	\$ -	\$ -	\$ -	\$ 997,655.00
440 Health and Welfare						
441 Health	2,650.00					2,650.00
444 Humane Society	600.00					600.00
Total Health and Welfare	\$ 3,250.00	\$ -	\$ -	\$ -	\$ -	\$ 3,250.00
450 Culture and Recreation						
451 Recreation	90,350.00					90,350.00
452 Parks	77,825.00					77,825.00
455 Libraries	34,900.00					34,900.00
458 Museum	2,000.00					2,000.00
Total Culture and Recreation	\$ 205,075.00	\$ -	\$ -	\$ -	\$ -	\$ 205,075.00
	General Fund	UDAG Fund	Liquor, Lodge, Dine Sales Tax Funds		Other Governmenta l Funds	Total
460 Conservation and Development						
465 Economic Development and Assistance	10,000.00	700.00	12,860.00			23,560.00
465.2 Planning and Zoning	14,680.00					14,680.00
Total Conservation and Development	\$ 24,680.00	\$ 700.00	\$ 12,860.00	\$ -	\$ -	\$ 38,240.00
470 Debt Service						
471 Principal	112,905.00		15,390.00			128,295.00
472 Interest	5,600.00		11,825.00			17,425.00
Total Debt Service	\$ 118,505.00	\$ -	\$ 27,215.00	\$ -	\$ -	\$ 145,720.00
510 Other Financing Uses						
511 Operating Transfer--Out	-					-
Total 2018 Appropriations	\$ 2,049,870.00	\$ 700.00	\$ 40,075.00	\$ -	\$ -	\$ 2,090,645.00
Capital Outlay Accumulations						
Future Police Vehicle: \$15,000	15,000.00					15,000.00
Total Appropriations and Accumulations	\$ 2,064,870.00	\$ 700.00	\$ 40,075.00	\$ -	\$ -	\$ 2,105,645.00

Note 1: The amounts shown here should not reflect accumulations to-date nor should it reflect the total to be accumulated. It should only report the amount to be accumulated in the

Part II (9-22-1)
(9-21-19)
(9-21-20)

The following designates the fund or funds that money derived from the following sources is applied to.

	General Fund	UDAG Fund	Liquor, Lodge, Dine Sales Tax Funds		Other Governmental Funds	Total
Governmental Funds						
Cash Applied						
Cash Applied for Rose Street (Money set aside for Rose Street)	60,000.00					60,000.00
Cash Applied for Police Car Equipment Replacement Fund	13,870.00					13,870.00
Cash Applied for Street Sweeper	50,000.00					50,000.00
Unassigned Fund Balance Applied	42,125.00		12,825.00			54,950.00
310 Taxes	1,375,725.00		27,250.00			1,402,975.00
320 Licenses and Permits	7,950.00					7,950.00
330 Intergovernmental Revenue						
331 Community Access Grant	-			-		
334 State Grants	315,900.00					315,900.00
335 State Shared Revenue	115,000.00					115,000.00
340 Charges for Goods and Services	32,750.00				-	32,750.00
350 Fines and Forfeits	750.00					750.00
360 Miscellaneous Revenue	11,800.00	12,075.00			-	23,875.00
386 Cemetery	8,000.00					8,000.00
387 Telecommunications	11,000.00					11,000.00
390 Other Sources	20,000.00			-		20,000.00
391 Transfer In						
Total Means of Finance	<u>\$ 2,064,870.00</u>	<u>\$ 12,075.00</u>	<u>\$ 40,075.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,117,020.00</u>

Appendix E

ORDINANCE NO. 395

AN ORDINANCE PROVIDING FOR THE ANNUAL APPROPRIATIONS FOR THE CITY OF ELK POINT, SOUTH DAKOTA AND LEVYING FOR THE YEAR 2019
(continued)

	Water Fund	Sewer Fund	Electric Fund	Garbage Fund
Proprietary and Fiduciary Funds				
Beginning Unrestricted Cash	294,175.00	80,225.00	770,500.00	52,500.00
Cash Applied	190,000.00	70,000.00	0.00	0.00
Estimated Revenue	683,280.00	533,465.00	2,069,750.00	187,400.00
TOTAL AVAILABLE	<u>873,280.00</u>	<u>603,465.00</u>	<u>2,069,750.00</u>	<u>187,400.00</u>
Less Appropriations (Expenses)	873,280.00	603,465.00	1,867,455.00	185,400.00
Less Depreciation Reserve (SDCL 9-21-12)				
ESTIMATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,295.00</u>	<u>\$ 2,000.00</u>

Part III

That there is hereby levied upon all taxable property within the said City of Elk Point, South Dakota, for the purpose of providing funds to meet the lawful expenses and
Levied for the General Fund Interest and Debt Service: ???\$

Part IV

The City Finance Officer of the City of Elk Point is hereby authorized and directed to certify the dollar amount of property tax levies stated in this ordinance to the Union County Auditor.

Dated this th day of September 2018

Voting in favor of this Ordinance: Penfield, Welch, Zevenbergen, McCreary, and Verros
Pierce was absent.

Voting against this Ordinance: None.

Mayor

Attest:

Finance Officer

First Reading:

Second Reading:

Passed and Approved:

Published:

2019 Budget key points:

General Fund Expenses:

**There are no additions from the 2018 budget in the administration fund.

**\$8,000 has been budgeted to remodel city hall to add storage for the police department and administration and carpet replacement.

**Police Department purchases include PBT's, server and repeater for the 2017 interceptor. Also included in the budget is a new police car. You will find this under the debt service fund.

**Other Protection fund includes ambulance and fire department utilities. This had to be increased slightly.

**The total Street Department cost for Rose Street is estimated to be \$474,254. You will see this amount under the Street Department (Professional fees and services and Improvements other than buildings). The total General Fund revenue for Rose Street is estimated to be \$400,000 (State DOT Grant - \$290,000, State DOT Detour for Rose Street - \$50,000 and money the city has set aside for Rose Street over the past few years - \$60,000). The difference is \$74,254 to complete the street portion of the project.

**Other significant changes in the Street Department are the Washington, Sherman & Wood Street special assessment. This entire amount will be paid back to the city through a special assessment. Property owners are given 10 years to repay and their first payment won't be due until 2020.

**Other additions in the Street Department are the purchase of gravel/crushed concrete for mixing asphalt and asphalt sealant for the new Rose Street overlay. A one ton dually pickup with dump box is also included in the equipment purchase budget for the Street Department.

**\$10,000 total has been added to the street, cemetery and park budgets for the ash borer treatment.

**\$40,000 total has been budgeted in the cemetery, water, sewer, and electric funds for the purchase of a mini backhoe. \$10,000 is coming out of the cemetery fund.

**The West Nile supplies were increased slightly. This is used to purchase chemicals. The city receives a grant for this purchase (shown on the revenue side of the general fund budget under Other State Grants). The grant is around \$1,000.

**The Swimming Pool fund has decreased due to the swimming pool reconstruction costs budgeted in 2018. We still have \$100,000 sitting in a restricted account for use of repairs or building a new swimming pool. If the city decides to install a new liner, this amount can be used towards it and a supplemental budget can be adopted at that time.

**In the Park Department, the City was awarded a grant to asphalt the Hike/Bike trail along the Golf Course. Total cost is estimated at \$31,150 and the grant award is \$24,903 (found under Other State Grants on the revenue side) making the city responsible for \$6,247.00 of the project.

**No changes in the Library and Museum funds.

**Economic Development is requesting a \$10,000 donation as in past years. The additional \$50,000 is no longer needed as this money was saved the construction of the Business Park.

**\$9,000 has been added to the Planning & Zoning Department for code enforcement.

**Debt Service includes the 2017 Ford Interceptor, 2019 Ford Interceptor and a Street Sweeper.

**The City Council has set aside money the last two years to purchase a new street sweeper. The total money set aside to date is \$50,000. I recommend making a \$50,000 down payment on the lease. This money has been applied to the revenue source to lease a street sweeper.

**\$13,870 has also been applied as a revenue source to use towards the police vehicle lease (this money has been assigned for the past few years to help with the purchase of new police vehicles).

General Fund Revenue:

**The current property tax revenue is \$820,525 and the current mill levy is .007878. After talking to the county auditor, we are able to add an additional 1.5% for growth (\$12,307) and 2.1% (\$17,231) for CPI. The city may bank the CPI, but needs to use within the next three years, if we chose not to use it in the 2019 budget. Growth percentage cannot be carried over. Use it or lose it. Listed below are options for property tax revenue and how it affects the mill levy.

- If the city chooses to keep the property tax revenue the same without requesting any additional money. Revenue will be \$820,525 and the mill levy will drop from .007878 to .007847.
- If the city chooses to add the 1.5% growth, revenue requested will increase to \$832,825 and the mill levy will increase from .007878 to .007965.
- If the city chooses to add the 1.5% growth and 2.1 CPI, additional revenue will increase \$29,530 making the total amount requested \$850,055. The mill levy will go from .007878 to .008130.

**I was able to increase sales tax significantly based on past years and current trend. This will bring an additional \$60,000 to the general fund revenue.

**The city will receive \$315,900 in other State grant money for Rose Street, West Nile, and Hike and Bike Trail. This grant money was all mentioned in the expense explanations.

**We plan on surplus and selling the street sweeper and 1996 Ford pickup. \$20,000 is shown in the revenue portion of the budget.

General Fund Other Sources of Revenue:

**Cash applied from Rose Street account: \$60,000

**Cash applied from Police Car Equipment Replacement account: \$13,870

**Cash applied for Street Sweeper account: \$50,000

**Recommend using unassigned cash to balance the budget: approximately \$42,125. This number can change depending on what the council decides to do with the property tax request. The spreadsheet sent shows the same amount as 2018.

**\$102,130 of unassigned cash balance was budgeted in the 2018 budget, but this amount will carry over to 2019 because we didn't do Rose Street.

2019 Budget key points:

Liquor, Lodging Dining Sales Tax Fund Expenses:

**A request was received to add a 16' x 26' addition to the Community Center building for storage. Total cost will be \$12,860. Labor and landscaping will be donated. This will have to be paid out of the unassigned cash balance. The unassigned cash balance for this account at the beginning of 2018 was \$20,940.

2019 Budget key points:

Water Fund Expenses:

**\$90,000 has been applied as a revenue source to use towards the reconstruction of Rose Street (this money has been assigned for the past few years). This number is located at the top of the spreadsheet and has been added as a revenue source.

** The total Water Fund cost for Rose Street is estimated to be \$450,935. You will see this amount under professional fees and services and Improvements Other than Buildings. A DENR Loan is the source of funding for the water portion of this project. The city was approved for a \$564,000 loan. SRF Loans are paid back by applying a surcharge to the customer's utility bill. After reviewing the revenue and the current cash balance in the Water Fund, I recommend we use \$100,000 of our cash balance. The city would only have to borrow \$238,180. The estimated surcharge will be \$1.85/month. The cash balance is \$504,615 as of January 2018 before using the \$100,000 towards the project.

**\$40,000 total has been budgeted in the cemetery, water, sewer, and electric funds for the purchase of a mini backhoe. \$10,000 is coming out of the water fund.

**We have the water tower maintenance program fee of \$19,900.

**A GPS water system and sewer system was budgeted. Total cost is \$9,815.00. \$4,910 will come out of the water fund and the other half will come out of the sewer fund.

**\$10,000 was budgeted for our valve replacement program as it has in past years.

Water Fund Revenues:

**I did decrease the water usage revenue for 2019 based on past years and current amount collected.

2019 Budget key points:

Sewer Fund Expenses:

**\$70,000 has been applied as a revenue source to use towards the reconstruction of Rose Street (this money has been assigned for the past few years). This number is located at the top of the spreadsheet and has been added as a revenue source.

** The total Sewer Fund cost for Rose Street is estimated to be \$234,770. You will see this amount under professional fees and services and Improvements Other than Buildings. A DENR Loan is the source of funding for the sewer portion of this project. The city was approved for a \$235,000 loan. SRF Loans are paid back by applying a surcharge to the customer's utility bill. After reviewing the revenue and the current cash balance in the Sewer Fund, I recommend we do not use any of our cash balance. The balance as of January 2018 is 166,520. The city would only have to borrow \$163,750. The city had a large unexpected expense of \$163,440 for the rip rap project in 2017 decreasing our cash balance. The estimated surcharge will be \$1.56/month.

**Other purchases include a valve exerciser for \$3,600 and a John Deere Tractor mower for \$28,000. We will surplus and trade in the John Deere mower we currently have.

**\$40,000 total has been budgeted in the cemetery, water, sewer, and electric funds for the purchase of a mini backhoe. \$10,000 is coming out of the sewer fund.

**A GPS water system and sewer system was budgeted. Total cost is \$9,815.00. \$4,910 will come out of the sewer fund and the other half will come out of the water fund.

Sewer Fund Revenues:

**I left the sewer charges the same as 2018 based on averages from previous years and what we expect this year.

**I did add \$15,000 to the revenue budget for the sale of our John Deere mower.

2019 Budget key points:

Electric Fund Expenses:

**We have included a rate study in the 2019 budget. I think will be very beneficial in the long run.

Electric charges can be complex and hard to understand, especially when it comes to demand. The total cost for this is \$40,000.

**The electric department would like to purchase some inventory to have on hand. Total cost is \$95,000.

**\$20,000 has been budgeted to install lighting in the business park.

**\$40,000 total has been budgeted in the cemetery, water, sewer, and electric funds for the purchase of a mini backhoe. \$10,000 is coming out of the electric fund.

**A suc-vac is also included in the budget for \$67,000. We would surplus our current suc-vac. I have included \$10,000 in the revenue portion of the budget for the sale of our current suc-vac.

**The electric department would also like to purchase a wire spool trailer for \$8,500.

Electric Fund Revenues:

**I increased the electric fund revenue based off of previous years along with current usage.

2019 Budget key points:

Garbage Fund expenses:

**There were no additional expenses to the garbage fund compared to last year.

**We did discuss purchasing a garbage truck, but feel we should set aside more money before we do this.

**\$25,000 is set aside in this budget to go towards a new garbage truck in the future.

Garbage Fund revenues:

**I increased our garbage collections fees due to the rate increase council passed in August 2018.