

MINUTES

Tuesday, September 6, 2011

\* 5:44 PM

Fiscal Committee Carnegie Town Hall

235 West 10th Street

Members Present: Council Member Sue Aguilar, Council Member Dean Karsky, Council Member Vernon Brown, and Council Member Greg Jamison

Members Absent: None

Staff Present: Debra Owen, City Clerk/Chief of Council Operations and Jamie L. Palmer, CMC, Assistant City Clerk

Guests: Shawna Goldammer, Mike Cooper(left 5:53 p.m.), Kendra Siemonsma (left 5:53 p.m.), Tom Huber, Rich Oksol, Bill O'Toole, Mark Cotter, Dean Borchardt, Trent Lubbers, Tracy Turbak, Jim Entenman, Rex Rolwing, and David Bixler

1. Call To Order

Committee Chair Brown called the meeting to order at 5:44 p.m.

2. Approval of Minutes

A Monday, July 18, 2011

A motion was made by Council Member Sue Aguilar and seconded by Council Member Dean Karsky to approve minutes from Monday, July 18, 2011.

Vote to approve: Roll Call: Yeses, Sue Aguilar, Dean Karsky, Vernon Brown, Greg Jamison, 4. Noes, 0.

Motion Passed.

3. Reports and Updates

A Discussion on Sewer/Water Rate Increase Freeze for Elderly and Low Income Families

Jamison said that this idea arose as a result of the recent water rate increases. Cotter gave a brief explanation about the need for the recent water rate increases. He explained that the system is a pay for what you use system, meaning the more water you use the more you pay per unit (a tiered rate structure). He said if you are a conservative water user, you will pay less.

Karsky asked what percentage of users are at a rate of 4 units per month. Cotter said that he didn't have that information available today but said that it could be quantified if needed.

Jamison asked if Cotter could cross reference the number of citizens that qualify for the elderly property tax freeze and give him an estimate of the approximate dollars that would be saved. Cotter explained that about 100 people that would be affected and said that a 10% rate

reduction would equate to approximately \$1600; a 15% rate reduction would equate to approximately \$2400 and a 20% rate reduction would equate to approximately \$3200. The rate increase for 2012 is 14%.

To freeze the rate back to 2011 would be just under \$2000 for the 100 households affected. Discussion occurred about the budgetary impact of cost to administer such a program. Discussion occurred about the uncollectible accounts and non-profit organizations that are available to help citizens pay their utilities.

No action will be taken on this item and it will be removed from the committee's roster.

#### B Discussion on Sewer/Water Rate Increase Cycle of 3 or 5 years

Jamison explained that this idea arose as a result of the recent water rate increases. Questions were raised about the need to have a rate study done each year when the numbers from the study are predicted out from 1-7 years. Cotter gave reasons for conducting yearly rate increase studies. Discussion followed about the unknown costs involved with Lewis & Clark coming online next year.

Jamison said that while Cotter explained that this isn't a good idea at the present time, he would like this idea possibly reviewed again in the future. Cotter explained that the approximate cost of a consultant per user per year is approximately 55 cents. Cotter said that one way to cut down on the cost for consultants would be to reduce the time they spend giving public presentations, i.e. having public works relay the information rather than the consultants. Brown said that was a good idea to consider.

No action will be taken on this item and it will be removed from the committee's roster.

#### C Fraud Hotline Protocol/Policy

Rich Oksol, Lead Internal Auditor, handed out copies of a sample fraud policy and a South Dakota Board of Regents Fraud Policy. He explained that the city has had a fraud hotline since 2008. He explained the process that occurs when a call is received and said that the activity is minimal. It was the consensus of the committee to request Oksol to return to the Fiscal Committee in November with a draft a fraud and whistleblowers policy for further discussion.

#### D Land Management and Financial Management Software Project Update by Tracy Turbak, Director of Finance

Tom Huber, Finance, gave a short update on this project. He said that it was important to note that these are two separate applications that are being proposed: the financial system includes accounting purchasing, human resources and payroll functions and the land management system includes the planning, zoning and engineering components. He explained why new systems are being considered, what tasks have been completed thus far, what tasks remain, project team structure and how the project is being funded. Brown thanked Huber for the update and said that the committee will rely on his expertise to decide when another update to the committee is necessary.

#### 4. Open Discussion

Brown stated that the Sioux Empire Fair City Sales Tax issue will be discussed at the Fiscal Committee Meeting on Monday, October 3, 2011. He

asked the Assistant City Clerk to invite to the  
Minnehaha County Commissioners and their staff and the Sioux  
Empire Fair Administrative Staff to that meeting.

#### 5. Adjournment

A motion was made by Council Member Greg Jamison and seconded by Council Member  
Sue Aguilar to adjourn at 6:23 p.m.

Vote to adjourn: Roll Call: Yeses, Sue Aguilar, Dean Karsky, Vernon Brown, Greg  
Jamison, Rex Roling, 5. Noes, 0.

Motion Passed.

Jamie L. Palmer, CMC

Assistant City Clerk