

CALL TO ORDER

Mayor Sullivan called the special meeting of the City Council to order at 7.30 pm.

ROLL CALL

Present: Alexie. Bainton. Carpenter. Sullivan

Absent: Aloysius. Fenn. Veit

NEW BUSINESS

PUBLIC HEARING ON ENTERPRISE FUNDS FY '86 BUDGET

City Manager Stigall presented to Council the FY '86 City enterprise budgets. Mayor Sullivan opened the Public Hearing and discussion took place on the following:

- a. Braund Building - City Finance Director noted for Council that the Braund Building account has been closed and expenses related to the building reported in Administration's budget
- b. dock fund - City Manager Stigall noted that Administration anticipates revenue at the \$400.000 level from the dock which would result in a \$150.000 fund surplus for FY '86
- c. bowling alley - City Manager Stigall noted that it is anticipated that the bowling alley will lose approximately \$40.000 during FY '86; that no general fund money is being contributed to offset the bowling alley loses. A discussion took place as to ways to increase revenue from the bowling alley operation by
 1. increasing league fees
 2. reduction of hours to reduce personnel cost
 3. turn operation over to private managementThe bowling alley operation will be reviewed further at the quarterly budget review.
- d. laundromat - City Manager Stigall noted that the City operated laundromat will lose approximately \$60.000 during FY '86; that the building and showers are in need of repair; that no transfer from the general fund to the laundromat fund is anticipated. Council requested that the Administration present to Council at the quarterly budget review additional information concerning operation and repair costs regarding the laundromat.
- e. bus line - City Manager Stigall noted for Council that the City bus operation shows an approximate lose of \$60.000 for FY '86; that no general fund money is being transferred to offset the anticipated lose; that the City has purchased an additional bus allowing the City to have 2 buses in operation and 2 in reserve. A discussion occurred about extending the bus route to include the day care and the airport. Council took no action concerning route expansion.

- f. utilities - City Manager Stigall reviewed for Council the water, garbage and sewer utility budgets for FY '86 noting that the City utility operation anticipates a surplus for FY '86; that the budget reflects revenue based upon a 5% utility rate increase for FY '86. City Manager Stigall noted that Administration would have ready for introduction at the June 26 Council meeting a utility ordinance amendment increasing the City utility rate 5%.

Councilmember Carpenter asked why the bowling alley, laundromat and bus operation are so costly. City Manager Stigall noted that the deficit in each of these enterprise funds is due in part to

- a. a decrease in State and federal subsidies
- b. personnel costs
- c. fuel, maintenance and repair costs

City Manager Stigall suggested that Council must decide how much to subsidize such enterprises and if at some point they become too costly to discontinue the operations. Mayor Sullivan suggested that the enterprise operations should be self-supporting; that the City cannot afford to subsidize losing enterprise operations indefinitely.

Council discussed, in addition to the enterprise funds, the 5% COLA/merit increase for FY '86. City Manager Stigall noted that the 5% reserve includes money for COLA, the employee merit program, an anticipated increase in overtime payments due to a recent Supreme Court decision concerning municipal governments and funds to offset the discontinuance of the City employee utility benefit.

Finance Director Donnell noted for Council that COLA is, by ordinance, based upon the consumer price index and that the indication is that COLA for this year would be about 3%.

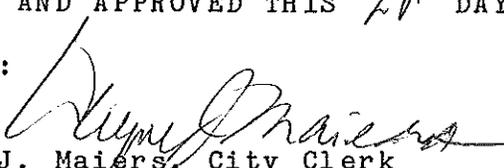
George Silides, engineer on the petro dock project, noted for Council that recent erosion at the petro dock was under review by his office; that the dock is structurally sound; that subsidence is due to permafrost melt and possibly river scour; that the placement of sand and perhaps additional sheet piling should solve the problem; that the anticipated cost to do the repair work is \$20,000.

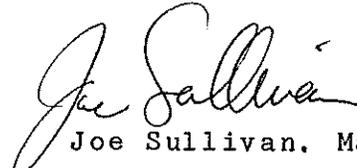
ADJOURNMENT

M/M by Alexie to adjourn. Voice vote, motion carried.

PPASED AND APPROVED THIS ^{29th} DAY OF AUGUST, 1985.

ATTEST:


Wayne J. Maiers, City Clerk


Joe Sullivan, Mayor