

**CITY OF OKOBOJI
SPECIAL COUNCIL MEETING
TUESDAY, JANUARY 28, 2014, 6:00 P.M.**

PRESIDING: Mayor Mary VanderWoude

COUNCILMEMBERS PRESENT: Mendenhall, Robinson, Andres, Hentges, Delperdang

OTHERS PRESENT: Tim Oswald

After the Pledge of Allegiance, Mayor ProTem Robinson called the meeting to order at 6:00 P.M. explaining that in the absence of Mayor VanderWoude, he would conduct the meeting until the Mayor arrived. Hentges/Mendenhall moved to adopt the agenda. All ayes. Motion carried.

Council to review and consider a proposal from Tim Oswald, of the Piper Jaffray Company, for refinancing of certain current outstanding bonds: Tim Oswald of the Piper Jaffray Company stated there are two items to discuss at this meeting. One item is a possible bond refinancing, and the other is the water utility in general. On the refinancing, the city has two bond issues outstanding in an amount slightly exceeding \$600,000. Oswald stated there is an appreciable savings of approximately \$50,000 if the city were to refinance those two bonds. Oswald stated the other issue facing the cities of Okoboji and Arnolds Park is the outstanding debt on the existing water towers in each city that is paid by the Central Water System, which each city contributes to through water fees. Oswald explained the history of the construction and financing of the water towers. Oswald stated Central Water Systems must raise their water rates to both cities by \$1.40 per thousand gallons of water purchased. If both cities were to assume the remaining debt on the water towers, that figure would only increase by \$.60 per thousand gallons of water purchased. Oswald stated the amount to be financed for the portion the City of Okoboji owes would be approximately \$340,000. Oswald stated that adding this amount to the proposed refinance would increase the proposed Debt Service levy by approximately \$.02. If the cities were to not assume the debt on the water towers, the water rates to the consumers of each city would need to be raised. Oswald stated it makes sense to him to restructure the debt and keep water rates down. Oswald advised the Council the city should experience a drop in levy rates in three years. During that three-year period, Oswald is suggesting the city only collect funds to pay interest on the new money for the water tower for three years; and at that time, begin to collect and pay principal and interest. Oswald went on to say this is a way to be able to keep water rates down and retire debt. Discussion followed concerning funding for the projects from water rates to Debt Service and what water rates could do if the city would not do the refinance. Water rates and the Central Water System budget were discussed.

Mayor VanderWoude arrived at the meeting at 6:22 P.M.

After further discussion, Delperdang/Hentges moved to go forward with the reconfiguration of the current bonds. All ayes. Motion carried.

Council to consider and set wages for all city employees for fiscal year 2014/15: The proposed wages for all city employees were presented to the Council. Councilmember Delperdang thanked the Personnel Committee for their hard work concerning the proposed wages. Councilmember Mendenhall stated that as new committee members, he and Councilmember Andres felt it was appropriate to bring these figures before the Council. Councilmember Robinson stated that having done this in the past, when considering employee wages, it sometimes is not entirely pleasant. Robinson went to say in reviewing the figures, some individual adjustments were made that are justifiable; and from what he is hearing from other cities, the wage adjustments are in line. Councilmember Andres stated performance evaluations were performed for the employees by each supervisor as well as self-evaluations. Andres went on to say the committee requested these as a way to obtain data for the employees rather than pull random numbers from the sky. Discussion followed concerning other cost factors for the employees, education, willingness to perform, and relevance of employee positions. Evaluations were discussed.

After further discussion, Robinson/Delperdang moved to approve the salary recommendations for all city employees as presented. All ayes. Motion carried.

Approved wages are as follows:

Dennis Daly - 3%, \$69,118 per year
Sheryl Donnenwerth - 3%, \$41,753 per year
Neal Houge - 2%, \$21.92 per hour
Timothy Jensen - 2%, \$20.69 per hour
Kurt Menefee - 4.98%, \$19.38 per hour
Jason Petersen - 2.5%, \$58,718 per year
Mitchell Watters - 2%, \$50,390 per year
Marlin Theye - 2%, \$50,390 per year
Trevir Michehl - 9.5%, \$50,390 per year
Part-time Police - \$16.50 per hour (Certified only)

Hentges/Andres moved to adjourn. All ayes. Motion carried. Meeting adjourned at 6:43 P.M.

Mary VanderWoude, Mayor

ATTEST:

Dennis J. Daly, CMC
City Clerk/Administrator