

APPROVED

CITY OF STARBUCK

MINUTES OF PUBLIC HEARING ON 2016 UTILITY RATE ADJUSTMENTS IN ORDINANCE 51 & 52

Tuesday, December 29, 2015

The City of Starbuck held a public hearing on Tuesday, December 29, 2015 at 6:24 pm at the Starbuck Community Center located at 307 E 5th Street in Starbuck, MN. Present: Mayor Swenson; Councilmember: Gorder, Katzenmeyer, Swensrud and Razink as well as City Clerk, Andrew Langholz; absent: none. Quorum is present.

Andrew Langholz explained the current state of the Sewer Fund. He stated that in 2014 the fund lost \$60,000 and the fund is projected to lose roughly \$100,000 in 2015, however, the City is still waiting on final numbers. The reason for the losses in these years is due to unexpected projects that arose on John Street for example.

Mr. Langholz stressed that the Sewer Fund is an enterprise fund which must pay for itself. Every expense that is sewer related comes out of this fund. The proposed rate increase for sewer would be from \$3.20/1000 gallons to \$4.95/1000 gallons. This would essentially create a breakeven point for 2016 and the fund can expect to return to a positive balance by 2018 if no major issues arise.

Councilman Katzenmeyer stated that we do have a bond that will expire at the end of 2016 which will help the fund get back in the black. He also said that he couldn't justify increasing the rate change higher than proposed amount due to the 8% tax levy for the General Fund.

Lastly, Mr. Langholz stated that the Water Fund was stable and no change needed to be made.

No further discussion was held.

Mayor Swenson closed the public hearing for the 2016 utility rate adjustments in ordinance 51 and 52 at 6:27 pm.

Respectfully submitted,

Andrew Langholz,

City Clerk