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**PROCEEDINGS OF THE AFTON CITY COUNCIL  
CITY OF AFTON  
WASHINGTON COUNTY, MINNESOTA**

**APPROVED** City Council Work Session Minutes  
August 27, 2018  
Afton City Hall  
3033 St. Croix Trail  
Afton, MN 55001  
5:00 P.M.

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1. **THE MEETING WAS CALLED TO ORDER** at 5:00 P.M. by Mayor Bend.

2. **ROLL CALL:** Council Members Nelson, Ross, Richter and Palmquist and Mayor Bend. **Quorum Present.**

**ALSO PRESENT:** City Administrator Ron Moorse, Public Works Supervisor Ken Johnson and City Accountant Tom Niedzwiecki.

3. **APPROVAL OF AGENDA**

**Motion/Second: Bend/Ross. To approve the agenda as written. Motion carried 5-0-0.**

4. **4. CITY COUNCIL BUSINESS**

**A. 2019 Preliminary Budget**

Although the 2018 Mid-Year Financial Update was the first item on the work session agenda, the City Accountant, Tom Niedzwiecki was late in arriving due to an earlier work session with another city that went long.

Moorse summarized the highlights of the preliminary 2019 General Fund Budget.

The Council discussed the significant increase in the Police Services budget and directed staff to determine how much of the \$5,000 line item expense for additional speed enforcement patrols had been used in 2018. Moorse also summarized the main areas of capital improvement needs.

During the discussion of the capital improvement needs, Tom Niedzwiecki advised the Council that his recent review of the Downtown Improvement Project financial status indicated there appeared to be a funding gap that would not allow the repayment of the \$1.9 million of temporary bonds that have been used to provide cash flow for the Project. This could require a longer term bond issue to repay the temporary bonds when they are due for payment in 2020. Further discussion identified potential funding sources that could reduce the funding gap, and existing funding sources that would be available to pay a substantial portion of the debt service on longer term bonds. Moorse noted that the City Engineer has been monitoring the financial status of the project and had previously advised the Council of a funding gap of approximately \$300,000. The City Engineer will expeditiously review the City Accountant's financial information in relation to the City Engineer's financial information to clarify the extent of a funding gap.

The Council discussed the 2017 Audit Report that includes an adverse opinion from the Auditor regarding some of the financial statements not meeting general accounting standards. Tom Niedzwiecki indicated he has made some of the adjustments necessary to meet the accounting standards and the Auditor had made the remainder of the adjustments. The State Auditor's Office has been kept updated on the Audit Report and indicated they did not anticipate any repercussions from the Audit Report, if the City was not planning a bond issue prior to the completion of the 2018 Audit Report.

5. **ADJOURN –**

**Motion/Second: Palmquist/Bend. To adjourn the meeting at 7:09 p.m. Motion carried 5-0-0.**

Respectfully submitted by:

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Ronald J. Moose, City Administrator

**Approved by Council on September 18, 2018 as (check one): Presented:   X   Amended: \_\_\_\_\_**

**Signed by Mayor Richard Bend \_\_\_\_\_ Date \_\_\_\_\_**