

SPECIAL FINANCE COMMITTEE MEETING
Friday, April 1, 2016

A special meeting of the City of Jackson Finance Committee was held in the Council Chambers of City Hall at 12 noon on April 1, 2016 with the following persons present: Finance Committee members Brandon Finck, Dave Cushman and Mayor Wayne Walter, City Administrator Jennifer Bromeland and Recording Secretary Dave Maschoff. (A quorum of the Finance Committee was present.)

REVIEW PROMISSORY NOTE WITH SMBS

Bromeland said she wanted to outline details regarding the Promissory Note with Southwest Minnesota Broadband Service.

Bromeland provided copies of the Promissory Note and amortization schedule that was approved by the City Council at its meeting on March 15, 2016.

Bromeland said City staff will go ahead and pay off the \$320,000 line of credit that SMBS has with Bank Midwest using the \$320,000 that is currently securing this line of credit. She explained in turn, SMBS will owe the City the principal plus interest, at 4%. She said the City currently is receiving only 0.30% on the \$320,000 that is securing SMBS' line of credit, so it is advantageous to the City to pay off the line of credit and have SMBS make payments directly to the City.

Bromeland stated that this is being reviewed to make sure that City Hall staff is aware of the next steps as far as implementation of the action that was taken at the March 15, 2016 City Council meeting and that the Finance Committee is on the same page.

REVIEW REVISED BUDGET AND DESIGN FOR LIQUOR STORE PROJECT

Bromeland reported she received a revised preliminary budget schematic design from Ringdahl Architects for the building at 208 Sherman Street being considered as a potential site for the liquor store.

Bromeland said she sent the revised design to Liquor Store Manager Greg Zurbey.

Bromeland noted the preliminary budget for the revised plans is less expensive than the first design plan. She said she is currently working to find out the history of the coolers.

Bromeland said if the coolers have to be replaced, it may add approximately \$45,000 to the budget in moving the liquor store to the building at 208 Sherman Street.

SOUTHWEST MINNESOTA BROADBAND SERVICES

Mayor Wayne Walter said he's been asked about how many people have dropped the TV service from SMBS. Mayor Walter said that question has been asked, but still no answer has been received.

As an investor, Finck asked if the Finance Committee and City Council could receive the quarterly financial reports and SMBS meeting minutes. He said the City should be stockpiling the information from SMBS.

Bromeland said Schoenrock informed her SMBS minutes are posted on SMBS's website. She said she would talk to SMBS General Manager Travis Thies to email the minutes to the City.

Mayor Walter said it would be nice to know, for the City and the public, how many people have dropped the TV service from SMBS. He said he doesn't hear any complaints about the SMBS telephone or internet service. Mayor Walter said people feel the phone and internet service are great. He noted people can choose which services they want from SMBS. Mayor Walter said he knows of people who have kept the SMBS phone and internet services, but are receiving their television through another service.

Cushman said it would be nice to know what SMBS's penetration of the market is.

Bromeland said Thies did previously provide how many customers have signed up for service each year and that information was distributed to the Finance Committee.

With no further business, the meeting was adjourned.



David A. Maschoff, Recording Secretary