

City of Excelsior
Hennepin County, Minnesota

MINUTES
EXCELSIOR CITY COUNCIL WORK SESSION

Monday, July 21, 2014

1. CALL TO ORDER/ROLL CALL

Mayor Gaylord called the meeting to order at 6:05 p.m.

Present: Councilmembers Beattie, Caron, Fulkerson, Miller (arrived at 6:08 p.m.), and Mayor Gaylord

Absent: None

Also Present: City Manager Luger, Finance Director Tumberg, Public Works Superintendent Wisdorf and City Clerk Johnson

2. AGENDA APPROVAL

Fulkerson moved, Beattie seconded, to approve the agenda. Motion carried 4/0.

3. 2015 PRELIMINARY GENERAL FUND BUDGET

a. Information on Heritage Preservation Commission Request

Tumberg stated that the 2015 Preliminary General Fund Budget has changed slightly. She said the City Planner's position has been changed to an exempt position, which removed the \$1,000 of potential overtime and related benefits. Tumberg said this brought the levy down to 2.58 percent and the budget increase of 7.62 percent. Mayor Gaylord asked if this includes the revised Police Department budget numbers; Tumberg said no.

Tumberg said the current budget includes the Heritage Preservation Commission (HPC) study. She said City Planner Smith put together a memo with information on where the money would be allocated. Tumberg said the HPC would rather have that money go towards revising the design guidelines, which was adopted 20 years ago, than doing the governmental building study. Beattie asked why the study would cost \$5,000. Luger said this money was intended for hiring a consultant. She also stated that City Planner Smith thinks the City may be able to apply for a grant, which could potentially be about \$10,000.

Beattie asked if one percent represented \$13,500; Tumberg said yes.

Miller said he doesn't see a need to revise the HPC design guidelines. He thinks we should use staff time to revise the design guidelines and put the money back in the budget.

Beattie asked for clarification on the preliminary budget levy, in that we cannot go higher but we can reduce the levy amount. Tumberg agreed.

3. 2015 PRELIMINARY GENERAL FUND BUDGET

a. Information on Heritage Preservation Commission Request - Continued

Tumberg said she included funding for another part-time parks employee, approximately \$15,674. She said the Event Coordinator position was left out of this budget. Tumberg said building on the street project transfers was increased to \$50,000 but can be negotiated. She said if the Council wants this project to be completed by 2017, the City needs to have \$100,000 in the fund. Tumberg also said that funding for the Southshore Center remains at \$9,000, which could increase or decrease, depending on what the Council decides to do with the Center in the future.

Tumberg said if the Council is not looking to make any more changes, this is the budget that will be brought forward to the Council meeting in September. Beattie and Fulkerson asked if revisions could be made to the budget. Tumberg said the preliminary budget needs to be finalized by the end of September.

The Council discussed dates for budget meetings and also for meetings regarding Kowalski's.

In comparison to the cost for the Event Coordinator position, Luger said the City's contribution to the Lake Minnetonka Communications Commission (LMCC) is almost \$51,000 and that, in 2013, Excelsior chose to continue services with the LMCC at that time. She said this is a significant amount of money.

Tumberg stated that, if Excelsior is not part of the LMCC, the City would receive the fees paid by subscribers. Caron questioned whether it was more advantageous being part of the larger group with the LMCC. Luger said Orono, Minnetrista and Victoria have had positive experiences producing their meetings on their own. Luger said the franchise fees go to cable programming at this time. Miller said that, for the cities that have left the LMCC, a lot of services have been dropped. Mayor Gaylord said \$51,000 could buy a lot of technology to produce meetings in-house. Luger said the fees are based on the number of cable subscribers, not by how many cities remain with the LMCC. Miller said the amount that our residents contribute may be greater than other cities. Miller said this doesn't directly affect our budget and that the Council should look at it in the future. Mayor Gaylord said a year will give us a lot of information. Beattie asked how we would know what the alternative would cost and whether the City has the ability to benchmark this. Tumberg said staff could reach out to other cities to find out their costs. Luger said she wants the Council to be aware of the amount of money that is going to the LMCC. Mayor Gaylord asked if the fee is set by the City or by the LMCC. Luger said it is part of the franchise. Mayor Gaylord stated that people would save money if the City were to pull out of the agreement and set our own franchise fees at half the cost. Miller said the City would need to maintain the same service level.

3. 2015 PRELIMINARY GENERAL FUND BUDGET

a. Information on Heritage Preservation Commission Request - Continued

Fulkerson asked how many years the City is committed to the LMCC at this time. Miller said the City should be able to pull out on one year's notice. Mayor Gaylord suggested waiting a year and evaluate it at that time. Beattie asked how the City would be able to evaluate it at the end of one year. He said the City would still need to know the costs of doing it ourselves. Miller said it may be difficult to estimate because there are many services provided.

Mayor Gaylord said there is probably no way to know how many people are watching at any given time. Luger said the LMCC talked at one time of returning some of the franchise fees back to the cities. Luger said she wanted the Council to be aware of the amount the City is contributing to the LMCC and that there is an option to get out with a one year notice.

Miller asked about the additional \$30,000 from the docks. He said the mooring policy should be updated so people are informed as to how much is contributed to the general fund. Tumberg said the question is if the Council wants to take the full \$30,00 from the residential docks or some from the commercial docks, also. She said this will be discussed at future meetings this year. Caron asked if the \$30,000 could be increased or reduced and whether it was looked at. Tumberg said this is the amount she is comfortable with and that, if all the docks are rented in one year, the City would still have money in the fund. Caron asked if all of the docks are leased for 2014. Tumberg said yes; however, there are openings at the buoys, slides and canoe/kayak racks. Tumberg said there are a lot of people with 16 foot boats that are already at the slides and they aren't putting them at the buoys. Miller said we should try to lower the non-resident rate for the buoys, which may then increase the demand. Mayor Gaylord asked how the City gets information out to the public for availability. Tumberg said it may be in the City's best interest to advertise. The Council suggested putting an article in the local newspaper.

Tumberg asked the Council if they have any other direction on the preliminary budget. Mayor Gaylord asked about the Consumer Price Index (CPI). Tumberg said from 2012 to 2013, it was 1.94 percent and the City's budget is 2.58 percent. Miller said part of it is the \$50,000 for the street project. Tumberg said if the street project wasn't in the budget, there would actually be a decrease. Caron and Beattie discussed that the budget includes the Public Works employee, the City Planner increase, and the \$5,000 HPC study.

b. Cost of The Commons

Fulkerson asked if the cost of The Commons needs to be considered before the preliminary budget. Mayor Gaylord said that the Council discussed contracting for maintenance work. Wisdorf said the City has the equipment but this wasn't included in the budget amount because this equipment is also needed for other projects. Mayor Gaylord asked where the cost for contracting was

3. 2015 PRELIMINARY GENERAL FUND BUDGET

b. Cost of The Commons - Continued

received from. Wisdorf said staff made calls, along with the amount for weekly maintenance. Mayor Gaylord asked if the contract amount could be lowered. Wisdorf said it could probably be lowered in the short-term. Wisdorf said if the City starts at a lower rate with a quality company, that company may want to later increase their revenue in order to maintain quality employees.

Beattie asked if the numbers include fixed overhead. Wisdorf said these numbers are just for trimming and mowing of The Commons, not in the other areas that the City maintains. Beattie said the City is not really saving money, but that staff would have more time to put the equipment to use in other areas that's needed. Wisdorf said it would allow the City more manpower to be used in other areas, which may alleviate needing another full-time employee. Mayor Gaylord asked if it's worth \$4,000 to free up employees to work on other tasks. Wisdorf said, once the irrigation system is installed, and staff takes care of the aesthetic problems in The Commons, he's not sure if it would be worth it. Mayor Gaylord said staff could be used for a more orderly park system. Wisdorf agreed and said staff could work different shifts to enhance something we already have.

Mayor Gaylord questioned if the \$4,000 is worth it to do other things. Beattie said it would be more like \$21,000 because of other costs that would be involved. The Council was in agreement that the City should continue utilizing their own employees to maintain The Commons, instead of contracting out the regular maintenance.

Mayor Gaylord commented that the Third Street Fire Lane looks rough. Wisdorf said Third Street was not intended to be a manicured boulevard. Caron said the intent there was to keep it low maintenance and to create a natural habitat to follow the Minnehaha Creek Watershed District standards for native natural vegetation on the hillside. Caron said during the first year it looked like the plantings wouldn't survive but this year they have really taken hold and, over time, this area should improve. Wisdorf said Studer Park was planted with similar vegetation but has had about a year longer to grow.

Beattie said the area on the steep hill of Third Street may look good over time; however, the area on top should be defined and cleaned up. Fulkerson agreed that it doesn't look good right now. Wisdorf said it's a harsh environment for plantings due to snow storage, that brings sand and debris, and water flow. Caron said the view has greatly improved by nearby homes.

4. POTENTIAL REFERENDUM QUESTIONS

At the March 17th City Council meeting, Miller suggested the following questions be included in a referendum:

- Shall a food and beverage tax be imposed in the City of Excelsior at a rate of one percent to be used to fund improvements to The Commons?
- Shall a general sales tax be imposed in the City of Excelsior at a rate of one percent to be used to fund improvements to The Commons?
- Shall the City of Excelsior raise the City's property tax levy for the sole purpose of making improvements to The Commons?
- Shall the City of Excelsior not make any changes to The Commons?

Luger said if the Council is interested in having questions on the ballot for the General Election, these must be submitted by August 22, 2014. She asked what kind of questions the Council wants to include.

Mayor Gaylord said there should be questions regarding funding for The Commons. Mayor Gaylord and Beattie both agreed that four questions would be confusing for voters and that they look like the City is proposing all four. The Council discussed combining the information into one question, but Mayor Gaylord said the City needs to know which one the voter wants.

Caron asked if there is a preamble of wording that appears before the questions on the ballot. Miller said if the four questions are asked, the voter will be able to answer yes or no to each individual question. Miller believes this will give the City valuable information. Caron said if the Council decides to have four questions, there will need to be information above the questions.

Beattie said there are two choices: 1) to improve revenue funds to fund The Commons; or 2) to make no improvements to The Commons.

Caron suggested leaving out the fourth question. Miller said the fourth question answers whether or not people want to raise extra money for improvements to The Commons. He said it could be modified to read: "Should the City raise additional funds through these devices?" Miller said we need answers to the first two questions, in order to get support in the State Legislature. Beattie said we could possibly drop the third question; Mayor Gaylord thinks question number three is valid.

The Council agreed this item should be put on another Work Session for further discussion.

5. ADJOURNMENT

Beattie moved, Fulkerson seconded, to adjourn at 6:54 p.m. Motion carried 5/0.

Respectfully submitted,

Shirley Johnson
City Clerk