

**CITY OF EXCELSIOR**  
**Hennepin County, Minnesota**

**MINUTES**

**City Council Work Session**  
**Monday, July 12, 2010**

**Directly Following Closed Executive Session**

**1. Call to Order/Roll Call**

Mayor Ruehl called the meeting to order at 7:52 p.m. Council members present: Berghorst, Caron, Fulkerson, Miller, and Mayor Ruehl. Also present: City Manager Luger, City Attorney Staunton, Finance Director Carlson, and City Clerk Johnson.

**2. Agenda Approval**

Luger asked to add the item "Bond Notice" to the agenda following Item 3. The Council agreed to extend the Work Session to 9:00 p.m.

Fulkerson moved, Miller seconded, to approve the meeting agenda as amended. Motion carried 5/0.

**3. Spring Clean Up Costs**

Luger said that the City has been charging residents \$5.00 on their July billing for the spring clean up for a number of years. She noted that the \$5.00 per residential customer does not come close to covering the City's costs for providing this service. She asked the Council for direction on what to charge the residents for this year's spring clean up. To cover the City's cost for providing this service, a charge of \$15.07 would need to be collected per residential customer.

The Council and staff discussed the cost for this year's program. The Council directed staff to charge a \$15.00 fee to the residential customers on the July billing for the spring clean up. The Council requested that the program be reviewed during the 2011 budget discussions.

**4. Bond Notice**

Luger said that the City must hold a public hearing for the sale of the bonds at the August 2, 2010 Council meeting. She reviewed the list of items that are proposed to be included in the bond. The public hearing notice must reflect a not-to-exceed amount. The Council directed staff to show a \$2,900,000 bond amount in the public hearing notice.

**5. 2011 Budget Direction**

Luger said that the approach to the 2011 budget is different from previous budgets. The 2011 budget is attempting to restore some of the line items that were cut in 2010 while adjusting to the 'new normal' that cities are facing. Before the recession, the City's

**5. 2011 Budget Direction - (Continued)**

revenues and expenditures were fairly consistent. This budget has been particularly challenging because the revenue and expenses are unpredictable since the 'new normal'. Staff has examined the categories that experienced a significant reduction in 2010 when preparing the 2011 budget to see which reductions may be sustainable or should be restored.

Luger said that the areas that were significantly reduced in 2010 that may be sustainable include capital outlay, professional services, legal fees, and supplies. Two areas that should be restored include repair and maintenance and training and education. The Council asked staff to provide additional detail for each of these items so they could have a better understanding of the effect each of these items will have on the City's operations.

Luger said that the City has received comments that the City's budget format is too difficult to understand. Staff has put together a new format for the Council's consideration which focuses on policy decisions rather than details so they won't get overwhelmed with the details. If the Council would like to see the details for a particular department that information can still be provided.

Luger said that staff has put together three budget scenarios for 2011: a 2% levy increase, a 3% levy increase, and a 5% increase. The draft budgets reflect different levels of service for staffing, police costs, lifeguard program, and funding for the Pavement Management Plan for Phases I to III.

There are two positions that the staff would like the Council to discuss during the budget process. The first is whether to make the planner position full-time. The second is whether to create a part-time public works position.

The Council discussed Local Government Aid (LGA). The City lost a considerable amount of LGA over the past few years. The Council had established a plan of increasing the tax levy over the next several years 3 ½% to make up for the dollars lost. The City is scheduled to receive a portion of LGA in 2011, but may lose that funding due to the huge deficit the State is facing.

Luger said that staff wanted the Council to begin thinking about some of these issues before the next budget work session. Staff will continue to work on the 2011 budget and provide more information for the Council to consider at the next budget work session.

**6. Assessment Policy**

This item was continued to the next work session.

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**7. Other Business**

None

**8. Adjournment**

Berghorst moved, Miller seconded, to adjourn the meeting at 9:00 p.m. Motion carried 5/0.

Respectfully submitted,

Cheri Johnson  
City Clerk