

**CITY OF EXCELSIOR
Hennepin County, Minnesota**

MINUTES

**City Council Work Session
Monday, September 20, 2010**

6:00 p.m.

1. Call to Order/Roll Call

Mayor Ruehl called the meeting to order at 6:10 p.m. Council members present: Berghorst, Caron (arrived at 6:11 p.m.), Fulkerson, and Mayor Ruehl. Council members absent: Miller. Also present: City Manager Luger (arrived at 6:15 p.m.), Finance Director Carlson, and City Clerk Johnson.

2. Agenda Approval

Fulkerson moved, Berghorst seconded, to approve the meeting agenda as presented. Motion carried 3/0.

3. Long Term Financial Plan

Carlson said that the Council had approved the purchase of the Long Term Financial Management Plan document from Springsted, Inc. toward the end of 2009. She said staff has made several assumptions while putting the plan together.

Carlson reviewed the Input Worksheet. She said that the appraised market value is down 10%, but the taxable market value is only down 2%. Minimal increases have been factored in for market value for the next several years. She said nothing has been included in the plan for new development. She noted that any increase in market value will decrease the tax rate. The City currently receives approximately \$5,900 per million from property taxes of commercial property per taxable market value. Based on the assumptions, the annual tax levy is proposed to increase 5%.

Carlson reviewed the revenues for the General Fund. She said that minimal increases were factored into the plan for revenues. A 1% increase was incorporated for all revenues, with the exception of intergovernmental revenues every other year.

Carlson reviewed the expenditures for the General Fund. She said General Fund expenditures have historically increased approximately 3% per year. Based on this, staff has made the assumption that General Fund expenditures will range between 2% to 3.5% a year.

Carlson reviewed the Capital Improvement Funds and Debt Service Fund. She said that all three phases of the Street Improvement Project have been included in the Plan. Bonding for Phase II is shown in year 2013, and bonding for Phase III is shown in year 2017. The Plan also has capital expenditures

3. Long Term Financial Plan – (Continued)

included for Public Works equipment and other items, such as St. Alban's Bay Bridge, sewer lift station improvements, lining of sanitary sewer lines, and other miscellaneous water and sewer expenditures. The Plan also includes the purchase of the property from Lyman Lumber and the cost for constructing the parking lot.

The Council asked if the Plan included improvements to the municipal parking lots or possible parking ramps. Carlson said those costs were not included. There is also nothing included for City Hall.

The Council thanked staff for their work on the Long Term Financial Management Plan. The Council liked the new format and thought it was easier to understand.

The Council directed staff to put together some scenarios that include some new development. The Council also requested a scenario that include the information from the previous plan on improvements to the municipal parking lots and possible parking ramps.

Carlson said that she was working on the Enterprise Funds and would have those available for the Council to review when they receive the draft 2011 Enterprise Fund Budgets.

Staff recommended that the Council adopt this Plan in December in conjunction with the 2011 Budget and then approve an updated version annually with the budget. The Council agreed with the staff recommendation.

4. Other Business

None

5. Adjournment

Caron moved, Fulkerson seconded, to adjourn the meeting at 6:54 p.m.
Motion carried 4/0.

Respectfully submitted,

Cheri Johnson
City Clerk