

**CITY OF EXCELSIOR
Hennepin County, Minnesota**

MINUTES

**City Council Work Session
Monday, August 15, 2011**

6:00 p.m.

1. Call to Order/Roll Call

Mayor Ruehl called the meeting to order at 6:05 p.m. Council members present: Caron, Fulkerson, Miller (arrived at 6:50 p.m.), Olson, and Mayor Ruehl. Also Present: City Manager Luger, City Attorney Staunton, Finance Director Carlson, and City Clerk Johnson.

2. Agenda Approval

Fulkerson moved, Caron seconded, to approve the agenda as presented. Motion carried 4/0.

3. 2012 City Budget

Luger gave the Council a preview of what the 2012 Budget would look like when the language outlined in the proposed charter amendment was applied. She noted that the total revenue that the City could take in would be a little over \$2 million. The City Attorney had outlined some of the bigger contractual items that the City would be responsible for paying. The Finance Director and she had identified several more items.

Luger showed a chart of the City's contractual and legal obligations. The chart lists each obligation, provides a description, and identifies the cost for the service in 2012. The items total over \$2.4 million, and the City would be approximately \$440,000 short in meeting its obligations.

Luger said that there would be no funding left to provide even basic services to residents, such as water, sewer, park maintenance, snowplowing, street maintenance, etc. She said all City staff would also need to be laid off. There would only be funding for one entry level part-time person to administer contracts and open the mail.

Carlson distributed the 2012 General Fund budget that staff had updated since the last Council Budget Work Session. Carlson said that the Council will need to set a preliminary tax levy at the September 6, 2011 Council meeting. She said that the GASB 54 changes have been incorporated into the budget document and are highlighted so the Council can easily identify them. She asked the Council to review the changes to make sure each has been correctly reflected.

Carlson said that the 2012 General Fund budget that staff is proposing includes a 5% increase in the tax levy. She said there are several items that the Council needs to discuss further. The Council needs to discuss the

3. 2012 City Budget – (Continued)

percentage for the tax levy. She reminded the Council that once the City sets the preliminary tax levy, the City can lower the amount but it can't increase it.

Carlson said that the Council had requested more financial data for the full-time planner position. She said staff has put that information together and it is on the last page of the budget document.

Carlson said that the Council had also expressed an interest in possibly implementing a market rate adjustment for the City Manager and Finance Director positions. Carlson distributed minimum, maximum, and actual salary data that had been gathered from other cities on these two positions.

Caron said to be able to do a true comparison, it would also be good to list the benefits that the employee receives in addition to the salary. Carlson said staff will try to get that information.

The Council determined that another Work Session would be needed to discuss the budget prior to the September 6, 2011 Council meeting, which the Council will do later that evening at the regular Council meeting.

4. Other

None

5. Adjournment

Caron moved, Olson seconded, to adjourn at 6:50 p.m. Motion carried 5/0.

Respectfully submitted,

Cheri Johnson
City Clerk