

City of Excelsior
Charter Commission

Minutes
Thursday, July 7, 2011

1. CALL TO ORDER

Chairman Lloyd Bratland called the meeting to order at 6:08 p.m.

2. ROLL CALL

Charter Commission members present: Chairman Bratland, Commissioners Brokaw, Hartwich, Crow, Caron, Leafer (arrived 7:20 pm), Harrod, Finch, Bolles, Fulkerson, Wilson (arrived 6:20 pm).

Charter Commission members absent: Norman, Mueller, Thompson, and Viesturs.

Also present: City staff members Cherie Johnson and Joan Carlson

3. APPROVAL OF AGENDA

Item 4 inserted in the agenda, to be Approval of April 14 minutes. Subsequent agenda items were sequentially renumbered. Motion to approve agenda as revised made by Crow; seconded by Brokaw. Motion passed 10-0

4. APPROVAL OF APRIL 14 2011 MINUTES: Chair Bratland said that the minutes from the April 14 2011 meeting had been approved previously, with changes, but that the requested changes had not yet been physically inserted into April 14 minutes.

No further action except to urge Harrod to insert the changes and update the document. So noted.

5. APPROVAL OF MAY 4 2011 MINUTES: Steve Finch requested an amended comment to be inserted as the second paragraph in Item #6. His typed statement is attached.

Fulkerson commented included that the May 4 minutes needed a fix on the roll call; the time of item #8 (adjournment time); and asked for the recording secretary (Thompson) to provide a signature line as well as make all the changes above.

Motion was made to approve May 4th minutes by Finch; Crow seconded, to contain the requested changes. Motion passes unanimously.

6. APPROVAL OF JUNE 1 2011 MINUTES: Motion by Brokaw to approve June 1 minutes as written; seconded by Caron. Motion passed 9-0, 1 abstention.

7. PUBLIC COMMENTS:

None offered.

8. OLD BUSINESS

Review Task Force's Final Reporting/Planning Document before sending to Council

Commissioner Finch made a PowerPoint presentation about the process followed, and the objectives of long-term financial planning. His notes pages are attached.

Finch said there were common benefits to the public and the city, but added that there were strong reservations on the part of the staff.

Finch started the review of the proposed Reporting and Planning Document, v. 7.6, starting with explanation of the Table of Contents, or index, and the errata sheet. The group agreed to discussion sequentially through the document, starting from Sec. 7.01.

Finch took copious notes on suggested wording changes to be incorporated into the next revision (version 7.7). Changes were suggested for section 7.02 and 7.03. Suggested language change for the City Manager's summary statement due in June was as follows:

"A summarized version of the audited "Annual Financial Report" including all capital expenditures shall be published in a form compliant with Section 7.02 and be posted on the city's web site, mailed to each address in the city, and referenced in the city newsletter."

Mailing costs were discussed, and estimated to be around \$1,000 per year. After much discussion bringing forth no consensus, the issue of mailing the Summary Report to each address in the city was placed into the "**Parking Lot**" for subsequent discussion after city staff research actual costs.

Section 7.04 also brought forth much discussion without resolution or consensus, so it too was placed into the "**Parking Lot**" for the next meeting. Caron said she wanted the Long Term Plan to be a constantly changing document that would reflect the same budget numbers at the end of the fiscal year. Bratland and Finch said that that the annual budget and the long-term financial plan are different documents and different financial processes, and as such, were never supposed to be the same, or reflect the same numbers.

Harrod added that the Financial Calendar in Sec. 7.04 placed an emphasis upon updating the financial planning document in the first half of the year, and the annual budgeting processes would follow. The model of the ordinance was to plan first, and then develop an annual budget around the plan.

Caron wondered if the Financial Calendar requirements in Sec. 7.04(2)(3) would dove-tail into the budget submission deadline made each year by the SLMPSD. Cheri Johnson spoke from the floor and said that it did, because SLMPSD had to submit their request no later than September 1.

More discussion ensued about having a public meeting in October each year primarily to allow citizen input to the preliminary budget for the following year. Caron stated she was okay with that provision.

Motion to Continue: At 8 pm, motion was made by Finch to continue the discussion through the rest of the document, as revised, at the next regularly scheduled meeting on August 3 2011.

Motion made by Finch, seconded by Wilson; passed unanimously.

Crow said that some of the terminology in the city's current annual budgeting calendar, which had been distributed by Caron, contained terms that were either complicated or unfamiliar to the layperson (i.e., "enterprise funds," etc.). Crow said that she thought that the language in the proposed Reporting and Financial Planning calendar read well.

Joan Carlson distributed an untitled written statement to the commissioners regarding her opinion of the proposed ordinance; attached.

Next Meeting: Bratland suggested the next meeting be scheduled for Wednesday, August 3th.at 6:00 p.m.

ADJOURMENT: Motion to Adjourn made by Brokaw, seconded by Harrod; passed unanimously.

Adjourned at 8:15 p.m.

Respectfully Submitted,

Leigh Harrod,
Acting Recording Secretary for Jeannie Thompson

Memo

From: Joan Carlson

To: Charter Commission
Kristi Luger

Tonight you are reviewing the Proposed Financial Reporting Charter Amendment drafted by the Charter Commission Subcommittee. The document was drafted using Mounds View as a template and then several changes and additions were made over the course of five Subcommittee meetings. I attended all five meetings and am writing to summarize several concerns.

By the way of background, in the *Handbook for Minnesota Cities*, Chapter 4, the League of Minnesota Cities has the following guidance for a good home rule charter:

Essentials of a good home rule charter

The most essential element of a good charter is a comprehensive grant of power to the city in general terms. A comprehensive grant of power allows the city to exercise all powers legally available to it under state law and the state constitution. Because cities are organized to promote the welfare of the people, and people are in control of their affairs in a charter city through their elected representatives and charter commission members, citizens should not be afraid of entrusting city government with a wide range of powers. If citizens feel it necessary, the charter can include initiative, referendum, and possibly recall provisions as additional checks to prevent the abuse of power.

Because of the difficulty in amending and abandoning a home rule charter, the charter should deal with governance fundamentals and give the city council the authority to provide more detailed regulations through ordinance. Simplicity and brevity are essential to a good charter.

A charter should be brief enough to be read in a reasonable amount of time. Provisions should be simple and clear in order to avoid the possibility of more than one interpretation.

A good city charter provides for a workable, responsive organization of the city government. It is simple so that all citizens and officials understand it. Its design eliminates red tape and makes city government more effective by reducing the number of working parts. It encourages and rewards expertise and efficiency in the administration of the city.

The charter should emphasize representative democracy. A city should have only a few elective offices so voters will be able to intelligently cast their ballots. The charter should never ask voters to elect non-policy-making administrative officers. The city should have only a single body elected by voters to legislate and determine policies for the city. This single legislative body, the city council, should be composed of between five and nine members. Councilmembers should hold office for fairly long terms, up to four years, in order to gain experience. State law mandates that most council terms be four years, although a two-year mayoral term is allowed.

If possible, the city should centralize responsibility for administration in one person: a chief administrative officer. All advisory boards should report directly to the city council.

Analysis

The proposed amendment is neither simple nor brief. It is instead complex, prescriptive, and inflexible. For example:

- The annual budget calendar prescribes narrow timeframes for production of each financial document, leaving little opportunity for the City Council and staff to manage their schedule or the budget process.
- The content and layout of the budget and long term financial plan is heavily prescribed leaving the City Council very little flexibility to change the layout as future circumstances may make appropriate.
- While the three cities you studied have extensive language describing the budget process, many others do not. The City of Wayzata, which updated its Charter in 2009, has only a few paragraphs outlining the budget process.

The proposed amendment includes expensive publication and meeting requirements:

- There are six documents required to be published in the official newspaper and/or a newsletter or separate mailing. Two of these publications are currently required by state statutes, and therefore unnecessary to include, and four are new requirements.
- Publication/postage costs would increase an estimated \$5,000 - \$7,500 per year, excluding staff time.
- The amendment includes two additional public meetings which are not required by state statutes and will add cost. The public budget meetings currently held are very poorly attended (in 2010 only 1 person was present). It would be more cost effective to try and improve attendance at current meetings instead of requiring additional meetings.

The proposed amendment does not fit Excelsior and it hasn't been tested:

- The amendment was drafted using the City of Mounds View as the template. Mounds View has a population of 13,000 and an admin/finance staff of 8. Excelsior has a population of 2,188 and an admin/finance staff of 4. The tasks required by the proposed Charter language will likely take as long to perform in Excelsior as they do in Mounds View but Excelsior has fewer staff to do it.
- The current Excelsior process was not reviewed or discussed.
- It would be beneficial to test new requirements before they are made into law. If something doesn't work it will be difficult and costly to change the Charter.

The Charter Commission clearly has the authority to draft and propose whatever amendments it believes are appropriate. As it considers potential amendments, the Commission should consider whether the detailed requirements it is proposing are best imposed in the Charter or in ordinances or resolutions approved by the Council.