

CITY OF EXCELSIOR
Hennepin County, Minnesota

MINUTES

City Council Work Session

Monday, July 16, 2012

1. Call to Order/Roll Call

Mayor Ruehl called the meeting to order at 6:00 p.m.

Councilmembers present: Caron, Fulkerson, Miller, and Mayor Ruehl

Councilmembers absent: Olson

Also Present: City Attorney Staunton, Public Works
Superintendent Wisdorf, Finance Officer
Tumberg, and City Clerk Johnson

2. Agenda Approval

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

**3. Proposed Draft Financial Reporting Document from Charter
Commission**

Tumberg reported that staff has been working closely with the Charter Commission and the Charter Commission Task Force to craft language for a financial reporting ordinance that satisfies the Charter Commission's goals while being manageable for staff and the Council.

Staff started crafting the proposed ordinance by beginning with the Charter Commission's December 7, 2011 document titled 'Proposed Financial Reporting Document'. Staff modified the layout of the document to improve readability but maintained all of the Charter Commission's core objectives with the exception of the following four items:

- The date of the availability of the City's Annual Citizen's Report was changed from June 1st to July 15th in the annual financial calendar to allow staff additional time to ensure all items in the citizen's report are clear, accurate, and accepted by the Council before communicating them to the public.
- The wording regarding dissemination of information was altered throughout the document to give the Council the authority to choose the means of communicating information to the public and allow for future changes in technology in communicating with the public.
- The requirement to hold a special budget meeting in October was removed because the public is invited to each and every public meeting and may comment on the budget at any of those meetings.

3. Proposed Draft Financial Reporting Document from Charter Commission – (Continued)

- The requirement to hold a public hearing regarding the Long Term Financial Plan by June 1st of each year was also removed because adding this layer to the City's requirements appears redundant and unnecessary.

Tumberg said at the June 6th Charter Commission Meeting, the Charter Commission voted to pass along staff's proposed financial reporting ordinance to the City Council along with the Charter Commission's comments on the ordinance. The Charter Commission is delaying discussions regarding proceeding with a possible Charter Amendment until the Council indicates whether or not it plans to move forward with a financial reporting ordinance and what language will be included in the ordinance.

Staff believes the items in this version of the ordinance are attainable, even though some of the tasks outlined differ from current practice. The City currently has a Long Term Financial Plan that is very basic in its current state. The terms of this ordinance enhance the Long Term Financial Plan by adding further requirements, analysis, and explanation. The Charter Commission realizes that the City may require some time to fully implement this type of Long Term Financial Plan so they have proposed that the ordinance be fully implemented by December 31, 2015.

The City's Annual Citizen's Report is a new item suggested by the Charter Commission which is meant to be a form of annual communication from the Council to residents about the state of the City's finances and status of major projects within the City. The report and the consistent and comprehensive dissemination of the report are critical elements to most of the Commission members.

The City Manager's Budget Summary is a more elaborate version of the current staff memo to the Council regarding the annual budget. The Charter Commission increased the content of this communication by requiring staff to outline major projects and link those projects to specific goals set by the Council. The summary is also required to address each project's relationship to the Long Term Financial Plan. Debt information with respect to each City fund is also required. The proposed ordinance also requires staff to include comparisons to CPI in the annual budget, Long Term Financial Plan, and the City Manager's Budget Summary. Although this has not been a requirement, staff included a comparison to CPI in the 2012 Budget Summary.

Miller asked for clarification on what version of the ordinance staff was working on with the Task Force. Tumberg said that the version that is dated May 30th is the version that the Task Force and Charter Commission were working on with staff.

3. Proposed Draft Financial Reporting Document from Charter Commission – (Continued)

Miller asked if the version in the Petition for a charter amendment was an older version. Tumberg said it is an older document except for one paragraph that she had recommended be included.

Caron said that the newer version that is in the Council's agenda packet is what was brought forward to the Charter Commission from the Task Force and the Charter Commission forwarded that to the Council.

Miller asked if staff thought that the newer version is better for everyone. Tumberg said yes and so does the majority of the Charter Commission.

Mayor Ruehl asked if the Charter Commission's vote to forward the version to the Council included incorporating the four items that staff recommended be changed. Tumberg said that the four items were not included in the vote.

Staunton said that the original document that the Charter Commission forwarded was proposed as a full charter amendment. The Council then took the document and suggested to the Charter Commission a smaller charter amendment with the other items being placed in an ordinance. If the Council can figure out the ordinance, the Council can forward that back to the Charter Commission. If the Charter Commission approves the amendment and ordinance, the Charter Commission can forward those back to the Council to adopt.

Staunton said that the language for the charter amendment submitted in the petition is too long, so the Council will need to fashion the summary that will go on the ballot.

The Council discussed whether to move forward with the proposed ordinance and charter amendment. The Council determined that they needed more time to go through the document and discuss the four items. The Council decided that they would need to schedule another work session this month so that the information can be forwarded to the Charter Commission for the August meeting.

4. Review 2013 Preliminary General Fund Budget and 2013 Capital Improvement Plan

Tumberg said that the preliminary 2013 budget has been updated to reflect changes in assumptions and other items. She noted that there have been preliminary meetings with the police regarding their 2013 budget. The police came in with a 2.6% increase, but Staff had factored in a 2% increase into the preliminary budget. The budget has been updated to reflect the 2.6% increase in the police budget.

4. Review 2013 Preliminary General Fund Budget and 2013 Capital Improvement Plan – (Continued)

Tumberg said other items that have been adjusted in the budget since the last Council work session include: an increase in training for City Manager/Clerk and for Streets and Parks, an increase in the lifeguard contract, funding for a part-time paid intern, and a decrease in taxes/licenses in City Administration. She noted that the Randall Pool lease is expiring and the City hopes to include the payment of property taxes for the rental space in the new lease.

After factoring in these changes, the 2013 budget has an increase in the overall levy of 0.28% or \$3,623. The updated preliminary General Fund budget increase of .28% is considerably lower than the CPI-U, which grew 3.595% from 2010 to 2011.

Tumberg said that the City's only Special Revenue Fund is the Parking Lot Maintenance Fund. This fund is self-supported through lot maintenance assessments as well as parking surcharges from the charter boat companies.

The 2013 revenue and expense budget for the 2010A General Obligation Bonds is a Debt Service Fund. The \$100,000 special levy (revenue line item "Current Ad Valorem Taxes") has been factored into the overall City levy. The expense amount is more than the revenue amount because the City currently has a healthy fund balance in this fund. The fund balance is healthy because many residents took advantage of prepaying the entire principal balance of their special assessment associated with the 2010/2011 Street Projects to avoid interest charges.

The Council asked if it would be beneficial to prepay the bonds. Tumberg said she is not sure if the bond can be called.

Tumberg said that the 2013 preliminary revenue and expense budgets for each Capital Project Fund as well as the 2013 Capital Improvement Plan were also provided. The revenue categories include transfers from the General Fund. The capital fund expense items shown can be traced to the 2013 Capital Improvement Plan and projects specified for 2013. Staff is requesting the Council review the plan and prioritize all projects.

Mayor Ruehl said that money will not be spent on the bandshell until the City receives the Sandall Marketing Study. He said there may be some minor costs for planning. Tumberg said she would move the bandshell to 2014.

Mayor Ruehl said the City is also waiting for more information on the St. Alban's Bay bridge so the funding for that project can also be moved to 2014.

4. Review 2013 Preliminary General Fund Budget and 2013 Capital Improvement Plan – (Continued)

Mayor Ruehl asked if the street portion for the Met Council forcemain project has been updated. Tumberg said yes, the utility and street portions were both updated.

Caron said that she is not sure the City will be ready to do the irrigation system in The Commons in 2013. Wisdorf agreed that the irrigation system should be delayed.

Mayor Ruehl asked the Council if they wanted to reduce the lifeguard contract back to its original amount and use the \$4,000 to offset the increase to the tax levy. The Council agreed to reduce the lifeguard contract by \$4,000.

5. Other

None

6. Adjournment

Caron moved, Fulkerson seconded, to adjourn the meeting at 6:57 p.m.
Motion carried 4/0.

Respectfully submitted,

Cheri Johnson
City Clerk