

CITY OF EXCELSIOR
Hennepin County, Minnesota

MINUTES

City Council Work Session

Monday, June 17, 2013

1. Call to Order/Roll Call

Mayor Gaylord called the meeting to order at 6:12 p.m.

Councilmembers present: Beattie (arrived at 6:25 p.m.), Caron (arrived at 6:32 p.m.), Miller, Fulkerson, and Mayor Gaylord

Also Present: City Manager Luger, Public Works
Superintendent Wisdorf, Finance Officer
Tumberg, and City Clerk Johnson

2. Agenda Approval

Fulkerson moved, Miller seconded, to approve the agenda. Motion carried 3/0.

3. 2014 Preliminary General Fund Budget

Tumberg said that the budget includes a number of items that are different from previous budgets, some items can be projected and others cannot. The preliminary 2014 budget reflects a 3.26% increase in the City's levy.

Tumberg reviewed some of the changes and assumptions that were used in preparing the 2014 budget. Under Intergovernmental Revenue, the \$3,750 was removed for a Hennepin County Active Living grant that the City has not participated in for the past couple of years. Fines and Forfeitures were increased to \$62,000 to better reflect the actual receipts that the City receives.

Tumberg said that major changes have been made to the rent category due to the uncertainty with the rental of 810 Excelsior Boulevard and the library. To be conservative, the preliminary 2014 budget includes only six months rent for both properties. The water tower antenna rental includes a 5% increase which is dictated by contract.

The Council and staff discussed the rental of 810 Excelsior Boulevard and the Library. Miller stated that the Council had adopted a policy that identified what percentage of the rental revenue would be placed in the General Fund. Tumberg said that with the new GASB requirements all of the rental revenue was being placed into the General Fund.

Tumberg suggested that all of the revenue and expenditures associated with the rental of 810 Excelsior Boulevard and the Library be moved to the capital improvement fund. The Council agreed to move the rental income and expenditures for the 810 Excelsior Boulevard and Library to the capital fund.

3. 2014 Preliminary General Fund Budget – (Continued)

Tumberg said that Miscellaneous Revenues includes refunds and reimbursements, insurance dividend, and contributions/sponsorships for the concerts in the park. The preliminary budget includes \$12,000 for contributions related to the concerts in the park series which was not in any previous budgets. If the Council wants to continue with the concerts in the park series, the revenue received from contributions/sponsorships should be reflected in the 2014 budget. The Council decided to leave the \$12,000 in revenue for the concerts in the park series in the preliminary budget.

Tumberg said that there have been some significant changes to the expenditures in the 2014 preliminary General Fund budget. The preliminary budget includes a 2.59% increase in expenditures.

Tumberg said that the preliminary budget includes a 2% wage increase for all staff members. Luger said that the union contract for public works expires at the end of 2013 and their proposal includes a 3% wage increase. The union contracts are typically for one or two years; she would prefer a three or four year contract.

Tumberg said that the preliminary budget includes an \$8,000 market rate adjustment for the City Planner. This is the first of a two year market rate adjustment to bring the City Planner's salary in line with the average salary in similar cities. Luger said the Council could chose to decrease the amount or spread the increase out over more than two years. The preliminary budget amount can be changed by the Council at any time. The Council agreed to leave the market rate adjustment at \$8,000 at this time.

Tumberg said that the new City Clerk will be hired at a lower rate than the current City Clerk which will result in some cost savings. One of the Public Works employees left in April 2013 and the new Public Works employee that was hired is at a lower rate of pay, which has also yielded some cost savings.

The preliminary budget also includes a 10% increase in health insurance premiums and an additional 10% increase to cover potential health care reform-related costs.

Tumberg said the line item for the consulting city planner has been increased to cover the City's retainer and required meetings. The Council should discuss how much funding, if any, should be allocated for miscellaneous projects.

The operating supplies have been increased to cover printing, publishing, and postage costs related to the City Charter requirements. The Council asked for an accounting of what the costs have been to date.

3. 2014 Preliminary General Fund Budget – (Continued)

Caron said that fire has held their budget very low for several years, while the police have had nominal increases. She would be very supportive of an increase for fire, but not police. Luger said that the first budget meeting for the police is scheduled for June 26th.

4. Adjournment

Fulkerson moved, Beattie seconded, to adjourn at 6:58 p.m. Motion carried 5/0.

Respectfully submitted,

Cheri Johnson
City Clerk