

City of Excelsior
Hennepin County, Minnesota

MINUTES
EXCELSIOR CITY COUNCIL WORK SESSION

Monday, October 21, 2013

1. Call to Order/Roll Call

Mayor Gaylord called the meeting to order at 6:08 p.m.

Present: Councilmembers Beattie (arrived at 6:26 p.m.),
Fulkerson, Miller, and Mayor Gaylord

Absent: Councilmember Caron

Also Present: Interim City Manager Johnson, Finance Officer Tumberg,
Public Works Superintendent Wisdorf, City Attorney
Staunton (arrived at 6:50 p.m.), and City Clerk Murphy

2. Agenda Approval

Fulkerson moved, Miller seconded, to approve the agenda. Motion carried 4/0.

3. Review 2014 General Fund

Tumberg stated that no changes have been made to the 2014 preliminary budget and tax levy since the Council approved it at the September 3, 2013 Council meeting.

Tumberg presented a sales tax analysis and is seeking direction from the Council on whether to reflect this in the budget document. She noted that the funding is spread over a number of funds. It would be her recommendation not to show the sales tax savings in the 2014 budget. Mayor Gaylord questioned if the sales tax exemption should be shown as a line item. Tumberg stated that it could be listed as a negative contingency, similar to the 2012 budget.

Fulkerson questioned the 320 percent increase for professional services for planning and zoning. Tumberg stated that this was increased to accurately reflect the actual expenditures, which were not reflected in the 2013 budget.

The Council questioned if the budget, as presented, is the final budget. Tumberg stated that this is a preliminary budget; the Council will need to approve the final budget in December.

Miller questioned if the budget presented reflects the sales tax exemption savings. Tumberg said not at this time; when the actual amount is known at 2014 year end, that money could be put towards future debt. She is concerned that the sale tax exemption may be taken away at a later date and would not want the City to rely on this funding.

3. Review 2014 General Fund - (Continued)

Mayor Gaylord asked if the three percent tax levy could be reduced. The Council discussed options to decrease this rate. Miller suggested reflecting the sales tax exemption in the budget and also looking for ways to decrease the tax levy to 1.9 or 2 percent.

Fulkerson said she agrees that the tax levy needs to increase, but would not like to see it remain at three percent.

Mayor Gaylord asked if there are any items in the budget that could be reduced or taken out. Tumberg said she doesn't believe there are any areas that can be reduced.

The Council discussed the \$5,000 funding for the survey that the Heritage Preservation Commission (HPC) wanted to do on all public buildings.

Miller stated that it does not sound like the survey is an essential item that needs to be completed in 2014; he suggested deferring the survey another year.

Miller asked if the \$5,000 funding for the HPC survey was taken out of the budget, what would the tax levy increase be. Tumberg stated that the operations of the City is a 1.7 percent increase and debt service for future debt is an additional 1.3 percent. The City's overall goal is to continue the pavement management plan and it is important to continue funding for future capital improvements.

The Council discussed whether the City would lose any grant opportunities if the HPC survey was deferred for another year.

Mayor Gaylord said he would be interested in a justification from the HPC.

Johnson asked HPC Commissioner Bob Bolles if the HPC has discussed the importance of doing the survey of the public buildings.

Bob Bolles, 340 Water Street, stated that the HPC doesn't know what the State is going to do; if the State pulls the grant money, then grant funding won't be available.

The Council discussed deferring the \$5,000 for the HPC survey to bring the tax levy down, which would reduce the tax levy to 2.62 percent.

4. Fee Study

Tumberg said that at the September 30, 2013 Council meeting, the City Council had questions on the direct and indirect costs. She presented a schedule that shows the direct and indirect costs and the impact of those costs, including a subtotal to show the new delta. The League of Minnesota Cities' handbook states, "With the exception of municipal liquor stores and some city-owned utilities, city service programs should not make a profit."

4. Fee Study - (Continued)

Tumberg asked if the Council wants to add any new fees or eliminate any existing fees. Johnson explained that the annual license renewals need to be sent out soon, so there needs to be a determination on the license fees for 2014.

The Council discussed the garden plot fees and that this fee should be increased. Beattie questioned if some categories are better able to increase costs than others. Johnson stated that staff has looked at what the fee should be to cover direct and indirect costs.

Fulkerson requested a police report for the Octoberfest. Beattie stated that those working the event were very cooperative with police. Johnson stated that City staff have not received any complaints.

Beattie stated that, unless the City is prohibited by State Statute, the City should cover its costs on liquor and beer. Staunton stated that there is a cap in the State Statutes on some of the liquor fees; he can provide a summary on the liquor license fees for the Council.

5. Adjournment

Beattie moved, Fulkerson seconded, to adjourn at 6:59 p.m. Motion carried 4/0.

Respectfully submitted,

Shirley Murphy
City Clerk