

CITY OF EXCELSIOR
Hennepin County, Minnesota

MINUTES

City Council Work Session
Monday, November 8, 2010

1. Call to Order/Roll Call

Mayor Ruehl called the meeting to order at 6:33 p.m. Council members present: Berghorst, Caron, Fulkerson, Miller (arrived at 6:52 p.m.), and Mayor Ruehl. Also present: City Manager Luger, Public Works Superintendent Wisdorf, Finance Director Carlson, and City Clerk Johnson.

2. Agenda Approval

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

3. 2011 Tax Levy & Budgets

Luger said that she had met with Carlson that afternoon to review the budget and identify potential cuts for the Council's consideration. She said that staff supports the current budget proposal with the 5% levy increase. She said that staff could work with the budget with a 4% levy increase, but it would be difficult with only a 3% levy increase.

Caron said she had met with the Finance Director on Friday, November 5, 2010 to review the 2011 Budget. She believes there are areas in the budget that can be reduced. After reviewing the budget and looking at what other cities are doing, she does not support increasing the levy more than 2% to 3%.

Fulkerson said that she also believes there are areas in the budget that can be reduced. She does not support increasing the tax levy more than 1% to 1½%.

Luger distributed information with 2011 budget options that staff had identified. The information provided showed the category and line item with the current budget at a 5% levy increase, the proposed method for decreasing the expense, what the budget amount would be with a 4% and 3% levy increase, and the impact it would have if the line item was reduced.

The Council discussed each of the line items, decided which items to reduce, and how much to reduce the line items for 2011. Carlson incorporated the changes into the proposed budget, which brought the proposed tax levy down to 3%.

The Council discussed whether to have another budget meeting to find other line items to bring the tax levy down to 2%. Rather than reduce the budget further, the Council agreed to a one-time use of fund balance to bring the proposed tax levy down to 2%.

4. 2011 Utility Rates

Carlson said that staff is not proposing any rate increases to water, sewer, refuse, recycling, or street lighting in 2011. Staff is proposing a 5% increase to the dock rates per the Council's policy and a 10% increase to the surface water rates to cover capital improvements and debt service requirements.

The Council discussed the 5% increase to the dock rates, many of them could not remember establishing a policy for increasing the dock rates. Staff explained that the policy sets the maximum rate increase at 5% plus inflation, and that 50% of the rate increase is to be allocated to the Dock Capital Fund and 50% to the General Fund.

Carlson said that she would recommend that all of the 5% increase remain in the Dock Fund to help pay for the dredging and building of the new docks. By doing this, there should be enough money in the Dock Fund to fund these improvements so that the City wouldn't need to borrow from other funds.

The Council decided to wait to make a decision on the rate increase for the docks.

The Council agreed to have a Work Session at 6:30 p.m. on Monday, November 15, 2010 to review the Enterprise Funds.

5. Other Business

None

6. Adjournment

Fulkerson moved, Berghorst seconded, to adjourn the meeting at 8:36 p.m. Motion carried 5/0.

Respectfully submitted,

Cheri Johnson
City Clerk