

## **MEDINA CITY COUNCIL MEETING MINUTES OF NOVEMBER 20, 2007**

The City Council of Medina, Minnesota met in special session on November 20, 2007 at 6:03 p.m. in the Medina City Hall. Mayor Crosby presided.

**I. Call to Order** – Mayor Crosby called the meeting to order at 6:03 p.m.

**Members present:** Johnson (arrived at 6:40 p.m.), Weir, Crosby, Cavanaugh, Smith

**Members absent:**

**Also present:** City Administrator Chad Adams, Planning Director Tim Benetti, City Engineer Tom Kellogg, and Finance Director Jeanne Day.

### **II. 2008 Budget Work Session**

Crosby provided comment on the public feedback he has been receiving to the proposed tax levy and stated he desired some analysis be conducted to potentially lower the levy at 5% intervals.

Adams stated he distributed an updated budget analysis to the Council which reflected an overview of the major expenditure increases as well as the 5% intervals in lowering the levy. Adams indicated that even with the increase in road funding for 2008 that a net loss will occur in the total road program in the amount of \$105,000. The existing fund balance in the road fund is sufficient to cover that loss for 2008. He also noted a recent analysis conducted by Bonestroo that approximated \$671,000 in necessary annual allocations for road and maintenance repair through 2028.

Adams discussed the proposed \$100,000 transfer to the fire fund. The fire fund currently has a \$0 fund balance as the City has never allocated long-term funding for fire equipment and facility needs.

Adams discussed the proposed \$100,000 transfer to the equipment fund. Even with the transfer of the \$100,000, the equipment fund will also experience a net loss in fund balance for 2008.

Adams explained the need to begin allocating more funding for environmental programs due to environmental mandates. The proposed transfer of \$175,000 will help support the environmental needs, but will also result in a net loss in fund balance for 2008.

Adams also provided an overview of the Police and other remaining operating costs which are \$156,290 and \$66,164 respectively.

Johnson arrived at 6:20 p.m.

Adams presented the affects of decreasing the levy at 5% intervals, which represents a \$106,575 reduction for each 5% reduction.

Adams provided some options for reducing the levy, which included: \$150,000 in the transfer to the environmental fund (and replacing the source of funding through a possible storm water utility); cost savings of \$26,543 in the postponed hiring of the Accountant, which is replacing the Deputy Clerk position, as well as postponed hiring of the Accounting Technician; future operational cost savings by not moving forward with the concession stand project in Hamel Legion Park; and, \$8,250 in savings by not allocating funds to social services.

Discussion was held on the options to reduce the levy and the approach to further explaining the long-term needs of the City at the TNT meeting.

Smith discussed the past philosophical approach to approving budgets. She stated the City has been creating and improving the capital improvement planning the last four years and the philosophical approach is based more now on needs-based planning. Adams added that fire capital planning, the long-term roads program, and environmental program planning were prepared through formal analysis this year for the first time.

The Council requested additional analysis to be conducted on operational costs for the concession building. Adams stated such analysis could not be completed by the December 3 Council meeting and it may warrant several weeks or months to complete.

Crosby requested staff prepare a historical market value analysis of two residences and a commercial business and to illustrate the effective tax rates and proportion of city taxes to the landowner over the last five year period. Adams concurred it would be included in the TNT presentation.

Discussion was held on the implementation of the storm water utility and the Council reached consensus to discuss at the regular meeting with the intent to direct staff and Bonestroo to begin creating a plan.

The Council reached consensus to invite the TNT meeting to be video recorded and aired on the local government access cable channel at additional cost. Adams stated the cost was about \$70, but there may be difficulty scheduling the taping.

## **V. Adjournment**

*The meeting was adjourned at 6:52 p.m.*

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T.M. Crosby, Jr. Mayor

Attest:

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Chad M. Adams, City Administrator-Clerk