

**City of Minnetonka Beach
Truth and Taxation Hearing Meeting Minutes
Monday, December 3, 2018**

Present: Mayor Mike Taylor, Council Members: Jill Bartel, Paul Kozloski, Jaci Lindstrom, and Treasurer Steve Howarth.

Absent: Council Member Andrew Myers

Staff Present: City Administrator Susanne Griffin and City Clerk Heidi Honey

1. Call to Order

Mayor Taylor called the Truth and Taxation Hearing to order at 7:00 p.m.

2. Approve Agenda

A motion was made by Council Member Lindstrom and seconded by Council Member Bartel to approve the agenda. With all members voting in favor, the motion carried.

3. Truth in Taxation Hearing

The Truth and Taxation meeting is the annual review of the proposed final budget and the opportunity for the public to provide input and ask questions regarding the proposed budget. Council will review and discuss the proposed budget and then continue the meeting to the Dec 13th meeting where the final budget and tax levy will be adopted.

3.1 Comments – no comments

3.2 Budget Review

Treasurer Howarth stated that the preliminary budget was adopted in September with a 3% increase cap. The Finance Committee met and submitted a revised budget. Three items not included in the proposed budget in the packet are: 1. Paving Management Study (approx. \$55,000 and it is being reviewed by Utilities for future consideration), 2. funding of other water plant repairs (safety issues being repaired in 2018 budget), and 3. amending the City Charter (suggested by Treasurer Howarth but not discussed by Council). Griffin stated that she had a preliminary discussion with the city attorney and amending the charter is a very complicated process with an unknown cost. She suggested that the city attorney do a training with the new council and educate them on the history of the charter and the process to amend it.

Howarth explained that Item 2955 – Capital Outlay in the amount of \$63,000 was a holding spot when the Council approved the 3% increase cap. It should be removed because it is not an actual expenditure which changes the \$84,195 budget shortfall to \$21,195. Howarth reviewed the Finance Committee's proposed changes by line item:

- 2801 – GO Bond Interest Payment – from \$0 to an anticipated expense of \$50,000

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- 2080 – Zoning Administrator – from \$40,000 to \$30,000
- 2344 – Communications - Cell Phone for Public Works – from \$3,100 to \$2,500 (Finance Committee member will assist with getting the phone)
- 2347 – Public Safety Repairs/Parts – from \$7,500 to \$5,000 to be consistent with 2018 spending
- 2348 - Equipment Rental - from \$1,900 to \$1,000
- 2358 – Tree Removal - from \$1,250 to \$1,000
- 2361 – Leaf Pick Up - from \$6,500 to \$6,000
- 2524 – Tree and Forest Maintenance - from \$15,000 to \$11,945
- 2525 – Parks General Maintenance – from \$11,205 to \$13,205 reallocation for library repairs
- 2523 – Park Commission overall reduction from \$33,855 to \$32,800
- 2610 – Insurance - from \$22,000 to \$20,000
- 2725 – Plant Operations - from \$12,000 to \$27,000 based on 2018 current estimated year end expenses of \$28,000 and in response to additional repairs.
- 2960 – Capital Improvement Program - Howarth asked to move \$20,000 from an original \$48,000 in 2725 Plant Operations to 2960 Capital Improvement Program because \$20,000 of the \$48,000 should be tracked as a capital expense.
- 2738 - Lift stations from \$8,000 to \$4,000 because three of the four lift stations have been rebuilt over the past two years.

Howarth then discussed recommended adjustments to the Capital Improvement Program.

- Margaret Dahl Library improvements - from \$20,000 to \$0 because the Park Commission will absorb costs for repairs in 2019 budget.
- Northview Wall was added – move unused CIP funds from 2018 to 2019 because the work was not completed in 2018.
- Speed bumps – from \$5,000 to \$0 – Public Works has some speed bumps in inventory and there have been no additional requests for placement.
- Plant upgrades – from \$44,000 to \$25,000 because of current replace or repair discussions and \$19,000 of improvements done in 2018.

Kozloski discussed repairing the deteriorating wall on Northview east of city hall. The city may want to look at getting bids to repair both walls.

Howarth stated that of the original 2018 Capital Improvement Program budget of \$137,800, the actual projected expenses for 2018 will be \$73,766. This includes \$20,000 moved from item 2725 to the CIP as discussed earlier (authorized water plant improvements). The net difference is \$64,034 which should be added to capital reserves and it will offset the \$21,195 shortfall in the budget. He suggested rolling some of the capital reserves from 2018 to 2019 to fund the \$21,195 shortfall.

Council discussed either budgeting or using reserves to repair the other Northview wall. They should look at repairing both retaining walls on Northview.

Mayor Taylor summarized that the recommendation from the Finance Committee is that there is no change to the 3% increase which was adopted at the September council meeting. Howarth added that the \$21,195 shortfall will be funded from rolling over 2018 unspent capital funds to 2019. Griffin suggested noting in the CIP that the funding source for the \$85,000 in the Northview wall is from a

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combination of unused capital reserves and tax levy to meet the \$21,195 shortfall. Council agreed with that approach.

4. Motion to Continue the Hearing to December 13, 2018.

A motion was made by Council Member Lindstrom and seconded by Council Member Bartel to continue the Truth in Taxation Hearing to December 13, 2018. With all members voting in favor, the motion carried.

Mayor Taylor ended the meeting at 7:52 pm.

PUBLIC IN ATTENDANCE – The following individuals signed the sign-in sheet: Susan Enlow and Nell Mathews

Respectfully Submitted,

Heidi Honey, City Clerk