

MEDINA CITY COUNCIL MEETING MINUTES OF AUGUST 18, 2009

The City Council of Medina, Minnesota met in special session on August 18, 2009 at 6:02 p.m. in the Medina City Hall.

I. Call to Order

Members present: Weir, Crosby, Siitari, Smith Johnson (arrived at 6:36 p.m.)

Members absent:

Also present: City Administrator Chad M. Adams, Police Chief Ed Belland, Finance Director Jeanne Day, and Financial Consultant Shelly Eldridge.

II. 2010 Budget Update

Adams provided an overview of staff report which outlined options for the proposed 2010 tax levy, budget and new field house project. Staff recommended maintaining the 1% increase in the tax levy for the preliminary levy and explained the levy could be reduced for the final levy in December. Staff presented a budget reduction plan to reflect a 0% tax levy increase which included cuts to planning department expenses and various miscellaneous departmental reductions.

Discussion was held on the option to set the tax levy at 1% or 0% increase for the August 27th Open House and September 1st Council meeting where the preliminary levy would be approved.

Adams discussed the options for adding \$10,000 to the budget for operations of the field house/concession facility. The options included: increasing the tax levy by another \$10,000; cutting an additional \$10,000 from the City budget to offset the \$10,000 expense; or, funding the \$10,000 from existing donations provided to the project. Staff recommended \$25,000 of existing donations be used to offset operating costs for the next few years. Utilizing the \$25,000 would require additional park dedication funds to support the construction of the facility. Staff explained that if user fee revenues do not increase when the \$25,000 is exhausted, that taxpayer funding will be needed to support the operations of the facility.

Discussion was held on the field house operating options presented by Staff. Crosby noted that in his discussions with the Hamel Lions, the Lions stated that: there will be no revenue support from the Hamel Athletic Association for the operations of the facility; there will be no assurance of revenue support or continuous profit from the facility operations; and, in the opinion of the Lion's, lighting the ball fields is a necessity.

Adams inquired if the grilling area was part of the project plans as a possible concession revenue source. Smith verified the grilling area was to be a part of the plans. Adams stated he would check with the architect to ensure the plans are being reviewed by Hennepin County Health, similar to the Community Building review a few years back.

Weir moved, Smith seconded, to establish the preliminary levy for the August 27th Open House discussion and September 1st Council discussion at a 1% levy increase; and, to utilize \$25,000 in donations from the field house project to support operational expenses. Motion passed unanimously.

Smith and Crosby noted their preference to decrease the preliminary levy from a 1% increase to a 0% increase by December.

Siitari questioned the benefit to the public for the Hamel Field House project as it appears to benefit a select group of residents/youth in the community. Crosby noted the project does benefit youth in the community, the general public using the facility for bathrooms, and that the community has raised donations to partially fund the project.

III. Financial Management Plan

Shelly Eldridge, Ehlers and Associates, presented an overview of the Financial Management Plan included in the Council packet.

Johnson arrived at 6:36 p.m.

Eldridge stated the FMP shows the affects of upcoming debt service schedules on tax levy and tax rates in addition to the operating needs of the City as the community grows. She explained that the City's bond rating is affected by City policy decision-making on various items including fund balance policies, etc. She discussed the slides involving the projected tax rates, general fund balance history, and debt levy as percent of total levy.

Discussion was held on the public works facility and intent to reduce the scope of the project, project budget, and distribution of funding sources.

The Council agreed that a simple summary on debt service and wrap around could be included in future analysis.

IV. Adjournment

The meeting was adjourned at 6:58 p.m.

T.M. Crosby, Jr., Mayor

Attest:

Chad M. Adams, City Administrator-Clerk