

SPECIAL CITY COUNCIL MEETING
September 5, 2007

COUNCIL MEMBERS PRESENT: Robert Craggs, Richard Glasgow, Peg Larsen, Robert Livingston, Brian Zeller
STAFF PRESENT: Mark Nagel, Tom Niedzwiecki, Chris Wallberg

2008 Budget Workshop – 4:00 p.m.

1. **CALL TO ORDER** by Mayor Zeller at 5:12 p.m.

2. **PLEDGE OF ALLEGIANCE** was said.

3. AFTON-LAKELAND GULLY STABILIZATION PROJECT

Nagel spoke with Shelly Strauss, City Administrator for Afton, who is working on the agreement with the Afton homeowner for a special assessment of \$25,000; obviously homeowner hasn't agreed to it yet, and he would lay less than 50-50 odds that will happen; Afton indicates they are going to assess the homeowner anyway and let the chips fall where they may; spoke also with Melissa Lewis [WMO] and looked over legal arrangement; if this is listed 'works of improvement' they can assess them for the cost of the project anyway; if they assess them for the cost of the project, they have three things of concern: (1) cost greater, (2) they lose control over project itself – would be their project– nothing he is really comfortable with, and (3) it may not end up 80/20 – could be 50/50; thinks best option they pay for as Niedzwiecki suggested; would simply raise proposed General Fund Certified Levy from \$835,000 to \$850,000; really thinks this the best way to go in terms of gully; realizes they may feel it is being forced down their throat. Zeller asked if they could have language in resolution '*cost not to exceed \$20,000*'; understanding they pay 20% of remaining balance after grant. Craggs suggested same. Staff has discussed recovery of cost; City Attorney's concern is they wouldn't be able to assess very much, but if they go through process of two public hearings, probably can have an estimate from City Engineer as to how much they could assess without being sued and go from there; doesn't think they will get entire \$20,000 back, the reason he is saying go with Scenario A; would probably add a little bit to Levy to cover it; if it turns out they recover more, they can always reduce Levy at that point. Livingston very worried about this and he did and does feel this is being shoved down their throats; thinks that is fact; thinks other fact is they have very few other options. Zeller advised first meeting he attended, they were talking about cost being \$150,000 and Lakeland paying 50%; that was before grant; looking at the grant taking care of \$75,000 was absolutely unexpected; when you look at Lakeland's 20%, they are much better off than where they started, but still bitter pill to swallow. Glasgow thinks this good compromise including cost not to exceed \$20,000. Craggs asked if accurate to say that majority of gully in Lakeland. Zeller said it is just not the gully; it's where water is coming from; would say it is more accurate to say 80% of the impacted area or area involved is in Afton and 20% in Lakeland. Craggs more concerned about language in resolution '*WHEREAS the majority of the gully is located within the City of Lakeland*'; if they are only paying 20% of cost, one might argue that is probably not beneficial to have that sentence included. Nagel suggested taking that out. Craggs was going to recommend that, unless another reason to include. Nagel said if you look at it, the majority is, but they can just take it out. Larsen noted it started at \$150,000 and asked how it now increased to \$175,000. Zeller said cost of inflation; very optimistic that if this goes out for bid correctly they will see less than this; WMO administering, but Afton clearly lead contact. Craggs asked if SEH still engineer for Afton. Zeller advised on this project, doesn't believe they will be engineer; WMO asked for this to go out for bid; SEH did preliminary engineering work but when it went out for bid, they were not low bid; doesn't know if it has been awarded yet.

M/S/P (Craggs/Livingston) to adopt Resolution 2007-18, a Resolution to fund a portion of the Afton/Lakeland Stabilization Project with two amendments, (1) removing the last WHEREAS regarding location of gully, and (2) addition of cost not to exceed \$20,000. By roll call, Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Resolution adopted.

4. PROPOSED 2008 BUDGET & LEVY

Niedzwiecki advised basically Scenario A [4.4%] shown with fiscal disparity increasing revenue and also offsetting increase of \$6,000 in expenses that could be put toward gully; scenario has an additional \$14,000 for gully because they need \$20,000 - they only get \$6,000 here from the fiscal disparity increase and they need an additional \$14,000; that increases the local budget to 6.2%. Nagel said they can leave it the way it is and can take it out of some other fund and decide at a later date, or they can budget for it and reduce it later; 11% increase in essence will help spread this out. Zeller doesn't like 6.2%; feeling honestly is 4.4%, if they go forward with bond, they should have enough room to cover that; asked Niedzwiecki if there were a 5% increase in Levy what budget number would be. Consensus 4.9% sounds better. Nagel attended the Small Cities Financial Liability Task Force meeting at the League today and Lakeland's was the lowest levy increase by almost 50% of any city their size; second lowest 8.3%. Livingston asked if that still makes them considering the smallest budget increase in the last 4-5 years. Nagel said by far the smallest; even at 6.2%, it is by

far the smallest. Niedzwiecki advised at 4.9%, the Budget is \$994,850, and new Total Budget \$1,022,734, the Certified Levy which is really what they are certifying tonight for the General Fund is \$845,138 and Total Certified Levy is \$873,000; that is a 4.9% increase in the local Levy; 2008 local Levy goes from \$800,937 to \$804,937.

M/S/P (Livingston/Larsen) to adopt Resolution 2007-19 adopting the Proposed Budget for year 2008 increasing the General Fund Budget to \$994,850, the Debt Service Fund Levy remains at \$27,884, with Total Proposed Budget of \$1,022,734. By roll call, Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Resolution adopted.

M/S/P (Larsen/Craggs) to adopt Resolution 2007-20 for Proposed Property Tax Levy for the year 2008 with Proposed General Fund Certified Levy of \$845,138, Debt Service Fund Levy at \$27,884, and Total Proposed Certified Levy of \$873,022. By roll call, Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Resolution adopted.

5. SET TRUTH IN TAXATION PUBLIC HEARING

M/S/P (Larsen/Zeller) to set the initial hearing for the Truth and Taxation on Monday, December 3, 2007, at 7:00 p.m. with a continuation date, if required, Tuesday, December 18, 2007, at 6:30 p.m. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.

6. ADJOURN (Livingston/Craggs) to adjourn at 6:00 p.m. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Passed unanimously.

Brian Zeller, Mayor

Kate Piscitello, Recording Secretary