

**Greenwood City Council
Budget Work Session Minutes**

6:00 pm, Thursday, August 4, 2011
Deephaven City Hall ~ 20225 Cottagewood Avenue ~ Deephaven, MN 55331

1. Call to Order/Roll Call/Approval Agenda

Mayor Kind called the meeting to order at 6:00 pm.

Council members present: Fletcher, Kind, Page, Quam and Rose

Council members absent: None

Others present: City Clerk Karpas

Quam moved to approve the agenda. Second by Fletcher. Motion carried 5-0.

2. Discuss 2012 Budget

Mayor Kind presented the preliminary 2012 budget. She said that the Council was set to discuss the fourth draft of the Excelsior Fire District budget at the regular meeting later in the evening and even though it was an update draft, the bottom line doesn't change so there's no impact on the preliminary budget. In addition, Mayor Kind noted that license fees aren't collected until the end of the year so the 2011 budgeted numbers should be in line by the end of the year.

The Council agreed to look at the preliminary budget on a page-by-page basis.

On page one Councilmember Fletcher felt the revenue collected by load limit fees should be increased from \$600 to \$2,000, due to the possibility of increased construction in the upcoming year. The Council agreed.

Councilmember Page asked about the ten percent Administrative Expense Reimbursement from the Marina Fund. Mayor Kind said the money would be transferred from the Marina Fund to cover the administrative expenses related to the city docks.

On page two Councilmember Fletcher felt the expense for Communications – Telephones should be increased from \$400 to \$500 or \$600 to reflect the actual monthly cost. The Council agreed.

Councilmember Page asked about the 50% reduction in anticipated publication expenses. Mayor Kind said the 2010 number reflected part of the cost to publish 5 years worth of public notices which had not been published and the 2011 year-to-date number indicated that the city is saving money by publishing summary ordinances, so the 2012 number could be reduced.

On page three Mayor Kind noted that the highlighted sections would be discussed by the Fire and Police Chiefs at the regular council meeting later in the evening. The council discussed the idea of contracting outside the South Lake Minnetonka Police Department for police services to save money. Mayor Kind noted that if the Council wanted to change in the future the city would have to give 20 months notice by May 1st per the Joint Powers Agreement.

Councilmember Rose said he would support a change only if the costs reductions were in the tens of thousands, otherwise it would not be worth it. Mayor Kind noted that even if the city were to obtain services from another department, it would still have to pay its share of the building until 2023.

Councilmember Quam said the Council has the fiduciary responsibility to look into it and needs to make sure that any agreement contains the same level of service. Councilmember Rose believes competitive bidding keeps the service at its true value. Councilmember Fletcher agreed stating the city may find that contracting would be the best for the city service-wise.

Mayor Kind will look into the city's options and report back to the Council.

Councilmember Page asked about the big drop in Miscellaneous Engineering Fees. Mayor Kind said the coding has been changed so Engineering Fees are reflected by department, therefore lowering the miscellaneous fees.

Councilmember Page asked about the reduction in the Other Road Repair and Maintenance. Mayor Kind said the proposed number was based on the 2011 year-to-date number. Councilmember Fletcher suggested the number should remain the same as 2011. The Council agreed.

Councilmember Fletcher suggested the Jail expense should remain the same as 2011 since the city doesn't control the number of arrests and incarcerations. The Council agreed.

Councilmember Fletcher suggested the expense for Building Inspections be increased from \$7,000 to \$8,000 to anticipate increased costs due to an uptick in construction. The Council agreed.

On page four Councilmember Fletcher said he was concerned about using the Stormwater Fee to pay for Street Sweeping. Mayor Kind said that street sweeping is part of the city's stormwater program, so it is appropriate to be paid from that fund.

Councilmember Page said he would like see more clearing activities taking place on the bituminous trail which is highly used. Mayor Kind said the trail is a low priority after a snow storm. The Council discussed the possibility of contracting the service to an outside company.

Councilmember Quam asked whether the city's contribution to the Southshore Center was enough. Councilmember Rose said he's heard that some cities aren't even making contributions. Mayor Kind said she would investigate that claim.

On page five Councilmember Fletcher suggested increasing the Capital Outlay for I/I projects from \$28,000 to \$50,000 to take full advantage of potential matching funds. The Council agreed. Fletcher also suggested increasing the expense related the Public Work Sewer from \$1,500 to \$2,000.

Mayor Kind discussed the revenue received from Special Assessments.

On page six Councilmember Quam commented he felt adding \$20,000 to the Bridge Capital Project Fund was sufficient.

Councilmember Page commented that the Marina Fund balance was optimistic since it was based on raising fees. Mayor Kind said the intent was to raise the fees in 2012. Page also said the goal amount in the Marina Fund should be raised from \$50,000 to \$200,000 to cover the expense of replacing the docks in the future. He also expressed concerns about taking funds out of the Marina Fund for other purposes other than maintaining the city docks.

The Council will hold a worksession prior to their September 6th meeting to continue the discussion on the 2012 budget.

3. Adjournment

Fletcher moved to adjourn. Second by Rose. Meeting adjourned at 7:02 pm.

Respectfully submitted
Gus Karpas
City Clerk