

November 22, 2011

Mayor Dains called the City Council meeting to order at 7:35 p.m.

Councillors present: Mary Gaasch, Roxanne Grove, Denise Hawkinson, Lara Mac Lean, and Mayor Jeff Dains.

Staff present: Heather Butkowski, City Administrator; Jim Bownik, Assistant to the City Administrator.

Mayor Dains asked for changes to the meeting agenda. Councillor Grove added storm sewers as a discussion item. Councillor Mac Lean moved to approve the agenda as amended. Councillor Gaasch seconded the motion and it passed unanimously.

Councillor Grove moved to approve the November 8, 2011, City Council meeting minutes. Councillor Mac Lean seconded the motion and it passed unanimously.

Councillor Grove asked for clarification on truck maintenance expenses. The Council also asked for a follow up on revenue and expenses from the Halloween event.

Councillor Hawkinson moved approval of the claims totaling \$54,687.03. Councillor Mac Lean seconded the motion and it passed unanimously.

Councillor Gaasch moved the consent agenda acknowledging the investment report from the third quarter. Councillor Mac Lean seconded the motion and it passed unanimously.

Bownik updated the Council on the playground replacement project. The equipment will arrive in a few weeks. The equipment will be paid for upon receipt but won't be installed until spring.

Butkowski reported on the updated budget estimates and levy impact. The Council proposed a three percent levy increase in September. Due to the elimination of the Market Value Homestead Credit (MVHC) and shifts in market value, the three percent levy increase resulted in a 12.3% city tax increase on median value homes. 152 households will see no city property tax increase but 310 households will see a 10-20% increase. The value of a property will determine the tax impact based on the Market Value Homestead Exclusion program recently adopted by the legislature. Overall, the city tax rate would be 31.21%.

The Council discussed the impact of the elimination of the MVHC program which puts the burden of balancing the state budget on local governments and property taxes. The Mayor noted that homes would see a property tax increase even if there wasn't a city levy increase due to the

elimination of the MVHC. The Council also talked about a Minnesota Public Radio discussion in which guests purported small cities would be "out of business" in ten years.

Staff will prepare for the annual presentation and public hearing on the proposed budget and levy for the next meeting.

Councilor Grove noted many leaves had fallen since the streets were swept and suggested that some of the catch basins be cleaned out again. Staff will address the concern.

Yoonju Park said her organization, the Korean Service Center, recently purchased 2417 Larpenteur Avenue (formerly the Union Hall). They will use the center to further their mission to meet the needs of the Twin Cities Korean community. They are currently in the process of improving the building and plan to hold an open house in January.

Mayor Dains explained the Council was moving into the work session. Work sessions are a continuation of the meeting but not aired on community television.

The Mayor asked if anyone present wished to address the Council. No one addressed the Council.

There being no further business on the council agenda, Councilor Hawkinson moved to adjourn the meeting. Councilor Grove seconded the motion and it carried. The meeting adjourned at 8:23 p.m.

Respectfully submitted,



Heather Butkowski
City Administrator