

**JOINT CITY COUNCIL/FINANCE COMMISSION
MEETING MINUTES
AUGUST 21, 2018**

Finance Commission members in attendance: Chair Greg Maples, Mike Bromelkamp, Colin Johnson, and Luke Schlegel. Also in attendance: Mayor Jud Marshall, City Council members Richard Brainerd, Jeff Ledermann and Steve Wolgamot, City Administrator Scott Neilson, Finance Director Scott Schaefer, Public Works Director Bob Goebel, Fire Chief Terry Fischer, and Accounting Clerk Jerene Rogers.

APPROVAL OF AGENDA

Upon a motion by City Council member Brainerd, seconded by Finance Commission member Johnson, all members voting in favor, the agenda was adopted as presented.

**APPROVAL OF THE AUGUST 6, 2018 JOINT CITY COUNCIL/FINANCE
COMMISSION MEETING MINUTES**

Upon a motion by City Council member Wolgamot, seconded by Finance Commission Chair Maples, all members voting in favor, the August 6, 2018 Joint City Council/Finance Commission meeting minutes were approved as presented.

CLOSED BOND FUND

Finance Director Schaefer explained the Closed Bond Fund policy states the excess of reserved funds over \$500,000 may be used to finance City Council approved Capital Improvement projects, reduce next year's bond and interest tax levy or pay off bond fund deficits. The policy states the fund is to be reviewed annually by the Finance Commission before the budget process to determine what would be the best use of these funds.

There is no planned transfer of Closed Bonds Funds for 2019. The Closed Bond Fund balance as of December 31, 2017 is \$1,155,993 and the projected fund balance for December 31, 2018 is \$1,172,993.

Finance Commission member Bromelkamp would like to re-visit this item during the CIP meeting in October.

PARKS FUND-FUND BALANCE POLICY

Finance Director Schaefer said there were a few minor revisions made to the draft policy that was presented at the last meeting, he noted those changes. He said the policy was a top priority discussed at the strategic planning meeting earlier this year.

Finance Commission member Bromelkamp moved, and Finance Commission Chair Maples seconded the motion, to recommend the City Council adopt the Parks Fund-Fund Balance Policy as presented. The motion was unanimously approved.

**REVIEW OF PROPOSED 2019 GENERAL FUND, PARK FUND, EQUIPMENT &
BUILDING REPLACEMENT FUND BUDGETS**

City Administrator Scott Neilson said the proposed general fund budget for 2019 is \$6,103,232 compared to \$5,490,522 in 2018, which is an increase of 11.16%. He said the proposed General Fund Budget is based on a levy amount of \$4,743,516 compared to \$4,094,890 in 2018, which represents an increase of 15.84 %. He explained the proposed tax capacity rate for 2019 is 38.820% compared to 33.971% in 2018. Based on a home value of \$300,000 property taxes will be approximately \$1,125.00 compared to \$966.00 in 2018. This reflects an increase of 14.3% in the tax capacity rate and taxable property values increasing 1.5% from 2018. The debt service levy is proposed to be \$1,510,428 in 2019, an increase from \$1,145,944 in 2018.

City Administrator Neilson reviewed the proposed 2019 General Fund Expenditure Budget. He stated the Communications Budget is proposed to increase from \$59,550 to \$70,250 due to the City's new website that will go online in October 2018. He said the Engineering budget is proposed to decrease \$15,000 in 2019 due to the pavement and trail rating project being completed in 2018. He stated the Ambulance Budget is proposed to increase from \$305,517 to \$495,048 due to including two new full-time employees. He also explained the Parks Budget is proposed to increase in 2019 due to the transfer of \$150,000 to the Park Fund where in 2018 the transfer was \$100,000. The budget for reserves in 2019 is \$542,775 from \$537,339 in 2018. \$367,775 is budgeted for operating transfers for Equipment and Building Replacement with \$140,000 of the amount for park improvements.

Council member Brainerd asked why the large increase to the police contract.

Finance Director Schaefer said the increase is due to a 7% increase in salaries and benefits for their staff. He said the increase will be shared by all the communities included in the contract.

Council member Brainerd said if it wasn't for the debt service, the park fund transfer and the proposed new fire department employees the budget would have only seen a 3% increase.

Finance Commission member Bromelkamp asked how the year-to-date budget for 2018 looks.

Finance Director Schaefer said we are good. We are very consistent.

Upon a motion by Finance Commission member Bromelkamp, seconded by Finance Commission member Schlegel, all members voting in favor, the Finance Commission recommends the City Council approve the 2019 General Fund Levy, Special Revenue Fund, and Equipment and Building Replacement Fund Budgets as presented. The 2019 Preliminary General Fund Budget public hearing will be held at the September 4, 2018 City Council meeting.

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NEXT COMMISSION MEETING

The next regular meeting of the Mahtomedi Finance Commission will be a joint meeting with the City Council on Tuesday, October 16, 2018 at 5:15 p.m. This meeting will be to discuss the Capital Improvement Financing Plan for 2019-2023, budgets for the Utility Funds and the 2019 Fee Schedule.

ADJOURNMENT

Upon a motion by Finance Commission member Bromelkamp, seconded by Finance Commission member Schlegel, all members voting in favor, the August 21, 2018 Joint City Council/Finance Commission meeting was adjourned at 6:50 p.m.

ATTESTED:

APPROVED:

JERENE ROGERS, ACCOUNT CLERK

GREG MAPLES, CHAIR