

Minutes of the Proceedings of the City Council of the City of Champlin in the County of Hennepin and the State of Minnesota
Pursuant to Due Call and Notice Thereof

Worksession
June 28, 2010
Municipal Center

- Call to Order The Champlin City Council met in a Worksession and was called to order by Mayor Mark Uglem at 6:00 p.m.
- Roll Call Present were Mayor Mark Uglem, Councilmembers Eric Johnson, Julia Whalen, ArMand Nelson and Greg Payer.
- Absent: none.
- City Staff Attending: City Administrator Bret Heitkamp, Finance Director June Johnston, City Clerk Roberta Colotti and City Attorney Darrell Jensen.
- Approval of Agenda Motion by Councilmember Johnson and seconded by Councilmember Whalen to approve the agenda for the June 28, 2010 Worksession as presented. Voting in favor: Mayor Uglem, Councilmembers Payer, Nelson, Johnson and Whalen. Voting against: none, whereupon said motion passed this 28th day of June, 2010.
- 2011 Budget The City Administrator introduced the 2011 budget planning process to the City Council. He stated that in order to begin the budget discussion with Department Heads regarding the 2011 budget process, staff needs consensus direction from the City Council regarding the budget assumptions being presented for their consideration this evening.
- The City Administrator reported that preliminary figures from Hennepin County indicate that the tax capacity for the City of Champlin is decreasing by approximately 8.2% for payable 2011. He stated that in the past, the Council has maintained a goal of having a 0% increase in the tax rate. In order to maintain a 0% tax rate increase, the total levy for 2011 would need to decrease by \$511,500 from the levy approved in 2010. He further stated that even if the City certified a zero dollar increase for 2011, there would be an 8.99% increase in the tax rate as a result of the decrease in the tax capacity.
- The City Administrator reported that due to the State's permanent extension of the Market Value Homestead Credit (MVHC) cuts the City will loose \$396,565 in funding in addition to Local Government Aid (LGA) cuts.
- The City Administrator stated that in order for City services to be maintained at current levels, there will need to be an increase in the certified property tax levy. He presented several options for increases in the levy ranging from one-half of the cut in MVHC (\$198,283) to levying for the total cuts in MVHC and LGA (\$606,598). In addition he presented the related impacts on properties of various values.
- The City Administrator highlighted the fact that in 2011 a number of fees will be increasing as a result of pass-through costs from other levels of government and operating expense increases, which need to be considered as part of the overall budget package. There are anticipated to be increases to water, sewer, refuse and recycling. With future increases to the storm sewer fees needed to cover the full costs, but not anticipated to be implemented in 2011.
- The City Administrator presented the League of Minnesota Cities, June 2010 report "Cities, Services & Funding: Broader Thinking, Better Solutions" for information on the projected fiscal future of cities.
- The City Administrator stated that if time allowed he would get into some department specific services this evening including the Police Departments traffic enforcement officer, 26th officer and pending arbitration case.
- The City Administrator requested that the City Councilmembers identify any special projects they have been discussing with their constituents so staff can include them in the budget planning process.

Council Consensus

Direct staff to prepare a 2011 preliminary budget using the 2011 budget assumptions presented in the City Administrators report and further directing that the levy be increased by up to one-half of the cut in MVHC (\$198,283).

The City Council directed staff to use the different media sources to educate the public about the City's budget, specifically including how certain funds are for limited uses.

The City Council asked staff to get feedback from the residents and to review the 2007 survey to assist them in determining the desired service levels.

Police Department

The City Administrator reported that there is a July 1, 2010 deadline for notification to the Drug Task Force if the Council does not want to participate in this program in 2011. He stated that he is not advocating that the City discontinue its participation and that the Police Chief supports our participation. However, there is an approximate \$100,000 expenditure for this and a \$15,000 revenue tied to this item, which would impact our 2011 budget.

Council Consensus

It was the consensus of the City Council to authorize the City Administrator to provide notice to the Drug Task Force prior to their required July 1st date that we would be withdrawing from the organization effective January 1, 2011, with the understanding that the City would have the option to continue this relationship if the 2011 budget allows.

The City Administrator recommended that the Council review other identified Police Department items with the Police Chief at the scheduled October 4th budget meeting.

Volunteer Appreciation

Councilmember Whalen requested that the Council prepare a letter of appreciation to the 2010 Volunteers. She noted that due to budget constraints the City was unable to host the May 2010 event this year and that she has received a number of inquiries from volunteers about the event.

Council Consensus

It was the consensus of the Council to direct staff to prepare a letter of appreciation for the City's volunteers.

Adjourn

The Champlin City Council adjourned the Worksession at 6:50 p.m.

Mark W. Uglem, Mayor

Attest:

Roberta Colotti, CMC, City Clerk