

AGENDA
MAPLEWOOD CITY COUNCIL
MANAGER WORKSHOP
5:15 P.M. Monday, July 11, 2011
Council Chambers, City Hall

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF AGENDA

D. UNFINISHED BUSINESS

1. Council Discussion – Discussion of Legal Strategies (Attorney-Client Communication; Minn. Stat. 13D.05, subd.3(b))
 - a. Declaration of Intent to Close Meeting for Attorney Update
 - i. City Project 09-13 – Holloway-Stanich Street Reconstruction
 - ii. City Project 09-15 – Hills and Dales Street Reconstruction
 - iii. City Project 10-14 – Western Hills Street Reconstruction
 - iv. Potential Appeal of Jackson litigation
2. 2012 Budget – Review of 2011 Expenditure/Revenue Status and Discussion of Strategy for Review of 2012 Budget Requests

E. NEW BUSINESS

F. ADJOURNMENT

***Times Listed Are Approximate**

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AGENDA REPORT

TO: James Antonen, City Manager
FROM: Alan Kantrud, City Attorney
Charles Ahl, Assistant City Manager
SUBJECT: **Discussion of Legal Strategies (Attorney-Client Communication; Minn. Stat. 13D.05, subd.3(b))**

- a. **Declaration of Intent to Close Meeting for Attorney Update**
 - i. **City Project 09-13 – Holloway-Stanich Street Reconstruction**
 - ii. **City Project 09-15 – Hills and Dales Street Reconstruction**
 - iii. **City Project 10-14 – Western Hills Street Reconstruction**
 - iv. **Potential Appeal of Jackson litigation**

DATE: July 6, 2011

INTRODUCTION

The City Council is expected to go into Closed Session to get an update on current litigations matters. The update will be provided by City Attorney Alan Kantrud and will focus on updating current progress made in litigation related to assessment appeals filed by local property owners on the three recent street reconstruction projects; along with a discussion on the possibility of appealing a decision recently regarding handling of evidence in the Jackson litigation.

Recommended Action

It is recommended that the City Council approved a motion to go into Closed Session to receive the update on strategies related to an aggressive defense in the street reconstruction projects and to consider an appeal of the Jackson handling of evidence litigation.

AGENDA REPORT

TO: Jim Antonen, City Manager
FROM: Charles Ahl, Assistant City Manager
 Gayle Bauman, Finance Manager
SUBJECT: **2012 Budget – Review of 2011 Expenditure/Revenue Status and Discussion of Strategy for Review of 2012 Budget Requests**
DATE: July 6, 2011

INTRODUCTION

The 2012 Budget process began in February 2011 with the goal setting of the Council – Staff Retreat. In May 2011, the City Council adopted the 2012 – 2016 Capital Improvement Plan, which began establishing capital expenditures for the 2012 Budget. The next step in the budget process will be for the Council to begin to review the specific requests and establish a maximum levy that will need to be adopted on September 12, 2011. The staff is proposing a worksheet format for the Council process as we review the various requests. This agenda item will be a review of the preliminary recommendations and process, so that the August budget presentations by the Department Heads are focused and the Council has adequate information prior to voting on the maximum levy in September 2011.

BACKGROUND INFORMATION

Review of 2011 Budget

Prior to determining expenditure levels for 2012, a re-estimate of the budget and various expenditures and revenues through the first half of 2011 is conducted. Based on 2011 revenue re-estimates and current expenditure budget, the current projections show revenues coming in \$251,340 less than originally budgeted. The largest short fall of revenues is in the areas of Licenses and permit revenues, as well as Charges for Services. The Council will also need to consider unbudgeted expenses of \$20,000 for the Police Space Needs Study, \$30,000 for boulevard tree inventory, \$150,000 for MCC Pool improvements, \$90,000 for the phone system replacement and \$60,000 for repairs to Fire Station #2 roof. In order to accomplish these revisions, the Finance Manager has reviewed available funds and determined the need to make expenditure cuts to department budgets of \$200,000 to maintain the 38.5% fund balance level. Note that the difference between the \$251,340 in the revenue shortfall and the need for only \$200,000 in reductions is due to the draw-down of the fund balance realized from the 2010 final budget. Based on this analysis, each department will be reducing 2011 expenditures to the 99% expenditure levels and identifying a 1% cut of planned spending.

Review of 2012 Budget Requests

As the Council reviews the various requests and determines the final levy amount, it is proposed the following spreadsheet be used to determine final values. The specific items will be reviewed in detail by Departments during August as follows:

- Aug 1: IT; Executive; Legislative; Community Development; Citizen Services
- Aug 8: Police; Fire; Finance
- Aug 22: Park/Recreation/MCC; Public Works
- Aug 29: Final Levy Discussion
- Note: the August 29th Work Session is a special Work Session due to the Labor Day Holiday.

2012 Budget Review Spreadsheet

<u>Budget Area – Consideration</u>	<u>Staff Recommend</u>	<u>Council Decide</u>
<u>2011 Levy:</u>		
• General Fund		\$12,980,351
• Ambulance Service Fund		\$ 0
• Community Center Operations Fund		\$ 340,000
• Recreation Programs Fund		\$ 225,000
• Capital Improvements Projects Fund		\$ 0
• Fire Truck Replacement Fund		\$ 0
• Park Development Fund		\$ 0
• Redevelopment Fund		\$ 0
• Debt Service Fund		<u>\$ 3,958,103</u>
• TOTAL 2011 LEVY	\$ 17,503,454	\$17,503,454
 <u>2012 Proposed Budget</u>		
From Capital Improvement Plan:		
• Decrease Recreation Program Levy	(\$ 25,000)	_____
• Increase Community Center Levy	\$ 120,000	_____
• Create a new Public Safety Levy	\$ 350,040	_____
• Increase Debt Service Levy	\$ 250,000	_____
• Increase CIP Levy for Police Expansion	\$ 150,000	_____
• Increase CIP Levy for Park Replacement	\$ 95,000	_____
• Increase CIP Levy for Other Capital Improv.	\$ 45,000	_____
• Increase Fire Truck Replacement Levy	\$ 100,000	_____
• Increase Levy for Public Safety CIP Bonds	\$ 0	_____
 General Fund Issues: [amounts being reviewed/subject to change]		
• Set Fund Balance at 38.5% from 36.7%	\$ 100,000	_____
• Contribute cash to Employee Benefit Fund	\$ 126,000	_____
• Reduce 2012 department budget requests:		
o Citizen Services	\$ 0	_____
o Community Development	\$ (49,860)	_____
o Executive Department	\$ (24,210)	_____
o Finance Department	\$ 0	_____
o Fire Department	\$ (114,520)	_____
o Legislative Department	\$ (8,850)	_____
o Parks Department	\$ 0	_____
o Police Department	\$ (179,250)	_____
o Public Works Department	\$ (129,860)	_____
• Create a Tartan Arena Fund	\$ 50,000	_____
• Maintain \$20,000 to Taste of Maplewood	<u>\$ 0</u>	_____
 TOTAL 2012 MAXIMUM LEVY	 \$ 18,357,944	 _____
• 2012 Percentage Increase	4.88%	_____

Recommended Action

It is recommended that the City Council review the spreadsheet concept and indicate areas that additional discussion is required during the August department sessions.