Mayor Paul Whitcomb called the meeting to order. Council members present were Thom Walker, Jack Edmonds, Jules Zimmer, and Jeff Reynolds. Staff present, Administrator Robert Barbian, Finance Director Steve Jackson, Police Chief Todd Frederick, Public Works Director Bob Gerold, Clerk Shawna Jenkins, Liquor store manager Nancy Campbell, Wastewater Plant Manager Chris Klinghagen and Fire Chief Ron Lawrence.

2018 Levy

Jackson said the preliminary levy passed was a 7.15%, which was primarily due to the Drug Task Force. He has done some additional number crunching and if we see revenues where they are estimated to be, and should be able to lower the levy to 3.94%. However, if a person’s home value stayed the same that would equate to a 2.64% reduction.

Walker asked if the LGA amount is locked in. Jackson said it is never locked in, it could change tomorrow. Governor Dayton has seemed pretty consistent in his support for LGA, so he does not think it would be decreased.

Edmonds a 7.15% increase is almost a wash if you look at the tax capacity. If your house value stayed the same, it would be only a .36% increase. Walker believes most residential properties are going to see about a 10% increase in their value, with Industrial not seeing much increase.

Walker asked where the $74,000 would come from to lower the levy to 3.94. Jackson responded that the estimated revenues are showing a bit higher and said some would be a transfer from the liquor store it needed. Walker stated that is why we have the liquor store. He said he is more worried about the CIP balances being depleted. Jackson agrees, that we are looking at a couple large projects.

Zimmer said he is concerned about the CIP as well. Jackson confirmed that the CIP balance would go down a fair amount with those two projects. The liquor store fund could be used to pay for a portion of that trail for example. It is usually well received if the public knows that the liquor store profits go towards improving their community.

Walker said we use that liquor fund for a lot of things, and it is a real benefit to the Community.

Walker asked how 2017 looks in terms of a balance excess from 2016. He asked if there were an excess where does that go. Jackson said it would usually just stay in the general fund. However, if the council was planning on using it for something, it would be better off to transfer it to the CIP Fund. Walker questioned how that would look if we were going to be going out for a bond. Jackson replied that it would still show as a fund balance, which they like to see stable from year to year.

Edmonds stated the city has already laid out a significant amount on the Hwy 95 Roundabout and the Great River trail projects.
Walker commented that he does not like to see a 7% increase, but on the other hand, he does not want to play it too tight. Possibly something in between.

Reynolds said he would like to see it kept under 5%.

Barbian said coming in new to the city, he does not necessarily want to be met with people seeing a 7% increase. Perhaps there is some savings to be made through the year.

Whitcomb suggested maybe transferring $50,000 from the Liquor Fund. Walker added that part of being fiscally responsible is collecting enough taxes to pay for everything. He does not want to be short and then having a tough time making it up.

Jackson said it is difficult as the City’s budget is about 75% personnel and Capital Items.

Reynolds said we need to increase both personnel and capital items, so we should be a little tighter on everything else.

Walker asked what staff expects for 2019. Jackson replied there will be a small increase, as the two people that we plan on hiring halfway through the year will go from six months, to a full year, so that alone will be an increase.

Whitcomb asked staff if they want a levy decision tonight. Jackson replied that it would make it easier if he had the numbers now so he can prepare for the Truth in Taxation meeting.

Zimmer stated he would prefer to go with the 3.94%.

REYNOLDS MOVED TO APPROVE THE LEVY AT 3.94%. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED

Karen Michels thanked the Council and City for all the support that they give the Chamber. The goal and theme for 2018 is partnerships with purpose.

The Chamber is asking for an additional $5,000 from the City to help support the “Moving Wall” that will be coming to the City in July. It is a half size replica of the veteran’s wall that travels the Country. The Chamber has partnered with the Mille Lacs County fair, the VFW and the American Legion. They are looking for volunteers of time and materials. This will be a destination event for the 4th of July weekend.

Whitcomb added that this is a wonderful thing and he loves to see the veteran’s honored in this way. Reynolds added that when he was in Washington DC, he was asked to look up names for a few people. Jackson agreed, that it is very impressive.

**Administrator Update**

Barbian gave an update to the Council. The weekly staff meetings have been going well, with Departments operating well and advancing city goals. The supervisor meetings have been a good venue to provide him with an orientation to department procedures and operations.
He reported that he was able to spend some time with Foss before she left, and went over past and future initiatives. Those included:

- Crystal Cabinets Expansion, Deed Grant and LIF Loan Spending
- Great Northern Trail Grant
- Casey’s Service Station, Kwik Trip, Aldi and the Cell Tower
- Comprehensive Plan & Second stage of infrastructure Planning
- Roundabouts.

The roundabout funding: the city has requested $186,000 from the County of Mille Lacs. The joint meeting between the Council and County did not conclude with a decision. The contract was bid and awarded. To understand the current issues and establish a shared funding of the local match, he said he met with the County Administrator Pat Oman, Engineer Bruce Cochran and Assistant Administrator Holly Wilson.

Previously the city request was based upon an estimate of $154,000 plus 18% for engineering that totals $186,000. This was to cover the cost of County Road 157. The costs now come in at $145,000, adding 18% totals $171,000.

The County Board is meeting December 12th to discuss. He said he would like to work with County Administrator Pat Oman prior to the meeting.

The total project is $1,576,057.75 with a local share of $435,617.61. Of this, the city has paid $224,913.00. The amount still needed is $211,157.61

He has been meeting with a lot of people, been to several meetings and have spoken to several Airport Board members. He went to the Park Board meeting and heard about the Splash Park, and that they are looking at adding batting cages to Mark Park.

He has spent time with Gerold going through the parks and streets, and has been looking into the “Through the Fence” issue at the Airport.

He has also been evaluating the resumes that have come in for the Community Development Director positions, and there are some good ones. City Hall staff does a great job, so he would like the hiring committee to discuss what is needed for that position. He asked if someone with 10-20 years’ experience needed, or someone just out of school.

He provided some handouts to the Council. Two of which is information Jenkins looked up about cell phone tower health risks, and whether they affect property values. He asked Whitcomb if he could drop off the documents that resident Craig Mitchell provided him at the first reading.

Staff is also working on the proposed 55+ Community Manufactured Housing site, and how that area could be serviced with water and sewer.
Edmonds said in regard to the Roundabout, the County has sales tax revenue, which a big portion of comes from Walmart, so they should pay the entire local portion. Barbian stated that the city was able to get Walmart in here without any TIF Districts, so there is a chance to develop that area even more.

Barbian said he believes assessments should be looked at more and he anticipates having an appraisal done to show the value of the roundabout.

Zimmer commented that a roundabout is an enhancement of the whole development. Every business coming into that development is going to generate more sales tax.

Edmonds stated that a County Commissioner asked him if the city would be interested in doing a share with the county on the economic development side. The Council felt that the City needed a full time person, and sharing the County would not be a good option.

ZIMMER MOVED TO ADJOURN THE STUDY SESSION AT 5:57PM. REYNOLDS SECOND-ED THE MOTION. MEETING ADJOURNED

Respectfully Submitted,

Shawna Jenkins
City Clerk

ATTEST:

Paul Whitcomb, Mayor