

North Branch City Council

Work Session

Date of Meeting: July 17, 2014
Present: Councilmembers: Kathy Blomquist, Joyce Borchardt, and Trent Jensen.
Absent: Mayor Ronald Lindquist and Councilmember Theresa Furman .
Also Present: City Administrator Konrad, Public Works Director Williams, Fire Chief Grote, GIS Specialist Sondrol and Finance Director Hill.

I. Call To Order

The meeting was called to order at 6:30 p.m.

II. Park Items

Sondrol noted that the Park Commission would like the Council to consider applying mosquito control for the City and not just the parks. Sondrol noted that the City of Cambridge sprays and spends about \$1,000 per event and goes out once a week. Borchardt asked how Public Works would handle the work. Williams indicated that they can do it but need Council to define where the work should be done and how to fund it. Blomquist said she would look at it for 2015 but does not know where the money would come from this year. Council set this item aside and agreed to discuss as part of budgeting for 2015. Sondrol discussed the Legacy Grant to extend the Sunrise Prairie Trail from North Branch to Harris. This is the last year of this grant because the funding structure will change. Borchardt asked what the cost estimate for the trail would be. Sondrol indicated the estimate is about \$1.2 million. Blomquist said she thinks it would be worthwhile. Blomquist asked if the County would go in on the trail with a matching contribution since the trail is along the County Road. Jensen suggested putting in \$10,000 and ask the County, Harris and Tiller to all contribute \$10,000 and try and submit that way. Council agreed to reapply and work out the details on matching by partnering with other groups. Blomquist said she would prefer the Johnson property but that is not the consensus so she is in favor of the trail.

III. Budget

Hill explained the budget process changes for this year. Council had asked for all strategic planning and staffing in the budget. Hill said he did a base budget and the last two pages include the staffing plan and the CIP options that would be added to the base budget. He noted that the utilizing the base budget the levy would be increasing 8.44%. If the Superior Silica project comes that could be reduced to an increase of 2.52%. Jensen commented that if Silica Sand were to come in there would not be an increase in tax base until 2016. Hill indicated he is not sure how that would work and would have to discuss it with the County Auditor. Blomquist asked about market value exclusion. Hill indicated the exclusion still exists and the homes are gaining value so they are getting less of an exclusion but it also means that it will show that levy shifting away from commercial and onto residential properties. Blomquist suggested that the homes will take more and more of the tax pie as values increase and they get less market value exclusion. Jensen expressed concern with how to account for the changing tax pie and how to figure the impact to residents with any tax increase. Konrad provided examples of properties and their taxes over the last few years. Williams reviewed the proposed increases in the public works budget. Hill noted the preliminary budget must be set by the end of September. Konrad noted there are no levy limits. Borchardt asked about LGA. Hill indicated it would be up about \$59,000 this year. Hill reviewed the enterprise funds with the Council. Fire Chief Grote reviewed the fire budget with Council. Blomquist asked how the investments have been. Fire Chief noted there have been retirements that figure in to this but the investments are improving. Hill explained there are two components to the expense

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number for Fire Relief, the one is the payment from the state and the other is from the City. Blomquist said there has been a change in that volunteer firefighters can use PERA and she is wondering if the Chief has looked into it. That would mean that if someone leaves and goes to another city the pension goes with them. Fire Chief said that the pension is different in every City. Jensen asked at what point more money is being spent on maintenance than it would cost to replace it. Two of the notable increases in the Fire Department budget are in increased maintenance costs and in salaries where they have requested an increase. Konrad noted that the rest of the budgets will be gone through at the next meeting.

Adjourned at 8:15 p.m.

Respectfully Submitted,

Bridgitte Konrad, City Administrator
jrl/TOSS