

North Branch City Council

Work Session

Date of Meeting: September 4, 2014

Present: Councilmembers: Ronald Lindquist, Theresa Furman, Kathy Blomquist, Joyce Borchardt, and Trent Jensen.

Also Present: City Administrator Konrad, Finance Director Hill and Fire Chief Grote

I. Call To Order

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

II. Senior Center Funding Request

Barb Nelson from the Senior Center appeared before Council and explained their request for funding. Barb Nelson explained they received \$1,600 in additional funding from various community resources. She then said she is looking for \$1,000 for 2014 because they made \$500 with their ice cream social. She also asked to budget \$3,000 for the senior center for 2015. Jensen said that he thinks the City is skirting the law when the City says this is a contract for services. Jensen said he does not know that this is the City's responsibility to provide meals. The City is forcing every citizen and every taxpayer to contribute to this. This is a worthy cause; however, he does not believe that the citizens should be paying for this. Jensen asked where the money will come from and what will be removed because the discussion will be to remove \$81,000 from the proposed budget. Jensen said he will not support this. Blomquist said she supports it because there is state law that allows it. Blomquist said she does not believe the City is skirting the law. Blomquist said that anyone who says there is not a state statute she knows there is. Blomquist said that the Senior Center is looking for help with less than 10% of their budget. Blomquist said there is \$1,000 this year to use toward the senior center for instance; the City could use the money that was not spent to hire a part time communications person. Furman said she is concerned about other groups using services that are not helping fund the senior center. Barb Nelson reviewed the areas where folks come for services. Borchardt said the City does not get human services dollars and she would like to personally donate but from the City's standpoint, she does not want to contribute. Furman asked if the audit was done if the County would provide funds. Barb Nelson said that provides the opportunity to apply and be considered. Blomquist said the audit will allow the Senior Center to apply for funding to all foundations. Lindquist said that if the Senior Center did the audit then he thinks the County may start funding them again. Jensen said it is not the City's job to be a social service agency. Blomquist said that there is a state statute that allows support of youth and senior organizations. Blomquist would like to give \$1,000. Furman would like to give \$500. Hill said that it is possible that there will be a few thousand left at the end of the year but this is a Council decision. Lindquist said that the \$1,500 was given and to come in now he cannot support. Council agreed to think about the funding and let the Senior Center know.

III. 2015 Budget

Hill outlined the proposed 2015 budget and explained the status of discussions. Hill indicated that there is a fee for conduit financing and that is about \$21,000, which could be used to fund certain things. Lindquist asked what each 10th of the budget percent increase is. Hill indicated that each 10th is \$4,300. Fire Chief Grote provided information on the fire budget. Grote pointed out that in years past he has been under budget and then the fire department loses that money and it goes to another area of the City that was over budget or needed the funds. Blomquist said she does not know how to cut \$70,000 from the fire department budget. Jensen pointed out that the budget is more than last year but yes, it is a cut from proposed budget. Lindquist would do 5 or 4.9% for the increase. Jensen would

like to stay with 5.2%. Lindquist said he would stay with 5.2%. Blomquist would like to go 6.2% because the fire department vehicles are probably not going to be repaired. Lindquist said that contracting the police department would save the City \$400,000. Jensen stated only 100 people were here complaining about it. There are options to cut the budget where necessary. Borchardt noted that the land in ESSBY has to be sold. Borchardt agreed to 5.2%. Furman said there are things that fire needs but she is not sure what she wants to do. Staff will prepare the preliminary levy documents at 5.2% increase.

IV. *Ecumen Refinancing Conduit Bonds*

Konrad explained that the City has bonding authority that other non-profits can use the City's tax exempt status if the City hasn't utilized it's allotment. Briggs and Morgan, the City's bond counsel, has contracted her to request the City consider allowing Ecumen to utilize the City's tax exempt status to refinance a bond. She noted that the City can charge an administrative fee for this anywhere from ¼ to 1 percent and that could raise about \$20,000. The fee is to account for the work that staff has to do to assist the process. Council would like to amend the fee schedule to include the fee for this conduit financing. Council would like to charge ¾ percent, but was open to other amounts.

V. *First Council Meeting in September*

Konrad noted that there are only two action items on for the September 8, 2014 meeting. Council agreed to cancel the meeting and move the two items to the September 28, 2014. Konrad noted that last Friday staff received a letter from DEED on a site selection for a large heavy manufacturing company.

Motion by Furman, seconded by Jensen to adjourn.

Adjourned at 8:11 p.m.

Respectfully submitted,

Bridgitte Konrad, City Administrator