

**City of Stewartville
City Council Special Meeting Minutes
Stewartville City Hall
September 6, 2011**

I. PLEDGE OF ALLEGIANCE

II. CALL TO ORDER – ROLL CALL –Mayor King called the meeting to order on September 6, 2011 at 7:00 pm. Present: King, RHanson, Miller-Beach, Stensrud and JHanson. Also Present: City Administrator Schimmel, Public Works Director Stevens, Finance Director Neubauer and Library Director Johnson.

III. ECONOMIC DEVELOPMENT – DEVELOPMENT AGREEMENT – SINN PROPERTY – RHanson reported that the EDA had heard a request from Tory Keefe and the House family requesting TIF assistance in the amount not to exceed \$60,000 for demolition and site improvements for a blighted area located at 400 South Main and 12 SE 4th Street (Sinn property). RHanson noted that the House family and Morris Sinn have entered into a purchase agreement. RHanson stated that the EDA was recommending approval of a Development Agreement as a blighted area will be developed. JHanson asked what the site would be used for once improvements were made and if additional employees would be hired. RHanson stated that the site would be for business development expansion. JHanson asked Stensrud why he had voted against the request at the EDA. Stensrud stated that he was not in favor of using TIF for bituminous surface but since the EDA meeting he has found out that the TIF would be used for sidewalks, drainage and infrastructure.

Motion by RHanson, second by Stensrud to direct Attorney Mary Ippel to prepare a Development Agreement for TIF assistance not to exceed \$60,000 for House Chevrolet, contingent on purchase of the property with \$35,000 payment at the completion of demolition and \$25,000 payment at the completion of the sidewalks, drainage and infrastructure.

For: King, Stensrud, Miller-Beach, RHanson

Against: JHanson

Motion passed.

IV. PROPOSED PRELIMINARY 2012 BUDGET

A. Budget Request Presentation

- Park Board – Mike Heimer presented a request for \$46,000 for Park Board 2012 projects that included renovation of Florence Park pavilion, netting at Bear Cave Ballfields and note payment on the Ballfield lights.
- SCCC – Kevin Koenigs presented a request for \$11,890 for SCCC 2012 projects that included a Tricaster for PAC control room, install cameras at the PAC, Granicus web video maintenance contract, and other small projects.
- Historical Society – Vicki Meredith thanked the Council for their continued support and requested the \$2000 that they had received in prior years. Meredith noted that the Sears Home is in need of replacement windows and foundation work. JHanson asked staff to investigate if TIF funds could be used for expansion of the Historical Society to another building (museum).
- Library – Director Johnson noted that the Library Board is recommending a flat budget except in those areas that they cannot control, i.e. insurance, utilities, wages and employee benefits.
- Administration – Schimmel noted \$12,000 had been included in the preliminary budget for computer technology (laptops for Council), an increase in the law enforcement contracts, expenses for the 2012 election and funds for the federal mandated sign

program. Schimmel reported that updates on the federal sign mandates are reflecting some major changes in the program which include replacing signs when needed with reflective signs and that all signs do not need to be installed by a certain date. Schimmel also noted that all departments remained relatively flat.

B. Budget Discussion

Finance Director Neubauer presented information on the State formula changes regarding the new homestead credit exclusion. Neubauer noted that at this time not enough information on the net result for estimated market value can be determined to predict the tax impact of any levy changes. Neubauer reported that based on information from the State Department of Revenue that if cities maintain their 2011 certified levy approximately a 4% increase would be seen on tax statements due to this new homestead credit exclusion formula. Neubauer reminded Council that the preliminary levy that is adopted can be decreased but not increased when the final levy is certified.

RHanson requested that Councilmembers determine what level of increase they could support, if any, and then review the proposed preliminary budget to arrive at that figure.

JHanson – no increase
Stensrud – under 3%
King – flat, same levy as 2011
Miller-Beach – no increase
RHanson – 3%

JHanson presented a plan to reduce administrative and engineering costs by cutting positions and reallocating job duties. The other members of Council felt that this type of discussion should be held with the Personnel Committee or in closed session.

Miller-Beach noted that at the present time the City pays 69% and employees 31% of the Health Savings Plan and felt that allocation should be reviewed. Council directed the Personnel Committee to review this policy.

Discussion on various items within the preliminary budget was held. Questions regarding decreases and increases on line items were asked.

Motion by RHanson, second by JHanson to reduce the proposed preliminary budget presented by \$132,000 with the following proposed cuts:

Reflective sign program	\$10,000
SCCC	\$ 5,000 (use reserves for 2012)
Laptop computers	\$12,000
Park Board request	\$ 8,000
Capital – Building	\$73,500
Capital – City Beautification	\$10,000
Mayor/Council wages	\$11,000
SEIF – membership	\$ 2,500

Unanimously approved.

ADJOURN – Motion JHanson, second by RHanson to adjourn. Unanimously approved.

Respectfully submitted,

Barbara K. Neubauer
Finance Director
Council Minutes 9.6.11