

The Cannon Falls City Council met in a regular session on Tuesday, December 2, 2014 at 6:30 p.m. in the City Council Chambers. Present were Mayor Robby Robinson; Council Members Bill Duncan, Jay Sjoblom, Morris Mattson, Rodney Holst, LeRoy McCusker, and Merlyce Johnson; and Council Member-Elect Cathy Gallups. Also present were Ron Johnson, City Administrator; Lanell Endres, Assistant City Administrator; Tom Bergeson, Public Works Director; Mike Guthrie, Interim Ambulance Director; and Jeffrey McCormick, Police Chief.

Call to Order Mayor Robinson called the City Council Meeting to order at 6:30 p.m.

Pledge of Allegiance Mayor Robinson led in the recitation of the Pledge of Allegiance.

Approval of Agenda A motion was made by Council Member Johnson, seconded by Council Member Duncan and unanimously carried, to approve the Agenda as submitted.

Public Input No one came forward to speak for Public Input.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending November 26, 2014
- B. Meeting Minutes for November 12, 2014, City Council Meeting
- C. Meeting Minutes for November 18, 2014, City Council Meeting
- D. Meeting Minutes for November 18, 2014, City Council Work Session
- E. Cannon Cruiser Car Club Annual Requests

A motion was made by Council Member Johnson, seconded by Council Member Duncan and unanimously carried, to approve the Consent Agenda as submitted.

Resolution 2109,
Adopting 2015 Tax
Levy and Budget

City Administrator Johnson presented the proposed 2015 Budget and Tax Levy. He noted that budget discussions had been held and the proposed Tax Levy reflected an increase of 3.7%. Administrator Johnson described the process by which the 2015 Budget and Levy would be adopted. The meeting also served as an opportunity for public input prior to Council action. He also noted the City's tax capacity was beginning to increase as residential and commercial property values have begun to rise. This has resulted in a decrease in the tax capacity rate from 2014. Examples of property tax impacts on individual residential properties were provided utilizing the proposed 3.7% Tax Levy increase. Property tax comparison data with other regional communities was provided, showing Cannon Falls to be below average in terms of property taxes.

Mayor Robinson inquired with regard to COLA (cost of living adjustments) for City employees. Administrator Johnson indicated

that the current proposed budget had a 2.5% COLA increase and Assistant Administrator Endres provided comparison data detailing a proposed 2.5% increase for the entire year, a 2% increase during the first half of the year and a 2.5% increase during the second half of the year resulting in a Levy increase of 3.5%, or a 2% increase for the entire year resulting in a Levy increase of 3.2%. Council Member Duncan asked what would happen if a 2% COLA increase was approved but not accepted after the labor union negotiation process has concluded. Administrator Johnson indicated that the difference would need to be made up from general fund reserves.

Council Member McCusker reviewed unique expenses that were incurred during 2014 along with lessons learned. He commented on projected increased revenue during 2015. He discussed the options of lowering the general fund reserves or utilizing bond funding for upcoming projects. He questioned Library storage and other expenses. Council Member Mattson also inquired with regard to Library storage expenses. Assistant Administrator Endres explained that this expense related to an internal accounting fund transfer, explaining that this process helped determine the cost of operating the Library. She added that other such building expenses were handled similarly.

Mayor Robinson recommended considering the option for a 2% COLA increase during the first half of 2015, followed by a 2.5% increase effective on July 1. Council Member Duncan inquired with regard to the process for making changes in the 2015 Budget and Levy at this point. Assistant Administrator Endres clarified that these changes could be made without delaying approval of the 2015 Budget and Levy. Council Members expressed agreement with this option.

Mayor Robinson opened the discussion for public comment. No one came forward to speak.

A motion was made by Council Member Johnson, seconded by Council Member Duncan, to adopt Resolution Number 2109, a resolution approving the 2015 Budget and Levy reflecting a 2% COLA increase during the first half of 2015, followed by a 2.5% increase effective on July 1, which would result in a 3.5% Tax Levy increase and a total Levy of \$2,246,709. All members present voted aye, the motion was declared passed.

Staff Reports

Public Works Director Bergeson commented with regard to budget comparisons from 2008, stating that the Public Works Department was operating at an 11% lower level from seven years ago. He expressed the need for the City to fund necessary expenses at a

higher level in the future and provided examples of budget cuts being maximized. Council Member McCusker supported the comments, emphasizing the need for maintenance in order to avoid the higher cost of repairs. Director Bergeson added that, as roads continued to improve, less funding would be needed for asphalt repairs and patching. Director Bergeson estimated approximately \$5 million in budget savings over the past seven years.

Police Chief McCormick provided an update with regard to meetings held for discussion of emergency planning efforts related to Byllesby Dam. Chief McCormick discussed the Minnesota Toward Zero Deaths safety campaign and issued a reminder regarding ways to avoid impaired driving.

Mayor Robinson congratulated Chief McCormick on his being credentialed with the Minnesota Chiefs of Police Association. Chief McCormick provided additional information with regard to the program and expressed appreciation for this recognition along with the support he had received.

City Administrator Johnson provided an update with regard to the League of Minnesota Cities and an upcoming two-day workshop. He noted that a presentation from the City's financial advisors would be scheduled in the near future for discussion of utility funds and rates. Public Works Director Bergeson commented on the cost of water and sewage treatment systems, stating that the utility rates charged by Cannon Falls were about average compared with other communities. He added that residents should call Public Works with questions about their water bills, as a water leak could be to blame.

Mayor and Council
Reports

The Mayor and Council Members welcomed Council Member-Elect Cathy Gallups.

Adjournment

The meeting adjourned at 7:13 p.m.

Adopted by the City Council of the City of Cannon Falls on the 16th day of December, 2014.

Lyman M. Robinson, Mayor

ATTEST:

Ronald S. Johnson, City Administrator