

**COUNCIL CHAMBERS
1670 STIEGER LAKE LANE
VICTORIA, MINNESOTA**

WORKSHOP MINUTES

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CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Funk called the Budget Workshop to order at 5:00 p.m.

Roll Call:

Council Members Present: Mayor Tom Funk; Council members Judy Black, Tom Gregory, Deb McMillan, and Tom Vogt.

Absent: None

Staff Present: City Manager Dana Hardie, City Clerk Cindy Patnode, and Finance Manager Trish Pollock.

Others present: Planning Commissioner John Iverson

There were no others in attendance.

WORKSHOP ITEMS

Maximum Tax Levy Budget Discussion

City Manager Hardie and Finance Manager Pollock reviewed the PowerPoint (*accessed via the website*) and requested direction from the Council. The goal is to adopt a preliminary levy and budget at the September 9th Council meeting. Staff is looking for Council to set priorities for the 2020 budget.

Based on Council direction from the June Budget Workshop (which maintains current service levels plus adding in the Council Strategic Plan goals), it increases the levy by 9.8% over 2019. It was noted that this does not mean that your property taxes are going up 9.8%. Ms. Hardie explained that it is advisable to budget for unplanned expenses this early in the budget cycle. The Council can reduce/eliminate funding prior to final adoption which will occur in December.

The Council would like to reconsider the yard waste issue with the possibility of instituting it again this year by using money that has been set aside in the contingency for unexpected legal fees.

Ms. Hardie stated that no budget has been allotted for this in the 2019 budget; it was by Council direction not to fund in 2019; it is a risk to use legal contingency funds since lawsuits have come forward and there are still have a number of months left before year end; Council should consider cutting other items in the budget to offset this expense if moving forward.

Consensus with the following additions to the proposed budget and/or practices were made by the Council:

1. Yard waste – Increase the max tax levy 1.2% (\$60,000) to allow the council to discuss. Council directed staff to add yard waste to the September 9 policy workshop to discuss yard waste disposal for 2020 and potentially for 2019 since adding yard waste in 2019 would impact the 2019 budget.
2. Emerald Ash Borer (EAB)-Recommended Plan (removal, replacement and treatment) = \$31,000 annually (This item is already in the Max Tax Budget so no net increase for EAB implementation). Council consensus was to include the “recommended plan” in the max tax budget.

3. “mySidewalk” public engagement and transparency software – although not full consensus for this item, it was determined to keep it for consideration and may be eliminated before the final budget is adopted. This software platform allows for transparency and would help the city achieve a number of goals associated with the Strategic Plan = \$9,950 annually
4. Implement a “Professional Services Contracts Policy” that includes a competitive solicitation process using a Request for Proposal (RFP) every three to five years with the preference for contracts as three year terms with two, one-year extensions.
 - a. City Manager to implement a first quarter annual consultant review to report on performance of the previous year.
5. Add \$100,000 per year to start building the Park Fund.
6. Accept the proposed numbers in the “Assigned Fund” with the modification to reduce the “Legal Expenses – Contingency for unexpected legal fees” from \$60,000 to \$30,000.

With the changes noted above, staff will prepare the Maximum Tax Levy and 2020 Budget for the September 9th Council meeting. State law requires the cities to certify their max tax levy and preliminary budget to the county by September 30, 2019.


Discussion was made regarding funding of parks (including Wassermann) and the need for parks and trail maintenance. Ms. Hardie stated that maintenance has a different source of revenue vs. acquiring parks and will provide information at a future meeting. Staff was directed to provide the Long-Term Park Plan for Council consideration. Council discussed fiscal responsibility and agreed to a 13.2% increase to the current budget for the Max Tax meeting on Sept. 9 with the knowledge that cuts can be made until the December Final Budget hearing.

No changes from the proposed were made for the downtown parking item nor the Wassermann Park funding. Upon further input, the Council requested the possibility of reducing speed limits on city streets to 25 mph due to a legislative change. This is an increased expense that could impact the Max Tax Levy and staff will work to determine actual costs.


ADJOURNMENT

On a motion by McMillan, seconded by Vogt, to adjourn at 6:43 p.m.
Motion carried unanimously.

ATTEST:



Cindy Patnode, City Clerk



Thomas C. Funk, Mayor