

Pursuant to due call and notice thereof, a Council Workshop of the North Mankato City Council was held in the Council Chambers of the Municipal Building on December 3, 2007. Mayor Zellmer called the meeting to order at 5:30 p.m. The following were present for the meeting: Mayor Zellmer, Council Members Schindle, Steiner, Norland and DeWitte, Administrator Sande, Finance Director Mork and City Clerk Gehrke.

**Review of Proposed 2008 Budget**

Finance Director Mork reviewed the PowerPoint of the 2008 General Fund Budget he would be presenting at the December 3, 2007 Council meeting. The 2007 General Fund Budget is \$5,013,745 and the proposed 2008 General Fund Budget is \$5,440,885, an increase of 8.52%. He reported the City recently received notice of an across-the-board increase of 5.00% in the Assessed Market Value for all residential properties and the 2008 Budget documents reflect this change. Prior to this increase taxes for residential properties would have remained at or near the same as the 2007 taxes, not including the last school referendum. With this increase, taxes will increase from 6.93 percent to 5.85 percent on residential properties valued at \$100,000 to \$300,000. The Mayor requested a letter be sent to the Nicollet County Board asking why we received such late notice on the 5.00% increase in the Assessed Market Value for residential properties.

Administrator Sande reported changes in Assessed Market Value are based on the sale price to Assessed Market Value ratio. If the sales ratio falls below 90 percent, the County Assessor is duty-bound to increase the Assessed Market Value. The time period used for this re-valuation is October 2005 to September 2006 and the sales ratio for this period was 88 percent. Staff asked for the sales ratio comparison from June 2007 to the present and the sales ratio for this period is 94 percent.

The 2008 Budget as presented is contingent on implementing the 1.00% franchise fee and includes the hiring of one Police Officer, a Mechanic and the addition of one staff member to the Community Development Department.

Administrator Sande recommended leaving the budget as it is presented and adopting the 1.00 percent franchise fee, but delaying any hiring until the second half of the year. Implementation of the franchise fee would allow the City to diversify its revenue base. The public hearings for the 2008 Budget and Capital Improvement Plan, 2008-2012 are held at the December 3, 2007 Council meeting with budget approval at the December 17, 2007 Council meeting.

**Review of Proposed Five-Year Capital Improvement Plan, 2008-2012**

Finance Director Mork reviewed the PowerPoint for the proposed Five-Year Capital Improvement Plan, 2008-2012 that he would be presenting at the December 3, 2007 Council meeting.

**Other**

Administrator Sande presented an updated drawing provided to School District 77 showing two possible locations for an elementary school. One is a 20-acre site north of Aspen Lane and the second is a 40-acre site south of Aspen Lane.

Administrator Sande reported a request will be made at the Council meeting to authorize an expenditure of up to \$3,000 from the Sewer Fund to aid the Coalition of Greater Minnesota Cities' effort to oppose MPCA's phosphorus rule. He has spoken with the Mankato City Manager and believes the City of Mankato will also participate in this effort.

Finance Director Mork reported a resolution for water and stormwater rates will be presented at the December 17, 2007 Council meeting.

There being no further business, the Council workshop was adjourned at 6:44 p.m.

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Mayor

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City Clerk