

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 November 14, 2011. Mayor Dehen called the meeting to order at 6 p.m. The following were present for the meeting: Mayor Dehen, Council Members Norland, Steiner, Schindle and Freyberg, Administrator Sande, Finance Director Thorne and City Clerk Gehrke.

**Continuation of 2012 Budget Discussion**

Administrator Sande distributed a letter from Senator Kathy Sheran recapping the impact of the Legislature removing the Market Value Homestead Credit.

Administrator Sande presented the report from the Sports Institute outlining the research they conducted regarding selling advertisements at Caswell Park to enhance revenues. The report concluded that approximately 6-8 signs would be sold in the first year with a projected profit of \$4,000. Council Member Schindle stated because of the large number of people visiting Caswell Park, he believes we could sell more advertising.

Administrator Sande reported staff has prepared a list of proposed budget adjustments which are included in three sections. Section 3 totals \$60,000 and is a list of budget reductions that were prepared by the departments in response to the Council's request. Section 2 lists the budget reductions drawn from the original list submitted by the staff and total \$147,000. Section 1 includes Council Member Freyberg's net reductions in the amount of \$11,700. He reviewed each section in detail reporting that crossing guards, Twin Rivers Council for the Arts, Summit Center and Mass Transit were not reduced. The recommendation for the swim facility is to reduce pool hours and staff.

Council Member Schindle questioned the limited savings of \$5,000 in snow removal by calling snow emergencies. Some discussion was held regarding the price of diesel fuel and gasoline. Council Member Norland asked if the library is comfortable dropping summer reading by \$3,500. Administrator Sande reported the Library Director provided an additional list of cuts because of the decrease in funding to the Library from Nicollet County. Administrator Sande reported *Friends of the Library* may step up to help with the summer reading program. Administrator Sande reported that all changes are predicated on a 7.5% levy level. Mayor Dehen reported that \$9,000 could be added back into the total amount cut from the proposed budget and still remain at the 7.5% levy level.

Council Member Freyberg stated it was important to know why he used the 2011 Budget to consider the cuts he made. He reported he believes it is important to compare actuals versus projections. Administrator Sande stated the October 31, 2011 reports have been completed and will be made available to the Council. Mayor Dehen asked staff to go through the budget line item by line item to discern if cuts could be made in other areas.

Administrator Sande recapped the list of proposed revenue enhancements reporting license fees, building permit fees and street lighting user fees were not proposed at this time. Possible revenue enhancements listed were signage at Caswell Park, increase in the rental fees and increases in the park shelter rental and community room rental, for a total proposed increase

in revenue of \$16,000. He reported the proviso is that no one knows what to expect from the State Budget on June 30, 2012.

Mayor Dehen stated he felt we should keep the levy level at 7.5%. Council Member Schindle stated he would not be opposed to making additional cuts. Council Member Steiner stated he felt the budget was very close to its final form. Council Member Norland thanked the staff for their work on the budget.

Signage at Caswell Park will be listed as an agenda item at the next Council meeting. A report of the attendance at Caswell Park will be made available for this meeting.

Administrator Sande reported the City of North Mankato received the James Farrell award from ASA for hosting four the highest rated tournaments in 2011.

Council Member Freyberg asked about the amount of the reserves that was used to balance the 2011 Budget. Administrator Sande report of the \$738,000 reduction in the 2011 Budget, half of that amount came from reserves. He also reported 2011 has been a good year for building permits.

A Council Budget Workshop was set for 6 p.m. on Monday, November 21, 2011.

There being no further business, the Council Workshop was adjourned at 6:34 p.m.

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Mayor

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City Clerk