

**APPROVED MINUTES
SPECIAL COUNCIL MEETING
CITY OF EAST GRAND FORKS
TUESDAY, SEPTEMBER 10, 2013 - 5:00 P.M.**

CALL TO ORDER:

The Special Meeting of the East Grand Forks City Council for September 10, 2013 was called to order by Council President Craig Buckalew at 5:00 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss, Council President Craig Buckalew, Council Vice President Greg Leigh, Council Members Clarence Vetter, Ron Vonasek, Henry Tweten, Mark Olstad, and Chad Grassel.

Dave Aker, Parks & Recreation Superintendent; Karla Anderson, Finance Director; Nancy Ellis, City Planner; Ron Galstad, City Attorney; Mike Hedlund, Police Chief; Gary Larson, Fire Chief; Karl Lindquist, Interim City Administrator; Megan Nelson, Executive Assistant; Jim Richter, EDHA Director; and Jason Stordahl, Public Works Director.

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present

NEW BUSINESS:

1. Consider adopting Resolution No. 13-09-87 approving the 2013 tax levy collectable in 2014 for a total amount of \$2,925,988 and set the Public Budget Meeting for December 3, 2013 at 7:00 p.m. with a continuance hearing December 17, 2013, at 7:00 p.m. if necessary.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER LEIGH, TO ADOPT RESOLUTION NO. 13-09-87 APPROVING THE 2013 TAX LEVY COLLECTABLE IN 2014 FOR A TOTAL AMOUNT OF \$2,925,988 AND SET THE PUBLIC BUDGET MEETING FOR DECEMBER 3, 2013 AT 7:00 P.M. WITH A CONTINUANCE HEARING DECEMBER 17, 2013, AT 7:00 P.M. IF NECESSARY.

Mr. Lindquist stated there had been a levy limit set by the state so the council cannot pass a levy that is more than \$2,925,988. He added that is a 1.3% increase to the 2013 budget. Council Vice-President Leigh said he wanted to let the public know that the preliminary budget is too high and he is not in favor of the 2.9 million in the levy. Council member Vetter asked if the increase to PERA contributions had been factored into the budget. Ms. Anderson said the levy hadn't been completely set for PERA contributions. Council member Vetter then asked if what was entered in the budget would be enough. Ms. Anderson stated that the fire and police will be

covered by this amount but she wasn't completely sure about the rest of the departments. Council member Tweten commented how the council needs to keep things moving and to keep the City growing when considering setting the levy.

Voting Aye: Olstad, Leigh, Grassel, Vetter, Vonasek, Buckalew, and Tweten.

Voting Nay: None.

2. Consider adopting Resolution No. 13-09-88 to approve the 2014 preliminary budget.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER VONASEK, TO ADOPT RESOLUTION NO. 13-09-88 TO APPROVE THE 2014 PRELIMINARY BUDGET.

Council Vice-President Leigh stated he could not accept this budget and added how the council should be approving a balanced budget. Council member Olstad asked what the main differences were between the resolution that was in the packet and the resolution that was passed out at the meeting. Ms. Anderson stated how some of the links in the spreadsheet were fixed, how revenue had to be added in some of the departments, and the biggest adjustment came when the insurance amount was reduced from 13% to 4%.

Mr. Lindquist stated how this budget is based off of having the levy at \$2,925,988. He went on to say that this is a deficit budget and how this is at least the 3rd version of the budget but that this also includes many items that could be cut like the funding for a proposed park on the north end of town as well as other items that could be cut. Mr. Lindquist also said that this was his first time preparing this budget and he wasn't completely sure what they council wanted. He added that is all of the wish list items, items that are wanted but not necessarily needed from the different departments, were cut from the budget it would decrease the budget by 1.12 million and would balance the budget since they are over by 1.11 million. He also stated that the budget is still being worked on but if the council wants to pass a balanced budget, all of the wish list items will be cut out. Council Vice-President Leigh stated again he preferred to pass a balanced budget.

Council member Tweten asked how the sales tax factor into the budget since the City will no longer be taxed as of January 2014. Ms. Anderson said that was not included in the budget but factored in to increasing the City's fund balance since that was suggested by the auditors. She added that those additional funds can be added to the revenue portion of the budget.

Council member Vonasek stated that this is just the preliminary budget and staff is still working on it. He continued on by saying how council will be cutting back what has been proposed. Mr. Lindquist also commented how this is just the preliminary budget and there will be more versions of the budget until the final budget is passed on December 3rd or December 17th if necessary so there is time to review and balance what has been proposed. Mr. Lindquist added that he wasn't sure how Mr. Huizenga had prepared the preliminary budget. Council Vice-President Leigh stated that the preliminary budget would be a balanced budget with the intent to look over the wish list. He added that he doesn't want the general public to get the wrong message through the media about the unbalanced budget since the final budget will not be a

deficit budget. Council President Buckalew asked if the council is able to pass a deficit budget. Ms. Anderson stated that they could as long as they had the funds in reserves. Council member Vetter stated that this was just the preliminary budget. Council member Tweten added that when the council is sitting through budget meetings it is very important to remember to make sure there is enough for maintenance of our systems and equipment.

Voting Aye: Olstad, Grassel, Vetter, Vonasek, and Tweten.

Voting Nay: Leigh and Buckalew.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER LEIGH, TO ADJOURN THE SEPTEMBER 10, 2013 SPECIAL COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:19 P.M.

Voting Aye: Olstad, Leigh, Grassel, Vetter, Vonasek, Buckalew, and Tweten.

Voting Nay: None.

Karl Lindquist, Interim City Administrator