

**Cambridge City Council Special Meeting Minutes
Monday, August 21, 2017**

A special meeting of the Cambridge City Council was held on Monday, August 21, 2017, at Cambridge City Hall Council Chambers, 300 3rd Avenue NE, Cambridge, Minnesota, 55008 from 2:30 to 5:25 pm.

Members Present: Mayor Marlys Palmer; Council Members Kersten Conley, Joe Morin, Jim Godfrey, and Lisa Iverson. All present, no absences.

Staff Present: City Administrator Woulfe, Finance Director Moe, and Deputy Fire Chief-Emergency Management Director Pennings.

Call to Order

Palmer called the meeting to order at 2:35 pm.

Discussion of Banking RFP Process

Moe indicated the City currently uses People’s Bank of Commerce for all its banking services. Moe indicated that prior Council direction was to “bid out” services such as banking, towing, attorney services, engineering services, and animal control every few years and this year would be the year the City would solicit proposals for banking services. Moe continued that People’s Bank of Commerce has all the e-tools the City needs to be efficient and productive and would prefer staying with People’s Bank of Commerce. Moe indicated that People’s Bank of Commerce has been sold to First Bank and Trust and would recommend to Council if they desire to seek banking proposals to wait until that merger has gone through.

Councilmembers discussed the banking RFP and determined to keep the banking services with People’s Bank of Commerce unless issues arise through the merger and the City would not get the same level of services.

Police Garage Funding Options

Moe review the potential funding options for the garage facility:

Estimated cost of the Police Garage Project	\$720,000
Proceeds from Sale of MNDOT facility	(298,135)
Unspent 2017 Police Capital Outlay Available for Project	(26,865)
Funding GAP for Project	<u>\$395,000</u>
Potential sources for funding GAP:	
Excess Building Permit Revenue not already programmed	\$60,000
City’s share of proceeds from sale of tax forfeited property	\$94,000
Draw on General Fund Balance The City maintains its general fund reserves in accordance with Council approved policy that requires we maintain reserves of 30%-50% of the next year’s estimated general fund levy and local government aid. At the end of 2016, we maintained reserve levels at 49% of the estimated	\$395,000

2017 general fund levy and local government aid. If we reduced our reserve levels by \$395,000 (the amount of garage funding sought), our percentage of reserve levels would have dropped to 41%.

Councilmembers determined the cost of the project was too expensive at this time and would put the construction of a police garage into the City's long range financial plan.

2018 Budget and Levy Discussions

Councilmembers reviewed the proposed 2018 budget and levy. Moe indicated she was asking the City Council to adopt a preliminary levy that is a 4.84% increase over the 2016 levy at the September 18, 2017 City Council meeting.

Councilmembers confirmed their decision to do the following to get the preliminary levy down from 14.77% to 4.84%:

Reductions in the Proposed Budget	Impact on levy for 2018
Park Capital Fund—removed all “new” amenities in the plan, only left replacement and care of existing park infrastructure	(\$135,000)
Pavement Management Fund— removed funding cash for overlays and City's share of TH 95 project in future. Will need to bond for these which will stretch out payments and add interest costs.	(\$200,000)
Cut Economic Development Support	(\$15,000)
Cut Police and Emergency Capital Requests	(\$22,000)
Cut City Hall Capital Requests	(\$10,000)
Cut Part Time Police and other minor PD Cuts	(\$35,000)
Cut City Attorney attending all meetings	(\$8,000)
Cut Arts in Parks unless Grant Received	(\$20,000)
Cuts to Streets Operating Budget	(\$33,000)
Cut to Engineering and Planning	(\$10,000)
Other cuts to Operations	(\$10,000)
Total reductions	(\$498,000)

Councilmembers discussed additional revenue options for the 2018 budget as follows:

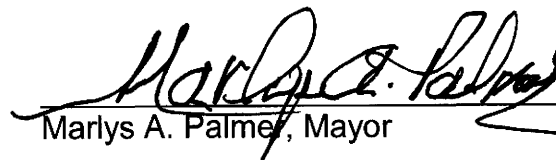
Idea	Impact
Street Light Franchise Fees	Impact to be determined based on construction. Action would eliminate approximately \$200,000 from the budget but would create fees likely

	ranging from \$5-\$15 per month for property owners.
Fire Rescue Fees – charging for automobile accidents and extrication. Concerns were raised about charging both City residents and township residents. Pennings was directed to research an ordinance adopting fire rescue service fees.	Estimated \$5000 or less
Eliminate current funding for future City Hall repairs and look at financing in the future. Look at adding solar panels paid for grants that could potentially generate a revenue stream to pay for City Hall repairs at that time.	Financial impact currently being research—will have at a future meeting. It would be a deviation from current policy to finance major repairs instead of paying cash for them.
Eliminate Take Home Care for Chief of Police	\$40,000 (estimated impact—do not purchase one squad in 2018 as planned)
Local Sales Tax Option for Funding Road Projects, Park Projects, and Library Project	City Administrator Woulfe to provide information on this—will take time to implement so will not impact 2018 levy.


Councilmembers also debated the implementation of a gas and electric franchise fee. There was not sufficient Council support to continue with the steps of implementing gas/electric franchise fees. No official decisions were made on the discussed options but staff was directed to present additional information on these topics at a future meeting.

Adjournment

Being no further business for the special meeting, Morin moved, seconded by Godfrey to adjourn at 5:25 pm. The motion carried unanimously.


 Marlys A. Palmer, Mayor

ATTEST:


 Lynda J. Woulfe, City Administrator