

**TAYLORS FALLS CITY COUNCIL MEETING
COUNCIL CHAMBERS
MONDAY, DECEMBER 12, 2011 – 7:00 P.M.**

MINUTES

The Agenda for this Meeting was posted Wednesday, December 7, 2011, at City Hall, the Post Office and on the City's Web Site. Copies were e-mailed to residents requesting such, and the Press was notified.

The Taylors Falls City Council met for a regular meeting on Monday, December 12, 2011 7:00 p.m. in Council Chambers at City Hall, 637 First Street, Taylors Falls, Minnesota.

CALL TO ORDER

The Meeting was called to order at 7:00 p.m. by Mayor Mike Buchite.

PLEDGE OF ALLEGIANCE

All those present at the meeting recited the Pledge of Allegiance to the United States flag.

ROLL CALL

MEMBERS PRESENT: Mike Buchite, Ross Rivard, John Tangen, Larry Julik-Heine, Mary Jo Murphy

MEMBERS ABSENT: None

OTHERS PRESENT: Denise Martin from the Chisago County Press

ADOPTION OF AGENDA

MOTION BY JULIK-HEINE/RIVARD TO APPROVE THE AGENDA, AS PRESENTED, FOR THE DECEMBER 12, 2011 COUNCIL MEETING. MOTION CARRIED UNANIMOUSLY.

ADOPTION OF CONSENT AGENDA

MOTION BY TANGEN/JULIK-HEINE TO APPROVE/ACCEPT THE FOLLOWING CONSENT AGENDA ITEMS: MINUTES OF CITY COUNCIL MEETINGS HELD ON NOVEMBER 14 AND NOVEMBER 28, 2011; AND SPECIAL COUNCIL INTERVIEW MEETINGS HELD NOVEMBER 29 AND 30, 2011 AND DECEMBER 1 AND 7, 2011; STAFF REPORTS; COMMISSION/BOARD OR COMMITTEE MINUTES/REPORTS; RECONSIDER RESOLUTION 11-10-02 ADOPTING SPECIAL CHARGES FOR 2011; CONSIDER TAYLORS FALLS FUND BALANCE POLICY; CONSIDER CLOSING FUND 505 1977 LOCAL IMPROVEMENT FUND; APPROVAL OF CLAIMS & PAYROLL; AND CORRESPONDENCE. MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARING – TRUTH & TAXATION

2012 PROPOSED PROPERTY TAXES

The Mayor opened the Public Hearing at 7:05 p.m. The Clerk read the Public Notice into the record:

*Notice of Proposed Property Taxes
City of Taylors Falls*

The Taylors Falls City Council will hold a public hearing on its budget and on the amount of property taxes it is proposing to collect to pay for the costs of services the City will provide in 2012.

*Monday, December 12, 2011, 7:05 p.m.
Taylors Falls City Hall*

All City residents are invited to attend the public hearing of the City Council to express their opinions on the budget and on the proposed amount of 2011 property taxes.

An informational packet was provided to the public complete with budget information and information regarding Minnesota's taxation system. The Mayor reported that this year was an exceptionally difficult one for budgeting given the replacement of the State's Market Value Homestead Credit

program. Each taxing entity was impacted differently depending upon the market value of the properties within their district, but generally speaking, tax rates have increased. Partly due to the decline in property values, then coupled by the new program that reduces values even further. These entities may not be spending more money, yet their rates increased. Despite this trend, Taylors Falls was unique in that its tax capacity actually increased. This was due to the additional value of the new Lawrence Creek Substation and the pole structures built by Excel Energy. For that reason, the City was able to budget a reserve of \$35,000.00 to be used towards the future painting of the City's water tower, and captured \$60,000.00 by tax abatement from the Xcel property taxes to pay for the debt service payments for the Business Park infrastructure project. Despite how the Homestead Credit affected other entities, Taylors Falls was able to reduce the tax rate for its taxpayers, which was again the only City in Chisago County to lower its tax rate.

	2011	2012	Change from 2011- 2012
Total Tax Levy	\$581,510.00	\$618,636.00	+ 6.38%
General Fund Levy	\$326,316.00	\$296,639.00	- 9.09%
City Tax Rate	80.663%	78.750%	- 1.913

The Mayor asked for public comment IN FAVOR OF, OPPOSED TO or NEUTRAL TO the proposed 2012 budget and the property taxes the City proposes to collect to pay for the costs of services it will provide.

Hearing none, MOTION BY MURPHY/JULIK-HEINE TO CLOSE THE PUBLIC HEARING ON THE 2012 PROPOSED BUDGET. MOTION CARRIED UNANIMOUSLY.

The Mayor announced that the Council would take final action on the 2011 Property Tax Levy, Payable in 2012 and the 2012 Budget at the December 27, 2011 City Council Meeting. The Public Hearing closed at 7:07 p.m.

PUBLIC FORUM

None.

STAFF REPORTS & REQUESTS

ADMINISTRATIVE DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE NOVEMBER 2011 FINANCIAL REPORTS PRESENTED BY CLERK-TREASURER JO EVERSON.

CHISAGO COUNTY SHERIFF'S DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA SERGEANT SHANE CARROLL'S NOVEMBER 2011 CHISAGO COUNTY SHERIFF'S DEPARTMENT REPORT.

CITY ATTORNEY

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE NOVEMBER 2011 BILLING STATEMENT FROM THE CITY ATTORNEY'S OFFICE OF KELLY AND LEMMONS, P.A.

PUBLIC WORKS DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE NOVEMBER 2011 PUBLIC WORKS DEPARTMENT REPORT PRESENTED BY SUPERINTENDENT MIKE KRIZ.

FIRE DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE NOVEMBER 2011 FIRE DEPARTMENT REPORT AS PRESENTED BY FIRE CHIEF AL RIVARD.

COMMISSION, BOARD OR COMMITTEE MINUTES/REPORTS

None.

STAFF REQUESTS

None.

UNFINISHED BUSINESS

None.

NEW BUSINESS

CONSIDER APPROVING COSTS TO REPAIR FIRE TRUCK

Council Member John Tangen requested that this agenda item be tabled until the next meeting since the Fire Department did not have the invoice for the repair work in progress on Truck #2.

MOTION BY TANGEN/JULIK-HEINE TO TABLE FURTHER CONSIDERATION TO APPROVE THE COSTS TO REPAIR THE #2 FIRE TRUCK UNTIL THE DECEMBER 27, 2011 COUNCIL MEETING. MOTION CARRIED UNANIMOUSLY.

RECONSIDER RESOLUTION 11-10-02 SPECIAL CHARGES FOR 2011

THE CITY COUNCIL ADOPTED BY CONSENT AGENDA RESOLUTION 11-10-02, AS AMENDED, ADOPTING SPECIAL CHARGES FOR 2011. (attached)

CONSIDER TAYLORS FALLS FUND BALANCE POLICY

THE CITY COUNCIL ADOPTED BY CONSENT AGENDA THE TAYLORS FALLS FUND BALANCE POLICY AS PRESENTED. (attached)

CONSIDER RESOLUTION 11-12-02 APPROVING THE CLOSING OF FUND 505

THE CITY COUNCIL ADOPTED BY CONSENT AGENDA RESOLUTION 11-12-01 APPROVING THE CLOSING OF FUND 505, THE 1997 LOCAL IMPROVEMENT FUND. (attached)

APPROVAL OF CLAIMS & PAYROLL

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE PAYMENT OF CHECK NUMBERS 24308 – 24348 TOTALLING \$44,215.01; AND CHECK NUMBERS 5998 - 6010 TOTALLING \$12,497.39 FOR NOVEMBER PAYROLL.

LIAISON OR COUNCIL MEMBER REPORTS

None.

CORRESPONDENCE

THE CITY COUNCIL ACKNOWLEDGED BY CONSENT AGENDA THE FOLLOWING CORRESPONDENCE PROVIDED IN THE DECEMBER 12, 2011 CITY COUNCIL MEETING PACKET:

1. LMCIT INSURANCE COVERAGE CHANGES
2. MN DNR WATER APPROPRIATION PERMIT
3. STAFF CORRESPONDENCE & EMAIL'S

ADJOURNMENT

MOTION BY JULIK-HEINE/MURPHY TO ADJOURN THE MEETING OF THE TAYLORS FALLS CITY COUNCIL HELD THIS DECEMBER 12, 2011. MOTION CARRIED UNANIMOUSLY.

Being no further business to come before the Council, the Meeting adjourned at 7:10 p.m.

Michael D. Buchite, Mayor

Jo Everson, Clerk-Treasurer

APPROVED: JANUARY 9, 2012

**AMENDED
RESOLUTION 11-10-02**

**CITY OF TAYLORS FALLS
CHISAGO COUNTY
STATE OF MINNESOTA**

**A RESOLUTION ADOPTING SPECIAL CHARGES
FOR THE TAX YEAR 2011 TO BE COLLECTED IN 2012**

WHEREAS certain properties Taylors Falls have been charged specific fees for various purposes; and

WHEREAS there currently remains unpaid balances due the City; and

WHEREAS the means of collecting these debt are provided by the Taylors Falls Code of Ordinances Section 502 Assessable Current Services and under Minnesota Statute §429.101;

SO THEREFORE BE IT RESOLVED by the Taylors Falls City Council that it hereby adopts the following list of unpaid 2010 Special Charges to be levied upon the individual properties for the tax year 2010 to be collected in 2011 along with property taxes:

PID #	OWNER	CHARGE	PURPOSE	FUND
R20.00406.00	Deutsche Bk Natl Trust Co	\$450.00	Weed Removal	100
R20.00406.00	Deutsche BK Natl Trust Co	\$316.10	Delinquent Utility Bill	601
R20.00588.00	BAC Home Loans Servicing	\$164.93	Delinquent Utility Bill	601
R20.00588.00	BAC Home Loans Servicing	\$450.00	Weed Removal	100
R20.00023.00	Patrick M & Leann M Tepoorten	\$197.88	Delinquent Utility Bill	601

Adopted by the City Council on October 24, 2011
Amended by the City Council on December 12, 2011

Michael D. Buchite, Mayor

ATTEST:

Jo Everson, Clerk-Treasurer

**CITY OF TAYLORS FALLS
FUND BALANCE POLICY
Adopted December 12, 2011**

I. PURPOSE

The purpose of this policy is to establish specific guidelines the City of Taylors Falls will use to maintain an adequate level of fund balance to provide for cash flow requirements and contingency needs because major revenues, including property taxes and other government aids are received in the second half of the City's fiscal year.

The purpose of this policy is to also establish specific guidelines the City of Taylors Falls will use to classify fund balances into a categories based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

II. CLASSIFICATION OF FUND BALANCE/PROCEDURES

1. Nonspendable

- This category includes a fund balance that cannot be spent because it is either (i) not in spendable form or (ii) is legally or contractually required to be maintained intact. Examples include inventories and prepaid amounts.

2. Restricted

- Fund balance should be reported as restricted when constraints placed on those resources are either (i) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (ii) imposed by law through constitutional provisions or enabling legislation.

3. Committed

- Fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to commit those amounts.
- The City's highest level of decision making authority (City Council) will annually or as deemed necessary commit specific revenue sources for specified purposes by resolution. This formal action must occur prior to the end of the reporting period, however, the amount to be subject to the constraint, may be determined in the subsequent period.
- To remove the constraint on specified use of committed resources the City Council shall pass a resolution

4. Assigned

- Amounts that are constrained by the government's intent to use for specified purposes, but are neither restricted nor committed. Assigned fund balance in the General Fund includes amounts that are intended to be used for specific purposes.
- The City Council has delegated the authority to assign and remove assignments of fund balance amounts for specified purposes to the City Clerk-Treasurer.

5. Unassigned

- Unassigned fund balance represents the residual classification for the General Fund. Includes amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.
 - i. The City will maintain an unrestricted fund balance in the General fund of an amount not less than 35% - 50% of the next year's budgeted expenditures of the General fund. This will assist in maintaining an adequate level of fund balance to provide for cash flow requirements and contingency needs because major revenues, including property taxes and other government aids are received in the second half of the City's fiscal year.

III. STABILIZATION ARRANGEMENTS

Stabilization arrangements are defined as formally setting aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

The City will set aside amounts by resolution as deemed necessary that can only be expended when certain specific circumstances exist. The resolution will identify and describe the specific circumstances under which a need for stabilization arises. The need for stabilization will only be utilized for situations that are not expected to occur routinely.

IV. MONITORING AND REPORTING

The City Clerk-Treasurer shall annually prepare the status of fund balances in relation to this policy and present to the City Council in conjunction with the development of the annual budget.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1.) committed 2.) assigned and 3.) unassigned.

A negative residual amount may not be reported for restricted, committed, or assigned fund balances in the General fund.

Adopted by the City Council on December 12, 2011

Mayor Michael D. Buchite

Attest:

Jo Everson, Clerk-Treasurer

RESOLUTION 11-12-02

**CITY OF TAYLORS FALLS
COUNTY OF CHISAGO
STATE OF MINNESOTA**

**A RESOLUTION APPROVING THE CLOSING OF FUND 505,
THE 1997 LOCAL IMPROVEMENT FUND**

WHEREAS the City of Taylors Falls adopted a special assessment role on August 21, 1997 entitled 1997 Local Improvements; and

WHEREAS the \$55,686.00 assessment role was levied against three properties for a period of ten (10) years at an interest rate of 8% per annum, collected through the property tax system; and

WHEREAS a fund was established (505) to receive the monies collected each year; and

WHEREAS that assessment period has expired and there have been no revenues posted to the fund with the exception of interest each year; and

WHEREAS it was the recommendation from the City's auditing firm, Abdo Eick & Meyer, to close Fund 505;

SO THEREFORE BE IT RESOLVED by the Taylors Falls City Council that it hereby authorizes the closure of Fund 505, the 1997 Local Improvement Fund, and deposit the \$149.59 remaining in said fund and deposit it into the General Fund (101).

ADOPTED DECEMBER 12, 2011

Michael D. Buchite, Mayor

ATTEST:

Jo Everson, Clerk-Treasurer