

Councilpersons:
First Ward: Gallenberger, Gibson
Second Ward: Schmidt, Hiers
Third Ward: Meurer, Bricher

Mayor: John Meisch
City Attny: Peter Ekstrand
City Adm: David Schmidt
City Clerk: Susan Schamaun

Date: August 17, 2010

PROCEEDINGS OF THE CITY COUNCIL SPECIAL MEETING

A special meeting of the City Council of the City of Wabasha was held at the Ambulance Barn on Tuesday, August 17, 2010 and was called to order at 1:00 pm by Mayor John Meisch.

Roll call found Councilpersons Gallenberger, Schmidt, Hiers, Bricher, Meurer, and Mayor Meisch present. Councilperson Gibson arrived at 1:08 pm.

Also present were department heads: Tony Johnson, Molly Patterson-Lundgren, Michele McCaughtry, Darren Sheeley, Police Chief Dave Kruger, Keith Hough, and Dave Vosen.

Also present were Ruby White, Nicole Borg, Rollin Hall, Gayle Gillespie, Talman Wiles and police officer Jesse Vold.

2.1 Financial Plan Contract: Mayor Meisch explained this agenda item was discussed at the August 3rd Council meeting and direction was given to move forward in developing a contract with David Drown Associates for a City Financial Plan in the amount of \$5,000. He also stated City Attorney Peter Ekstrand has reviewed the contract and, in his opinion, it is acceptable.

David Schmidt reported a complete Financial Plan will take 2-3 months to complete and he also stated he stressed to Mr. Mike Bubany of David Drown Associates that it would be very helpful if Council had the completed Financial Plan prior to approving the final budget in December.

After discussion, Councilpersons Hiers and Bricher moved to approve the Financial Plan Contract with David Drown Associates in the amount of \$5,000.00 as presented. Adopted by the following vote:

Ayes: Schmidt, Hiers, Bricher, Meurer, Gallenberger, Gibson

Nays: None

Abstain: Mayor Meisch

2.2 Healthcare: David Schmidt stated after the August 3rd Council meeting he was directed to work with Attorney Peter Ekstrand and the City's insurance agent, Mr. Rick Nester, and it is still to be determined if Minnesota Care is the back-up plan with BlueCross as the Primary for City Attorney Peter Ekstrand and his wife. He further stated Mr. Rick Nester would like to schedule September 1st for the shift for City employees to transfer to Preferred One with Attorney Peter Ekstrand and his wife, if qualified, would shift to BlueCross with Minnesota Care as the alternative option and this would be done based on no lapse in coverage.

Attorney Peter Ekstrand stated Mr. Jim Young of Winona Agency indicated to him that he would probably be denied by BlueCross if the waiver for pre-existing for his wife is approved. He stated Winona Agency has indicated they should hear by the end of the month.

It was determined Attorney Peter Ekstrand could come back to Council if deductibles for his plan become an issue.

Councilpersons Bricher and Gibson moved to direct David Schmidt, City Administrator, and City Attorney Peter Ekstrand to work with Winona Agency to ensure continuous coverage for City Attorney Peter Ekstrand and his wife and authorize the City Administrator, David Schmidt, and Mayor Meisch to sign necessary documents to make payments for coverage. The motion was adopted by the following vote:

Ayes: Hiers, Bricher, Meurer, Gallenberger, Gibson, Schmidt and Mayor Meisch

Nays: None

2.3 Budget Workshop: Budget information reviewed was based on no LGA and 72% less LGA. Then there were two options for levy based on \$1,110,000.00 and the second using 2011 levy limit along with the 2011 Special levy for a total Available Levy for 2011 at \$1,341,190.00. Mayor Meisch stated he does not believe what is passed today, will be or should be the final approved budget. Further, he stated because the City does not know what will happen with LGA, Council needs to encompass the maximum levy and then work back from that point. The City can recapture what has been cut for the past two years. He felt this is a pool of money that he would like to see made available, whether spent or not, in case LGA goes to zero or the City does not get their December LGA allotment. If Council approves a budget with a portion of these levies somewhere between 0 and the maximum the Council feels they can do, excess LGA (LGA we do get) along with the NEC funds and a portion of the Permanent Improvement Fund could be focused on roads.

David Schmidt stated 2009 the City lost \$170,000 in LGA cuts and the City lost \$190,000 in 2010. The City lost the ability to levy what was lost in 2009 but the City can re-levy using the Special Levy for 2010. Out of 15 items the City could special levy for, he stated he opted to only select the following:

- Levies to recover 2010 LGA cuts in ratified unallotments
- Levies to recover 2010 LGA cuts in supplemental budget passed by 2010 legislature
- Levies to recover 2010 MVHC reimbursement cuts in supplemental budget

The State, in the past, would reimburse cities for MVHA (Market Value Home Credit) but they no longer return this money to the cities. The total for possible special levies is approximately \$358,058.00.

David also stated the budget also reflects 5-10% increases in fees across the board, requiring approval, for City fees ranging from campground leases, liquor license fees, slip fees etc. Also, City staff has a preliminary drawing for the Jaycee Park campground showing 27 sites. He stated this benefits the City as it brings 27 more families into Wabasha.

Mayor Meisch stated he recommends passing the budget which reflects the 2011 levy limit with the 2011 special levy reflecting a total available levy for 2011 at \$1,341,190.00 which allows Council to make cuts. Once the preliminary budget is passed, it cannot be added to, but it may be cut. The preliminary budget should allow Council the parameters to operate.

Councilperson Gallenberger stated she does not support a budget reflecting a levy of \$1,341,190.00 when the City has no intention of passing it for a final budget as it is unrealistic.

After further discussion, Councilpersons Bricher and Gibson moved to approve the 2011 Preliminary Budget with a Total Available Levy for 2011 at \$1,341,190.00 and include the budget reflecting a Levy at \$1,110,000.00 and direct City Administrator, David Schmidt, to place on the September 7th Council meeting agenda. Adopted by the following vote:

Ayes: Bricher, Meurer, Gibson, Hiers, Mayor Meisch

Nays: Gallenberger, Schmidt

Having no other business, the meeting unanimously adjourned at 2:20 pm.

Susan Schamaun, City Clerk