

**City of Moorhead  
Committee of the Whole  
Meeting Minutes  
November 28, 2011 at 8:30 PM  
City Hall Council Chambers**

Pursuant to due call and notice thereof, a regular meeting of the Committee of the Whole was held in the City Hall Council Chambers, on November 28, 2011, at 4:30 PM.

**Roll call of the members was made as follows:**

1st Ward Council Member:	Luther Stueland	Present
1st Ward Council Member:	Nancy Otto	Present
2nd Ward Council Member:	Diane Wray Williams	Present
2nd Ward Council Member:	Mark Altenburg	Present
3rd Ward Council Member:	Dan Hunt	Present
3rd Ward Council Member:	Brenda Elmer	Present
4th Ward Council Member:	Mark Hintermeyer	Present
4th Ward Council Member:	Greg Lemke	Present
Mayor:	Mark Voxland	Present

**Committee of the Whole Meeting**

1. Preliminary 2012 Operating & Capital Budget Discussion

Minutes: Mayor Voxland called the meeting to order.

Michael Redlinger, City Manager, provided a handout detailing the Preliminary 2012 Operating & Capital Budget approved by the City Council on September 12, 2011. A second handout was provided detailing changes to the Preliminary 2012 Operating & Capital Budget based on City Council discussion on November 21, 2011.

City staff clarified the following in response to Mayor and Council questions:

- The Homestead Market Value Exclusion Program, which replaced the Market Value Homestead Credit Program, will create a Citywide property tax loss of \$354,350.
- Funding of 2.0 Public Safety FTE's (1 Fire Fighter, 1 Patrol Officer) will restore the Police Department and Fire Department to previous staffing levels.
- The Fire Department Management Realignment is intended to utilize cost reductions for managerial duties in order to prioritize funding for street-level positions.
- A 0.40% additional electric transfer to the General Fund is a strategy to try to increase revenues to fund vacant public safety positions.
- The City Council approves the Economic Development Authority (EDA) levy, however; the EDA sets its own budget as a separate entity.
- A voluntary time-off program may provide some cost savings, but it is difficult to budget for these cost savings in an annual budget due to

the voluntary nature of the program.

The Mayor and Council Members stated the following:

- Concern was noted on the defunding of community partnerships.
- Concern was noted in requesting additional electric fund transfer revenue from Moorhead Public Service at this point in their budget process.
- Concern was noted in funding specific public safety positions over other needed City positions.
- A decrease in the Snow/Grass/Streets fund may make it difficult for the City to adequately maintain acquired flood properties and provide street upkeep.
- It is encouraged that the City utilizes creative options to generate revenue or collaborate to cut costs in future budgets.

Meeting adjourned at 5:25 p.m. with the intent of reconvening following the regularly scheduled City Council meeting.

Minutes: Mayor Voxland reconvened the meeting at 8:25 p.m.

City staff clarified the following in response to Mayor and Council questions:

- In 2011 the City was certified by the State of MN to receive \$7.6M in Local Government Aid (LGA). The increased LGA funds were primarily dedicated to the Snow/Grass/Streets initiative. A portion of these LGA funds was unallotted by the State. Some cushion was built into the General Fund to be able to withstand a possible unallotment. This cushion is not dedicated in the 2012 budget. The certified LGA amount for 2012 is \$6.7M.
- In the proposed budget the total electric fund transfer is set at approximately 17.4%

The Mayor and Council Members stated the following:

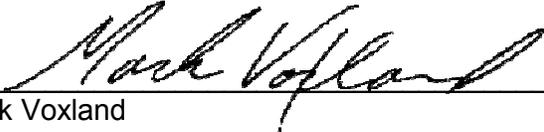
- Concern was noted in requesting additional electric transfer to the General Fund from Moorhead Public Service.
- It was noted that the City is allowed by the Moorhead City Charter to transfer up to 20% in electric transfer from Moorhead Public Service. It is preferred that the electric transfer be increased beyond the current 17.4%.
- It is preferred that the budget restore community partnership funding even if it is not to full 2011 levels.
- The state-imposed Market Value Exclusion Program creates a situation where cities will likely have to increase property taxes in order to balance their budgets.
- It is preferred that the 0.4% additional electric fund transfer not be dedicated to public safety positions.

- The current economy is stretching the ability of residents to afford any levy increase.

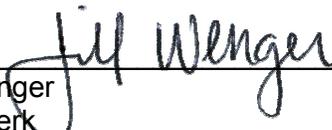
City staff were directed to bring forward a 2012 Operating and Capital Budget at a 6.3% property tax rate increase and additional 1.40% electric fund transfer to the General Fund for consideration at the December 12, 2011 City Council meeting.

Meeting Adjourned at 9:14 p.m.

APPROVED BY:

  
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Mark Voxland  
Mayor

ATTEST:

  
\_\_\_\_\_  
Jill Wenger  
City Clerk

The proceedings of this meeting are digitally recorded and are available for public review.

*Respectfully submitted by:*  
*Jill Wenger, City Clerk*