

**CITY OF PLYMOUTH  
AGENDA  
SPECIAL COUNCIL MEETING  
September 6, 2011, 6:00 p.m.  
MEDICINE LAKE CONFERENCE ROOM**

**1. CALL TO ORDER**

**2. TOPICS**

- A. Discuss 2012/2013 Budget
- B. Set Future Study Sessions
- C. Announcement from Councilmember Kathleen Murdock

**3. ADJOURN**

**SPECIAL  
COUNCIL MEETING**

**September 6, 2011**

**To:** Laurie Ahrens, City Manager

**Prepared by:** Cal Portner, Administrative Services Director

**Reviewed by:**

**Item: Budget Meeting #4**

**1. ACTION REQUESTED:**

Review presented budget materials and provide staff direction for the Preliminary 2012 tax levy which will be approved for certification to Hennepin County on September 13, 2011.

**2. BACKGROUND:**

This is the fourth Council Budget Meeting. At the August 23, 2011, meeting the Council was presented with tax impact information for the median valued home in Plymouth (Scenario A). The levy impact on the median value home was a 5% increase.

Council requested two budget scenarios. Scenario B provides for the same general levy as in 2011. The impact of the same levy on the median valued home is a 3.91% increase over 2011.

Scenario C provides for the budgetary outcome of a zero tax impact on the median value home. In order to maintain the same tax levy on the median value home, \$1,294,000 will need to be cut from the proposed 2012 budget and \$1,310,358 from the 2013 budget.

The following reflects budgets from 2009 to the 2013 proposed:

**SCENARIO A:**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>PROPOSED</b>	
				<b>2012</b>	<b>2013</b>
<b>Levy</b>	28,347,568	28,175,301	28,176,682	28,465,392	28,790,254
<b>Levy Change % Gen Fund</b>		-0.61%	0.00%	1.02%	1.14%
<b>Budget</b>	27,932,495	29,326,925	29,591,112	30,222,613	30,476,115
<b>Increase %</b>		4.99%	0.90%	2.13%	0.84%

**SCENARIO B:**

Zero % levy increase over 2011:	<b>Levy</b>	28,176,682	28,497,896
	<b>Levy Change %</b>	0.0%	1.14%
	<b>GF Budget</b>	29,933,903	30,183,757
	<b>Reduction from proposed GF Budget</b>	288,710	292,358

**SCENARIO C:**

Zero % tax increase on the median value:	<b>Levy</b>	27,171,392	27,479,896
	<b>Levy change %</b>	-3.57%	1.14%
	<b>GF Budget</b>	28,928,613	29,165,757
	<b>Reduction from proposed GF Budget</b>	1,294,000	1,310,358

### SCENARIO A

The original budget presented to Council contained a 2012 levy increase of 1% and a 2013 levy increase of 1.14%. The budget includes the elimination of five positions and the reduction of two other positions.

### SCENARIO B

Reducing the levy in Scenario B requires a cut of \$288,710 from the proposed budget. Staff recommends the following cuts and adjustments to maintain the 2012 levy at the 2011 level:

\$ 200,000	Reduce Contingency
\$ 90,000	Buy down property/casualty insurance premiums with reserves

In 2013, for Scenario B, to maintain the proposed increase, the budget would need to decrease by \$292,358. To decrease the 2013 budget, staff recommends the following reductions:

\$ 100,000	Buy down property/casualty insurance premiums with reserves
\$ 200,000	Reduce the Capital Improvement Fund Levy

Beginning in 2012, we are changing our Property/Casualty insurance program to account for claim activity. Because departments will repay the Risk Management Fund for claims, the fund will have an ongoing revenue source. The existing fund balance is proposed to be used to offset the premium costs until the fund balance meets city policy.

The Capital Improvement Fund has been used for railroad crossing improvements, the public safety building expansion, Hilde improvements, West Med Lake Park pavilion planning, and city center entrance signage. The fund currently has a cash balance of \$2.7 million and is projected to have a year-end balance of \$3.5 million in 2013. The CIP includes \$105,000 in 2013 and 2015 for Railroad crossing improvements.

### SCENARIO C

Reducing the tax impact on the median value home to zero requires an expenditure/revenue adjustment of nearly \$1.3 million for 2012 and an additional \$1.3 million in 2013. Following is a list of potential budget cuts and revenue enhancements to meet the 2012 budget:

\$ 200,000		Reduce Capital Improvement Fund Levy
\$ 150,000		Reduce Contingency (2012 only)
\$ 50,000		Increase Salary Vacancy Rate – freeze openings (2012 only)
\$ 100,000		Offset Property/Casualty Premiums with reserves
\$ 50,000	FD	Eliminate Public Education Program
\$ 50,000	PD	Eliminate Public Education Program
\$ 15,000	PR	Reduce Beach Program – close one beach
\$ 10,000	PR	Reduce Plymouth Arts Program
\$ 10,000	PR	Reduce Contribution to Music in Plymouth (from \$30K)
\$ 15,000	PR	Reduce Seasonal Forestry Employee
\$ 16,000	PR	Eliminate Neighborhood Park Spraying
\$ 80,000	PW	Reduce Asphalt/Concrete work
\$ 200,000	PW	Eliminate Cul de Sac Slurry/Sealcoat Program
\$ 30,000	REV	Add Signal Light Utility Fee

\$ 70,000 REV Add Streetlight Utility Fee  
 REV Add Utility Franchise Fees  
 REV Increase Field Maintenance Fees

In Scenario C for 2013, \$1,310,358 would need to be cut in addition to the 1.14% increase to the levy. The 2013 budget already includes a reduced contingency, higher salary vacancy and a reduced Park Maintenance Levy. The 2012 revenue budget includes deferred building permit revenue from 2011, which likely will not be realized in 2013. The 2013 budget does not include potential bond payment costs for Open Space bonds which may be sold in 2012.

The remaining budget gap would need to be closed by further service reductions. The city currently has 244.5 authorized Full Time Equivalent positions, of which 172.75 are in the General Fund, nearly half of these are in the police department. A reduction of \$1.3 million equates to the elimination of 15-20 positions. Considering the 35 positions eliminated or proposed to be eliminated since 2009, cutting an additional 20 positions will result in significant service impacts across all departments.

#### BUDGET IMPACTS 2010-2014

Following is a brief review of budget measures that have occurred in recent years or are available for consideration in the current proposed biennial budget.

#### 2010

1. Cut programming
2. Eliminated 24 positions
3. Utilized bond savings from maturing debt payments
4. Increased electric utility reimbursement
5. Wage freezes
6. Low interest income impacted revenue

#### 2011

1. Wage freezes
2. Low benefit increases
3. Eliminated vacant positions
4. Absorbed new Open Space Levy
5. Increased permit revenue slightly
6. Low interest income impacted revenue

#### 2012

1. MVHC levied
2. MSA Aid increase for street maintenance

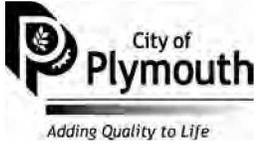
3. Deferred building permit revenue from 2011
4. Added new Park Replacement Levy
5. Wage/Benefit inflationary increases
6. Sell remaining Open Space Bonds? (2013 payment)

#### 2013

1. Levy limits?
2. Decrease contingency
3. Increase vacancy rate
4. Buy down P/C insurance with fund balance
5. Decrease Capital Improvement Fund Levy
6. Decrease Street Recon Levy
7. Add Open Space Bond debt payment (?)
8. No deferred permit revenue projected
9. Wage/benefit inflationary increases

#### 2014

1. Levy Limits?
2. Bond debt matures



Agenda  
Number:

2B

**SPECIAL  
COUNCIL MEETING**

**September 6, 2011**

**To:** Mayor and City Council

**Prepared by:** Laurie Ahrens, City Manager

**Item:** **Set Future Study Sessions**

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**1. ACTION REQUESTED:**

Review the list of pending study session items and schedule dates as desired. Calendars are attached for your use.

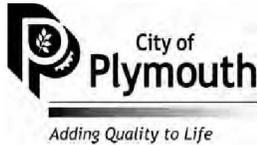
## **Pending Study Session Topics**

(at least 3 Council members have approved the following study items on the list)

- Discuss paperless Council packets (CC – report provided)
- Meet with prosecutor for update and discuss Police Department's trends and statistics
- Update on Peony Lane
- Discuss trails
- Update with City Manager – fall

## **Other requests for study session topics:**

- Review dangerous dog regulations/process (JW)
- Discuss streamlining street lighting rates
- Update on surplus City properties
- Four Seasons Mall Study (Oct. 11, 5:00 suggested)



**REGULAR  
COUNCIL MEETING**

**To:** Mayor and City Council

**Prepared by:** Laurie Ahrens, City Manager

**Sept. 6, 2011**

**Item: Accept Resignation of Ward 2 Councilmember  
Kathleen Murdock**

**1. ACTION REQUESTED:**

Adopt a motion to accept the resignation of Ward 2 Councilmember Kathleen Murdock effective September 30, 2011.

**2. BACKGROUND:**

Councilmember Kathleen Murdock has announced her resignation as the Ward 2 representative on the Plymouth City Council, effective September 30, 2011. She has requested that the City Council adopt a motion to accept her resignation.

Councilmember Murdock's term was slated to expire on December 31, 2014. The Plymouth City Charter Section 2.07 provides that when a vacancy occurs, the Council shall adopt a resolution at its next regular meeting declaring the vacancy to exist. This item will be placed on your September 13 agenda. The Council then must appoint an eligible person to fill the vacancy until the next regular municipal election when the office is filled for the unexpired term. If the Council does not appoint an eligible person within 60 days, the Mayor shall appoint an eligible person to fill the vacancy.

The Council has historically solicited applications from residents and conducted interviews; however, there is no charter or statutory requirement to do so. The Council could simply appoint an individual to fill the vacancy for approximately one year until the next local election. The Ward 2 position would then be placed on the November 2012 ballot to fill the remaining two years of the term.

August 31, 2011

The Honorable Kelli Slavik  
Mayor  
City of Plymouth

Dear Kelli,

I am writing to announce my resignation as the Ward 2 representative on the Plymouth City Council effective September 30, 2011.

Recently I decided to retire from Hennepin County after 33 years of service. In discussing my retirement with PERA, I discovered I would need to terminate all PERA employment in order to receive a pension. Therefore, I need to resign from the City Council as well.

It has been a great honor for me to serve as a councilmember for almost five years, and two years on the Planning Commission before that. I commend your leadership and have learned a great deal from my peers on the council and the highly professional staff.

Per the PERA "Verification of Termination" form that is enclosed, they require a copy of the governing board's meeting minutes showing acceptance of my resignation. I am hoping that we can do this at our September 6 meeting.

I hope you find a replacement that will make for a smooth transition. If there is anything I can do to help in that process, please let me know.

Sincerely,

  
Kathleen Murdock