

**NEW YORK MILLS CITY COUNCIL
SPECIAL MEETING
September 29, 2015
6:30 p.m.**

CALL TO ORDER AND DETERMINATION OF A QUORUM

The special meeting of the New York Mills City Council was called to order at 6:32 p.m. in the Council Chambers of the City Hall Building at 28 Centennial 84 Drive West, New York Mills, Minnesota, all members of the Council having been notified of the meeting and the business to be transacted.

Members Present Gerber, Maki, Roder, and Hoaby

Members Absent Oakland

Staff Present City Clerk Darla Berry

Guests Present Connie Vandermay

Call to Order The meeting was called to order at 6:32 p.m. A quorum was present.

Public Request – NYM Civic & Commerce – Connie Vandermay addressed the Council on behalf of the New York Mills Civic and Commerce Association. Connie will be asking the C&C at their upcoming meeting to sponsor a New York Mills Motto contest, and Connie is asking the school board and the City to support this. The submission in the packet asks the City to support the matter in four ways. City Clerk Berry agreed that the City could put information about the contest on the City website and facebook page once Connie provided us with that information. Berry commented that collecting the entries at the City offices would not really be something we wanted to add to current workload. Vandermay explained that the City office would just be one of many sites where people could drop off their submission. Berry then agreed that if some were dropped off here that would be okay if we could just call her or someone else to come collect them. The request was also for a volunteer to help judge the entries from City Council or staff. Mayor Gerber responded that it would be up to individuals themselves and not something the Council should dictate. Also, with regard to the request that the City adopt the winning entry as the “official” town motto, Gerber noted that such a decision should be deferred until the results are in and the winning motto has been announced. Vandermay thanked the Council for their time.

Gas Improvements Relating to 2015 Utility / Street Project – Resolution No. 09-29-2015

Berry explained that during the project it has been found that in many areas the natural gas lines are very shallow. Public Works Director Kyle Mattson and Berry discussed this matter and determined that something should be done at this time to either bury the lines deeper or install new lines. This could get expensive but Berry determined that if the expense were not more than about \$150,000 we could pay for emergency improvements out of the Gas fund. Then, as the project progresses, should there be additional areas where improvements are warranted, we could at some time issue a new bond to cover higher costs. In 2016 the Gas Plant bond issued in 2006 will mature, and about \$45,000 in revenues from the gas plant fee will be available to service a new bond beginning in 2017 if needed. In order to allow emergency improvements to be made as determined by Mattson, adoption of the following Resolution is proposed:

RESOLUTION NO. 09-29-2015

A Resolution Ordering Natural Gas Improvements and Expense Reimbursement for Such Improvements from a Tax Exempt Bond Issue

WHEREAS, the City Council, at its special meeting held on September 29, 2015, heard from Public Works Director Kyle Mattson concerning shallow natural gas lines in various locations that were causing construction obstacles and problems during the 2015 utility street rehabilitation project that is underway currently; and

WHEREAS, Mattson recommends that the City Natural Gas department proceed with quotes and plans to remove and replace shallow lines in a deeper trench to prevent future issues with shallow gas lines; and

WHEREAS, the exact extent of the proposed natural gas line improvements can only be determined as the current street project proceeds and gas lines are exposed; and

WHEREAS, inasmuch as shallow natural gas lines can present a hazard during major and minor construction work, maintenance work, and area landscaping digs, it is prudent and necessary to address such hazards to avoid potentially devastating disasters in the future.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NEW YORK MILLS, MINNESOTA, that:

1. Public Works Director Kyle Mattson be authorized to proceed with obtaining quotes and arranging for contractors to assist with all needed gas line improvements as evidenced during the construction phase of the current 2015 utility and street rehabilitation project.
2. Furthermore, Mattson is directed that cash on hand in the Natural Gas utility fund should be used to pay for such improvements up to a level in the range of \$150,000; and further that should additional expenditures be required as the

construction moves forward, the City will initiate the issuance of a utility revenue bond during the spring and/or summer of 2016.

3. Natural gas line improvements are necessary, prudent, and warranted due to the issues being revealed during the construction phase of the 2015 utility and street rehabilitation project.
4. Necessary improvements are to be determined by Public Works Director Kyle Mattson in consultation as needed with others including but not limited to Engineer Jon Pratt, various contractors familiar with gas line improvements, and other City staff with natural gas expertise;
5. The city council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of a tax exempt bond issuance.
6. Adopted by motion and general consensus by the City Council this 29th day of September, 2015.

Mayor, Julie Gerber

City Clerk, Darla Berry

Date

Date

A motion was made by Hoaby and seconded by Roder to adopt Resolution No. 09-29-2015 as presented. The motion carried without a dissenting vote.

Preliminary Levy for Taxes Payable 2016 and Preliminary 2016 Budget

Berry referred to the handouts in the packet. She explained that the budget committee had drafted a preliminary budget reflecting an 8.74% levy increase with a net revenue in the general fund of \$4,161 (see page 7 of the packet). However, a glitch was thrown in when at last night's meeting of the Deer Creek City Council they voted to propose a 25% reduction in hours, from 40 to 30 each month, to the 2016 contract. This means a reduction in revenues from \$25,525 to \$19,904, a loss of \$5,621 (page 23). This adjustment will cause the general fund to reflect a net loss of \$1,460. To counter this change in revenues, we could set the preliminary a bit higher but maintain it in single digits. This proposal is on page 9, and reflects a preliminary levy of \$4,600 higher than the budget committee originally established, or a 9.88% overall increase. We can still work on the budget during the final quarter and find ways to reduce the levy. For instance, fund 412 – Capital Projects Reserve – could be used to pay for some of the 2016 improvements with transfers to the general fund to replace part of the levy revenues. It is up to the Council to decide whether we keep the preliminary levy increase at 8.74%, with a net loss projected for the general fund, or whether we increase it by another \$4,600 and for an increase of 9.88%, which would enable us to adopt a preliminary budget for the

general fund with a net profit instead of a net loss. Discussion ensued. Maki opined that a 9.88% increase would be rounded up to 10% by the general public and she didn't want that to occur. Berry then suggested that the council plan on holding a budget workshop in October to work on the budget and find ways to perhaps drop the levy at whichever level it is set at. A consensus was reached that Tuesday, October 20, at 5:00 would be set as a council workshop date and time.

A motion was made by Hoaby and seconded by Maki to set the preliminary levy at \$440,400. The motion carried with all four council members present voting in favor of the motion.

Payment of Bills

Bills were included in the packet, with no additional bills presented.

A motion was made by Roder and seconded by Maki to approve the payment of the bills. The motion carried without a dissenting vote.

Adjournment

A motion was made by Maki and seconded by Roder to adjourn. The motion carried without a dissenting vote.

The meeting was adjourned at 7:10 p.m.

Respectfully submitted by,

Darla Berry
City Clerk