



**200 Center Avenue South  
Montrose, Minnesota 55363**

**CITY COUNCIL  
MINUTES  
August 30, 2011**

**Pursuant** to call and notice the Montrose City Council met in special session on Monday, August 30, 2011 at 6:00 p.m. Those present were Mayor Andy Kauffman, Council Members Roy Henry, Scott Czanstkowski, Jeff Petersen and Scott Jensen. Also present were Sean Diercks, public works director, Wendy Manson, deputy clerk and Barb Swanson, city administrator.

The purpose of the meeting was to discuss the road repair estimate and the 2012 budget and levy.

**Road Repair Estimate**

Motion by Czanstkowski, seconded by Henry to spend up to \$5,000.00 to make minor repairs on Mindy Lane. Motion carried 5-0.

**2012 Budget and Levy**

In 2012 Montrose will receive \$448,893, which is a decrease of \$113,419. This is the amount we received in 2011. It is also the projected amount we are to receive in 2013. In addition to our LGA cut the Market Value Credit has been eliminated which is approximately \$50,000 in additional revenue.

There are no guarantees that LGA will be provided in the future and with that in mind we are recommending that we reduce the use of LGA to balance the city budget.

This change in budgeting will require an increase in the levy to guarantee adequate funding of general city operations in the event of the loss

of LGA. These precautionary measures must be taken today to prevent exorbitant increases in future levies.

The estimated tax capacity for 2012 is \$1,636,369, which is a loss of \$100,000 from 2011.

The reduction in LGA, market value credit and tax capacity present a significant drop in revenue for the city.

The council reviewed the expenditures and revenue for the Water, Sewer, Storm Water, Refuse and Wastewater Treatment Plant. The City of Waverly has a meter that is not working properly so Montrose has been estimating the number of gallons billed during the past several months.

Motion by Jensen, seconded by Czanstkowski to approach the City of Waverly the 1<sup>st</sup> of September and if the meter isn't repaired Montrose should take the appropriate action to have it repaired and Waverly should pay the expense. Motion carried 5-0.

The public works garage located south on Minnesota 25 has not been insulated or heated due to revenue shortfalls during the past two years. It would save wear on the city's equipment if it was stored in a heated building.

Motion by Czanstkowski, seconded by Petersen to move forward on finishing the interior of the garage to allow heat. Motion carried 5-0.

Swanson was directed to present two proposals for the September 6, 2011 city council meeting. The proposals should be for a 6.66% increase and a 12.55% increase, increasing LGA in both proposals.

### **Adjournment**

Motion by Jensen, seconded by Czanstkowski to adjourn at 8:25p.m. Motion carried 5-0.

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Mayor, Andy Kauffman

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Administrator/Clerk-Treasurer, Barbara Thwing-Swanson