

Pursuant to due call and notice thereof, a Special Meeting of the North Mankato City Council was held in the Council Chambers of the Municipal Building on September 12, 2011. Mayor Dehen called the meeting to order at 7 p.m. The following were present for the meeting: Mayor Dehen, Council Members Steiner, Norland, Schindle and Freyberg, Administrator Sande, Finance Director Mork and City Clerk Gehrke.

**Discussion of Proposed 2012 Budget**

Mayor Dehen announced this Special meeting was called to continue discussion of the proposed 2012 Budget and to set the preliminary tax levy which is required to be certified to Nicollet County by September 15, 2011.

Administrator Sande presented the three additional scenarios for the tax levy increase at 2.5%, 5% and 7.5% as requested by the Council. He also presented a budget worksheet of potential adjustments that would meet the target for these budget cuts. Administrator Sande read Resolution No. 49-11 Approving Proposed Tax Levy which announced the subsequent meetings at which the budget and levy will be discussed and at which public comment will be permitted. The meetings will be held at the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, North Mankato, Minnesota as follows:

|                   |        |                                |
|-------------------|--------|--------------------------------|
| December 5, 2011  | 7 p.m. | Public Hearing                 |
| December 12, 2011 | 7 p.m. | Public Hearing (if necessary)  |
| December 19, 2011 | 7 p.m. | Adopt 2012 Budget and Tax Levy |

**Resolution No. 49-11 Approving a Proposed Tax Levy**

**Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 49-11 Approving a Proposed Tax Levy in the amount of \$5,400,223 or an increase of 12.17%. Vote on the Resolution: Steiner and Norland, aye; Schindle, Freyberg and Dehen, nay. Motion failed.**

Council Member Schindle stated he believes the tax levy increase should be set at a lower level. Council Member Norland stated she has gathered budget information from the past five years and cutbacks have been made every year, two people were laid off in 2010 and the City is understaffed. She reported her real estate taxes have went down the past two years. Council Member Freyberg reported that since 2003 the taxes collected by the City have increased by \$507,000. He stated there are other things the City can do operationally to cut the budget. Mayor Dehen reported last year there was a 0% increase in the tax levy. He believes the cookie crumbs have been swept out of the cupboard and there is not a lot of room for cuts especially considering the State Legislature cut \$750,000 from the 2011 LGA to the City which had to be absorbed by budget cuts this year. He also stated the responsibilities to maintain facilities and infrastructure and keep the City safe by appropriately staffing the police and fire departments. Mayor Dehen asked residents to give their input for budget reductions. Finance Director Mork recapped the impact of the four proposed tax levy increases on homes from \$100,000 to \$300,000. Copies of these proposals were made available to residents in attendance. Finance

Director Mork reported Budget Workshops are scheduled for 6 p.m. on October 3, 2011, 6 p.m. on October 17, 2011 and 6 p.m. on November 14, 2011.

**Council Member Schindle moved, seconded by Council Member Freyberg, to adopt Resolution No. 49-11 Approving a Proposed Tax Levy in the amount of \$5,175,216 or an increase of 7.50%. Vote on the Resolution: Schindle, Freyberg and Dehen, aye; Steiner and Norland, nay. Motion carried.**

There being no further business, the meeting was adjourned at 7:25 p.m. on a motion by Council Member Norland, seconded by Council Member Schindle. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.

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Mayor

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City Clerk