

**BIG LAKE CITY COUNCIL
SPECIAL BUDGET WORKSHOP MINUTES
JUNE 13, 2012**

1. CALL TO ORDER

Mayor Kampa called the meeting to order at 5:32 p.m.

2. ROLL CALL

Council Members present: Dick Backlund, Raeanne Danielowski, Lori Kampa, Duane Langsdorf, and Mike Wallen. Also present: City Administrator Todd Bodem, Finance Director Paula Mastey, City Clerk Gina Wolbeck, Public Works Director Mike Goebel, Interim Police Chief Steve Doran, and Liquor Store Manager Jan Muehlbauer.

3. PROPOSED AGENDA

Council Member Langsdorf motioned to adopt the proposed Agenda. Seconded by Council Member Wallen, unanimous ayes, agenda adopted.

4. BUSINESS

4A. 2013/14 BUDGET AND LEVY DISCUSSION

Paula Mastey discussed the proposed 2013/14 budget which incorporates changes to the budget process discussed at the May 2nd Budget Kick-Off workshop. Mastey explained that the changes include a biennial budget, incorporating the City's 5-year CIP into the applicable budget year, setting up unbudgeted funds to allow for current dollars to be set aside for future capital projects, and identifying special levies. Mastey also discussed other items that will affect the upcoming budget and levy. Preliminary Tax capacity numbers from Sherburne County estimate a 5.9% decrease compared to 2012. This will amount to approximately \$200,000 of last year's property tax levy. In order to continue operations at a consistent level and incorporate changes discussed, the levy would need to increase by 13% for 2013 which would be an overall average increase of 2.9% over the last four years. Mastey noted that debt is 31% of the overall levy. The debt levy is required to increase in 2013 by \$111,035 from 2012. Special levies have been added to the upcoming budget for Economic Development to cover the budgeted costs associated with this special revenue fund, and for Street Reconstruction and Park Dedication for future capital needs. These special levies total 4% of the overall levy for 2013. Special levies that were eliminated were

for PERA and public safety. These items are general fund operations and would now be included in the operations levy. Capital Improvement items to be levied for in 2013 total \$169,750 and in 2014 total \$363,550. This is 5% and 9% of the overall levy. Water, Sewer, and Storm Water revenue budgets will be completed once an in-depth analysis is done to determine future rates and revenue assumptions. The 2013 budget includes a 0% Cost of Living Adjustment and a 10% estimated increase in insurance. 2014 includes a 1.5% Cost of Living Adjustment and an 8% increase in insurance. The Police Department's proposed budget includes some of the changes that were discussed during the first budget meeting, which include a payback expense for the COPS grant totaling \$62,000 in 2013, the creation of two supervisory positions in place of two patrol positions increasing those positions by 8%, a 2% on-call incentive wage for on-call investigative work, and the chief's wage was estimated at mid advertising range and will be adjusted once the hiring process is complete. Mastey noted that the budgets presented for the general fund and economic development fund are balanced. Mastey discussed the on-going use of reserves in recent years which could affect the City's bond rating as well as the need to re-evaluate our fund balance policy. Mastey recommended that the City balance the budgets with current year revenue sources.

Council discussed the need to be fiscally responsible along with responsibly providing necessary services to citizens. Council also discussed the importance of educating the public about the changes the City has made to the budget process and how those changes are affecting the overall levy. Council and staff discussed various cost saving scenarios that could be look at, and reviewed what is actually necessary to have in the Capital Improvement Plan, which street reconstruction projects need to happen sooner rather than later, the possible implementation of franchise fees and administrative fines, and possibly delaying the comprehensive update. Council also discussed mowing along Highway 10 and directed staff to cut back on the number of times the Highway 10 boulevard area is mowed as a cost saving measure.

5. ADJOURN

Council Member Langsdorf motioned to adjourn at 6:50 p.m. Seconded by Council Member Danielowski unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

06/27/12
Date Approved By Council