

**BIG LAKE CITY COUNCIL
BUDGET WORKSHOP MINUTES
AUGUST 22, 2011**

1. CALL TO ORDER

Mayor Kampa called the meeting to order at 5:15 p.m.

2. ROLL CALL

Council Members present: Dick Backlund, Raeanne Danielowski, Mayor Lori Kampa, Duane Langsdorf, and Mike Wallen. Also present: Interim City Administrator Todd Bodem, City Clerk Gina Wolbeck, Community Development Director Jim Thares, Public Works Director Mike Goebel, Police Chief Sean Rifenberick, Fire Chief Randy Miller, and Senior Planner Katie Larsen.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. 2012 Budget Discussion

Brad Falteysek from AEM, Inc. provided information on the 2012 budget/levy. Falteysek summarized information on the proposed increase to the tax levy which will account for approximately \$95,000 of additional revenue from last year. Falteysek explained that the Preliminary Levy must be set by September 15th and the Final Levy by December 31st of each year. Falteysek also informed Council that the City did receive half of the LGA for 2011 with the other half due in December, and that the City is projected to receive \$156,014 in 2012. Council also discussed the Market Value Homestead Credit, and Falteysek explained that the State has replaced this program with a homestead market value exclusion in which the burden will be absorbed by Commercial/Industrial and non-homestead properties. Falteysek also discussed the assumptions in the proposed 2012 budget which included payroll changes, property insurance increases, consistent expenses and revenues in prior years, and capital improvement plan adjustments. Council discussed employee insurance premiums based on single coverage versus family plans and also the status of the library lease.

Discussion was held on increasing the Levy 5% instead of the 3% to cover a portion of the \$102,000 shortfall with the remainder coming from reserves which are currently at approximately 60%. Staff also discussed the need to consider hiring a front desk person/Utility Billing Clerk, the possibility of pushing out a portion of the police capital expenditures to 2013, the need for computer technology upgrades, and the possibility of increasing the liquor fund budget transfer.

Council discussed the need to continue with not budgeting for any LGA funds and the need to remain cautious with how the changes to MVHC will impact Commercial/Industrial and non-homestead property owners. Council also discussed the need to utilize reserves as long as the fund doesn't go below 50%. Discussion was held on the cuts the City has already made and that establishing a steady plan is better than drastic changes to the Levy. Sean Rifenberick asked Council to discuss idea's now instead of after the meeting. Council Member Backlund discussed the amount the City of Zimmerman pays for the County to provide law enforcement services. Council Member Danielowski explained that the level of officers could be re-evaluated after the COPS Grant is done. Council Member Wallen explained that communication is key to educate tax payers on the extensive cuts that have already been made and the services that would need to be eliminated unless a levy increase is considered.

Council questioned the decrease in sales listed on the 2011 liquor fund budget. Falteysek noted that he would check to make sure the figures are correct.

4B. July 1, 2011 Storm Damage Update

Brad Falteysek reviewed damage to City property that occurred during the July 1, 2011 hail storm. Falteysek explained that the City will be required to pay for the repairs upfront and the League of MN Cities will reimburse all costs except the deductible amount of \$2,500.

5. **OTHER** – No other.

6. **ADJOURN**

Council Member Langsdorf motioned to adjourn at 7:34 p.m. Seconded by Council Member Wallen, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

09/14/11
Date Approved By Council