

**BIG LAKE CITY COUNCIL
SPECIAL WORKSHOP MINUTES**

DECEMBER 7, 2011

1. CALL TO ORDER

Mayor Kampa called the meeting to order at 5:00 p.m.

2. ROLL CALL

Council Members present: Dick Backlund, Raeanne Danielowski, Lori Kampa, Duane Langsdorf, and Mike Wallen. Also present: City Clerk Gina Wolbeck, Liquor Store Manager Jan Muehlbauer, Police Chief Sean Rifenberick, Public Works Director Mike Goebel, Finance Director Brad Falteysek from AEM, Inc., and City Engineer Brad DeWolf from Bolton and Menk, Inc.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. 2012 Budget Discussion

Todd Bodem discussed the bi-weekly administrative update and Council noted that they would prefer monthly verbal updates from all department heads. Council clarified that year-end reports would still be given at the end of the first quarter each year. Bodem also discussed possible funding for the 2012 visioning session and the potential for the League of MN Cities to hold a Council refresher course for the City Council and staff. Council Member Wallen and Danielowski indicated that they would like to attend the Experienced Officials conference at the end of January and would be willing to cover the \$220 expense.

Brad Falteysek provided information on the cost savings of the two new position hires which would account for a third of a percent in savings to the proposed budget. Falteysek also reviewed Sherburne County and Wright County tax rates for cities located in these jurisdictions. Falteysek noted that the City of Big Lake falls in the middle range for Sherburne County.

Mayor Kampa reviewed the options the Council has in balancing the 2012 budget. Options included keeping the proposed 2% tax rate increase, bringing the tax rate increase to zero by drawing down on reserves, bringing the tax rate increase to zero by partially budgeting for LGA dollars, bringing the tax rate to zero by implementing additional cuts, or increase the tax levy by 1% instead of 2%.

Council Member Danielowski noted that we have to stay the course and not pass on the extra costs to the taxpayers. Danielowski explained that we have to challenge ourselves to increase revenue. Danielowski also noted that she is not opposed to staff wage increases but that she would not be in favor of a tax levy increase.

Mayor Kampa explained that the changes made by the State Legislature is what is adversely affecting residential and commercial property taxes. Kampa also discussed the importance of retaining long term staff.

Council Member Wallen reviewed various commercial building valuations in the City and outside the City, and compared their tax rates and valuation calculations, which showed that Big Lake is not out of line with their tax levy. Wallen noted that the attendees at the Truth in Taxation Hearing seemed more concerned about the COLA increase than the tax rate.

Council Member Langsdorf discussed the community survey that was conducted this year and noted that the survey showed that 36% of the participants were not opposed to a tax rate increase to maintain their current level of services. Langsdorf also noted that at some point, the City is going to have to compensate for the cuts that have been made over the last few years.

Council Member Backlund discussed the need to cut 2 employees from the Police Department and reviewed the City of Zimmerman police department budget.

Todd Bodem noted that he is a staff supporter and is in favor of the COLA increase. Falteysek discussed potential cash flow issues and noted that cash flows would be better off with a 2% tax rate increase. Council discussed concern with another union organization coming in.

After further discussion, Council Members Langsdorf, Danielowski, and Wallen indicated that they are in favor of a zero percent increase by taking the 2% shortfall from reserves, Council Member Backlund is in favor of a zero percent increase by budgeting for partial LGA funds, and Mayor Kampa is in favor of a 1% increase to the tax rate instead of the planned 2% increase. It was the general consensus of the Council that a tax levy increase would be seriously considered next year if the need continues to exist.

5. ADJOURN

Council Member Wallen motioned to adjourn at 6:20 p.m. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

12/14/11
Date Approved By Council