

**MINUTES  
CITY OF ISANTI CITY COUNCIL  
BUDGET WORK SESSION  
July 17, 2012  
ISANTI CITY HALL**

Mayor Wimmer called the meeting to order at 5:46 p.m.

Members Present: Mayor Wimmer, Councilors Sue Larson and Michael Streiff

Members Absent: Councilors Kennedy and Lundeen

Staff Present: City Administrator Don Lorsung, Finance Director Sarah Cotton, Human Resources/Deputy City Clerk Karissa Henning, Police Chief Ron Sager, Public Works Director Pat Meyer, Economic Development Director Sean Sullivan, Planning and Parks Director Lisa Wilson and City Engineer Brad DeWolf

**1. 2013 Budget Review Schedule**

Finance Director Cotton reviewed the 2013 budget review schedule.

**2. Review 2013 General Fund Revenue Projections**

Cotton reviewed the 2013 general fund revenue projections.

Cotton stated that property taxes have not been adjusted as the 2013 tax capacity is not yet available, therefore the property tax amount has been kept flat to the 2012 budget.

Cotton noted that non-business licenses and permits are high; this is based on past year actual amounts and collections through June.

Grants and Aids include the COPS Hiring Grant at \$125,000 over 3 years, beginning September 2012.

Mayor Wimmer made comment that the COPS Hiring Grant pays for a declining portion of the Police Officers' salaries for the next 3 years.

Cotton stated that Municipal State aid for streets has been adjusted based on past year actual amounts - which is why a slight increase is seen.

Charges for services have been adjusted based on past year actual amounts and current year collections through June.

The transfer from the Liquor Store has remained consistent with the previous year, with a transfer of \$150,000.

Interest on investments has increased - due on increased fund balance.

Due to the LGA Flip there is not a budget line for Local Government Aid (LGA), rather there is a line near the bottom labeled Designated Fund Balance (prior year LGA).

### **3. Review 2013 Preliminary Budget Expenditures**

Cotton reviewed the 2013 preliminary budget expenditures.

Cotton stated that all Departments were requested to prepare 0% budgets.

All wages include a 2% increase and all step increases. City Attorney, Clark Joslin, has agreed to accept the same change to his contract that employees receive.

Health insurance premiums will be rebid as of 01/01/13. At this time all employees are on the 120 plan and premiums include an 8% increase.

Workers compensation rates have been based on 2012 rates and include a 6% inflationary factor.

Property, liability, and volunteer insurance premiums have been adjusted based on 2012 rates with a 10% inflationary factor.

Cotton asked if there were any questions on the budget summary. There were none.

Mayor Wimmer inquired if the Council had any questions on any particular items for the individual department breakdowns. There were none.

Mayor Wimmer noted the big increases seen within the 2013 budget are due to the cost of living increase adjustments that were agreed upon within union contracts and insurance increases.

Mayor Wimmer added the other changes seen within the 2013 budget is the COPS Hiring Grant for the Police Department and that there are no carryover funds for marketing in the EDA budget.

Cotton noted that the 2.6% increase in expenditures over 2012 is about \$76,000 and \$65,000 of that are increases in salaries, benefits and insurance costs. The other significant increase was the increase in fire protection based on the past 2 year average increases, as the hard data has not been provided for 2013. Nothing additional has been placed into the 2013 budget.

Mayor Wimmer stated that the City is right in line with the 5 year projection plan. Cotton stated the 2013 budget is less than 1% off from the 5 year planned projection.

Streiff asked about the 10% inflation adjustment in property, liability and volunteer insurance and if this large of an increase is normal. Cotton acknowledged that the planned 10% increase is significant but noted that the 10% increase was the suggested increase provided to staff by the City's insurance agents as well as the League of Minnesota Cities Insurance Trust.

Mayor Wimmer further explained that the City is basically self-insured, as the City's group history is poor; the City has had many claims and therefore the City's anticipated increases are consistently high.

Mayor Wimmer asked if there were any additional questions or comments. There was none.

**Adjournment**

Motion by Larson, second by Streiff to adjourn. Motion carried unanimously.

Meeting adjourned at 5:53 p.m.

Respectfully Submitted,

Karissa Henning  
Human Resources/ Deputy City Clerk