

**MINUTES  
CITY OF ISANTI CITY COUNCIL  
BUDGET WORK SESSION  
July 19, 2011  
ISANTI CITY HALL**

Mayor Wimmer called the meeting to order at 5:45 p.m.

Members Present: Mayor Wimmer, Councilors Jim Kennedy, Sue Larson, Steve Lundeen, and Ross Lorinser.

Members Absent: None.

Staff Present: City Administrator Don Lorsung, Assistant City Administrator/City Clerk Irene Bauer, Finance Director Kristi Smith, Police Chief Ron Sager, Public Works Director Pat Meyer, Human Resources/Deputy City Clerk Karissa Henning, and City Engineer Brad DeWolf

**1. 2012 Budget Review Schedule**

Finance Director Smith reviewed the 2012 Budget Review schedule. Smith stated that upcoming Budget Work Sessions can be scheduled if needed.

**2. Review 2012 General Fund Revenue Projections**

Smith reviewed the 2012 general fund revenue projections. Smith stated that property taxes have been adjusted based on the County Assessor's calculation and that the estimated pay 2012 tax capacity is \$3,472,267 – based on the Assessor's projection of a 2- 3% tax decrease for 2012; a 3% decrease has been included for pay 2012. To keep the tax rate about the same as current year 2011, the 2012 preliminary levy would need to be set at \$1,891,479. The Market Value Homestead Credit (MVHC) shows a reduction of \$92,264.

Smith reviewed the projected revenue lines. Smith noted non Business Licenses and Permits may be high based on past year actual amounts and collections through June. The majority of this line is from building permit revenues.

Smith stated the Liquor Store Transfer has been set at \$150,000 and that it should be attainable.

Smith stated that 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 2012 Preliminary Budget Expenditures**

Smith stated that all Departments were requested to prepare 0% budgets. That all wages include a 1.5% increase and all step increases. Clark Joslin, City Attorney has agreed to accept the same change to his contract that employees receive. Health insurance premiums will be rebid as of 1/1/12. At this time all employees are on the 120 plan and premiums include a 15% increase. Smith noted, LELS members will receive a stipend in

2012. The labor agreement with the 49ers is not settled yet for 2012. Workers compensation rates have been based on 2011 rates and include a 3% inflationary factor. Property, liability, and volunteer insurance premiums have been adjusted based on 2011 rates with a 3% inflationary factor as well.

Smith reviewed the expenditure budgets for: Municipal Building, Community Center, Planning and Zoning, Building Inspection, EDA, Police, Code Enforcement, Animal Control, Parks, Civil Defense, General Maintenance, Streets, Street Lights, Sanitation, Fire District, Miscellaneous and Transfers, Tax Abatements, Capital Outlay and Reserve for Replacement, and Debt Service.

Smith stated that the Planning and Zoning 's budget for training has decreased based on past year actual costs. Smith reported that through the League of Minnesota Cities she learned of a training requirement for members. If the members are not trained the insurance deductible may be higher for a land use claim. Staff noted that it is their understanding that training is needed for planning commission members to receive a decreased premium in the cities liability insurance. Smith said she will follow up and report back to the City Council.

Smith stated that the Police Department budget is presented with an officer lay off; the City has applied for a COPS grant that would retain that officer and at this time the application of the COPS grant is unknown.

Smith reviewed the reserve for replacements fund 920 that will have an anticipated balance on 12/13/11 of \$785,754. The recommended balance for reserves should be \$1,619,510 which leaves a shortfall of \$833,757.

The 2012 debt service levy is proposed at \$370,801. This amount includes the proposed 2011 issuance for the street and utility improvement project.

### **Adjournment**

Motion by Lundeen, second by Kennedy to adjourn. Motion carried unanimously.

Meeting adjourned at 6:08 p.m.

Respectfully Submitted,

Karissa Henning  
Human Resources/ Deputy City Clerk