

**MINUTES  
CITY OF ISANTI CITY COUNCIL  
SPECIAL BUDGET MEETING  
July 29, 2008**

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

The Pledge of Allegiance was recited.

Members Present: Mayor Wimmer, Councilmembers Alan Duff, Ralph Johnson, Jeffery Kolb, and Sue Larson

Members Absent: None.

Staff Present: City Administrator Don Lorsung, Assistant City Administrator/City Clerk Irene Bauer, Finance Director Rita Pierce, City Planner Lisa Krause, and City Engineer Brad DeWolf

Motion by Duff, second by Larson to approve the Agenda as presented. Motion carried unanimously.

**D. Business Items**

**1. 2009 Budget Review Schedule**

Finance Director Pierce reviewed the 2009 Budget Review schedule. Upcoming Special Budget meetings will be held on Wednesday, August 6, 2008 from 5:30 to 6:30 p.m. and on Tuesday, August 19, 2008 from 5:30 to 6:30 p.m.

**2. Review 2009 Preliminary Budget**

Pierce reviewed the proposed 2009 Preliminary Budget.

Reviewed were the terms used throughout the budget process, how a tax levy and tax rate are arrived at and comparisons from the past five years, reviewed an analysis of the fund balance, and reviewed levy limits. Pierce stated that the State Legislature has imposed levy limits on cities for the next three years. Budgets set for year 2009 cannot exceed 3.9% over the levy set for year 2008; however they do use a formula to arrive at the allowed levy amount.

Expenditures affected by all departments were reviewed by Pierce that includes salaries, retirement, health insurance, fuel, and utility costs. Salaries are proposed to increase by 3% along with step increases, employer contributions for retirement went from 6.50% to 6.75% for most employees and from 12.9% to 14.1% for peace officers.

The proposed budget does not include funding for new positions within the City.

**3. Review 2009 Revenue Projections**

Local Government Aid (LGA) increased \$39,329 over year 2008's LGA amount. \$75,000 has been estimated for license and permit revenues, fines and forfeitures are proposed to increase by \$11,000, and the undesignated unreserved fund balance was reviewed.

#### **4. Discuss Expenditures by Department**

##### **Parks Maintenance**

The Parks Maintenance budget was reviewed. There was general discussion on replacement funds being set aside for the replacement of park equipment.

##### **Public Works**

Pierce reviewed each of the Public Works budgets. In the 'Streets' budget, funds for dust control was increased due to the cost of the service. To better balance annual budgets, gravel will be ordered every year and spread to 50% of what is typically spread. Because of the cost to dispose of street sweepings after they have stock piled for a few years, funds were budgeted for annual disposal of the street sweepings.

No capital purchases have been budgeted for in the Public Works general fund budgets for year 2009.

The Water and Sewer budgets were reviewed. Additional funds were budgeted for electricity and heating due to the Water Treatment Plant being in operation the last quarter in year 2009. \$4,500 was budgeted for roof repair of Well No. 1 and \$30,000 was budgeted for a Control Panel for Well No. 1. Funds were included in the budget for bond payments for the Water and Sewer portion of the East Highway 65 Improvement.

There was some discussion on Capital Replacement funds and Pierce stated that this budget will be reviewed at the August 6<sup>th</sup> Budget meeting. There was general discussion on the Long Term Planning Plan (LTP) and utilizing it for the 2009 and future budgets. Pierce stated that she has completed the equipment for the Public Works and Police Departments for the LTP and is now working on the Parks equipment.

##### **Adjournment**

Motion by Duff, second by Kolb to adjourn. Motion carried unanimously.

Meeting adjourned at 5:50 p.m.

Respectfully Submitted,

Irene J. Bauer  
Assistant City Administrator/City Clerk