

**MINUTES
CITY OF ISANTI
CITY COUNCIL BUDGET WORK SESSION
WEDNESDAY, AUGUST 2, 2017 – 7:00 P.M.
CITY HALL**

Mayor Wimmer called the meeting to order at 7:32 p.m.

Members Present: Mayor George Wimmer, Council Members: Paul Bergley, Dan Collison, Ross Lorinser and Steve Lundeen

Members Absent: None

Staff Present: City Administrator Don Lorsung, Human Resources/City Clerk Katie Brooks, Finance Director Mike Betker, Public Service Director/Assistant City Administrator Josi Wood, Economic Development Director Sean Sullivan, City Attorney Clark Joslin

Finance Director Mike Betker began by saying that he would be happy to field any questions, comments, or concerns that the Council may have regarding budget items. He continued by saying that in an effort to be respectful of the Council's time, he wouldn't go through the Budget line by line or read any of the memos the Councilmembers had in front of them.

Regarding General Fund Budget Updates:

Mr. Betker said there are no General Fund Budget updates of any substance at this time.

Regarding Preliminary Budgets for the Enterprise Funds:

Mr. Betker continued by saying the base assumptions regarding wages and employer paid insurances are the same as those of the General Fund, which were reviewed at the last Budget Work Session.

However, he wanted to note that of the four Enterprise Funds, one big item that is new to this year's budget is the addition of the MS4 Technician position, which is accounted for within the Storm Water Fund. Mr. Betker said he had provided some commentary on those proposed costs in his first memo to the City Council.

Regarding Capital Outlay Requests:

Mr. Betker reminded the Council that the proposed list of Capital Outlay Expenditures is the result of many meetings with department heads and the Finance Committee, and represents just a portion of the original requests. He commented that the largest outlay item belonged to the Sewer and Storm Water Funds.

Mr. Betker concluded by saying the city will be putting \$20,000.00 aside for Reserve Funding in 2018, with \$10,000.00 each for the future dog park development and for work to be done at Bluebird Park.

Mayor Wimmer then provided some clarification regarding the Water and Sewer from a revenue standpoint. He said that using assumptions from last year's revenue and then reducing rates this year, the provided numbers were fairly conservative. However, if there was continued revenue generated by building projects, the city could possibly be looking at another reduction in usage rates sometime in the future, even with the increase in the Storm Water Fund due to the MS4 Technician position. Mayor Wimmer asked Public Service Director/Assistant City Administrator Josi Wood to explain the new inspection requirements the City is facing, commenting that it may result in a small fee increase in billing.

Ms. Wood said the City of Isanti is an MS4 Community with enforcement beginning in August of 2018, requiring the MS4 Tech position. This means the City will need to be in compliance with the Pollution Control Agency and their regulatory requirements to keep the City's storm water systems clean and clear. Requirements include regular inspections with documentation, completing the paperwork the agency requires, and tracking records so if there is an audit, all of the required information is readily available for the City to submit.

Mayor Wimmer explained the City had two options; contract with a company like Bolton and Menk to do the inspections at a costly rate, or hire the position directly with the City of Isanti. The position is expected to be part-time to begin with. It will result in an increase from a cost stand-point for the City, but it is a requirement the City has to comply with.

When asked to clarify his earlier comment regarding an increase in billing, Mayor Wimmer responded by saying he expects property owners will see a fee increase of a dollar added to their monthly bill, or \$12.00 per home per year, beginning early 2018. He then briefly commented that due to building projects there has been an increase in Revenue, and the Water and Sewer Fund, even with the reduced usage rate, is doing well at this time.

Mayor Wimmer concluded by saying the Council is still looking at some items that could possibly be pared down in the budget, such as advertising for the Liquor Store and legacy items that are no longer necessary.

Adjournment

Motion by Lorinser, second by Lundeen to adjourn. Motion carried unanimously. The Budget Work Session adjourned at 7:42 p.m.

Respectfully Submitted,



Jeannifer Anderson
Administrative Data Clerk