

**MINUTES  
CITY OF ISANTI CITY COUNCIL  
BUDGET WORK SESSION  
AUGUST 8, 2012  
ISANTI CITY HALL**

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

Members Present: Councilors Jim Kennedy, Sue Larson, and Mike Streiff

Members Absent: Councilor Steve 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, Liquor Store Manager John Jacobi, Economic Development Director Sean Sullivan and City Engineer Brad DeWolf

**1. General Fund Budget Updates**

Finance Director Cotton reviewed the 2013 Budget Updates.

Cotton noted that the 2013 budget had updates to debt service whereas only General Obligation bonds are included.

The required levy amounts were reviewed and adjusted in 2012. Those adjustments are reflected in 2013.

The 2013 bonds payments are in accordance with the bonds schedules.

The 2013 debt service levy is proposed at \$419,000.

**2. Review 2013 Preliminary Budgets**

Cotton reviewed the expenditures for all departments.

Cotton stated that all departments were asked to prepare 0% budgets.

All wages include a 2% 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 01/01/2013. At this time all employees are on the 120 Plan and premiums include an 8% increase.

Workers' compensation rates are 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.

**a. Water Fund**

Cotton reviewed that within the water fund, chemicals, water meters and testing of water has decreased based on prior year actual costs and current year expenditures through June.

Miscellaneous increased and for capital equipment purchases no items have been budgeted.

**b. Sewer Fund**

Cotton reported that within the sewer fund, chemicals have increased, depreciation has decreased and no items have been budgeted for capital equipment purchases.

Cotton noted for both water and sewer fund sales and connection fees are based on the 2011 rate study.

**c. Liquor Fund**

Cotton stated for the liquor fund budget hauling and depreciation has decreased.

Capital Equipment has an additional \$5,000 budgeted for the roof replacement (\$7,500 was budgeted in both 2011 and 2012).

**d. Capital Outlay and Reserve for Replacement**

Cotton noted that page 51 of the preliminary budget reflects recommended transfers for 2013 depreciation and that the total recommended transfer is \$171,575; however actual transfer included within the budget is \$0.

Included within capital outlay and replacement, there is a summary of possible capital improvement projects/equipment for 2013 - which lists projects and equipment that have been included, but have not been completed.

At this time no items are included within the 2013 budget for purchase; this is reflected on page 50.

Mayor Wimmer stated that there has been discussion on taking down the municipal building and building reserve funds to \$250,000. With having both funds at \$250,000, it would then allow \$190,000 to be placed into the Public Works budget for the replacement of some equipment.

Larson asked whether or not the City would replace the public works grater. Mayor Wimmer noted that the plan currently is to use the grater until it cannot be used anymore, but it will not be replaced.

Meyer inquired about the replacement of the WAM and utility tractor and their amounts. Cotton and Meyer will work together on this and look at the numbers. Cotton will bring this information back to Finance Committee.

**3. Determination on Tuesday, August 21, 2012 Work Session**

There was consensus of the Council that another budget work session is not necessary.

**Adjournment**

Motion by Kennedy second by Larson to adjourn. Motion carried unanimously.

Meeting adjourned at 5:54 p.m.

Respectfully Submitted,

Karissa Henning  
Human Resources/ Deputy City Clerk