

General Fund Budget Workshop Minutes August 23, 2006

Members present: Mayor Gehrz, Council members Harris, Kuettel, and Talbot, Administrator Miller, Assistant City Administrator/Deputy Clerk Kreuser, Parks and Public Works Director Hoag, Finance Director Olson, and Bryan Olson.

Administrator Miller began the workshop by giving an overview of the general fund budget situation. He stated the original levy estimates would be lowered due to the new fiscal disparities figures. Next, the council discussed where some revenue areas might be examined.

The council discussed the reserve policy and the amount in reserves currently. Mayor Gehrz stated the last three years the levy has been flat, but spending down reserves further would not be responsible. Mayor Gehrz stated that since the levy had been flat the last few years, it was time to reverse the trend and begin building reserves back up again. The council discussed.

Council member Harris asked what type of disaster would warrant use by the reserve fund rather than a specific fund. Administrator Miller replied that reserves must be kept in case of disaster, for example, if a tornado hit the City Hall, and it needed to be rebuilt.

Council members discussed, based on LGA, fiscal disparities, revenue sources, and expenses, the amount of the City levy for 2007. A figure of 4.9%, as suggested by staff, was discussed.

Secondly the council talked about the TIES property, and Administrator Miller stated he had been in contact with TIES staff about reinstating the annual payment in lieu of taxes to the City. As of the workshop date, no response had been received from TIES regarding this. Miller was also going to investigate with the County regarding TIES non-profit status.

Bryan Olson asked what the current amount in reserves is. Administrator Miller replied that as of the end of 2005 there was \$3.7 million in the reserve account.

The council will approve the maximum levy amount at the September 13 city council meeting, and will hold a budget workshop on September 6 at 6:30 p.m.

The workshop was adjourned at 8:05 p.m.

Respectfully submitted,

Stacey Kreuser
Assistant City Administrator/Deputy Clerk