

**City of Falcon Heights
2077 W Larpenteur Avenue
Falcon Heights MN 55113**

**CITY COUNCIL
WORKSHOP AGENDA**

**January 14, 2009
5:30 p.m.**

- 1. 2009 Budget Review/Anticipation of Further LGA Cuts**

TO: Mayor Lindstrom, Council members Harris, Kuettel, Long, and Mercer-Taylor

FROM: Justin Miller, City Administrator

Re: Review of 2009 Budget/Anticipation of Further LGA Cuts

Explanation:

Even as the 2009 budget was being approved, it was evident that the national and state economy was worsening and that our operating budgets would need to be re-evaluated. It is not unreasonable to expect that much of our Local Government Aid allocation from the state (scheduled to be \$438,064 in 2009) could be reduced, thus leaving us a large hole to fill. It is only prudent to be thinking about possible budget amendments as soon as possible so that we have an entire year to implement the changes.

The approved 2009 budget includes \$76,100 in new revenues and expenditure cuts. Staff is hesitant to predict how much LGA could be taken away from our 2009 allocation, but even if it is reduced to our 2008 levels, that means that \$124,931 would be deducted from our expected allocations. In total, cuts in the amount of \$201,031 (adding the two amounts above) would necessitate an 11.8% reduction in the already approved budget. While the \$76,100 was absorbed picking the relatively low hanging fruit, finding another \$124,931 will result in service level cuts.

Please bring your 2009 budget books to this workshop so that we can begin to take a second look at our projected revenues and expenditures for the upcoming year.