

August 14, 2007

A special meeting of the Scandia City Council was held on the above date. Mayor Dennis Seefeldt called the meeting to order at 7:00 p.m. The following councilmembers were present: Dolores Peterson, Donnette Yehle and Mayor Dennis Seefeldt. Councilmember Peter Crum arrived at 7:15. Councilmember Michael Harnetty was absent. Staff present: Administrator Anne Hurlburt, Treasurer Colleen Firkus, City Attorney Dave Hebert and Assistant Fire Chief Steve Yehle. Also present: Park and Recreation Committee member Mike Goeken.

PAYMENT OF VOUCHERS

Mayor Seefeldt noted the addition of four items to the list of vouchers for payment. **Donnette Yehle, seconded by Dolores Peterson, moved to approve payment of vouchers. The motion passed unanimously.**

Dennis Seefeldt, seconded by Dolores Peterson, moved to approve Pay Request #3 and Final to Peterson Excavating for the Olsen-Sandgren-Hawkinson Storm Sewer Improvements in the amount of \$6,168.72. The motion passed unanimously.

Dolores Peterson, seconded by Donnette Yehle, moved to approve Pay Request #3 to Dresel Contracting for the 2007 Street Improvements in the amount of \$92,165.20. The motion passed unanimously.

Dolores Peterson, seconded by Dennis Seefeldt, moved to approve Pay Request #1 and Final to Astech for the 2007 Crack Sealing Project in the amount of \$18,209.00. The motion passed unanimously.

REVIEW OF DRAFT 2008 OPERATING BUDGET AND DRAFT 2008-2012 CAPITAL IMPROVEMENT PROGRAM (CIP)

Administrator Hurlburt gave an overview of the draft budget materials. She described the changes proposed in the structure of city funds and departments. The schedule for developing a budget and September 15 deadline for setting the maximum property tax levy was discussed. The draft CIP, developed with input from the Capital Improvement Committee, has been incorporated into the budget for the Council's discussion. The major recommendations of the committee, including establishing a new Equipment Replacement Fund, were reviewed. Summaries of revenues and expenditures were discussed. The history of the tax levy, and what would be required to fund all of the proposals for 2008, were discussed.

Hurlburt explained that staff is still working on forecasting fund balances for the end of 2007, and enough information is not yet available to estimate impacts of the tax levy on individual property owners. More information will be available late this month in time for the next budget meeting.

Draft expenditure budgets for each fund and department were reviewed with discussion on many line items.

Steve Yehle reported that the Fire Department has revised their budget proposal as follows: decreasing the city match to the fire relief fund (account 325) from \$75,000 to \$50,000 and delaying the request for a fire chief's car (550, CIP Project # F-004A) to 2009. The study on Civil Defense Sirens (CIP Project #F-009) should be changed to reflect that the study (no cost) is currently underway and money for adding new sirens should be included instead. He reported that the Relief Association is now 92% funded.

Prior to the next meeting, staff was requested to prepare the following information:

- Revise the expenditure budgets for the debt service funds and double-check debt service levy.
- List of recent major projects affecting fund balances.
- Comparison of tax rates with surrounding communities.
- A list of expenditure cuts that could be made to achieve a tax levy increase of less than 10%.

DATES FOR NEXT BUDGET WORK SESSIONS

The following special meetings were set to continue discussion of the budget:

- Wednesday, August 29, 2007, 3:30 p.m.
- Tuesday, September 11, 2007, 7:00 p.m.

The meeting adjourned at 10:05 p.m.

Respectfully submitted,

Anne Hurlburt
City of Scandia Administrator/ Clerk