

December 17, 2007

A special meeting of the Scandia City Council was held on the above date. Mayor Dennis Seefeldt called the meeting to order at 5:00 p.m. The following councilmembers were present: Michael Harnetty, Dolores Peterson, Peter Crum, Donnette Yehle and Mayor Dennis Seefeldt. Staff present: Administrator Anne Hurlburt.

DISCUSSION OF REVIEW OF DRAFT 2008 BUDGET AND PROPERTY TAX LEVY

Administrator Hurlburt presented the following staff recommendations for changes to expenditure budgets in the general fund to reflect recent decisions on employee pay rates and a re-examination of year-to-date expenditures in a number of categories.

<u>Department</u>	<u>Account</u>	<u>Description</u>	<u>Draft</u>	<u>Revised</u>	<u>Net</u>
Administration & Finance	Various	Personal Services	\$160,545	\$161,272	\$727
Administration & Finance	322	Postage	\$1,800	\$2,500	\$700
Administration & Finance	304	Legal Services	\$50,000	\$40,000	\$10,000
Administration & Finance	351	Legal Notices Publishing	\$2,500	\$4,000	\$1,500
Public Works	Various	Personal Services	\$160,060	\$163,295	\$3,235
Planning & Building	312	Planning Services	\$56,000	\$67,400	\$11,400
					+\$7,562

The Treasurer's estimate of year-end cash balances in all city funds was reviewed and discussed. Revised revenue and expenditure budgets for the 201 sewer project fund were reviewed. Staff will bring a draft update of the ordinance governing the 201 system, including options for allocating costs among users, to a future Council meeting.

The Council discussed how changes in assessed property values may affect the city's budget and tax levy for 2009. There will be an expectation that if values go down, taxes also will go down, which may require the city to closely examine which services are essential and where cuts can be made. Discretionary spending in 2008 should be limited and the budget closely monitored in light of possible reductions in 2009.

The draft budget and levy as discussed at the December 3 Truth-in-Taxation Hearing, with the changes listed above will be recommended for approval at the December 18 meeting.

The meeting adjourned at 6:07 p.m.

Respectfully submitted,

Anne Hurlburt
City of Scandia Administrator/ Clerk