

I. CALL TO ORDER

President Dennis W. Johnson called the meeting to order at 1:05 PM.

II. ROLL CALL

Present were: President Dennis W. Johnson, Commissioners Bill Reitmeier, Carson Steiner, Rhonda Dukart and Joe Frenzel

2007 BUDGET

The purpose of the special meeting was to discuss the current draft of the 2007 Budget document.

Sund distributed an alternative version of the draft budget based on discussions he had with President Johnson on August 30. A major change was to adjust projected revenues of the General Fund down \$117,147. Another change was to adjust hourly employee pay adjustments to 2.5% for most employees and 3.5% for public safety employees at B23 and above.

General Fund Revenues

President Johnson explained his thoughts regarding changes to projected General Fund revenues. He did not think we should project any revenue from estate taxes as we have received no revenue in this category for two straight years. He also believed it would be justified to increase projected building permit revenue from \$75,500 to \$100,500. He further recommended municipal court fines be adjusted down \$5,000 to \$220,000. A major reduction he considered necessary was to decrease projected oil royalty revenue from \$425,000 to \$300,000. President Johnson's recommended changes were discussed and allowed to stand with no changes at this time.

Expenditure/Expense Discussion

Commissioners agreed not to fund outside subsidy requests from Oreo or Best Friends Program as commissioners were not supportive of adding new subsidies at this time. It was also agreed to leave the subsidy for Arts on the Prairie at \$8,000 as awarded for 2006 rather than meeting the request of \$10,000.

It was agreed to decrease the Police Overtime line item from \$60,000 to \$50,000.

Sales Tax II: President Johnson presented a request from the Dickinson Park District for \$40,000 per year for 12 years to assist in the cost of purchasing a replacement for the current irrigation system at Heart River Golf Course. During a discussion, it was agreed to add this to the current budget draft.

It was agreed to move all of the subsidies (grants to outside organizations) to the subsidy area of the City Commission budget and cover cost by including additional transfers to the General Fund from the current source funds. It was believed this would make the number and extent of support the City provides to outside organizations much more transparent. In doing this, the grants to Stark Development Corporation, Eldercare, RS&VP, the Senior Citizen Center Grant Program, and the Southwest Regional Grant Program would be moved from Sales Tax II to the General Fund. Likewise the local match for the Taxi Grant will be paid out of the General Fund and be covered by a transfer from Sales Tax III as tax relief.

Finance – Sund will add trust fees, which are based on 25 basis points for an average \$10 million investment or \$25,000. This amount will be split among several funds based on fund balance.

Compensation

It was agreed to adjust the current budget draft to reflect a 3% scale adjustment for most grades and a 5% adjustment for grades reflecting B23, B24/B31, and B25/B32 on the Public Safety schedule.

Property Taxes

During a discussion on the affect of new property coming on the tax roles for the 2006 levy payable in 2007, it was decided to increase property taxes by \$100,000 as it was believed this increase is less than the affect of new property and therefore would have little or no affect on property tax payers.

There being no further discussion, President Johnson adjourned the meeting at 4:40PM.

OFFICIAL MINUTES PREPARED AND
APPROVED BY:

Greg Sund, City Administrator

APPROVED BY:

Dennis W. Johnson, President
Board of City Commissioners

Date: _____