

WORKSESSION MINUTES

November 9, 2004

Council Present: *S. Cherney, C. Crichton, T. Daly, E. Kautz, and L. Workman*
Council Absent: *None*
Staff Present: *T. Omdal, K. Strey, T. Hansen, M. Rasmussen, C. Ebeling, J. Hansen, E. Roggeman, D. Cobbins, J. Tshumper, J. Rasmussen*
Others Present: *D. Gustafson, J. Gessner, L. Goldsmith, D. Voltin*

ITEM 1. PROPOSED 2005 BUDGET

T. Omdal, Chief Financial Officer presented the overview of the recommended 2005 budget. This Worksession includes the overview of the budget, the General Fund and the Special Revenue Funds. CIP's, Debt Service, Enterprise Funds, and the 2005 Budget Wrap-up will be done at the November 23rd Worksession.

Mayor Kautz requested a full presentation of the 2005 budget at a City Council meeting.

Overview:

- Budget Process
- 2005 Budget Message
 - City in good financial condition
 - Not dependent on general state aids
 - Continuing to plan for financial future
 - Maximizing limited resources
 - “Living within means”
- Budget Recommendation
 - Six labor contracts will be open at year-end
 - Health insurance premiums not rising as fast as anticipated
 - City will begin funding health insurance savings accounts
 - No expansion of city services
 - Reduction in capital spending due to completion of projects and aggressive review of future plans
 - Continues the infrastructure replacement program and water resources management plan
 - Maintains financial health of funds through management of fund balance levels
- Budget Highlights – Taxes and Fees
 - Increase in property tax revenue of 3.3%
 - No increase in utility fees
 - Elimination of franchise fees
 - Distributed minor changes to other fees as needed
 - Focus on utility fees – no fee increase for 2005

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General Funds:

- Nearly ¾ of total General Fund budget is for personnel costs
- General Fund used to account for “general governmental services” (i.e., police & fire, recreation, public works and parks operations)
- Fire Department – Strengthening of fire suppression and EMS response
 - Address standard of 8 minutes
 - Review Fire Inspector positions and adding new firefighters
 - Police/Fire re-accreditation
- Information Technology
 - Add discussion to all-day Worksession discussion
 - New technical support position
 - Re-prioritize existing budget
- Parks:
 - Funding for new Nicollet Commons Park

Special Revenue Funds:

- Cable Franchise Fee Fund
 - Upgrading Council Chambers
 - Projected to be financially stable until 2007 – Policy decision in 2007
- Tobacco & Alcohol Fund
 - Transfer cash from General Fund in 2004 to keep balance
 - Not receiving fees as anticipated
 - A review in January on Best Practices
 - See how it’s going?
 - How effective?
 - Council will need to make long-term decision
- Youth Center Fund (“THE GARAGE”)
 - Strong financial performance
 - Five-year financial plan projects continued strong financial performance
- Recycling Fund
 - Previously accounted for in the General Fund
 - New special revenue fund created to better account for combined recycling grant received from the County for Apple Valley, Eagan, and Burnsville
- Grant Fund
 - CDBG comprises majority of the funds revenue
- EDA Fund
 - Discussion of EDA funding
 - How is City running from cost standpoint
 - City cuts to state aid response
 - Last years cuts sustaining?
 - % that commercial pays? Can more be done?
 - What is being done to make sure of accuracy?
 - EDA impact go to 5.3%?

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- Directing to MRQ
 - What is going on currently—our costs?
 - Future plans for EDA
 - Where are looking for state aid, etc.
- Time set aside at November 23rd Special Worksession for discussion on EDA and 5/13 interchange

ITEM 2. ROUNDTABLE

Discussion on Temporary Fabric Structures

J. Tschumper and J. Rasmussen presented the background information and photos of various violations. Council consensus was to not change the ordinance regarding these structures.

The meeting was adjourned at 8:15 p.m.

Respectfully submitted,

Susan P. Olesen, City Clerk

Approved by the City Council of the City of Burnsville this 6th day of December 2004.

Elizabeth B. Kautz, Mayor