

**CITY OF BAYPORT
CITY COUNCIL WORKSHOP MINUTES
COUNCIL CHAMBERS
JUNE 27, 2011
4:30 P.M.**

CALL TO ORDER

The City Council workshop was called to order at 4:40 p.m.

ROLL CALL

Members Present: Mayor Susan St. Ores, Councilmembers Connie Carlson, Michele Hanson, Mark Ostertag, and Dan Goldston

Members Absent: None

Others Present: Administrator Mitch Berg and Assistant Administrator/Planner Sara Taylor

Review the city's overall budget process and 2011 adopted budget: Administrator Berg reviewed the types of general expenses and revenues that make up the city budget. City expenses include state and federally mandated services, infrastructure, equipment, staffing, and operations. City revenues include property taxes, state aids, service contracts, licenses, permits, user fees, grants, donations, and investments. Administrator Berg also reviewed and explained the funds contained within the city budget, including general, library, water and sewer enterprise, and special revenue.

Discussion followed on each of the fund budgets, noting that the general fund encompasses several city functions/departments, including elections, mayor/council, recycling, administration, building/zoning, municipal buildings, police, fire, streets/lighting, parks, and cemetery. Administrator Berg explained that within the water and sewer enterprise fund, revenues are generated by user fees, which pay for the budgeted expenses. He also explained the purpose of the special revenue funds, which are funded by transfers from the general fund or are generated by user fees, assessments, sale of property, grants, donations, and interest income, but have restrictions on how funds may be allocated or used. Administrator Berg noted the city's Capital Improvement Plan (CIP) is also a component of the annual budget and identifies major capital expenditures anticipated for the next five years, which are primarily funded by special revenue funds.

Following a general overview of city's budget funds and process, Administrator Berg summarized the year to date expenditures and revenues for 2011, noting that figures appear to be in line with the adopted budget. He noted that a new budget summary report will be included with the monthly City Council meeting packet, which should help provide further detail of monthly and year to date expenses and revenues by department. Administrator Berg then provided a preliminary forecast of expenditures and revenues for the 2012 budget, which will be very similar to the 2011 adopted budget. Factors that may affect the budget for 2012 include allocation of local government aid, market values, and reductions in other state aids.

Administrator Berg concluded the workshop with a budget timeline for the next few months, noting the preliminary budget would be distributed to the City Council in August. A budget presentation would be made at the September City Council meeting, at which time the preliminary 2012 budget would be adopted. The City Council requested that a workshop to discuss the 2012 preliminary budget be held prior to the September City Council meeting. Administrator Berg stated he would provide some workshop dates for consideration at the July City Council meeting.

ADJOURNMENT

It was moved by Mayor St. Ores and seconded by Councilmember Goldston to adjourn the workshop at 7:30 p.m. Motion carried.

