

**MINUTES
OF THE WORK SESSION OF THE
EDINA CITY COUNCIL
HELD AT CITY HALL
JUNE 15, 2010
5:00 P.M.**

ROLLCALL Answering rollcall were Members Brindle, Housh, Swenson and Mayor Hovland. Absent at rollcall was Member Bennett. Staff present included: Gordon Hughes, City Manager; John Wallin, Finance Director; Eric Roggeman, Assistant Finance Director; Ceil Smith, Assistant to the City Manager; Cary Teague, Director of Planning; John Keprios, Park and Recreation Director; Wayne Houle, City Engineer/Director of Public Works; Sherry Engelmann, City Sanitarian; Marty Scheerer, Fire Chief; Dave Nelson, Deputy Police Chief; Bob Wilson, City Assessor; and Debra Mangen, City Clerk.

Mayor Hovland stated the purpose of the meeting was to review the City's 2010 Operating Budget and begin planning the City's 2011 Operating Budget.

Manager Hughes explained the work session would review the budget forecasting model used in past years, the City's current year finances would be reviewed through April 30, 2010, and the Enterprise Budgets' process would be discussed. He noted the meeting would be the first of the budget process that would culminate in adoption of the 2011 Operating Budget in December. Mr. Hughes noted the levy adopted in September would be the maximum levy allowed which could be reduced by Council action, but could not be increased after September.

The Quarterly Financial Update, April 2010 Special Edition was reviewed relative to the revenues received and expenditures to date. Staff explained that the largest revenue item, the City's tax revenues would not be received until sometime in June. After that settlement has been received, the 2010 revenue year will have a better estimate available. The expenditures were very similar to 2009 at the same time.

Assistant Finance Director Roggeman reviewed three potential budget scenarios. The first scenario would continue to operate as per the 2010 model. The second scenario added back some of the budget items cut in 2009 and 2010. The third scenario added back more items and included some new requests.

Mr. Hughes explained the City was in the final year of legislatively imposed levy limits. He added that the League of Minnesota Cities had estimated the amount of the allowable increase would be 1.68% plus the City's share of the PERA increase as required by statute. It was noted that there were certain special levies outside of the limits. Staff noted that Center Point and Xcel had been informed the City may be considering the establishment of franchise fees in accordance with the requirements of their franchise ordinances. Council and staff briefly discussed franchises potential use.

Mr. Hughes explained enterprise business plans were developed and reviewed bi-annually with the Council. He added that annual budgets were developed for each enterprise although those budgets were not submitted with the General Fund Budget. Discussion ensued about possible changes to the development of Business Plans and budgets for enterprises and including those as part of the Council's approved overall budget

There being no further business on the Council Agenda, Mayor Hovland announced that the Budget Work Session was adjourned at 6:15 p.m.

It was noted that the Mayor and Council would receive a conference call from Harry Brull, consultant concerning the City Manager hiring process.

Respectfully submitted,

Debra A. Mangen, City Clerk

Minutes approved by Edina City Council, July 6, 2010.

James B. Hovland, Mayor