

**MINUTES
OF THE WORK SESSION OF THE
EDINA CITY COUNCIL
HELD AT CITY HALL
AUGUST 16, 2011
5:05 P.M.**

Mayor Hovland called the meeting to order at 5:05 p.m. in the Community Room of City Hall. Answering rollcall were Members Bennett, Brindle, Sprague, Swenson and Mayor Hovland. Member Bennett entered the meeting at 5:10 p.m.

Staff attending the meeting included: Jennifer Bennerotte, Communications & Marketing Director; Dave Goergen, Utility Coordinator; Steve Grausam, Director of Liquor Operations; Wayne Houle, Director of Public Works/City Engineer; John Keprios, Director of Parks & Recreation; Karen Kurt, Assistant City Manager; Jeff Long, Police Chief; Debra Mangen, City Clerk; Scott Neal, City Manager; Eric Roggeman, Assistant Finance Director; Marty Scheerer, Fire Chief; Matt Sisterman, IT Director; Ceil Smith, Assistant to the City Manager; Jesse Struve, Utility Engineer; Cary Teague, Planning Director; John Wallin, Finance Director; and Bob Wilson, City Assessor.

Mayor Hovland stated the purpose of the meeting was to review possible scenarios for the 2012 Operating Budget and Levy. Manager Neal said that staff would be presenting two different scenarios of 2012-2013 budgets to the Council; the first would include 2011 current service levels without any increases or decreases. However, it would reflect the contractual salary increases for the union contracts and an increase for non-union staff, increased energy costs, equipment upgrades and other miscellaneous costs. The second scenario would include increases in staff, service levels, new programs and other new ideas recommended by department heads. He noted that staff would review the possible scenarios so that the Council could consider them and give direction in preparation of setting their maximum tax levy for 2012 at the September 6, 2011, Council meeting. Mr. Neal noted the Council could decrease the levy after the September 6th meeting, but it could not be increased.

With that explanation, Mr. Neal directed Assistant Finance Director Roggeman to review the two scenarios. Mr. Roggeman noted that if the City were to follow the proposed Scenario 1, the City's total expenditures would increase about 2.6%, the revenues would increase about 2.8% and the tax levy would increase about 2.8%. With scenario 2, the City's total expenditures would increase about 6.3%, the revenues would increase about 6.5% and the tax levy would increase about 6.9%.

The Council discussed their options for the 2012 Operating Budget. Council Members asked for additional information about the 2010 surplus; the results of the wage and compensation study; some historical information on the transfers to and from the undesignated funds; the impact of the Cable Television Franchise expiration; status of the Edina Liquor's sales for 2011; potential implementation of an internal service fund to cover accrued sick leave and vacations; status of the construction fund; amount spent in 2011 for dues; cost to increase all staff salaries at the same levels; impact of various increases on residential taxes; re-codification of city code; and potential use of budget surplus from 2010. The Council gave Manager Neal direction so that he could prepare a recommended budget.

Mayor Hovland adjourned the meeting at 6:55 p.m.

Respectfully submitted,

Debra A. Mangen, City Clerk

Minutes approved by Edina City Council, September 6, 2011

James B. Hovland, Mayor