



**MINUTES**  
**CITY COUNCIL WORK SESSION**  
**August 12, 2008**

**CALL TO ORDER**

The meeting was called to order by Mayor Gilbert at 6:37 pm.

**Present:** Mayor: Randy Gilbert; Council: Sharon Henderson, Ben Goodwin, and Jim Benson, Sam Rettinger

**Staff Present:** City Administrator: Steve Stahmer; Finance Director: Terry Post

**Absent:** None

**APPROVE AGENDA**

*A motion was made by Benson, seconded by Henderson, to approve the Agenda as presented.  
Ayes: all.*

**DISCUSSION ITEMS**

**2009 Budget Worksession**

Stahmer stated that staff has continued to refine baseline budget projections based on estimated 2008 expenditures as well as other known costs and revenues. Post has prepared a revised baseline budget summary which shows a larger "gap" than was assumed in previous discussions.

Post noted that after all assumed cost and revenue changes have been made to date, a gap of approximately \$32,000 would still need to be addressed via other funding sources or by cost saving measures. Options to bridge this gap include an operating levy increase of 4%, use of a larger share of the City's 2009 Local Government Aid (LGA) distribution (use 50% of LGA rather than the current 30%), further budget cuts, or any combination thereof.

Mayor Gilbert noted that one large missing piece of information was the Orono Police budget increase for 2009, which can have a large impact on Long Lake's budget.

Stahmer noted that Long Lake should receive a preliminary budget from Orono by August 15, per contract.

The Council discussed the various methods to balance the budget.

Mayor Gilbert noted that the preliminary levy is due to the County by September 15. He pointed out that given the uncertainty of the Police budget increase and Stahmer's status as a finalist for the Roger's City Administrator position, those two unknowns create a moving target.

Goodwin stated that he would still want to see the total levy increase (debt and operating) held to 5%, but that he is open to using LGA or other methods to achieve a balanced budget.

Mayor Gilbert agreed with Goodwin.

Rettinger stated that other issues should be discussed as well, but that he agreed that 5% was still his goal.

Henderson and Benson each stated that they are still comfortable with an increase of up to 8% given that 5% is due to debt service for the 2008 street project.

It was the consensus of the Council that a budget work session should be scheduled for August 19 in order to have time to gain more information about the unknowns previously discussed.

**OTHER BUSINESS**

Mayor Gilbert noted that joint utility agreement negotiations with Orono continue, but that a significant miscommunication/misunderstanding has arisen which has complicated the issues. Staff and the Mayor will continue to work with Orono toward an acceptable agreement.

**ADJOURN**

Hearing no objection, Mayor Gilbert adjourned the August 12, 2008 City Council Work Session at 7:24 pm.

Respectfully submitted,

Steve Stahmer  
City Administrator