

**PUBLIC HEARING – 2011-2012 BIENNIUM BUDGET**

Mayor Fatcher opened the public hearing at 6:00 p.m. Finance Director/City Clerk Brian Butterfield gave the highlights of the 2011-2012 Preliminary Budget.

- The spending of reserves is expected to exceed \$1.5 million for the fiscal years 2008, 2009 and 2010 combined.
- A 0% pay increase for all employees.
- Elimination of 13 staff positions.
- Booking restrictions implemented to cut jail and court costs.
- The Police Department will not be getting a new vehicle in 2011.
- The Library is the only department not effected by staff reductions.

**Rick Von Rock**, 400 N 7<sup>th</sup>, asked which positions are going to be cut.

Finance Director Brian Butterfield commented that it is at the discretion of the Department Head as to which employees will be laid off. Following is a list he gave of the reduction to each department:

Community Development Department – 2 Full-Time positions

Finance Department – 1 Full-Time position

Parks Department – 1.75 positions

Police Department – 6 Full-Time positions, 2 due to early retirement and 4 due to lay-offs.

Public Works Department - The entire Street Department will be eliminated. The Traffic Department will be reduced to 1 Full-Time position and summer part-time help.

There were no more comments from the public. Mayor Fatcher closed the Public Hearing at 6:07 p.m.

**TOPIC OF DISCUSSION: BUDGET WORK SHOP**

Councilmember McDaniel asked Brian Butterfield what is our fund's ending balance. Brian commented that the undesignated/unreserved fund balance is budgeted to be at \$1.2 million at the end of 2010 but we may fall under that. Mayor Fatcher asked what would be a reasonable level of unrestricted/undesignated reserves. Brian commented that in his opinion, we should have 3 months of operations in case something catastrophic occurs. Brian also stated that 3 months of operations is pretty conservative. Discussion followed.

Councilmember McDaniel spoke of employee's contribution to medical costs. Brian said the Teamsters and Public Works union pay a portion of their medical costs. The Police Department and non- represented employees do not.

Councilmember Webb asked Chief Hamilton how police services will be affected due to staff reductions. Chief Hamilton spoke of the department being short 2 – 3 people due to transfers and sick-time right now. If lay-offs occur, we will lose 5 – 6 patrol officers. The Police Department provides various in-person services, some of these services will need to be reevaluated.

Council discussion followed and it was the consensus of the council that they would support dipping into the general reserves up to \$115,000 for 2011 and \$230,000 in 2012, if the police department were to take a 5 % reduction in pay to save four jobs.

Brian Butterfield spoke of the reserves for the Airport Fund. If the Airport spends down all the reserves by the end of the next two years, they may need more money than the usual \$20,000 we contribute in the next budget. David spoke of a new entity managing the Airport. The 2011-2012 Preliminary Budget showed a \$4,000 decrease to the usual \$20,000 contribution. Council discussion followed and it was the consensus of the council to adjust the contribution to \$20,000 to the Airport Fund.

Brian Butterfield said to expect rate increases beyond 2012 in the Drainage Fund. David Sypher commented that he will be coming to council with rate reviews for their consideration.

Mayor Fatcher spoke of the need to consider employee medical contributions or a reduced health plan in the next negotiations with the Police Department. Discussion followed.

Motion by Councilmember Schimmel seconded by Councilmember McDaniel; adjourn the meeting at 7:00 p.m.

  
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MAYOR

  
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CITY CLERK