

**COUNCIL PROCEEDINGS
BUDGET WORKSHOP
FEBRUARY 21, 2008
5:30 P.M.
SERGEANT BLUFF CITY HALL**

Mayor Petersen called the meeting to order.

Present: Kollbaum, Wood, Seward, Huser, Wendel.

The Pledge of Allegiance was recited and a moment of silence observed.

Motion by Huser, seconded by Wood to approve the agenda. Motion carried 5-0

Budget review. The council received the budget document. There are some policy decisions that need to be made to finalize the budget. Mayor Petersen started the policy discussion with the General Fund and the ending balances. 1. Decision for the Council to either cut the General Fund by \$225,000 or transfer money into the fund using electric funds or a combination of Electric, Water and Sewer Funds. It is not an uncommon practice. This transfer could cover the labor costs in the General Fund. Motion by Seward, seconded by Huser to transfer into the General Fund from the Utility Funds to subsidize the fund as needed. Motion carried 5-0. 2. Next policy decision is Capital Project Fund, it has a negative balance. The money has been spent on projects. A transfer from Electric will zero out the negative balance. Motion by Wood, seconded by Seward to transfer in the neighborhood of \$409,805.00 from the Electric Fund into the Capital Project Fund. Motion carried 5-0. 3. Local Option Tax (\$558,591 as of 6/30/09) breakdown – 50% Property Tax Reduction, 20% Capital Improvements, 10% Parks and Recreation, 10% City Improvements, and 10% Buildings. Thirty percent of the allocation could be spent on remodeling City Hall. A portion could go to Debt Service. Ten percent could go towards the South Lewis Blvd improvements. Wood left the meeting at 6:15 p.m. Discussion. Motion by Seward, seconded by Wendel to remodel City Hall with funds of \$418,000 through Capital Improvements/Buildings. Motion carried 4-0.

Chris Jens, Veenstra & Kimm, has been working on the City's water needs. There will be nearly a 20% sewer rate increase from Sioux City. Swimming pool revenues/expenses and rates were discussed. Need to look at labor, sewer, water, garbage collection rates for the new budget. Council will finalize the budget on March 4, 2008; the revenue side can be changed then. The next council agenda will contain an item for a Mid America Transportation Museum pledge. Mayor Petersen adjourned the meeting at 7:02 p.m.

Dale Petersen, Mayor

Candice Litras, City Clerk