

Present: Mayor - Larry Franzen
Council members Jeff Kennedy
Jim Aden
Roger Dudley
City Administrator Bruce Clymer
City Clerk Connie L. Dalrymple

Absent – Council member Gary Norseen
City Attorney Mike Bacon
Police Chief Randy Olson

Also present: Joan Windrum, CPA

Mayor Franzen opened the meeting at 7:00 p.m. Advance notice and a copy of the agenda were given to the Council and members of the press. City Council meetings are conducted in accordance with the Open Meetings Act, a copy of which is available for public inspection on the north wall of the Council Chambers.

The meeting was called as a 2006-07 budget work session. The proposal for each fund was reviewed and/or modified and a final proposal will be prepared for public hearing. The following points will be reflected in budget document proposed for public hearing:

- By action of the State Legislature, the motor vehicles taxes collected will be used by the Street Fund. This results in an approximate \$67,000 decrease in general fund sales tax receipts.
- Payment for services from the Public Works Division to the City - increase \$2,000 / month.
- Proposed salary increases are 3.3% overall, varying among employees.
- Contributions to GIC - increase \$2,000 and the cash reserve reduced accordingly.
- Fuel costs are up 33%
- Improvements at the swimming pool will be funded by KENO funds.
- Type of new fencing at the cemetery will be discussed with the Cemetery Board.
- A proposed 3% NPPD electric rate increase will necessitate a retail increase. No increases are considered in water or sewer rates. Trash rates will increase due to fuel costs.
- Funding capitol projects and expanding infrastructure was discussed, particularly relating to housing projects, the ethanol plant, and manufacturing expansion.

Discussion was had on aging city facilities such as public restrooms, play equipment, and park pillars. They will be incorporated as repairs and no additional funds appropriated.

Dudley moved, Kennedy seconded, approving the Airport Authority tax request of \$45,792.79. Roll call vote: Yea - Aden, Kennedy, Dudley. Nay – none. Absent and not voting – Norseen.

The final proposed budget will be presented at the September 5 meeting and a hearing date set at that time.

Dudley moved, Aden seconded, to adjourn the meeting at 9:35 p.m.

Larry Franzen Mayor

Connie L. Dalrymple, City Clerk