

The Cannon Falls City Council met in a work session on September 1, 2015 at 7:20 in the City Council Chambers. Present were Mayor Robby Robinson, Council Members Merlyce Johnson, Rod Holst, Morris Mattson, Jay Sjoquist and Cathy Gallups. Also present were Assistant City Administrator Lanell Endres, Police Chief Jeff McCormick, Public Works Director Tom Bergeson and Community Development Director Dave Maroney.

The purpose of the work session was to review and discuss the draft of the 2016 preliminary budget.

The Council discussed the 2016 preliminary levy and budget with the understanding that once the preliminary levy was set, it could not be increased but could be decreased. Discussion included concerns that if the budget were reduced too much, the levy would likely need to be dramatically increased within a few years. It was also noted that there were still some variable factors that will impact the budget such as the estimated tax capacity and health insurance premiums. Further information should be available prior to the adoption of the final levy. The Council was informed that a few reductions were made to the budget as compared to the one received at the last work session and that the budget included \$25,000 to be used from the General Fund Reserves. The reductions resulted in a possible 6.5% levy increase rather than the 7.2% from the previous discussions.

The consensus of the Council was that the preliminary levy would be set at 6.5%. Staff would bring forth a resolution for Council action at their next meeting. It was noted that additional budget work session(s) would be held for the finalization of the 2016 levy and budget.

The meeting was duly adjourned at 7:30 p.m.

Adopted by the City Council of the City of Cannon Falls on the 15<sup>th</sup> day of September, 2015.

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Lyman M. Robinson, Mayor

ATTEST:

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Ronald S. Johnson, City Administrator