

**TO: Honorable Mayor and City Council**

**FROM: City Administrator Ron Johnson**

**SUBJECT: Discuss Next Budget Workshop Meeting or Adoption Meeting**

**MEETING DATE: September 5, 2017**

**BACKGROUND**

At the August 15 City Council workshop meeting, via consensus, Council directed staff to use a 6% levy increase as a target for discussion, consideration and potential approval of the preliminary budget/levy.

The importance of knowing what the city's 2018 tax capacity is going to be was also discussed, and is a major factor in determination of the proposed levy amount. It is hoped that we will know this amount prior to September 19.

Further, in the interim, the Personnel Committee received the compensation and classification study from Springsted and provided a recommendation for City Council consideration and approval (separate item on this 9/5/17 meeting). This will also be a factor to consider in setting the levy amount.

Staff would like direction for placement of the budget/levy discussion on September 19. It could be placed under Council Business and could be discussed and resolution adopted. Council could, instead, establish another workshop meeting immediately following the 9/19 regular meeting, and establish a special adoption meeting the week of 9/25.

Since the final adoption of the levy/budget doesn't occur until December, there is plenty of opportunity to further discuss the budget/levy after the preliminary levy is set. All of the specifics of the budget don't have to be determined at the time of adoption of the preliminary levy, and the levy can be decreased at the final adoption meeting.

Staff is of the opinion that the budget can be discussed during the 9/19 regular meeting and resolution approving the preliminary levy/budget be adopted.

**REQUESTED COUNCIL ACTION**

Discuss how to proceed with adoption of the 2018 preliminary levy/budget.

Attachment(s): N/A