

**CITY OF LE CENTER
WORKSHOP MEETING
TUESDAY, AUGUST 23, 2022 – 6:00 PM
10 W. TYRONE ST. LE CENTER, MN 56057**

*** MINUTES ***

I. CALL TO ORDER

Present: Mayor J. Fredrickson, Council Members J. Weiers, N. Hintz, C. Harmeyer, C. Scott
Absent: None
Staff: City Administrator D. Evans, Public Works Superintendent C. Roemhildt, Police Chief D. Carlsrud, Liquor Manager B. Vikla, Pool Manager D. Dinwiddie

II. ADMINISTRATOR EXPLAINS NEW BUDGET DOCUMENTS

Evans provided the 2022 Financial Management Plan (FMP) from Ehlers Public Financing. This is a summary document that outlines the city's financial obligations for the next ten (10) years. There were no questions by council or staff on the FMP. Evans explained the new budget works sheets from the accounting software program.

III. DEPARTMENT HEADS PRESENT THEIR BUDGETS

- A) Pool Manger Dorothy Dinwiddie provided the council with a proposed 2023 pay scale for the lifeguard and cashier positions. This increase is roughly \$8000 per year based on average hours worked by pool staff. Rate change increases for the 2023 season are as followed: season pass \$225, lessons \$50, private parties \$150, daily pass day/night \$5.
- B) Liquor Store Manager Becky Vikla was present to discuss her budget. Council discussed raising the general fund transfer from \$60,000 to \$75,000 to help decrease the levy amount. Vikla presented a proposed 2023 pay scale for liquor store staff. Council discussed this pay scale document and made the following recommendations: part-time bartender \$12 an hour, manager, assistant manager, and shift lead would have a 5% COLA increase. Increase of \$30 every two weeks for cleaning crew was also recommended.
- C) Police Chief Derek Carlsrud discussed his proposed budget. Council discussed raising the part-time officer pay from \$18 an hour to \$25 an hour in 2023. After a year of service, the city would reimburse a part-time officer \$200 for clothing expense. Council and staff also discussed the addition of a fourth full-time officer and going to a 24/7 department to better serve the community. This increase would roughly be \$80,000 a year. 5% COLA increase for the police chief was discussed and agreed upon.

- D) Public Works Superintendent Curt Roemhildt presented the streets department budget. The snow removal dept., streetlights dept. and boulevard trees dept. have been consolidated to the streets dept.
- E) Parks Department was discussed, and some notable increases are the insurance premiums for all the park related structures.
- F) Ambulance Commission Department is expected to increase \$7,768 in 2023 for contracted services. The council will approve this increase at the next council meeting.
- G) Fire Commission Department is anticipated to remain the same as in past years, with a \$77,500 contractual services fee. The overall budget did increase to \$107,000 because the 2% state aid money was factored into the budget.
- H) Building Official Department will decrease \$5000 for an overall budget of \$30,000
- I) Emergency Management Department will increase \$100 for an overall budget of \$3,100
- J) Evans Advised that he consolidated the Mayor Department with the Council Department to simplify the budgeting process, budgeted amount \$16,400.
- K) Evans advised the council on the administration department. Evans advised that across all departments, health insurance is anticipated to have a 10% increase. It was discussed that all staff within this department would receive a 5% COLA increase as well. Evans noted a \$15,000 increase to the professional services line item to recodify the city ordinance book. This has not been done since the book was last recodified 20 plus years ago.

IV. ADMINISTRATOR EXPLANATION OF TOTAL BUDGET

- A) Evans explained the general fund revenues as needed. Evans indicated that the water tower lease revenues have been taken out of the general fund and added to the water fund as that is a more appropriate locating for this revenue. 2% state aid for both fire and police departments have also been added to the general fund revenues. Evans indicated that there is a proposed balanced general fund budget of \$1,877,378. This budget is strictly operational in nature and all capital improvements have been moved from the general fund to the capital improvement fund. Total debt service is \$562,906, general fund levy amount is \$735,472 which has a total net tax levy of \$1,298,378 a 12.19% increase from 2022. Evans explained that the council could do a “draw down” which means general fund reserves would be used to decrease the levy to a lower percentage increase. After much discussion the council opted to not use general fund reserves to offset the levy increase.
- B) The water fund budget was discussed as needed. The budget is showing a deficit in the amount of \$55,746. The sewer fund was disused as needed and Evans noted an additional \$130,000 added to the bond payment line item. This was not a new bond payment however it was never budgeted before, and the payment was transferred from this fund at year end

by the auditor. Sewer fund is showing a deficit of \$44,142. Evans indicated he is going to meet with Minnesota Rural Water Association this week to discuss current water and sewer rates and how to structure increases in the future, so the funds are in the black.

- C) Refuse fund was discussed as needed. Current service fee on the fund is \$7.00 per account and Evans would continue to monitor to see if an increase is needed in the future. Budget increase was \$15,800 due to an increased disposal cost and making the lease payment on the garbage truck.
- D) Evans advised that there is \$400,000 total in the capital improvement fund. Streets department has budgeted \$178,200 of those funds for a new front-end loader. Parks department had budgeted \$13,000 for a new shelter roof and equipment purchase. The council was agreeable to these capital improvement purchases.

V. COUNCIL DIRECTION FOR STAFF

- A) Council instructed Evans to make all changes in the budget that were discussed.

VI. ADJOURN

There being no further business; Motion by Hintz, Seconded by Scott, for Mayor Fredrickson to adjourn the meeting. Approved unanimously. 8:58 p.m.

Dan Evans, Administrator