

**BIG LAKE CITY COUNCIL
BUDGET WORKSHOP MINUTES
JULY 31, 2013**

1. CALL TO ORDER

Mayor Danielowski called the meeting to order at 6:00 p.m.

2. ROLL CALL

Council Members present: Dick Backlund, Nick Christenson, Raeanne Danielowski, Seth Hansen, and Mike Wallen. Also present: City Administrator Todd Bodem, Finance Director Jessica Green, City Clerk Gina Wolbeck, Public Works Director Mike Goebel, Police Chief Joel Scharf, and City Engineer Brad DeWolf from Bolton and Menk, Inc.

3. PROPOSED AGENDA

Council Member Wallen motioned to adopt the proposed Agenda as presented. Seconded by Council Member Backlund, unanimous ayes, agenda adopted.

4. BUSINESS

4A. Preliminary 2014 Budget and Levy Discussion

Jessica Green reviewed 2014 budget concept numbers and reviewed actuals from 2013 showing numbers that were amended where needed. Green noted that the 2014 budget includes only half the amount of the proposed LGA funds totaling \$240,000 to be included in the budget. Green also noted that \$480,000 is projected in LGA funds in 2014 which is up from the \$156,000 expected in 2013. Green also discussed declining interest revenue which will result from pulling a number of the City's investments to help cover debt payments in early 2014. It was also discussed that lease payments could be changed to go into enterprise funds versus the general fund. Green discussed changes to the Fire Department budget with the Township taking over the accounts payable duties. Discussion was held on the Mayor/City Council training budget, and whether or not to retain the Planning consultant versus hiring a full-time staff person. Todd Bodem stated that he feels that the current Planning process is working fine and that there won't be a need to hire a full-time planner until we start to experience a growth pattern. Bodem also noted that we should focus on the replacement of the EDA Specialist. Discussion was held on the upcoming union negotiations with the police union, and the possibility of unionizing in the public works department. Green clarified that the proposed 2014 does include a 2.5%

COLA increase along with longevity pay incentives. Insurance discussions are indicating the possibility of a flat increase/decrease. Bodem discussed the Big Lake Library facility and that staff will continue negotiations with the property owner. Green discussed budgeting for delinquent tax payments, stressed that the City has to be honest about our revenues, and that it is vital that we focus on cash flow needs. Green also discussed keeping the proposed \$67,250 EDA Levy in the budget for the time being.

Mike Goebel reviewed the capital improvement plan for Parks, Sewer, Water, and Streets. Discussion was held on the State Aid road fund. Staff explained that we are sitting at approximately \$500,000 in the fund, but that we could request reimbursement from the fund on some of the County Road 43 expenses upcoming, and that a good portion of our current state aid funds are committed to other projects. DeWolf reviewed new methods for funding street projects which includes utilizing Chapter 479, and implementing possible franchise fees.

Council Member Wallen discussed variations in tax payments between residential and commercial properties, and the need to fairly tax citizens and business entities. Wallen also noted that we are not gouging residents, we are trying to pay the bills and pay our debt.

Brad DeWolf left the meeting at 7:27 pm.

Mayor Danielowski stressed the need to educate citizens that we are at a point of trying to maintain, not grow. Our debt service is an issue that we have to address, and that if we don't start reinvesting in our capital, the end result will be more costly. Green explained that it will take a combination of fees and a levy increase to address our financial issues. Mayor Danielowski noted that we must continue to be as fair as we can be. Discussion was held on a potential street lighting fee and staff reviewed potential ways to include un-platted lots in a streetlight fee as there are developments in the City that are lighted but don't have any homes constructed.

Joel Scharf reviewed police department expenses and revenues. Discussion was held on installing our own fuel tanks for City vehicles. Scharf also provided an update on the Traffic Safety Class program which provided educational opportunities for 110 people who had received traffic citations in the City.

Green reviewed outstanding debt obligations and discussed errors that have occurred with changes in the finance department. Green noted that these errors need to be addressed and that there is a need to do a debt analysis to set us on the right course. Northland Securities has provided a Scope of Services quote at a cost of \$5,400. Council directed staff to proceed with the basic Scope of Services and to ask an outside financial consultant to complete the work and present the findings to Council.

Mayor Danielowski stressed that we are going to work on getting a handle on this debt and encouraged staff to hang in there during this time. Council Member Backlund stated that we are running a very large business and that we need to treat it as a business. Council Member Wallen noted that we need to figure out what we've done wrong and fix it for the future.

5. ADJOURN

Council Member Wallen motioned to adjourn at 8:40 p.m. Seconded by Council Member Christenson, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

08/14/13
Date Approved By Council