

**BIG LAKE CITY COUNCIL
BUDGET WORKSHOP MINUTES
AUGUST 27, 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, and Mike Wallen. Council Member Absent: Seth Hansen. Also present: City Administrator Todd Bodem, Finance Director Jessica Green, City Clerk Gina Wolbeck, Public Works Director Mike Goebel, Police Chief Joel Scharf, and Liquor Store Manager Jan Muehlbauer.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. Preliminary 2014 Budget and Levy Discussion

Jessica Green reviewed the Northland Securities debt analysis findings and explained that it is vital for the City to consider the debt service funds/obligations that will be coming due in the upcoming years. The levy must be set at an amount to make these payments. Green also discussed discrepancies in assessments that have been under cash flowed.

Green reviewed various options to balance the budget. Option A included implementing a street light fee and incorporating an EDA Levy which would increase the levy by 13.12%. This takes into consideration budgeting for half of our allocated LGA dollars. Option B included street light fees plus franchise fees, and incorporating an EDA Levy which would increase the levy by 9.22%. Green also noted that Northland Securities is recommending a staggered increase in the levy for the next few years to address the debt payments coming due. Without staggering the increases over a number of years, the 2014 increase would be much more substantial.

Council directed staff to continue investigating how fees are paid in the phase II BLIPE

project, and if the Township should have been required to participate in infrastructure and road improvements.

Council Member Wallen expressed that we cannot continue to hide from our debt issues. Mayor Danielowski stressed that we have to make sure that we aren't paying more than what we need to be paying for, and that we need to find out if there are any other revenues that are owed by any other parties. Discussion was also held on where the City sits on delinquent water bills. Mike Goebel noted that water usage is down considering the drought conditions that currently exist.

Green discussed issues showing in Enterprise Funds and noted that she is still concerned about cash flow. Green explained that she will need to call some of our investments, and will need to look at our reserves. Green also discussed upcoming PFA loan payments which will be increasing in the coming years. Council discussed the option of restructuring our PFA loans.

Council discussed the need to deal with the population that we have right now, and the debt that we have right now. Council also clarified that we are now paying for projects that were done in good faith before the economy crashed.

Discussion was held on the number of vacant properties we have and if we can include them in a street light fee or possibly franchise fees. Staff noted that there are approximately 500 vacant parcels/un-platted lots. It was also discussed that an increase of 9.22% does not put any dollars away for future planning.

Council directed staff to proceed with a Preliminary Levy increase of 9.22%, and to draft educational information for Council to field questions from the public. Council also directed staff to provide information showing what a 9.22% increase would do to residential and commercial properties.

Council discussed the possible need to add a new set of eyes to our financial consulting team to ensure issues are brought forward in a more timely manner. Council also directed staff to request Northland Securities to present the debt analysis findings prior to the adoption of the Preliminary Budget/Levy.

Council discussed quotes that have been received on fixing some maintenance issues at the City Hall building. Council discussed the need to scale back on the planned maintenance due to budget constraints but to proceed with painting the interior and exterior of the building. Council also directed staff to obtain another quote for carpeting in the Council Chambers due to the very poor condition that exists in the room currently.

5. ADJOURN

Council Member Wallen motioned to adjourn at 7:38 p.m. Seconded by Council Member Backlund, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

09/11/13
Date Approved By Council