BIG LAKE CITY COUNCIL
SPECIAL MEETING MINUTES
AUGUST 27, 2019

1. CALL TO ORDER
Mayor Mike Wallen called the meeting to order at 5:00 p.m.

2. ROLL CALL
Council Members present: Seth Hansen, Rose Johnson, Paul Knier, Mike Wallen, and Scott Zettervall. Also present: City Administrator Clay Wilfahrt, Finance Director Deb Wegeleben, Public Works Director Mike Goebel, Police Chief Joel Scharf, City Clerk Gina Wolbeck, City Engineer Layne Otteson, and Liquor Store Manager Greg Zurbey (arrived at 5:09 p.m.).

3. PROPOSED AGENDA
Council Member Knier motioned to adopt the proposed agenda as presented. Seconded by Council Member Johnson, unanimous ayes, agenda adopted.

4. BUSINESS
4A. 2020 Budget/Levy Review
Deb Wegeleben reviewed the 2020 General Fund budget concept numbers, and reviewed proposed Capital Improvement Plan (CIP) needs. Wegeleben explained that the Net Tax Capacity is projected to increase 10.09% over 2019, and the total Levy amount for 2020 is projected at $4,565,953 which is an increase of $236,543. The tax rate is a projected decrease of 1.21% over the 2019 City Tax Rate. Wegeleben also discussed the General Fund Levy increase of $343,373 for a total amount of $3,221,819, a Debt Levy decrease of $106,830 for a total amount of $1,214,134, and that the EDA Levy is projected to remain the same at $130,000. Wegeleben also reviewed current budgeted expenditures. Expenditure items causing significant change from the 2019 budget include an increase to wage/benefits by $137,875, an increase of 8.49% to Health Insurance premiums, an approximate 5% increase to workers compensation insurance, a 0.75% increase to PERA for the Police Department, a 2.5% COLA increase to the comprehensive pay scale for both police union and non-union employees, and projected step increases of 3%. Wegeleben reviewed operations line item increases totaling $136,232, and the $39,419 decrease in transfers to other funds. Wegeleben also discussed proposed budgeted revenues. Revenue items causing significant change over the 2019 budget include a $371,747 increase to property tax revenues, an increase of $174,050 in license and permit revenues, and
a decrease to the Liquor Store transfer totaling $450,000 instead of the $600,000 projected for 2019. Wegeleben noted that Council will be asked to set the Preliminary Levy in September and the Final Levy in December.

Mayor Wallen asked if Local Government Aid (LGA) levels have returned to pre-recession levels yet. Wegeleben noted that the levels are just short of that point. Council also stressed that today’s levels don’t account for inflation levels. Discussion was also held on franchise fees. Wegeleben indicated that the goal is to allocate franchise fees to the CIP fund starting in 2023, as this would give us a dedicated source of funds for street improvement projects. Council also discussed future debt projections, and what will be feasibly needed. Mayor Wallen stated that he believes there is no fluff in our budget calculations. Wegeleben reviewed that historically, we have set our Preliminary Levy slightly higher than what is projected we will need, as we can always lower the final amount, but we can’t go any higher than what was approved at the Preliminary Levy. This has been done to give Council and Staff ample time to evaluate the service needs of the City, and to decrease areas within the budget where possible, when the final amount is approved at final budget time in December. Wegeleben discussed potential staffing changes that will be further reviewed by Council in late October, or early November. If Council chooses not to move forward with the changes, those funds could be transferred to the CIP fund for future projects, or be removed from the budget altogether. Council Member Knier discussed the need to continue to monitor government spending and to ensure that funds aren’t spent just because it’s there. Staff noted that Council, as the approving body, has the authority to reallocate funds as needed. Staff reviewed the City’s Finance Policy, noting that any purchases above $25,000 would require Council approval. Staff also discussed the benefits of refurbishing used Police vehicles for use in other City departments.

The consensus of the Council was to bring the Preliminary Budget to the first meeting in September for approval.

5. ADJOURN

Council Member Zettervall motioned to adjourn at 5:37 p.m. Seconded by Council Member Hansen, unanimous ayes, motion carried.