

## **Notes of Budget Workshop of the Loretto City Council August 6, 2013**

### **CALL TO ORDER/ROLL CALL**

The Workshop was called to order at 6:01 p.m. by Mayor Kent Koch. Members present: Mayor Koch, Council members Tom Pedersen, John Neumann, Cari Girk, and Henry Pepin. Also present: City Clerk Travis Rosin, City Treasurer Mary Schneider and Public Works Director Jeff Leuer.

There were no people in the audience.

### **WORKSHOP SESSION**

The following items were discussed:

- Council was updated on the two items before the overall budget was discussed as presented to Council in their packet. The first item was LGA Funding and the second was an update on Sales Tax exemption change for Local Governments. The City of Loretto will receive \$23,000 dollars roughly in LGA and sales tax exemptions will help save few thousand dollars from items listed in the Budget. Public Works funds would get the biggest cost savings from this tax change.
- Council payment increase for Council meetings and additional meetings. Majority of Council was to have them remain as they are with additional meetings at \$20.
- City Clerk Rosin explained how staff took different areas of the budget which was divided three ways between Travis, Jeff and Mary.
- Streets Capital Budget –The Chippewa Road Project with Medina is a big expense for this item. The cost for Chippewa Road alone is \$30,000 dollars. If the city were to complete this project an assessment policy would need to be created. A plow for the Tractor we own with the city of Medina could be used to plow our own streets and hire an outside contractor to salt and sand the streets. This would be a short term jump in streets cost, but would save us money in the long run. The turnaround cost on purchasing a plow would only take a couple of years. Plowing the streets would only take two hours for Public Works staff to complete.
- Park Fund – Council wanted to see if we could get our park portion of the budget down to ten percent.
- Stormwater Revenue and Expenditure Fund – Revenue was short for Stormwater versus the expected expenditures for 2014. Council directive was to use \$12,000 dollars in LGA for the Stormwater Fund deficit.
- A depreciation schedule will be provided for Council to review at the August Council meeting. Discussion over the years has been to either raise water and sewer rates or keep rates the same. Council needs to decide between saving and spending on items as they need to be replaced.
- Council would like to see a 0% in levy from 2014 Budget year.

- Council wanted the LGA calculated into the general fund and expenditures from the General Fund cut by \$3,000.00 dollars. Staff will try to set the preliminary budget at zero. This means taxes would remain the same as last year.
- Council will continue the Budget Depreciation discussion at the August Council Meeting.

Council directed staff to make the above corrections and bring back to the August meeting for discussion and setting a preliminary budget and levy.

**ADJOURN**

On a motion by Pedersen, seconded by Girk, to adjourn the Budget Workshop at 9:23 p.m.

**ATTEST:**

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Mary K. Schneider, City Clerk

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Kent Koch, Mayor