

City of Loretto
Budget Workshop Meeting
Tuesday, August 20, 2019, 6:00 p.m.
279 N. Medina Street, Council Chambers

1. CALL TO ORDER

The Workshop was called to order at 6:00 p.m. by Mayor Koch.

Members present: Mayor Kent Koch, Council Members Brenda Daniels, Melissa Markham and Eric Riley.

Members absent: Council Member Brian Sevigny

Also present: City Clerk Treasurer Mary Schneider and Public Works Director Jeff Leuer.

There were no people in the audience.

2. PLEDGE OF ALLEGIANCE

3. SET AGENDA

4. BUDGET GOALS OF COUNCIL – DISCUSSION POINTS

a. ALTERNATIVE REVENUE SOURCES

1) TIF Revenue

Council reviewed. No action taken.

2) Small City Transportation Aid

Council reviewed. No action taken.

b. Review 2020 Proposed Wages

Council reviewed the 2020 Proposed Wages spreadsheet which included a three percent wage increase for all staff and 70 additional on call hours budgeted for public works staff.

c. Review Proposed Capital Improvement and Maintenance and Repairs Spreadsheets

Council discussed the compost site shared with the city of Medina. Public Works Director Leuer reported the City is liable for about \$7,000 in fees to grind and haul brush and to remove compost from the shared site. Leuer stated the fees are due to the increased volume of brush and compost being dumped and the decreased options for chipping and removal. Leuer also stated the city of Medina is demanding Loretto provide more staffing hours at the site on weekends.

Council directed Leuer to investigate alternatives to the shared site, including starting a new site reserved for Loretto residents at the Fire Department property and reaching out to Delano to see if they would consider allowing Loretto to share their site.

Council directed Schneider to investigate whether the City could sell marketing banners to hang on fences at the Athletic Complex.

Budget Workshop Meeting Notes
August 20, 2019
Approved September 10, 2019

d. Lions Park Shelter Options

Council directed Schneider to add \$10,000 to the 2020 Proposed CIP under Parks Capital Outlay for Lions Park Shelter Improvements.

e. Grant Opportunities

Council reviewed the following grant opportunities: MnDNR Outdoor Recreation Grant Program, Hennepin Youth Sports Facility, Equipment and Playground Grants. Council also reviewed information on Xcel's Solar Rewards program and companies who work with cities to build solar infrastructure.

f. Review Wenck's Draft Infrastructure CIP Report

Council discussed the rating system for streets and directed Schneider to request the rating forms from Wenck to have for the Fun Fest and for the September 24th public workshop.

Council discussed whether the City should consider funding infrastructure improvements through bonding or through a combination of bonding and special assessments. Schneider stated staff has been working on a special assessment policy that will be brought to the October council meeting for review. Schneider also noted that the special assessment process is very regulated and time intensive for a small city with limited administrative staffing.

g. Committing Funds for Capital Improvement by Resolution

Schneider reported a council may pass a resolution committing funds for a specific project. This wouldn't make the funds "untouchable", but a future council would have to pass their own resolution to uncommit the funds. Schneider stated a Journal Entry would be created that would place the funds in a separate 225 Fund Balance that is difficult to access without technical help. This need for technical assistance would trigger notification about needing a resolution to uncommit the funds. The balance would show up on the Monthly Balance Sheet as its own line item within the 225 Fund and the balance and any transactions would be identified in the annual audit. No action was taken.

h. Review Consultant Expenses for 2020

Council directed Schneider to add discussion of sending out Requests for Proposals (RFPs) for city attorney to the October council agenda.

5. 2020 BUDGET PROPOSAL

Council reviewed. No action taken.

6. WATER FUND BUDGETING

Council discussed the shortage in the Water Fund and directed Schneider to bring a water rate study to the October council meeting.

7. WASTEWATER DUMPING FEES – REVENUES BY YEAR

Council reviewed wastewater dumping revenues of the past three years (\$2,619 in 2017; \$4,905 in 2018 and \$6,203 so far in 2019.) Public Works Director Leuer stated that wastewater dumping revenues would cease after the City is connected to MCES, as this type of dumping would put Loretto over its output limit. Leuer noted its not just the revenue, but the discounted jetting of sewer lines that would be lost. Leuer estimated the overall loss in 2021 to be approximately \$20,000.

*Budget Workshop Meeting Notes
August 20, 2019
Approved September 10, 2019*

8. STORMWATER FUND BUDGETING

Council discussed the shortage in the Stormwater Fund and directed Schneider to bring a stormwater rate study to the October council meeting.

9. ADJOURN

On a motion by Daniels, seconded by Markham, to adjourn the Budget Workshop at 8:30 p.m. Motion carried unanimously.

ATTEST:

Mary K. Schneider, City Clerk Treasurer

Kent Koch, Mayor