

City of Loretto
Budget Workshop Meeting Notes
Tuesday, August 23, 2016, 6:00 p.m.
279 N. Medina Street, Council Chambers

CALL TO ORDER/ROLL CALL

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

Members present: Mayor Kent Koch, Council Members Brenda Daniels, Cari Girk, Henry Pepin and John Neumann.

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

There was one person in the audience.

WORKSHOP SESSION

The following items were discussed:

a. SNOW PLOW TRUCK PAID OFF IN 2016

Clerk Treasurer Schneider reported the snow plow truck will be paid off in 2016, which means the \$26,000 payments that have been included in the CIP will not be needed in the 2017 CIP/budget. Staff was able to present a balanced budget with no increase to the Proposed Levy, while still including required changes for on-call policy increases to payroll; Comp Plan increases to planning and engineering; Wastewater engineering increases due to hookup issues; as well as other expenditure increases due to inflation, etc.

Council discussed the fact that a Proposed Levy set in September can be lowered in December when setting the Final Levy, but cannot be raised. Council directed staff to prepare the Proposed Levy and Budget for the September 13th council meeting with a three percent increase to the Proposed Levy.

b. TIF

1) Pay Go Loan – Loretto Properties

Schneider reported that in August 2016, the final Pay Go loan payment to Loretto Properties was made. From this point forward, TIF revenues may be used to pay back the Interfund Loan from the City's General Fund (see further explanation below.)

2) Interfund Operating Transfer – From TIF Fund to the General Fund

When the TIF District was created, \$36,313 was borrowed from the General Fund. This Interfund Loan needs to be paid back over time as funds are available in the TIF Fund. In 2013, \$4,000 was paid back, and in 2016, \$5,000 will be paid back. For 2017, I recommend budgeting another \$5,000 payment from the TIF Fund to the General Fund. The currently proposed budget includes this transfer with the funds allocated across the General Fund.

The auditors prepared a loan balance spreadsheet for staff to use, calculating interest as approved in the original interfund loan agreement. The amount due to the General Fund as of June 2016 is \$61,372. This does not take into account the \$5,000 payment the TIF Fund will make to the General Fund at the end of 2016.

c. Review 2017 Proposed Wages

1) Wages

Council reviewed the 2017 Proposed Wage spreadsheet. Schneider noted a three percent wage increase was figured for staff with the exception of Gordie Schmidt, who recently

received a fifty-cent increase. Two hundred hours were added for Dave and for Jeff to account for on-call policy benefits.

2) Benefits

Schneider noted the “additional compensation” benefit for thirty-hour per week employees was left in the budget. If Council moved forward with that policy or with a plan to provide health insurance benefits, this amount would account for either benefit.

d. Staff Training

Council reviewed a proposal for Utility Clerk Scheibe to attend the Municipal Clerks’ Institute, a program that consists of one week of training for three consecutive years. The training budget would not need to be increased, but would not be decreased either. Council directed Schneider to place this item on a council agenda for approval when the time comes.

e. Review Proposed CIP and Repairs and Maintenance Spreadsheets

Council discussion included a suggestion to increase capital improvement funding in Parks Department; develop a Miniature Golf Park to be run by the City at one of the softball fields; create an infrastructure plan; City’s storage capacity is overwhelmed; build storage building or combined storage/City Hall building; currently budget \$16,800 yearly to pay rental fees for office and storage space – funds that could be used as payments for a City-owned building.

When reviewing the Proposed 2017 CIP, Council consensus was to remove \$7,000 funding for Electronic Speed Signs along County Road 19 and leave in the \$5,000 funding for a snow blower attachment for the skid steer. This attachment will help staff remove snow from the sidewalks along County Road 19, among other uses.

f. Review Consultant Expenses for 2017

Council consensus was to accept staff recommendations for consultant expenses for 2017.

3. 2017 BUDGET PROPOSAL

Council reviewed the 2017 Budget Proposal Explanation spreadsheet. No action taken.

4. WASTEWATER BUDGETING

Council discussed how upcoming wastewater projects should be funded. These are projects the City is completing to move towards hooking up to the Met Council’s sewer system (MCES). The options would be to either start using funds that have been set aside in the Wastewater Capital Fund (612) or to raise user rates and fund through the Wastewater enterprise fund (602).

Council consensus was to begin using Wastewater Capital (612) funds for these projects.

Adjourn

On a motion by Pepin, seconded by Girk, to adjourn the Budget Workshop at 7:15 p.m.

Motion carried unanimously.

ATTEST:

Mary K. Schneider, City Clerk Treasurer

Kent Koch, Mayor