

**City of Loretto**  
**Budget Workshop Meeting**  
**Tuesday, August 25, 2020, 6:00 p.m.**  
**by telephonic means**

**1. CALL TO ORDER**

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

Koch stated that Clerk Treasurer Schneider is physically present at the regular meeting location at City Hall, but all Council Members and staff are participating through telephonic means pursuant to Minnesota Statutes Section 13D.021.

Koch asked all members of the Council to identify themselves for the record. Members present included Mayor Kent Koch, Council Members Brenda Daniels, Melissa Markham, Eric Riley, and Brian Sevigny.

Koch asked all staff members to identify themselves for the record. Staff present included Public Works Director Jeff Leuer and City Clerk Treasurer Mary Schneider.

Koch verified that all Council Members and staff could hear one another and can hear all discussion and testimony.

Koch noted that members of the public have been provided notice of this meeting and the ability to participate by calling in to the teleconferencing system. Koch asked the public to continue to monitor the City's website for information on future meetings, which will include information on submitting public comments and monitoring the meetings through call-in numbers and Zoom meeting links.

There were no persons from the public monitoring the meeting.

**2. PLEDGE OF ALLEGIANCE**

**3. SET AGENDA**

The agenda was approved as submitted.

**4. BUDGET GOALS OF COUNCIL – DISCUSSION POINTS**

**a. TIF District Decertification**

Clerk Treasurer Schneider reported the auditors are recommending we decertify the TIF District and consider the amount received by the date of decertification as satisfying the TIF Interfund Loan. Once the district is decertified, the taxes for the properties in the District (115 and 145 Railway Street West) would join the regular tax base for the City, instead of being separated out and recorded as Tax Increment.

Council directed Schneider to bring a Resolution to decertify the TIF District to a future council meeting.

**b. Review 2021 Proposed Wages**

Council reviewed the 2021 Proposed wages, which includes a three percent wage increase for all staff. Council Member Sevigny made a motion to approve the proposed 2021 wages and the

*Budget Workshop Meeting Notes*  
*August 25, 2020*  
*Approved September 8, 2020*  
*Amended October 13, 2020*

motion was seconded by Council Member Markham. Mayor Koch stated that motions are not needed at the workshop as the approvals would come at the September council meeting. Sevigny withdrew his motion and Markham withdrew her second. No further action was taken.

**c. Review Proposed Capital Improvement and Maintenance and Repairs Spreadsheets**

Council reviewed. Public Works Director Leuer stated the \$3,000 shown in the Parks CIP for shelters and concrete pads could be removed as those projects have been completed in 2020.

Council discussed the cost to the City of sharing the Medina compost site, noting the 2020 cost is \$8,500. Mayor Koch stated there is a program through Randy's Environmental where a resident can pay \$100 for the season and Randy's will pick up yard waste that is packed in brown paper yard bags, up to twenty-five bags per week.

Council directed Schneider to contact Randy's and find out what options the City would have to make this a city-wide service.

Council Member Markham asked about the scheduling of the black-topping around the softball concession building that was approved in 2018. Leuer stated the ground was too soft in 2019 due to the wet season. Leuer stated he was planning to get the project completed this year if it's dry enough.

**d. Lions Park Shelter**

Council discussed options for improvements to the Lions Park Shelter, noting the insurance company has approved a new roof due to hail damage.

Council directed Leuer to bring improvement proposals and the amount the Lions Club is willing to contribute to a future council meeting for further discussion.

Council directed Schneider to add \$10,000 to the Parks CIP for Lions Park Shelter Improvements.

**e. Review Consultant Expenses for 2021**

Council reviewed. No action taken.

**5. 2021 BUDGET PROPOSAL**

Schneider stated the Proposed 2021 Levy reflects a five percent increase from the 2020 final levy. Council reviewed. No action taken.

**6. WATER FUND BUDGETING**

Schneider reported the Water Fund has a 5% rate increase figured into the proposed budget, as recommended in the Long Term Financial Plan (LTFP). The LTFP focuses on providing revenue sufficient to achieve year-end cash balance to cover the following:

- Three months of operating expenses
- Following year debt service payments
- Following year capital acquisition
- Reserves for future capital improvements

Council reviewed the Proposed 2021 Fee Schedule. No action taken.

**7. WASTEWATER BUDGETING**

Schneider reported the Wastewater Fund has a 15% increase figured into the proposed budget, as recommended in the LTFP. For the same reasons as laid out above.

Council reviewed. No action taken.

**8. STORMWATER FUND BUDGETING**

Schneider reported the Stormwater Fund has a 1% increase figured into the proposed budget, as recommended in the LTFP. For the same reasons as laid out above. In 2020, this rate was increased by 31% to be able to budget for stormwater pond cleanouts and ditch cleaning.

Schneider also stated the engineering budget for Stormwater includes \$20,000 for the MS4 permit renewal. Since this is not a typical expense, Schneider proposed using an operating transfer from the General Fund to cover the cost. Schneider noted the city's auditor said it is not uncommon for cities to do this.

Council reviewed. No action taken.

**9. ADJOURN**

On a motion by Markham, seconded by Daniels, to adjourn at 7:11 p.m.  
A vote was taken by roll call. Motion carried unanimously.

**ATTEST:**

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Mary K. Schneider, City Clerk Treasurer

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Kent Koch, Mayor