

City of Loretto
Budget Workshop Meeting
Tuesday, August 30, 2022, 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 Damon Canaday, Brenda Daniels, and Melissa Markham.

Member absent: Council Member Greg Elsen.

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

The agenda was approved as submitted.

4. DEFINITIONS

Council reviewed. No action taken.

5. BUDGET GOALS OF COUNCIL – DISCUSSION POINTS

a. Review 2023 Proposed Wages

Council reviewed the 2023 Proposed Wages for staff, which includes an eight percent cost of living adjustment for all staff. Schneider noted last year's three percent wage increase was well below the actual cost of living increase seen in 2022.

Council also reviewed a proposal for the addition of a Temporary Public Works position budgeted for 520 hours at \$18/hour and split between the Water and Wastewater Funds. Schneider noted Public Works Director Leuer requested the addition of a temporary employee to assist with the installation of the MXU radio read boxes that were approved for purchase in 2022. Council discussed possible changes in public works staffing over the next few years and the difficulties of keeping employees in a competitive job market.

Council directed Schneider to calculate the impact of moving the current Public Works Maintenance positions to full time instead of adding the additional temporary public works positions and bring information to the September council meeting.

Council discussed the maximum and minimum limits of council wages and directed Schneider to look into the legalities and calculate the impact of dropping the minimum from \$1,800 to \$1,000, raising the maximum from \$3,600 to \$6,000, and changing the additional meeting compensation from \$40 per meeting to \$40 per hour. Council also directed Schneider to prepare the necessary ordinance and bring to either the September or October council meeting for consideration.

b. Notary Services

Council reviewed a proposal to add notary services. Schneider stated it would cost the city about \$250 every five years to have her certified as a notary. Council consensus was to leave this item in the 2023 Budget.

c. Review Proposed Capital Improvement and Maintenance and Repairs Spreadsheets

Council reviewed the following capital projects:

Microphones for use at Council Meetings

Schneider noted the LMCC is recommending the city purchase gooseneck condenser microphones. These would be higher quality than the ones the LMCC brings for council meetings. They capture a person's voice better, and don't pick up other ambient noises as much, noises such as papers rustling on the tables, HVAC sounds, etc. Council consensus was to leave this item in the 2023 Budget.

Street Project Estimates Not Included in Budget

Council discussed the following three projects that are not included in the proposed budget:

- Finish Quiet Zone and Replace Pavers, estimated at \$125,000

Schneider stated the CP Rail invoice for the Quiet Zone was received and came in lower than expected, leaving a balance of \$80,922 in the 225 Quiet Zone Capital Fund. Leuer estimated the amount needed to finish the Quiet Zone at about \$40,000. This would include completing the curbing and replacing the ADA compliant truncated domes (the bumps on the sidewalk that alert a sight impaired person that the railroad crossing is approaching.)

Council discussed options for replacing the pavers along the bike path, including installing colored concrete or asphalt and replacing the pavers. Leuer noted installing colored concrete may be an option that reduces maintenance and keeps up a nice appearance, but the cost will be high. Leuer also noted the County will be doing work on County Road 19 in 2023, so it may be prudent to wait till that work is complete before making changes. Council consensus was to revisit options in 2023.

- Sidewalk West Side of CR19, estimated at \$80,000 and Railroad Costs for Sidewalk West Side of CR19, estimated at \$21,000

Council consensus was to leave this project off the 2023 Budget and review again in 2023.

Pickleball Courts at Lions Park

Council discussed park project priorities and noted there are some projects that need attention soon, including the bathrooms at the Athletic Complex. Leuer noted they are in very poor condition and should be upgraded. Council discussed other funding sources for pickleball courts including grant funding either through the DNR or Hennepin Youth Sports grant programs and possibly Lions Club participation. Council consensus was to move the \$12,500 from the pickleball allocation to the Bathroom upgrades at the Athletic Complex.

Council directed Schneider to update the Park Project Priority List from 2017, including adding pickleball courts, and bring back to a Budget Workshop meeting in either February or March of 2023.

Bandshell at Lions Park

Council directed Schneider to add this item to the Park Project Priority List for discussion at the next Budget Workshop meeting.

Water Project Estimates Not Included in Budget

Council discussed the following two projects that are not included in the proposed budget:

- Water Plant Upgrades – Design Engineering, estimated at \$49,200
Council discussed the benefits to residents and business owners of getting water treatment system in place, including better water quality, reduction in costs to property owners of replacing softeners and filters due to the high iron and phosphate in our water. Schneider noted this project was included in the Long Term Financial Plan, scheduled for design work in 2023. Council consensus was to fund the design engineering through either the 611 Water Capital Fund or with ARPA (COVID) Funds. Council directed Leuer to bring the engineering proposal to the next council meeting for approval.
- Watermain Replacement under RR Tracks, estimated at \$320,000
Council consensus was to leave this item off the 2023 Budget and bring back to a future budget workshop for more discussion.

Remote Meter Read Technology

Schneider noted funding for the Remote Meter Read Technology is split between the Water and Wastewater Fund in the CIP, but the overall Water Fund revenues are short by \$7,500. Council reviewed options to cover the shortage, including raising user rates by eleven percent instead of the eight percent in the proposed budget or by funding the shortage through the 611 Water Capital Fund. Council consensus was to cover the shortage through the 611 Water Capital Fund.

d. Review Consultant Expenses for 2022

Council reviewed. No action taken.

6. 2023 BUDGET PROPOSAL

Council reviewed. No action taken.

7. REVIEW PROPOSED FEE SCHEDULES

Council reviewed. No action taken.

8. FIRE DEPARTMENT WAGE CONTRIBUTION

Leuer stated his current employee contract allows him to dedicate 22% of his full-time hours to Fire Department Administrative work. In return, the Fire Department contributes \$20,000 annually toward his wages. The Fire Department is looking to move toward a full-time Fire Chief, possibly in 2023. Leuer stated he hasn't made any decisions but would like to know if the Council would support him staying on as full-time Public Works Director if the Fire Department were no longer contributing to his wages. Council consensus was in support of keeping Leuer full-time if the wage contribution were to end. Leuer stated there are many factors in play and there may not be any change in 2023.

Council directed Schneider to raise the Proposed Levy from a six percent to a ten percent increase for the September council meeting, noting the Proposed Levy, set in September, cannot be increased in December, only decreased when the Final Levy is set.

9. AMERICAN RESCUE PLAN ACT (ARPA - COVID RELIEF)

Schneider noted the city has received its full ARPA allocation of \$72,563.40. These funds may be used for any project the city has authority to fund, such as the water treatment improvements, park improvements, etc. Schneider noted the use of funds must be decided by the end of 2024 and spent by the end of 2026. Council directed Schneider to add this item to the next Budget Workshop agenda.

10. ADJOURN

On a motion by Canaday, seconded by Markham, to adjourn at 9:00 p.m.
Motion carried unanimously.

ATTEST:

Mary K. Schneider, City Clerk Treasurer

Kent Koch, Mayor