

# **Notes of Budget Workshop of the Loretto City Council August 23, 2011**

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

The Workshop was called to order at 7 p.m. by Mayor Kent Koch. Members present: Mayor Koch, Council members Tom Pedersen, John Neumann, Clark Lohr, and Jeff Tepfer. Also present: City Clerk Cindy Patnode and Public Works Director Jeff Leuer.

There were no people in the audience.

## **WORKSHOP SESSION**

The following items were discussed:

- The MET Council Grants – this line item on the Revenue side and Professional Services (Planning) on the expense side will be worked out more closely with Patnode and Lohr regarding future grants that may come in and current grant money that will be expended and received.
- All Maintenance, Capital Outlay, and wage line items were pulled from the discussion until the end.
- Fire Contract – the Council representatives and LFD will be meeting prior to the September Council meeting to discuss the new contract.
- Engineering – possibility of the West Railway/St. John Street project and what that would mean for the engineering budget. It was noted that one of the property owners submitted a letter in opposition to the improvement. If the project goes forward, Patnode was informed by the Auditors to set up a Debt Service Fund and a Project Fund. More information will need to be obtained if the project goes forward and the Auditor's suggested either Ehlers or Northland Security.
- Railway Street Bond Fund – possibly paying off the loan and transferring the Debt Levy that was scheduled for 2012 to the General Fund. Patnode was instructed to verify with the Auditor's that this could occur. If not, the Council tentatively set another workshop for September 6 at 6 p.m. Patnode will inform the Council of the finding prior to the end of the week.
- Pedersen inquired of the Organics program and the possibility of ending that. Patnode informed the Council that the County just came out with a memo stating that new requirements will be coming down from the State on the recycling mandate and advised holding off on any changes to contracts at this time. The Council may want to look at this once that information is available.
- Patnode informed the Council that the Stormwater Fund has huge financial responsibilities based on the Pioneer Sarah Creek Watershed Commission's Capital Improvement Budget. It's way out of line with reality but the projects have to be listed in order to get any grant funding.

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*Approved 9/13/11*

The City of Loretto is named in projects that are valued at 3.15 million. This is not the amount that Loretto would owe, but the projects are very costly. The goal of the majority of these projects is to lower the phosphorus content in both Lake Sarah and Lake Independence.

- After reviewing all the Funds, the Council consensus was to not raise any of the utility rates for 2012. Patnode will look into what the Water Fund balance will be since the PFA office submitted information last year to make sure the rates are high enough to repay the loan they hold. Based off that information, cuts may need to occur to stay in line with their recommendations.
- The Wastewater Fund needs more tweaking on the anticipated Sewer Sales on the Revenue side which should keep that fund from deficit spending.
- The consensus of the Council was to make cuts or revise the Revenue to have equal Revenue and Disbursements (a difference of \$1,154) of the Stormwater Fund.
- All Maintenance items were reviewed and no changes at this time (except for typo's).
- All Capital Improvements were reviewed and no changes at this time (except for typo's).
- Wages – Council left the rates at a 4% overall noting that percentage could come down prior to the Final Tax. The Council also discussed different ways of disbursing the percentage increase. Job descriptions were also discussed and changes may be made in the future. Clarified the percentage breakdowns for employees into varying funds.
- The General Fund expenditures are over the revenue by \$54,645. Staff was instructed to switch the Debt Levy amount from Fund 351 to the General Fund; work on lowering the expenses or raising the revenue to get the overall increase of the levy between 4 & 8% of the 2011 levies.

There was not a park report presentation at this time as Mayor Koch is still gathering information. Discussion by Council members regarding the parks included the possibility of having an Annual Parks Report; establish a parks and field rental fee; transparency within the parks to evaluate costs and revenues.

### **LIQUOR LICENSE ORDINANCE REVISION DISCUSSION**

The Council was sent this information prior to the meeting and stated the draft liquor ordinance was in line with their intentions and to move forward for the September meeting. A brief discussion took place regarding walking on the streets with an alcoholic beverage and how the ordinance may check into that.

**BOND/FINANCING COUNCIL**

The Council was sent information prior to the meeting regarding the way the bonding/financing would work in the event that the West Railway/St. John Street moves forward.

**RAC MAILERS WITH OPEN HOUSE INFORMATION**

Lohr inquired of the Council as to the thought of having the Open House for the Redevelopment at the Fun Fest to inform as many Loretto residents as to the project. Council consensus was positive. Mailers to the residents would be less than \$100 to inform them of that event.

Lohr also suggested that the city hand out the Bio Bags for the leaf clean up at the same time for good public relations. There is money in the budget for additional bags.

**ADJOURN**

The workshop adjourned at 9:20 p.m.

**ATTEST:**

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Cynthia J. Patnode, City Clerk

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Kent Koch, Mayor