

**CITY COUNCIL
BUDGET WORKSHOP**

5:00 P.M.

August 6, 2018

Present: Scott M. Johnson
Richard DeRosier
Dustin Goutermont
Carlene Perfetto
Shane Hoff

Lana Fralich, City Administrator

Mayor Johnson called the meeting to order at 5:06 p.m.

BUDGET WORKSHOP – The Council reviewed the first draft of the proposed 2019 budget. The 1st draft showed a levy increase of 8.26% or \$115,000 which was primarily due to levy for street improvements and capital projects. There was discussion about the net tax capacity estimate the City receives from the County Assessor. Taconite Production Aide is expected to be higher along with a minor increase in Local Government Aid. Council reviewed changes between the 2018 budget and the 2019 operational budget by department highlighting adjustments to wages & benefits in accordance with contracts, preparation of severance payouts for retirements, hiring for retirement replacements, utility adjustments, insurance adjustments, repair and cleaning of furnace at the Reunion Hall, and the purchases of a new police vehicle, tommy gate, manhole lift covers, tamper attachments, turnout gear, new greensmower and airway, computer replacements, and other small equipment and supply purchases. There was further discussion on capital projects for the city including the City Hall Roof/HVAC system, the roof replacement and wall repair at the Street Department, the Liquor Store roof replacement, the campground, street and sidewalk improvements, and the projects at the Water/Wastewater Plant including preliminary treatment, sewer bridges, water loop, and sanitary trunk line projects. There was discussion on options to lower the levy. The Council will review draft #1 and bring back any recommend changes to the next budget meeting. The proposed budget and levy need to be certified in September.

Motion by Perfetto, second DeRosier to adjourn at 6:50 p.m. MOTION CARRIED.

Minutes taken by Lana Fralich



Scott M. Johnson, Mayor



Lana Fralich, City Administrator