

CITY COUNCIL
Budget Workshop

The City Council has set a Special Budget Workshop meeting for the purpose of discussing 2024 Proposed Budget.

5:00 P.M.

September 5th, 2023

Present: Wade LeBlanc
Richard DeRosier (entered at 6:13pm)
Shane Hoff
Ben Bautch (entered at 6:38pm)
Dustin Goutermont

Lana Fralich – City Administrator
Rick Evans – Northshore Journal (entered at 6:45pm)
Julie Jensen (entered at 6:50pm)

Mayor LeBlanc called the meeting to order at 5:04 P.M.

The Council reviewed Draft #1 Memo and corresponding budget working papers for the proposed 2024 Budget, along with information received from Lake County relating to the Net Tax Capacity for 2022, 2023, and 2024. The first draft of the proposed budget shown a 14.2% levy change.

There was discussion on adjustment for the new LGA increase, potential decrease in Taconite Production Aide, expected increases in water and sewer revenues due to Northshore Mining back in operation, labor negotiations pending relating to insurances for all and wages for Police, severance pay for pending retirement, vacant positions filled in Police and Water/Wastewater, adjustment in benefits from single to family coverage, increases in audit fees, debt service payments remaining, adjustments for utilities and insurances, and creation of a new Stormwater Fund. Discussion continued on each department's budgets, projects that are placed into the proposed budget such as the Library Expansion, Multi-Modal Trailhead Center, Golf Course Housing, Water Facility Upgrade, Boathouse Bay, and Mary Mac Roofing Project and that these projects don't impact the levy as the funds will need to come from reserves or other sources.

There was further discussion on the bids received for the Library project being higher than planned, timing to award bid, additional funding identified and timing of applications, the high cost per square foot, working with contractor for value engineering, and having the project rebid once funding was secured. There was discussion on East Lakeview Drive Construction and funding to come from Fund 406, setting up a repayment agreement with the Blue Line Club if a loan were to be provided for the Outdoor Rink Project, added Legal Fees for projects and updating city codes, installing cameras at the water and wastewater facilities along with the Mary Mac building, and the following purchases: installing concrete apron at the fire department, purchase of a new fire engine, computer equipment

and server for administration, elections for 2024, new squad car, UTV, MDC & Cradle Points, Motorola Leases, LensLock Body & Squad Cameras, handguns with optics for police department. There was discussion that the UTV be obtained through a grant and partnership with Lake County Rescue. There was additional discussion on having Councilor DeRosier look into the need for handgun replacements and other purchases for the police department. Additional expenses include the City's grant share for SCBA's for fire, hoses, two 4-hr gas meters, and turn out gear for fire. It was noted that expenses for police and fire purchases would mostly be offset by a one-time public safety grant the city is expected to receive in October (\$81.4K). Discussion continued on street expenses to include the new snowplow that was ordered in 2022, new truck, new Kubota lawnmower, purchase of gravel, and the replacement need of the lift and hoist. There was discussion on the costs associated with the lift and hoist, and that Council would like Department Heads to come to the next budget meeting to discuss more details on need for purchases.

Review of the budgets continued with the golf course purchasing a mower with a repayment agreement back to the city, and building a new deck with ADA accessible ramp. There was discussion on promoting the Golf Course as a restaurant, making improvement for bar seating, and additional needs for accessible bathrooms. The Arena would be purchasing a new Zamboni battery and making repairs to the compressors. There was discussion on the chargebacks from Marina to the Parks, transfers from Liquor funds to the Parks, increase in ref and umpire fees, profits from the campground offsetting the need for Parks and Rec general fund transfers, and the purchase of a firewood vending machine for the campground. Discussion followed on replacing the roof at the Mary Mac, its reserve fund, and time remaining on previous roof loan. Discussion continued on increasing Mary Mac rents with the new leases to offset increased expenses, adjustment to Mary Mac Manager contract, adding funding for the front parking lot when the CSAH road gets reconstructed, no changes to Park State Bank, EDA loans available for businesses, continuing the Neighborhood Revitalization Program, not continuing the Housing Incentive Program, increasing the levy for the Equipment/Vehicle Replacement Schedule, transfers to and from the 401 fund, city hall parking lot, continuing with sidewalk maintenance. There was discussion on the City-wide street improvement project in proposed budget but would need to be amended once knowledge of costs are known. There was discussion on the new funds being set up for TIF and Tax Abatements once information is known.

DeRosier entered the meeting at 6:13pm.

Bautch entered the meeting at 6:38pm.

Council continued review of the budget and discussed replacing the doors at the ReUnion Hall, purchasing new tables and chairs, transferring funds from Liquor Store and the Capital Asset Fund, adding the new Ship Store to the Marina for it to be open in 2024, use of Water and Sewer reserves for utilities relating to the Lake County CSAH project and the Boathouse Bay project, PFA loan payment, new SCADA system, repairs to the digester being covered by insurance due to vandalism, and adding automatic door

openers to the Liquor Store doors. There was discussion on the need for all the doors to have automatic openers at the Liquor Store.

Rick Evans entered the meeting at 6:45pm.

Julie Jensen entered the meeting at 6:50pm.

There was discussion on prioritizing projects and projects not included in the budget but being worked on, including: Black Beach Park improvements, Liquor Store and Reunion Hall renovations, new public street, downtown revitalization, apartment housing projects, new earned sick leave for employees, changes relating to cannabis, and a Facility Manager, which is a continued request by Administrator and Department Heads. It was noted that these items would be worked on and would need to be addressed in 2024 once more information was received. Fralich will adjust the budgets based upon discussion, invite Department Heads to attend the next meeting, and present an updated budget at the September 18th budget workshop meeting.

Motion by Goutermont, second Hoff to adjourn the Budget Workshop at 6:59 P.M.
MOTION CARRIED.

Minutes taken by: Lana Fralich

Attest:



Wade LeBlanc, Mayor



Lana Fralich, City Administrator

