

**CITY COUNCIL**  
Budget Workshop

The City Council set a Special Budget Workshop meeting for the purpose of reviewing and discussing the 2025 Proposed Budget and Levy.

4:00 P.M.

September 16, 2024

Present: Wade LeBlanc  
Richard DeRosier  
Shane Hoff  
Ben Bautch  
Dustin Goutermont

Lana Fralich – City Administrator  
Marcia Oates  
Tammy Alcaraz  
Carolyn Hudyma  
Julie Jensen

Mayor LeBlanc called the meeting to order at 4:05 P.M.

The Council reviewed Draft #2 Memo and corresponding budget working papers showing a 12.8% levy increase (\$214,380) to the 2025 Levy. There was discussion regarding the loss of Taconite Production Tax and the adjustments made from the Draft #1, which included removal of proposed facilities manager and part-time custodian, equipment, and adjusting wages/benefits for personnel. The proposed levy in Draft #2, included 5.2% increase for General Fund, 36.1% increase for Library Fund, 11.1% increase for Public Works, 40% increase for Street Fund, and no increase in the Capital Asset Fund. Per Lake County the net tax capacity is 2.03%. Council reviewed four scenarios and the affect each would have on property taxes, discussed percentages vs. dollars received, and the importance of investing in the street fund.

There was discussion on operations of the city departments, League of MN Cities recommended increases in insurances, loss of Taconite Production Tax, establishing a new Stormwater Fund, drawing down on Library reserves for the first year of repayment agreement, refurbishing equipment versus buying new, and financing for the city-wide street and utility project.

Tammy Alcaraz asked what councilors make per month. City Administrator stated Council members receive \$350/month, Mayor \$450/month, and have not voted to change the rate since 2009.

Further discussion regarding asking the County to help improve the ballfield at Mary Mac, ways to lower the levy amount to 10.7%, and that the levy can't increase but

decrease once it is certified. There was a consensus of the Council to draft a resolution for approval of 10.7% levy at the September 16<sup>th</sup> City Council meeting and cancel the September 24<sup>th</sup> Special Budget and Special meeting.

Motion by Goutermont, second Bautch to adjourn the Budget Workshop at 4:56 P.M.  
MOTION CARRIED.

Minutes taken by: Lisa Christenson

Attest:

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Wade LeBlanc, Mayor

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Lana Fralich, City Administrator