

**CITY COUNCIL**  
Budget Workshop

The City Council set a Special Budget Workshop meeting for the purpose of reviewing and discussing the 2026 Proposed Budget and Levy.

4:00 P.M.

September 2, 2025

Present: Wade LeBlanc  
Richard DeRosier  
Ben Bautch  
James FitzGerald

Excused: Shane Hoff

Lana Fralich – City Administrator  
Donna McCurdy – Finance Manager

Mayor LeBlanc called the meeting to order at 4:08 P.M.

The Council reviewed Draft #1 Memo and corresponding budget working papers showing a 17.6% levy increase (\$325,500) to the 2026 Levy. There was discussion on the key changes which included a \$35,000 levy increase for the Library internal general fund loan repayment agreement; increase in Wages and Benefits based on recent labor negotiations and adjustments for employees who are no longer on a probationary wage, and for adjustments in single and family insurance coverages; Taconite Production Tax not expecting to increase; an increase to both commercial and residential Building and Zoning Administrator contracts; property, vehicle, work comp, and general liability insurance increase; utility increases; and adding new state aid for streets. There was further discussion on having a place holder for water and sewer rate increases, along with the addition of a stormwater rate and the pending rate study being conducted. There was clarification on the Multi-Modal Trailhead Center costs being separated out in more detail than previously done with the Rec Building and Senior Workshop in order to keep revenues generated from use of the building instead of reimbursing back to the state.

There was discussion on equipment purchases and projects which included tennis courts and Mary Mac ballfield improvements, ice retailer, trailhead tables/chairs and refrigerator, remaining construction on the trailhead, Mary Mac improvements, EDA and Renovation Loan Program disbursement, Golf Course housing, Silverpointe II, MN Power Franchise Fee revenues, city-wide street improvement project, replacement of an sewer pump, administration computers and desk, replacement of vault and entry door locks, camera system for council chambers, increased fireworks for milestone birth year of the city and

country, street grader, sander for plow truck and improvement to golf course handicapped bathroom.

Council recessed at 5:14pm until 5:16pm

Other information reviewed and discussion included Library planning to open 4hrs on Saturdays for the winter months, new debt payment for the steril-koni lift that was installed in the street department last year, and setting up the TIF payment for Boathouse Bay to be paid by the Boathouse Bay taxes.

Council reviewed information from Lake County Assessor's office and the impact a of a 17.6% levy would be on taxpayers and looking to make cuts to lower the levy. There was discussion and concern for compounding increases to property tax, water and sewer rates, stormwater rates, and special assessments that are impacting residents and businesses. Discussion continued on the improvements needed, not kicking the can down the road, playing catch up to the funding needs to maintain services, not asking for frivolous items, and drawing down on reserves for items that had been included in prior levies. Further discussion on ways to lower the levy amount, that the levy can't increase but decrease once it is certified, which must be done by September 30th. The Administrator will work to lower the levy and bring back an updated draft for the September 15<sup>th</sup> budget workshop

Motion by Bautch, second FitzGerald to adjourn the Budget Workshop at 6:45 P.M.  
MOTION CARRIED.

Minutes taken by: Lana Fralich

Attest:

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Wade LeBlanc, Mayor

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Lana Fralich, City Administrator