

Pursuant to due call and notice thereof, a City Council Work Session was duly held in the City Council chambers at 5:30 p.m. on the 8th day of September 2021. The following members were present: Mayor Doug Henke, Council Members: Tom Gard, Dan Rechtzigel, and Molly Ryan

Absent: Mary Bailey

Also, present: City Administrator Mark Vahlsing, Finance Clerk Sue Dodds, Public Works Director Wayne Ehrich, Liquor Store Manager Matt Bartel, Library Director Michelle Otte, Police Chief Jeff Sjoblom, Administrative Assistant Holli Gudknecht

Mayor Henke called the work session to order at 5:30 pm. The purpose of the work session was to review the draft 2022 budget and levy.

Review Proposed 2022 Budget

Library Director Otte reviewed the proposed 2022 budget. The overall budget for the library showed a proposed 15% decrease. The majority of the decrease was in salary and benefits. This is due to the anticipated retirement of the children's librarian who will be replaced with two part-time employees.

Liquor Store Manager Matt Bartel updated the Council on the Liquor Store's proposed 2022 budget. The proposed budget shows slight increases to beer, wine and liquor inventory purchases. Capital outlay of \$6,000 was added to the budget for a new roof air conditioner. Bartel noted that the final loan payment to KMU will be made soon for the 2009 remodel.

Police Chief Sjoblom provided an update on the police department proposed budget. He stated that the proposed budget showed increases in personnel costs like all other departments. There was discussion of possibly adding a fourth police officer next year. The council agreed that the extra police coverage would be favorable, but they couldn't justify the huge levy increase to pay for an extra officer for a city of our size.

Public Works Director Wayne Ehrich provided a summary of the proposed Fire Department budget. The biggest increase was in the uniforms category. Three new sets of turnout gear for \$4,000 each and one set of SCBA for \$6,000 were added. These items expire every ten years and are on a rotating replacement schedule.

Public Works Director Ehrich also reviewed the proposed 2022 public works budget. This budget included streets, sanitary sewers, parks, storm sewer and the pool. Some major capital purchase items in the proposed budget included the repair of a collapsed sewer line on North Street, painting the pools and locker room building, and a lawn mower trade in. The Council added \$6,000 to the pool budget in the "transfer to capital funds" category for future repairs that will be needed.

Administrator Vahlsing stated that the proposed 2022 budget included a 3% cost of living increase for full-time employees. It also showed a 5% increase for employee health insurance.

Discuss Options for Maximum 2022 Levy

The maximum proposed levy increase must be adopted by the council by the end of September. Administrator Vahlsing stated that the draft budget showed a 4.6% maximum levy. After the maximum levy is adopted, it cannot be increased but can be decreased. He also stated that due to increases in property valuations the last several years, the actual tax increases may be less. The final levy and budget must be adopted by the end of December.

A Council work session to review the Northland Securities Debt Study was scheduled for September 22 at 5:30 pm.

Mayor Henke adjourned the meeting at 7:55 p.m.

Holli Gudknecht, Administrative Assistant

Douglas Henke, Mayor