

OCTOBER 10, 2019, FINANCE COMMITTEE MEETING MINUTES-OCTOBER 39

Members present: B. Groothusen, M. Platteter. Absent: B. Stoneberg. Others present: A. Christianson 1, T. Devine, R. Grey, S. Kavanagh, D. Parker.

Call to Order:

Committee Chair Platteter called the meeting to order and presided.

Other Jurisdictions:

It seems that an increase in State Aid to the District will result in its levy being lowered by the same amount as there is a cap on what the District can spend. So, even though it will have essentially the same money to operate with the District's mill rate will be lower. The City, on the other hand, can increase its mill rate some without increasing residents' tax bills. It is uncertain what Rusk County's needs and plans are.

Changes:

The primary changes that are included in the City budget plan for 2020 are as follows:

- A part time police officer position will be made full time.
- A full time position will be added in the Public Works Dept., which is believed to have the same manpower as 50 years ago, and somewhat less than a few years ago. A key role for this position will be using the new asphalt heater to do longer lasting pavement patches.
- Purchase of a new skid steer and attachments will headline equipment additions.
- Money will be borrowed to convert the nearly 50-year old former U.S. Army Reserve Center facility into the City's main public works garage. [It will replace an over 80-year old facility that, like the Reserve Center, was itself repurposed when it was acquired. The Center is a much better built and flexibly laid out structure with considerable fenced outdoor storage that makes it almost ideal for the planned reuse. To accomplish the conversion, the City expects to borrow only about one third the amount it would take to replicate this facility with an all-new one.]
- Money will be borrowed to continue accelerated street reconstruction. [Most of the work will not actually start until late spring 2020.]

While the budget plan appears to raise over \$100,000 more than is needed to meet planned expenditures, this will effectively be used to help replenish the general fund balance. [At the end of 2018 the unassigned fund balance had dropped to \$377,736; only 8.7% of the budget amount. It is recommended that this number be 25-30%, such that the balance should probably be \$1,250,000.]

Recommendation:

Motion was made by Platteter, seconded by Groothusen and carried by voice vote to recommend Council approval of a budget balanced at \$4,855,538, including a real estate tax levy of \$1,324,093. There will be an informal discussion of this recommendation at the Council meeting on Monday, October 14. Plans are to schedule the required budget hearing for Monday, November 4, and to slate it for action at the Council meeting on Monday, November 11. The budget does not have to be approved as presented at the budget hearing.

Adjourn:

The meeting was adjourned at 5:51 p.m.