

Oct. 6th, 2020 FINANCE COMMITTEE MEETING MINUTES

5:00 pm Council Chamber. Members Present: B. Groothousen, M. Reynolds

Others Present: A. Christianson, D. Parker, T. Devine, A. Hraban

Call to Order: M. Reynolds called the meeting to order.

Discussion of 2021 Budget:

Debt Service:

An overview of the Debt Schedule was presented by Mr. Devine. Fund 100 will be expending \$373,622.50 from the tax levy to cover existing debt. \$113,574 of debt will be covered by other funds. The \$113,574 is covered by transfers in from other funds (Meadowbrook Center and TIDs 8, 9 & 10), so it's somewhat of a "wash" for budgeting purposes. The largest portion of the debt payments is covered by Water & Sewer departments. General fund debt service is down from 2020 by \$131,016 due to paying off a note, and refinancing.

Economic Development:

Mr. Groothousen clarified that "Industrial Dev./Park Maint." was ditch cleaning and brush hogging lots that weren't used. \$5,000 has been budgeted consistently in previous years, but no expenses were booked. Mr. Parker said it was a coding issue. The expenses for that work was performed by Parks Department workers, so the expenses were landing there. Since the Parks budget for 2021 already included these expenses, we should budget \$0 in Economic Development for that activity. A new payroll code could be created to separate those expenses.

The "Summer Help" wages were intended for an intern. We have no plans on bringing in an intern in 2021.

Mr. Reynolds questioned whether allocation of the City's Room Tax was as beneficial to the City as it should be. Currently, The City of Ladysmith is the only entity charging Room Tax, but the money from the Room Tax get spread across the County. Mr. Groothousen noted that total Room Tax revenue was not listed in the Economic Development budget. Mr. Devine pointed out that the total Room Tax revenue was captured in the overall budget, and the Economic Development tab could be adjusted to make it more visible.

Mr. Christianson would like the Finance Committee (and extending to the Legal Affairs Committee) to review the contracts with the County for Room Tax, the Animal Shelter, and the Library as it seems the residents of the City are taxed by two entities to support these functions. Also, to be reviewed, would be contracts with townships, to see what we are obligated to, and for how long.

Budget Summary:

With recognizing that the Economic Development maintenance expenses were already in the budget via the Parks Department, and moving that budget expense line to \$0, the budget now shows a \$2,926 surplus.

Motion to remove \$5,000 from Economic Development Maintenance by Mr. Reynolds, seconded by Mr. Groothusen. Motion carries.

Motion by Mr. Reynolds to recommend the budget, resulting in the \$2,926 surplus, to the Common Council on October 12th, 2020. Seconded by Mr. Groothusen. Motion carries.

Meeting Adjourned at 6:15pm