

Pursuant to due call and notice thereof, the Budget Workshop of the Brainerd City Council was called to order at 5:15 P.M. by Council President Scheeler.

Upon roll call, the following members were noted present: Koep, Pritschet, Bevans, Johnson, Borkenhagen, Hilgart and Scheeler. City Staff present included: City Administrator Thoreen, Finance Director Hillman, Engineer Hulsether, Police Chief McQuiston, Fire Chief Holmes, Park Director Sailer, Planner Ostgarden, and HR Coordinator Schubert.

2016 Budget and Levy

Finance Director Hillman presented an overview of the current 2016 budget and levy as well as a brief overview of several of the non-working fund budgets. The Council then discussed several items:

- **Mill Rate:** the rate used in the preliminary levy was too low. This results in \$21,805 less for working fund revenues.
- **Airport Appropriation:** The airport requested an increase of \$7,775 for a total appropriation of \$163,275. The general consensus was to hold the airport appropriation to the same level as 2015 which was \$155,500.
- **Levy for the Library:** In order for the library to balance their budget, a \$12,500 increase to the levy for a total levy of \$153,500 was proposed. The general consensus was to hold the library levy the same as 2015 which was \$141,000.
- **Fire Department Restructure Savings:** Discussion was held regarding if the savings should be allocated to the partners we serve and how it would be done. The general consensus was to keep for future capital needs at this time.
- **HVAC System:** Discussion was held regarding the options of replacing the controls only or controls and cooling tower. The general consensus was to replace the controls only, for an estimated cost of \$70,000. If we were to do the cooling tower we would lock ourselves into the current lay out of City Hall.
- **Other Capital:** The general consensus was to discuss with financial advisor to see what we could bond for. Discussion was also had to budget \$40,000 for a facility study, to identify all of the needs in all of our City buildings before investing more money for example in the HVAC system with our current lay out. The consensus was to use the \$40,000 for known items that need to be done on the buildings rather than for a study.
- **IT Staffing:** In the current budget there are 2 FTE's for IT and 1 FTE Admin Support for Engineering and Planning. The general consensus was council felt they didn't have enough information to make a decision at this time.
- **EDA Levy:** The EDA met on November 12th and recommended approval of the budget as revised. The current budget has the EDA levy at the maximum allowed by

state statute. The general consensus was to leave the EDA levy at the maximum allowed by state statute.

- **Police Department Staffing:** The general consensus was to leave the budget at the current 24 sworn officers.
- **Longevity Pay for exempt Positions:** The general consensus was to adopt a policy that ends the practice of longevity for new employees in exempt positions hired after January 1, 2016.
- **Health Insurance for Council Members:** Discussion was held that there may be issues with ACA as it is with the current structure.
- **BPU Electric Rate Contribution Increase:** The general consensus was to discuss increasing the rate with BPU.
- **TIF District Decertification:** The general consensus was to budget the returned funds from the decertification of three districts to assist with paying for the 2016 capital purchases.
- **Fund Balance:** There is nothing in the current budget to purposely increase fund balance this year.
- **Animal Control:** As requested at the November 16th council meeting a memo was provided to the council about animal control, its cost etc. Animal control is part of the public safety budget.
- **Debt Levy:** Finance Director Hillman informed the council that the current debt levy is \$48,000 more than the 2015 debt levy. No discussion was held because as a result of the meeting, this increase may be used to fund the new equipment bonds as discussed earlier in the meeting.

Adjourn

The Chair adjourned the meeting at 7:29 p.m.

Jim Thoreen
City Administrator