Brainerd, MN
September 14, 2020

Pursuant to due call and notice thereof, the Budget Workshop of the Brainerd City Council was called to order at 6:00 P.M. by Council President Johnson.

Upon roll call, the following members were noted present: Stunek, Pritschet (via WebEx), Bevans, W. Erickson, T. Erickson, Lambert, Johnson, and Mayor Badeaux. Also present were City Administrator Jennifer Bergman, Finance Director Connie Hillman, City Engineer Paul Sandy, Police Chief Corky McQuiston, Fire Chief Tim Holmes, Community Development Director David Chanski, Park Director Tony Sailer, IT Director Shawn Strong, and HR Director Kris Schubert.

Council President Johnson opened the meeting with the Pledge of Allegiance to the Flag.

2021 Park Budget Presentation by the Park Board

The Chair recognized Park Board President Kara Schaefer, along with Vice President Kevin Yeager. Ms. Schaefer presented an overview of the Park Department, highlighting the significant changes between the 2021 proposed budget and the 2020 adopted budget as well as the initiatives the Park Board has been undertaking. The total current request including capital by the Park Board for 2021 is $363,255 or $463,255 including the $100,000 match request for the splash pad.

Council discussion was held, and questions were asked of Ms. Schaefer and Mr. Yeager. The Chair thanked them for their presentation.

2021 Budget and Levy Discussion

The Chair recognized Finance Director Hillman, and he stated that the Park Board request would be included in the information provided tonight.

Finance Director Hillman reviewed the goals of municipal budgeting and how the process is different from a private, or non-governmental organizations, and the responsibilities of Staff and Council in the budget process. Hillman shared that a city must adopt a budget for at least the General Fund but are not required to adopt a budget for all funds and outlined how a city develops a budget. Hillman stated the discussion of the workshop focuses on the Working Funds (General, Public Safety, Parks, and Streets), debt and capital which are the funds the City needs to levy for operations.

Finance Director Hillman stated, that if the Council desired to have a balanced budget, the levy could reduce the levy by $10,015 considering the current proposed 2021 budget. The main reason for the reduction to the levy is for the reduction of debt due to two issues being paid off after the February 1, 2021 payment, and because the City levied an addition $102,000 in 2020 with the intention to levy stabilize future levy increases.

Hillman then went through various revenue and expense categories, as well as the capital and debt needs for 2021, explaining the assumptions used in the budget and reasons for the changes between the proposed 2021 budget and the 2020 budget. The reorganization of the Community Development Department was discussed, changing the vacant Housing Inspector position to an Assistant Planner, and changing the Zoning Specialist Position to an Administrative Specialist-2 position. The estimated cost of the reorganization of approximately $2,500 was included in the current budget. Finance Director Hillman shared the preliminary estimated tax capacity of the City for pay year 2021 and discussed the impact of the change the estimated tax capacity has on the tax rate of a city. Assuming a 9% increase in the City's tax capacity, Hillman presented the estimated City's tax rate with various changes to the levy, and the estimated impact to a residential and commercial property assuming no change in estimated market value.

Council discussion was held. Council directed staff to prepare a resolution for the preliminary levy for the September 21, 2020 Council meeting with a 3-4% increase preliminary levy increase.

Adjourn

The Chair adjourned the meeting at 7:15 P.M.

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Jennifer Bergman
City Administrator