

**CITY OF PARK RAPIDS
CITY COUNCIL WORKSHOP
SEPTEMBER 12, 2017, 5:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: Mayor Pat Mikesh called the City Council Workshop for September 12th, 2017, to order at 5:00 p.m.

2. ROLL CALL: Present: Mayor Pat Mikesh, Councilmembers Ryan Leckner, Erika Randall, and Liz Stone. Absent: Councilmember Dick Rutherford. Staff Present: City Administrator John McKinney, Treasurer Angela Brumbaugh, Public Facilities Superintendent Chris Fieldsend, Planner Ryan Mathisrud, Public Facilities Superintendent Scott Burlingame, Police Chief Jeff Appel, and Clerk Margie Vik. Others Present: Nicole Vik from the Enterprise.

3. DISCUSSION:

A. Preliminary Budget for 2018: Administrator McKinney stated the process we followed is the same as the last several years. The department heads work on their specific areas. We meet as a group and come up with a proposed budget, which is then submitted to the Finance Committee. They have a meeting to review that proposed budget. We have to adopt a proposed budget, which we can amend until December 12th by reducing it but we cannot increase it. The treasurer is prepared to give the full Council a presentation where you can ask questions and explore any issues that you want.

Treasurer Angela Brumbaugh stated after the Finance Committee made a few changes to the whole budget, the general fund budget would make the levy \$1,960,755.00. That's an increase from 2017 of \$104,944.00. The increase for the general fund budget is 5.65%. The other part of your budget is the bonds. The bond payments are based on our bond schedules, or the amortization schedules. There is nothing you can do to change those payments.

Brumbaugh stated the 5.65% increase is made up of changes in this budget, which include getting a new officer. The net on that is about \$35,300.00. We are also looking at getting a grant for that. We'll split the grant over four years, so the increase would be approximately 1.9% for the new officer. We have a temporary part time building maintenance position that we pulled out of the budget, so the increase for a regular part time building maintenance person would be about \$16,600.00 and that's about 1% of your increase. We included another \$25,000.00 for a restroom in Pioneer Park. We have \$75,000.00 in that fund right now for 2017 based off of \$25,000.00 liquor, \$25,000.00 general fund, and \$25,000.00 donations. But based on the proposals we received we need another 25%. With those, and then the other increase is 2% for salaries, based on union contracts and step increases, those are your increases that make up the 5.65% in the full budget.

Brumbaugh stated I did not change the way health insurance is calculated. I did an increase the same as we have in the past, \$25.00 increase to the individual, plus an

additional \$50.00 for family coverage. That makes up the 5.65% budget increase. There are a few other differences, but nothing major. Do you have any questions?

Stone stated it's pretty clear.

McKinney stated the health insurance we arrive at later in the year when we get communications from the agents. Brumbaugh stated we are a cafeteria plan where we contribute a straight amount. This year an employee gets \$700.00 per month to put towards health insurance, up to an additional amount for family coverage, which comes to a maximum amount of \$1,009.00. McKinney questioned have you gotten any indication as to what will transpire in 2018? Brumbaugh stated when I talked to the insurance rep it will be about a 7% increase. Our insurance, because we are a small group, is age based. That makes a difference too. I built in a straight \$25.00 per month for each employee, so next year they will get \$725.00 per month. If each employee's insurance premium is more than that they will pick up the difference, if it's less they can purchase other insurance as part of the cafeteria plan or it goes into their check, which is then taxable.

McKinney stated if the Council changes nothing a resolution has been prepared by the clerk for adoption to levy the amount of the budget on a preliminary basis, which is what the statutory requirements are. Between now and December we can reduce that amount, but we cannot increase it. Brumbaugh stated this item is on the regular agenda to talk about. The proposed resolution has the levy amounts listed out.

Randall stated from our Finance Committee meeting our goal is to get it down from this 5.65%. That's a pretty hefty increase. I'd like it to be less than that. We still have unknowns. We don't know if we are going to get that cops grant. That could easily be wiped out. McKinney stated we would expect to know the answer to the grant question before the December decision is made. Appel stated they are saying we'll know by the end of September. Randall stated even if we get the grant, we haven't had a meeting to agree to even hire another officer. McKinney stated we understand that the Council has not made that determination yet but we put it in the budget in case you did. Randall stated I understand that. I'm just making sure everyone is on the same page about it.

Mikesh questioned if we didn't get the grant, how much would the levy be reduced without that? Brumbaugh stated if the officer position is removed from the budget that would bring it down 1.9%, and the levy would go down to \$1,925,443.00. McKinney stated roughly every \$20,000.00 you take out of the budget you reduce it by 1%.

Mikesh requested comments or questions. Randall stated it's pretty clear, and thanked Brumbaugh for her work on it. Brumbaugh stated it's everybody. All the department heads work on it.

4. ADJOURNMENT: A motion was made by Randall, seconded by Stone, and unanimously carried to adjourn the workshop at 5:15 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk