

Brainerd, MN
November 28th, 2022

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

Members Johnson, Pritschet, Stenglein, Erickson, O'Day, Stunek, and Bevans were noted as present. Mayor Badeaux was noted as present. Also noted as present were City Administrator Bergman, Finance Director Hillman, Community Development Director Kramvik, City Engineer/Public Works Director Dehn HR Director Schubert, Police Chief Bestul, Fire Chief Holmes, and IT/GIS Director Strong.

2023 Levy and Budget

Finance Director Hillman outlined the budget process. The primary focus of discussion is on the working funds, debt, and capital funds, the functions that are primarily supported by property tax revenue. The preliminary levy set in September was certified to the County at a 9.5% increase (\$6,852,566) over the 2022 levy. The final levy needs to be certified by December 28th, 2022. To present a balanced budget the levy would need to be set at 5.88% increase (\$6,623,459).

Member Johnson questioned whether the Council had formally directed staff to put the codification into the budget. He asked that this item be added to the December 5th meeting for approval.

Finance Director Hillman reviewed the operating budget, expenditures, and revenues and debt levy including the payment for the IAFF lawsuit. In discussion with Chair Bevans and Personnel and Finance Chair Johnson they suggested that a 3% increase (\$6,443,501) and that the Memorial park lighting would be discussed at the workshop. She presented the 2023 proposed capital budget including the Memorial Park lighting pending discussion from City Council on the item.

Member Johnson stated that at the meeting held with Council President and himself as Personnel and Finance Chair that they told staff to remove the lighting from the budget and discussion should be around whether the lighting is a necessary improvement at all. When if at all the lighting should be in the budget and what is the real cost of the lighting.

City Engineer/Public Works Director Dehn stated that the Park Board placed this item as a high priority, they would request that other items they removed from 2023 capital in order to lower the capital request be added back if Council decided to remove the lighting. Dehn also stated that the Park Board did get an estimate from a potential contractor this summer to be able to estimate the cost of the project. The estimate was \$380,000 in 2022 dollars so the budget was rounded up to \$400,00 to account for possible inflation.

Mayor Badeaux stated that the initial ask for lights from the Park Board popped up in August to be funded in 2023. The items removed from the budget to accommodate the lights were removed because the Park Board is still in the middle of master planning. The Council has a check and balance over the Park Board as a part of the necessary process.

Member O'Day stated that he had asked at the previous Budget Workshop about this item. He believes that there should be a way to refurbish the current lights. He would fully support taking this item out of the budget.

Member Stunek suggested that softball schedules be adjusted to accommodate for the need for lights.

Chair Bevans stated that the suggestion to remove the lights will be voted on in the future. His perspective of the lights is that they may not be needed. The people who play softball would benefit from the lights, but he does not see the benefit to the City as a whole. The fact that the City needs to pay for the lawsuit is a good reason to remove the lights for now from the budget to achieve this.

Finance Director Hillman gave an overview of the options in adjusting the budget that Council has in setting the final levy, including the 3% requested, and the effects to homeowners and commercial properties.

Chair Bevans requested that if the Park Board would like to have input that they present at the December 5th, 2022, regular Council meeting.


Member Johnson stated that the Memorial Park Lights should already be removed from the budget. That per the Charter, the budget that Chair Bevans and himself that was to be presented to the Council did not include the lights and this was the expectation of what was supposed to be presented tonight.

Finance Director Hillman stated that she thought full Council discussion was necessary to approve removal of an item from the budget. She feels she did present the 3% increase based on the discussion at the meeting with the Chair and Personnel and Finance chair.

Staff was directed to use a 3% levy increase over 2022 for the budget public hearing which is set for December 12, 2022 at 7:30 p.m.

Adjourn

The Chair adjourned the Budget Workshop at 6:46 p.m.



Jennifer Bergman
City Administrator