**BUDGET WORKSHOP:** August 27, 2025

**CALL TO ORDER:** 6:15 PM

**MEMBERS PRESENT:** Mayor Tim Eiler, Council Thomas Schufman, Randy Ebert, Terrill Anderson, Carolyn Brooks

**MEMBERS ABSENT:**

**STAFF PRESENT:** Administrator/Clerk/Treasurer Brenda Fisk

**OTHERS PRESENT:** Eric Anderson, Jeff Gothmann, Matt Kleve, Jeremy Forster

**Fire Relief:**
Request to increase the per year of service benefit from $6350 to $7100, resulting in funds being 112% funded. Council will consider request at the 9/3 and 12/3 council meetings.

**Fire Dept Budget:**
Chief Anderson presented his budget totaling $610,290, a 21.8% increase primarily due to hiring a full-time Fire Chief in July of 2026 listing objectives as Leadership & Strategic Direction, Emergency Response Oversight, Personnel Management, Training & Professional Development, Budgeting & Resource Allocation, Policy Development & Compliance, Public Safety & Community Engagement, Interagency Coordination, Risk Management & Preparedness, and Accountability & Reporting . Fire Partnership with Mound and Minnetrista continues discussion with blending of Fire Relief Association primary discussions currently.

**2026 City Budget**
Adm/Clk/Trs Fisk presented her proposed budget resulting in a 3.8% tax levy increase including the Fire Department proposed budget as presented by Chief Anderson.

Fisk memo as follows:

**General 100 & Public Works 501 Funds:**
I included a 4% wage increase and a 5% health insurance premium increase. The union contract ends in 2027. Union wage percentage for 2026 is 4%.

**Bond Funds #301, #303, #309,and #401:**
Bond payments increased by $23,200

**Missile Park Fund #404:**
EOY 2025 balance in this fund is estimated at $46,000 after the scoreboard is paid in full. I entered an expense budget of $775,000, expecting the city to use the $350,000 DNR Grant in 2026 along with the street project. Bond payments start the year following receiving bond proceeds. If Missile Park is improved in 2026 the first Abatement Bond payment will be in 2027 and added to the 2027 tax levy. Bond payments as shown in the 2026 budget are for the ballfield lights abatement bond year 3 of 10 years. Abatement bond is best to use in a street improvement bond year.

**Parks Capital Outlay Fund #405:**
EOY (end of year) 2025 estimated balance of $107,000 after Memorial Park improvement is complete and receive grant proceeds. Planning for improvements to other neighborhood playgrounds. Dave Wehle Memorial Jaycees Park may be next.

**Public Works Capital Outlay Fund #406:**
In the 2025 Levy we planned to start budgeting for a 2030 $280,000 plow truck to replace the 2016. EOY 2025 is estimated at $108,000. 2026 tax levy of $40,000 = EOY 2026 $148,000 in this fund. Keep $85,000 in this fund reserves to continue to plan for the 2030 plow truck. 2027-2030 continue to levy $40,000 each year. This should get close to a new purchase after using proceeds for the current plow truck. Using this plan will allow an estimated balance of $63,000 in 2026 for the Public Works requests of: side-by-side, hot water pressure washer, fertilizer spreader ($3,000), bobcat snowblower ($8,000).

**City Office Capital Outlay #407:**
Estimated EOY 2025 = $3,500. I increased the levy from $1,000 to $5,000 to purchase a new phone system in 2026 and installation of tile floors in the city office front entry and bathrooms.

**Fire Funds #501 & #503:**
Fire Service budget increased 21.8% to $610,290. St. Boni portion of budget is 23.7% down from 24%. The chief will present his attached budget at the 8/27 workshop. I reduced the chief's property/auto insurance proposal down to $22,134 as number from insurance agent. History of work comp claims fall off. I added $7,333 for 6 months of paid insurance for the full-time Fire Chief proposed to be hired 7/1/2026. Part-time employees are not eligible for health insurance.

**Parks, Public Works Operating Fund #502:**
Increased the levy by $24,435 or 11.5%. Increased street patching/replay from $38,000 to $60,000.

**Public Safety Fund #507:**
The Minnetrista Public Safety budget St. Boni portion decreased slightly totaling $309,818. Tax levy decreased slightly. Public Safety Department budget is based on tax capacity. For 2026 St. Boni percent of total police coverage area tax capacity value is 8.5%, down from 9.15% in 2025. Minnetrista budget letter is attached.

**Water/Sewer/Storm Funds #601, #602 and #603:**
These enterprise funds do not rely on tax levy revenue.

I recommend increasing the water/sewer/storm sewer rates at your December 2025 council meeting when the 2026 fee schedule is reviewed. I prepared the **2025** proposed budget using rate increases of 9% / 5% / .25 unit charge increases however the 2024 December council decided on no increases to the 2024 Fee Schedule therefore I did not calculate an increase to the 2025 charges in the 2026 Budget.

Continue to rely on water fund revenue for a 2028 Water Treatment Plant filter. Talk to Public Works and Engineer at the October workshop for pricing.

The proposed 2026 budget tax levy totals $1,076,199. The council adopts a proposed tax levy at its 9/17/2025 council meeting. The final budget tax levy is adopted in December. The total proposed tax levy can only be reduced in December. It cannot be increased from the proposed September tax levy.

End of Fisk Memo.

**Council made the following changes to Fisk budget:**

- Increase the City Office Capital Outlay levy an additional $2500 for new phones and entryway floor replacement.
- Increase the Public Works R/M Supplies an additional $5000
- Divide the Street Patching/Replay account into two separate accounts, $10,000 and $50,000 respectively.

Fisk reported Public Works is okay with delaying the fertilizer spreader on the CIP. Council directed Public Works to obtain two quotes for a side-by-side. Fisk to inquire with League of Minnesota Cities regarding exception to city codes side-by-side not allowed on streets. Fisk reported her budget does not include a donation to the Gillispie Center in Mound. Council agreed not to include.

**Adjournment:**
Motion made by Ebert and seconded by Brooks to adjourn the meeting. Aye 5/0
8:30 pm

**ATTEST:**

Brenda Fisk

**Brenda Fisk, Adm/Clerk/Treasurer**