

**MILL CITY
BUDGET MINUTES
Monday, April 12, 2021**

Chair Tony Trout opened the meeting at 6:30 PM with the flag salute. Councilor members present were, Janet Zeyen-Hall, Brett Katlong, Tim Kirsch, and Steve Winn. Councilor Plotts was excused. Budget Members present were Ann Carey, David Hinkley, David Nelson, Gary Olson, Caitlin Purdy and Debbie Schenck. Staff in attendance: City Recorder, Stacie Cook and Finance Clerk Lacy Classen.

Citizens in attendance: Roel Lundquist.

APPROVAL OF MINUTES: David Hinkley said that he commented on the LCSO contract number of hours during the last meeting and would like the comments in the minutes.

David Hinkley moved, seconded by **Gary Olson** to Approve the Minutes of April 5, 2021, as Amended. The motion passed.

REVIEW OF REMAINING FUNDS: Mrs. Cook said that updated budget sheets and narratives were placed at each seat. These have been modified to reflect the discussion that took place at the April 5th meeting.

General Facilities Reserve Fund - Mrs. Cook said that she would like to revisit this fund as there has been a minor change made. The BFB is anticipated to be slightly less than was originally presented. Staff has modified the amount to \$192,307 from \$212,307. The interest has been increased to \$11,592 from \$1592 as the overall amount in the fund will be high compared to other funds. The Reserved for Future Expenditures has been reduced to \$713,899 from \$723,899 to reflect the reduction in available revenues.

Equipment Reserve Fund – Mrs. Cook said that this fund was established to save dollars to be able to purchase equipment for the City. This could be large machinery for public works or smaller items such as a copier within the office. The fund received revenue via transfers from the General, Street, Water and Sewer funds.

The BFB is anticipated to be \$149,550 with anticipated revenue from transfers in totaling \$45,000. Expenditures are allocated as \$30,000 for C/O Equip: Other, this would be small equipment, HVAC or similar and \$130,000 for C/O Vehicles & Equip: PW. The unappropriated amount is \$35,672.

Mr. Hinkley asked what the bottom line dollar amount is for equipment the City currently owns. Mrs. Cook said that she does not have a total and would not venture to guess as there is not a comprehensive listing of equipment to go off of.

Councilor Katlong suggested purchasing a mini excavator and trailer rather than a full size excavator as the cost would be roughly half and the mini could still do the same work as a full size.

Storm Drainage Reserve Fund – This fund was created to be able to take in funds granted to the City from the State in the amount of \$1.88 Million. Unfortunately, the dollars were lost due to a loss of lottery dollars. The City authorized expenditures for storm drainage work necessary to complete the work that the school district was required to complete and authorized a \$200,000 interfund loan from the Housing Rehab Fund to this fund in order to cover the costs until such time as the state dollars came in.

The BFB is anticipated to be \$50,387 with a transfer from the General Fund of \$20,000 in order to try to bump available dollars to attempt to cover costs for storm work that will need to be done at Kimmel Park. Expenditures are anticipated to be \$1265 for administration, \$4500 for engineering/design and \$65,000 for C/O Storm Drainage.

Bonded Debt Fund – Mrs. Cook stated that this fund is established to be able to hold dollars to pay for

the City's outstanding debt. There are currently three loans; a 2006 water loan with \$2,148,978 owed, a 2021 water loan of \$2,000,000 and a 2017 sewer loan with \$1,561,448 owed.

Revenue assumptions are a BFB of \$127,050 with transfers from the Water Fund of \$155,000, Water Reserve Fund of \$116,400 and Sewer Fund of \$163,000.

Expenditures include principle payments to the 2006 water loan of \$133,503 and to the 2017 sewer loan of \$124,733 as well as interest payments to the 2006 water loan of \$21,490, to the 2021 water loan of \$8400 and to the 2017 sewer loan of \$39,818.

The unappropriated balance is \$234,506. Mrs. Cook said that the spreadsheet had an error in the total unappropriated of \$1000 as it said \$233,506.

Mrs. Cook said that the total budget for the 21-22 FY is anticipated to be \$10,266,706. If there are no additional questions then the Budget Committee can proceed with motions to recommend the permanent tax rate and budget.

Mayor Kirsch moved, seconded by **David Hinkley** to Recommend to City Council to Approve the \$4.1578 Permanent Tax Rate for FY 2021-2022. The motion passed.

Gary Olson moved, seconded by **Mayor Kirsch** to Recommend to City Council to Approve the FY 2021-2022 Budget in the Amount of \$10,266,706.00. The motion passed.

Mrs. Cook said that the budget will be brought before the Council in May for approval. Staff will review financials to ensure that the figures are as accurate as possible. Any changes would be nominal unless there is a large revenue or expenditure that becomes evident that the City will need to deal with that has not been included in the proposed budget.

ADJOURNMENT

The meeting was adjourned at 6:59 p.m.

Prepared by:

Stacie Cook, MMC
City Recorder