

MINUTES

1. CONVENE CITY COUNCIL WORK SESSION MEETING

Mayor Zerby called the meeting to order at 6:00 P.M.

Due to the Centers for Disease Control's recommendation limiting the number of people present at a meeting, and pursuant to MN Statute 13D.02, the Shorewood City Council Work Session Meeting was held via electronic means.

A. Roll Call

Present: Mayor Zerby; Councilmembers Johnson, Labadie, and Siakel; City Attorney Keane; City Administrator Lerud; and Finance Director Rigdon

Absent: Councilmember Sundberg

B. Review Agenda

Johnson moved, Siakel seconded, approving the agenda as presented.

Roll Call Vote: Johnson, Labadie, Siakel and Zerby. **Motion passed.**

2. 2021 Proposed Budget

Finance Director Rigdon gave an overview of the proposed 2021 budget and levy and the deadline for approval. He reviewed the General Fund and noted that it currently is at a three point four percent increase from 2020, without any transfers and noted that in 2020, the City had a five point 2 percent increase. He explained that the total transfers out are being treated differently in this budget than in prior years. He explained the bond process and noted that the levies need to go directly into the debt service funds. He stated that the proposed budget levies taxes directly to capital projects and debt service funds, which eliminates the need for transfers out of the General Fund but noted that the Shorewood Community and Event Center will continue to receive annual transfers from the General Fund. He reviewed the personnel-related assumptions for the proposed 2021 budget and reviewed the pie chart that outlined the expenditures and where they fall within the cities budget. He explained that Public Safety accounts for about forty-three percent, general government for twenty eight percent, streets about twenty-two percent, and parks and recreation about seven percent. He noted that the revenues, excluding transfers in, are budgeted for a sixteen point five percent decrease from the 2020 budget. He explained that this decrease is due to the proposed taxes being directly levied to various capital projects and debt service funds as previously discussed. He noted that the overall preliminary property tax levy is two percent higher than the 2020 total levy. He stated that currently, in order to balance the budget, there is a plan to use one-hundred ninety-eight thousand, two-hundred forty-five dollars from the reserves. He reviewed the Enterprise funds and how they are funded. He noted that the City is considering some rate adjustments in order to fund the CIP. He noted that staff will bring those details to the Council soon. He noted that the overall 2021 property tax levy is

proposed at a two percent increase from 2020. He gave examples of how this levy increase will affect a six hundred thousand dollar home in the City. He stated that staff welcomes feedback from the Council on the proposed 2021 budget and asked City Administrator Lerud to review the CARES Funding.

City Administrator Lerud gave an overview of the use of the CARES funding that the City received. He explained that the City received five-hundred seventy-nine thousand dollars. He stated that staff believes that the unbudgeted, unanticipated COVID-19 expenses will be somewhere under one-hundred and fifty-thousand dollars. He noted that for the remaining amount of the funds, staff is planning to reimburse ourselves for police and fire personnel expenditures, which is an eligible use under the CARES Act funding. He stated that this allows the City to use one-hundred ninety-eight thousand, two hundred forty-five of that in reducing the tax levy for next year and the remaining amount will be available for the City to meet other unanticipated expenditures related to COVID-19. He stated that he believes this is consistent with the conservative budgeting that the City likes to do. He stated that the main value is that it allows the levy to be less which adds value to everybody by lowering their taxes.

Mayor Zerby asked about the administrative assistant position and the planned improvements at the Shorewood Community and Event Center.

City Administrator Lerud explained that the administrative assistant position increase in hours was in reference to Amelia. He asked for a moment in order to bring up the CIP for the Shorewood Community and Event Center.

Mayor Zerby stated that he feels the budget seems to have been well thought through.

Councilmember Siakel stated that she agrees that the ideas surrounding the CARES Act funding make a lot of sense and likes that it is going directly back to residents.

City Administrator Lerud stated that he cannot access the CIP for the Shorewood Community and Event Center and asked if he could supply this information to the Council at a future meeting.

Finance Director Rigdon noted that he had the information City Administrator Lerud was looking for. He reviewed the proposed CIP for the Shorewood Community and Event Center.

City Administrator Lerud noted that some of the information in the CIP has already been completed, so he believes the number may actually be lower. He reiterated that the Shorewood Community and Event Center has been kept in the General Fund and did not have a separate levy. He stated that he will bring the specific information back to the Council at a future meeting.

3. ADJOURN

Siakel moved, Johnson seconded, Adjourning the City Council Work Session Meeting of August 10, 2020, at 6:25 P.M.

Roll Call Vote: Johnson, Labadie, Siakel, Zerby. **Motion passed.**

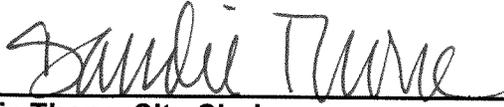
ATTEST:


Scott Zerby, Mayor

CITY OF SHOREWOOD WORK SESSION COUNCIL MEETING MINUTES

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A handwritten signature in black ink that reads "Sandie Thone". The signature is written in a cursive style with a large initial 'S' and 'T'.

Sandie Thone, City Clerk