

**MINUTES OF THE WORKSHOP MEETING
CITY COUNCIL
LITTLE CANADA, MINNESOTA**

AUGUST 24, 2022

Pursuant to due call and notice thereof a Workshop meeting of the City Council of Little Canada, Minnesota was convened on the 24th day of August, 2022 in the Conference Room of the City Center located at 515 Little Canada Road in said City.

Mayor John Keis called the meeting to order at 6:00 p.m. and the following members of the City Council were present at roll call:

CITY COUNCIL: Mayor Keis, Council Members McGraw, Fischer and Miller. Absent: Torkelson.

ALSO PRESENT: City Administrator Chris Heineman, Public Works Director Bill Dircks, Finance Director Sam Magureanu and City Clerk/HR Manager Heidi Heller.

2023 BUDGET DISCUSSION

The City Administrator reviewed the estimated city tax capacity increase of 12.71% for 2023, and noted there will be more development starting in 2022 that will add to the city's total property values. He reported that Little Canada's fiscal disparities contribution is going down in 2023 by 2.29% which is good. The Finance Director explained that the overall Tax Rate for the city is not expected to change much in 2023 from 2022, even though the City's total budget dollar amount will increase. He showed three examples of potential cost of living increases and the impact of each on the overall budget and tax rate. The Council discussed the proposed cost of living increase percentages.

The City Administrator reviewed the key impacts to the 2023 property tax levy: police services contract, fire services contract and personnel services are the three largest impacts. The Finance Director reviewed the projected revenue amounts for 2023. He stated that permit revenues are projected to increase due to the amount of new construction expected. Staff reviewed proposed personnel changes and stated that funds for some contracted services, include a staff gap analysis, have been budgeted. The Public Works Director stated that fuel, oil and utility costs for city vehicles and buildings have increased 23% in 2022, so those increased costs are expected to continue. The City Clerk/HR Manager explained that the Worker's Compensation Insurance Premium increased 52% in 2022 due to the increase in PTSD work comp claims and from a large claim for the city. She noted that the amount may go down slightly in 2023, but staff does not find out the actual premium amount until spring each year.

The City Administrator reviewed options to reduce the levy, including increasing the amount budgeted for permits, reduce the levy for the Fire Equipment or Infrastructure Funds, utilize existing fund balance or update the revenue policy to change the levy amount from 97.5% to 98.5%.

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There being no further business, the meeting was adjourned at 7:28 p.m.

John T. Keis, Mayor

Attest:

Christopher Heineman, City Administrator