

MINUTES OF THE TRUTH IN TAXATION MEETING  
OF THE BRAHAM CITY COUNCIL  
TUESDAY, DECEMBER 1, 2015  
7:00 P.M.

The Truth in Taxation Meeting was called to order with the following present: Mayor Patricia Carlson; Council Members Wayne Seiberlich, Vicky Ethen, and Jeremy Kunshier; and City Administrator Sally Hoy. Council Member Traci Leaf was absent.

Ashley Haynes was present from the Isanti County News. Also present in the audience were Brian Johnson, resident, Park Board Chair Rosemary Brabec, and Braham Police Officer Erik Anderson.

Administrator Hoy walked the council through the proposed 2016 Final Levy and Budget. She reported there was no change in the levy amount as adopted by the council in September 2015, setting the levy at \$554,411. She said this is an increase of \$16,148 (3%) over last year. Hoy noted the last increase to the City's levy was a 1.5% increase in 2013, payable 2014.

Hoy highlighted the following items on the 2016 General Fund Budget:

- A 2.5% wage increases, with 3% between steps up to Step 8, per the City's police officer union contract. This will be the same for all employees.
- 7% budgeted increase in health insurance premiums.
- \$28,000 remains in the police budget for squad replacements. The 2016 amount will go into a reserve for the next purchase in 2017, which will be the Chief's squad.
- Contracting again for Animal Control. \$1,818
- Adding a bay to the salt shed and repairing the existing bays. \$9,630
- Contract road grading should our grader break down. It's its 1966 grader, and parts are no longer available for it. Contracting is far less expensive than purchasing another grader for the little amount it is used. \$1,500
- Drop the \$3,750 budget for equipment replacement reserve for the NW Park for a couple years and put \$4,000 in Capital Projects for the Park Board to have something to work with. We do need 5 planters replaced in Freedom Park and a concrete trash can in NW Park. Current reserves for the Parks are as follows:
  - NW Park Equipment Replacement Reserve \$11,300. We can continue to build on this reserve once the High Point Park Equipment is put in.
  - NE (Hidden Park) Equipment Replacement Reserve \$49,368. This reserve was required as part of the DNR grant on that project.
  - Park Board Savings \$12,227

- Trail Dedication \$15,292 (from Development Agreements)
- Park Dedication \$2,342 (From Development Agreements)
- Step 1 of a 2-step increase as a General Levy to prepare for a new debt service levy for a Fire Dept Tanker in 2017. \$10,000
- The 2015 Street Improvement Project has been held over, to become a 2016 Street Improvement Project in order to follow after the heavy equipment work on the school project is completed, which will probably run well into 2016. The bond for the 2016 Street Improvement will be set up with capitalized interest for 2017 and the first principal payment due in 2018. This allows the levy to increase over 2 years before a principal payment is due. If the total cost of the project and bond interest rate comes in close to what we bonded for with the 2013 Street Improvement, and the City assesses 30% of the project, the levied part of the debt service payment will be around \$40,000/yr. This means the 2017 budget will need to increase approx \$20,000 (in the first of 2 levy increases) and the 2018 budget another \$20,000 (in the second of 2 levy increases). This is almost a 4% increase respectively for both 2017 and 2018, without considering wage & benefit increases or any other operating cost increases. We can only hope that the City's LGA increases enough in 2017 and 2018 to keep the levy increases no higher than the 4% range.

Hoy then walked the council through the Final 2016 Budget Revenue and Expenditure Summaries, where the above highlighted items fell into to the budget.

The meeting was opened for comments and questions. Hearing none, Ethen moved, and Seiberlich seconded to adjourn. Motion carried 4-0. The meeting adjourned at 7:10 p.m.

Respectfully Submitted,

Sally A. Hoy  
Clerk/Administrator