

## KINDRED CITY COUNCIL SPECIAL MEETING MINUTES

Tuesday, August 9, 2022 ~ 7:00pm ~ Kindred City Hall

Present: Mayor Kersting, CMs Spelhaug, Johnson, Stoddard, and Peraza.  
Also present: Auditor Arnaud.

Mayor Kersting called the meeting to order at 7:20pm.

### **1. Review of 2023 Preliminary Budget**

Review of fund balances; this budget document includes the General Fund, City Share of Specials Fund, Library Fund, and Airport Fund (Library and Airport are passed through the City, but those entities submit their own values to the County for processing). Discussion of State Aid Revenue Share breakdowns and allocating a share to Kindred Park District and Kindred Fire Department, 20% each estimated at \$14,000. Discussed the citation/fine revenues versus the municipal judge wages. Reviewed Non-Departmental expenses (office operations categories) and Buildings and Grounds expenses (removed additional funds for compost, reduced snow/ice removal and maintenance/repairs); total increase of about \$4K for these two categories. Auditor, Deputy Auditor, Retirement and Health Insurance benefits all increased slightly. Park Director Co-op expense for 2022 is currently \$10K for Jan-Mar 2022, and estimated an additional \$10K this fall, as approved in April this year. That approval also provides an estimated expense of \$10K for Jan-Mar 2023. Council discussed option to continue co-op employee/wage support with Park District for 2023-2024 season and decided it will likely not move forward in that season. The additional share of State Aid Revenues, estimated at \$14K, would cover the expenses for Park District and they had expressed interest in moving away from needing City support to cover the Park Director wages. Policing contract for 2023 will increase but a definitive number has not been received; estimate given was just over \$48K but COLA increase unknown, so factored in \$50K. Added expense line item for upcoming audit expenses; estimating 2022 expense at \$22K for years 2017-2018 and 2023 expense at \$34K for years 2019-2021.

Review of the estimated property taxable valuation and corresponding mill levy, attempting to estimate the impact on property owners. Discussed removing the audit firm expenses and funding from elsewhere. Knowing that the taxable valuation has increased across the city, and that the preliminary budget can be reduced at the final budget hearing (October 5<sup>th</sup>) but cannot be increased higher, council agreed to leave the audit expenses in and will review the impact to property owners once the estimated tax statements are sent by the County.

The final determined preliminary budget for the City provides an increase in the general fund of about \$72,750 from 2022, for a total of \$232,750.00 for the 2023 calendar year. The combined total budget including the City's general fund and share of specials levy, as well as the Airport and Library levy is \$254,950.00.

**MOTION, passed – To approve the preliminary budget for the year 2023 with a total levy of \$254,950.00;**

**Spelhaug moved, Peraza seconded. RCV; Motion carried unanimously.**

Discussion on budgeting other funds, fund balances, the proposal to purchase the Kindred Public Library (KPL) Building and what funds could be used for that. Mayor Kersting asked for the CM opinions on the KPL building purchase. CM Spelhaug noted there are others interested in purchasing the building so there is some risk for the KPL to see increased rent and/or ask to leave the building. He felt the proposal was good and fair and appreciated their personal buy in on sharing the purchase price. CM Peraza appreciated KPL coming to ask and having some "skin in the game". They are really hoping to retain their \$20K savings and pay the \$50K out of their own fundraising/grant opportunities. He is in support of what they do for the community and praised them for operating on such a limited budget, while still putting some away into savings! CM Stoddard and Johnson, as well as Mayor Kersting think KPL is an asset to the community and want to try to help them continue to provide for our residents and surrounding area. Sales tax fund was identified as the best suited for the purchase if it were to be approved. This would mean that patrons of the city are helping to support the library too. Use of that fund would not impact property taxes or residents. All agreed to proceed with the public hearing process, to be held at the September 7, 2022 council meeting.

Mayor Kersting discussed the water reservoir land purchase approved last week, noting that water demand and use has increased so it is best to prepare for the future needs. The water fund has been identified for that purchase, however, the ARPA funds could also be used as it would be considered infrastructure related, which is a requirement for the use of those funds.

**2. Kindred Days – August 12 & 13: Review of Council Activities**

Review of requests by Kindred Community Club (made in March 2022). Arnaud reported that eight porta potties have been ordered and will be delivered Thursday; a roll off dumpster has been donated by Waste Management and will be placed south of the large triangle lot downtown, hopefully Thursday as well; garbage cans and liners are in the garage at City Hall. Discussed setup of barricades on Friday night after the fireman’s dinner, parade arrangements, and all supplies for the council booth including the prizes for the “spin the wheel with purchase”.

**ADJOURNMENT**

**MOTION– To adjourn meeting at 9:35pm;  
Spelhaug moved, Peraza seconded. RCV, MCU.**

*(Minutes subject to council approval.)  
(Agenda deadline is noon Wednesday the week before the meeting.)*

\_\_\_\_\_  
Darrell Kersting, Mayor

Attest: \_\_\_\_\_  
Tabitha Arnaud, City Auditor

Date approved: \_\_\_\_\_