

CITY OF GRAND MARAIS
WORKSESSION MINUTES
February 25, 2009

Mayor Hakes called the meeting to order at 3:30 p.m.

Members present: Sue Hakes, William Lenz, Tim Kennedy and Kay Costello

Members absent: Jan Sivertson

Staff present: Mike Roth and Kim Dunsmoor

Council discussed 2009 Budget and Local Government Aid issues. In December 2008, the state reduced the 2008 LGA payment by \$37,949. 2009 Certified LGA is \$184,209. It is estimated that LGA will be cut \$49,700 in 2009 and further reduced by \$103,783 in 2010. LGA has been steadily reducing over the past decade.

The council was given several charts showing different ways to look at expenses and revenues and their percentage of the total budget. The city will need to find \$50,000 in savings in 2009 through cuts in services or increased revenue. These changes will need to carry forward into 2010 when the city will need to consider an additional \$50,000 loss of revenue. The city's reserves are as low as they should be. The city has a very cyclical income cycle.

The council and department heads will meet on Monday for a strategic planning session. In the next few months, staff will prepare a list of small cuts and short-term efficiencies.

The next budget worksession will be held April 8, 2009, at 3:30 p.m.