

CITY OF GRAND MARAIS
WORKSESSION MINUTES
JULY 9, 2008

Mayor Larsen called the meeting to order at 3:36 p.m.

Members present: Evelyn Larsen, Kay Costsello, Tim Kennedy, Edward Bolstad and William Lenz.

Members Absent: None

Staff present: Mike Roth, Tina Hanson

The topic for discussion was budgets. Roth presented historical levy and spending and explained how the percent of increases were determined and what extenuating circumstances surrounded the amounts. Roth reminded the Council there are three large factors to consider when setting budgets:

salaries – a 3% increase would entail \$20 to \$25,000. a year increase.

health insurance – the City pays approx. \$260,000. a year and projects the increase at 10%.

projects – the impact of 2008 improvement projects, likely not in full force until 2010

Department heads have started work on their individual budgets and in August, they will be presenting their budgets.

Roth briefly updated the council on Street, Park and Cleaning position openings and how they are attempting to be filled.

Linda Chappell from the Library presented a letter and budget for 2009. Wages are up 3.5%, health insurance is up 10%, and Arrowhead Library System is requesting an additional \$8,500. for our fair share of their services. This will overall increase the library budget 5%. Arrowhead Library Systems says we aren't in compliance. This would put the City of Grand Marais portion for the library for 2009 at \$125,422.00. Bolstad questioned what our "fair share" is and how is it calculated and do we as the City use all these services or are some more county orientated – do we actually use all the services that we are having to pay for? Chappell said she would get the costs and breakdowns.

Meeting adjourned at 4:18 p.m.