

CITY OF GRAND MARAIS
WORKSESSION MINUTES
April 28, 2010

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

Members present: Kay Costello, Sue Hakes, William Lenz, Tim Kennedy and Jan Sivertson
Members absent: None
Staff present: Kim Dunsmoor

The council met to discuss the 2010 Budget and recent cuts to local government aids. On April 1, 2010, Gov. Pawlenty signed the first supplemental budget bill into law. The legislature and governor have not fully addressed the state's immediate \$1 billion deficit. Further cuts to Health and Human Services and K-12 Education and an increase in revenue from the federal government for Medicaid are anticipated to address the deficit. If these plans do not materialize, the legislature may have to consider further cuts to local governments.

The Original 2010 LGA was certified as \$170,069: however, we budgeted for the anticipated unallotment of LGA in the amount of \$73,647. The supplemental cut came in a reduction of our Market Value Homestead Credit (MVHC). MVHC was been reduced by \$33,352 that was not budgeted. The total 2010 unallotment and supplemental cuts to the City of Grand Marais stand at \$106,999.

The council budget for 2010 allowed \$46,700 in unallocated projects. We anticipated spending planning dollars for council priorities identified as the Maintenance Facility, Safe Harbor/Marina, Capital Improvement Planning and the Municipal Building. We also anticipated the possibility of future cuts in LGA.

The general fund budgets for capital outlay each year. In budgeting for capital outlay, we are planning for both current and future capital expenditures. Council discussed the current projects planned for city hall energy efficient lighting, solar panel projects at the golf course and park bathhouse, infrastructure upgrades at the park and street and fire equipment replacement needs.

A follow-up worksession is scheduled for May 26, 2010, at 3:30 p.m.

There being no further business, the meeting adjourned at 4:12 p.m.