

***CITY OF GRAND MARAIS***  
***WORKSESSION MINUTES***  
*August 11, 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: Mike Roth and Kim Dunsmoor

The worksession was called to look at the first draft of the 2011 Budget. City Administrator Roth presented three scenarios based on Local Government Aid Projections and no wage increases. The state ratified the 2010 LGA reductions, but restored the 2011 LGA to its original intent. General Fund Budgeted spending increased 3.95% even though wage increases were held to zero. The health insurance renewal was an 18.1% increase. If the LGA remains as certified, the property tax levy would be reduced 12.99%. However, we know that the state is faced with a \$5 million deficit and they have reduced LGA in the past. If we expect to receive reduced LGA funding, the property tax levy would be reduced 1.08%. If we expect to receive no LGA funding, the property tax levy would increase 13.31%.

Council discussed the Cedar Grove Business Park Bond Payment needs and discussed the street department equipment replacement for a plow/sander/work truck.

Budget sessions with department heads will be scheduled for August 25<sup>th</sup> at 1:00 p.m.

There being no further business, the meeting adjourned at 4:22 p.m.