

**CITY OF NISSWA  
MINUTES –CITY COUNCIL WORKSHOP  
TUESDAY, JULY 20, 2021  
5:30 P.M. – CITY HALL**

A City Council Workshop was held on Tuesday, July 20, 2021 at 5:00 p.m. at City Hall. Due to audio/technical difficulties, this meeting was not available on YouTube Live.

Members present: John Ryan, Mark Froehle, Don Jacobson, Ross Krautkremer, Mark Utzinger.

Members absent: none.

Also, present: City staff – Jenny Max, Maggi Wentler, Kiki Lindbery.

Audience members: 0.

**A. Call to Order** – John Ryan called the meeting to order at 5:30 p.m.

**B. 2022 Budget Discussion**

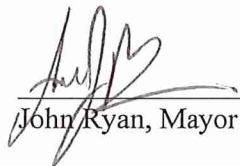
1. **2022 Salaries and Health Insurance** – Personnel Committee Recommendation – Committee recommendations resulting from the Compensation Study will be incorporated into the 2022 Budget with an adjusted recommendation for cost of living adjustment increasing from 3.0% to 5.0%. Discussion commenced regarding the impact of the increase on the General Fund; Max noted that the recommendation will result in approximately a 4.64% increase to the levy. Max also noted that the Personnel Committee began negotiations with the Teamsters this afternoon, and will be meeting with the Supervisors' Union soon.
2. **Fund Balance Analysis** – There is currently approximately \$5M in unassigned General Fund reserve funds. City's policy is to keep approximately \$2.5M in reserve. Max shared her initial ideas for ways the City can use the excess reserve funds over the next 10-20 years. The plan includes funding needs for potential City Hall, Parks, and Community Center updates/improvements; recycling center needs; potential property purchase for a water treatment facility; cost sharing for County Road projects; visitor improvements – signage, street lights, sound system, etc; technology updates; potential severance payouts in the future; broadband improvements; software and security needs; and administrative costs for a water system evaluation, compensation studies, housing studies, research studies, etc..
3. **Organizational Chart** –Max shared a proposed 5-10 year plan for discussion and future/potential staffing needs were discussed. The Council will see a few staffing needs presented at the August budget workshops and the Council will need to prioritize which staffing needs are most critical. Max noted she will continue to develop the future organization chart during the budget season.
4. **Local Sales Tax Analysis** – Max presented information regarding some Minnesota cities that have implemented a 'Local' sales tax in the last 20 years and timelines associated with the approval process. Consensus by the Council is that a specific need / cause should be identified for allocation of the revenue generated by a local sales tax within this community; a water treatment plant, for example, may be a potential tangible

need for the community/City of Nisswa. Pros and cons were discussed. Max will conduct more research, and noted that ultimately, this is a voter decision. Consensus is that there would be a City-wide benefit overall – especially if it impacts safety and welfare of the residents.

5. **Tax Impact Model** – The Council discussed how significant growth in property values and an increase in population impact City services and the resulting cost of those services. It was noted that if the City does not levy, no additional funds will be received even though values are increasing. Max noted that an 8% increase in the levy would be tax neutral with the currently rising property values. There was a 1.82% increase for the year 2021 over the 2020 levy amounts. Different rates and resulting tax increases / decreases were shown. The past year has shown that we have more year-round residents and tourism now.

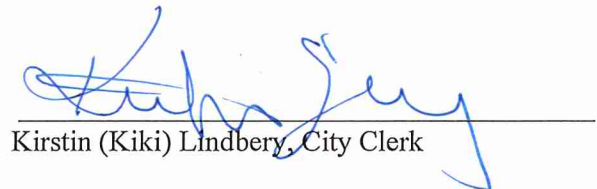
Adjourn – There being no further business, Motion by Jacobson, seconded by Krautkremer to adjourn the Special City Council meeting at 6:42 p.m. Motion carried unanimously.

Respectfully Submitted,



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John Ryan, Mayor



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Kirstin (Kiki) Lindbery, City Clerk