



MINUTES
WORK SESSION OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, APRIL 18, 2023
6:00 PM IN THE 2ND FLOOR BOARD ROOM

Mayor Louismet opened the meeting at 6:08 PM. Councilmembers in attendance included: Bill Walsh, Heidi Hughes, Dan Jones, Kevin Edberg, and Steven Engstran. Staff members in attendance included: City Manager Lindy Crawford and Finance Director Kerri Kindsvater.

Staff and the Council reviewed the 2024 Budget preparation schedule, the City's financial structure, long-range planning efforts, funding opportunities and challenges, fund specific details regarding the Capital Improvement Plan and Financial Management Plan, and the Ambulance Fund.

There was general consensus amongst the Council in that Local Government Aid (LGA) should not be relied upon in the General Fund in future years. Future budget proposals will reflect a transfer of LGA to the Equipment Acquisition Fund and Municipal Building Fund over time as to not negatively impact the General Fund for Council consideration.

In regards to specific fund balance levels set by the Council in 2017 for the Equipment Acquisition Fund, Municipal Building Fund and Park Improvement Fund, Councilmembers requested to revisit the discussion at a future work session.

Staff discussed the need to implement tax levies in 2024 for the Equipment Acquisition Fund and Municipal Building Fund, and in 2025 for the Park Improvement Fund in order to maintain operations and the desired level of service to residents and property owners that they have come to expect. In addition, staff will be recommending a transfer of \$295,000 to the Equipment Acquisition Fund and \$465,000 to the Municipal Building Fund from the 2022 General Fund surplus to support the operations in each fund and reduce the tax levy or bond issuance needs. Staff also identified approximately \$220,000 in unused ARPA Funds that could be reallocated, but must be exhausted by the end of 2024.

Conversations surrounding the Ambulance Fund budget focused on service level and the City's limited ability to collect funds through transportation fees to cover operational and capital expenditures. As discussed in previous work sessions, the Ambulance Fund continues to struggle financially as an enterprise fund due to challenges in revenue collections regarding the limitations that Medicare / Medicaid place on transport fee collections. After exploring solutions and comparing similar departments, staff will be recommending the Council add tax levy support to stabilize the revenues needed to maintain the services. For transparency in financial reporting and recognition that ambulance patient payments offset the expenditures to maintain full-time crews needed for response to calls for service, staff will also be recommending moving the ambulance fund operations into its own department within the General Fund. Generally, the Council was supportive of the idea to transition the ambulance fund to the General Fund and to charge Fire Contract Cities appropriately.

Councilmembers requested a comprehensive list of tax levy amounts and their uses. Staff will provide

detailed information on the various effects of recommendations on the 2024 proposed tax levy as the General Fund (operating budget) is built during the early summer months.

The Council discussed the desire for additional public education surrounding City finances, the budget process and financial needs. It was suggested that the Mayor and Council conduct outreach to local business owners and that staff create content for the City's social media accounts.

Adjourned: 9:21 PM