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**Braham Special City Council Meeting**  
**Tuesday, July 11, 2023 - 4 pm**  
City Council Chambers, 201 Broadway Avenue South

1. Call to Order and Pledge of Allegiance
2. Approval of Agenda
3. Discussion regarding preliminary 2024 budget and levy
4. Adjournment

Dear Mayor George and Members of the City Council:

Enclosed is the first draft version of the 2024 preliminary budget. A couple of notes regarding this budget:

- Health insurance is projected at a 10% increase. We will not have final numbers from our insurance broker until later in the year. We can always adjust this percentage when we receive our final numbers.
- All other insurance, (property insurance, workers compensation, auto insurance) is based on a 5% increase.
- The Salary Schedule has been adjusted to reflect a 3% COLA.
- Union negotiations with the PD will start in August, so salaries may be adjusted based on the outcome of union negotiations. Their current contract expires December 31, 2023.
- I contacted the Department of Revenue (DOR) regarding LGA increases for 2024. The current number you see for LGA is \$676,976. The DOR said new projections will come out the first week in August so this number may increase.
- Notable items within the preliminary 2024 budget include
  - In General Government under Technology Expenses, I added an estimated \$18,000 (\$1,500 monthly) for IT Services. Proposals for IT Services are due July 14 and after that time we will have a better estimate of what this service will cost the city.

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Mayor Nate George \* Councilmember Robert Knowles \* Councilmember Jeremy Kunshier  
Councilmember Nicole Peltz \* Councilmember Seth Zeltinger

- In General Government under Miscellaneous, I added an additional \$3,000 for flower baskets and \$5,000 for fireworks.
- Under the Council budget, I added more funding for meetings and training and travel expenses for those wishing to attend the annual League of Minnesota Cities Conference in 2024.
- There are increases in the Elections fund due to having three elections (presidential primary, general primary and general election) in 2024.
- There are increases in the Fire Department under uniform expense. Chief Benzen said three sets of turnout gear will need to be purchased in 2024 at a cost of \$9,000.

As of now, the total levy is increasing by \$243,000 or 17% (from 1.4M in 2023 to \$1.6M in 2024). This is a first draft of the budget and projections can change as we gather more information. The City needs to adopt its preliminary 2024 budget and levy by Sept. 26 (technically it is Sept. 29 but I would not wait until the last minute in order for the administrator to get the signed documents to Isanti County and Kanabec County). The final 2024 budget and levy will be certified at the December City Council meeting.

The Council can provide direction on this budget and relay that information to the new administrator who will continue having budget meetings with you. I understand this preliminary levy is high right now but as the City gathers more information regarding union negotiations, health insurance, LGA, this budget can change.

The enterprise funds of water fund, sewer fund and liquor fund do not impact the General Fund and the property tax levy except for the planned \$50,000 transfer from the Liquor Fund into the General Fund in 2024. The water and sewer funds are yet to be completed as we are waiting for utility bills to be completed this month so at that time, we can also run some numbers regarding the proposed 2024 water and sewer rates. At the next budget meeting, the water and sewer funds should be more complete.

All of the debt service numbers were provided by our financial advisor, Jason Murray, so those numbers should be accurate.

Thank you,

Rachel Kytonen  
City Administrator