



CITY COUNCIL WORKSHOP

Tuesday, August 15, 2023 at 1:00 PM

City Hall 8319 Co. Rd. 11 Breezy Point, MN 56472

(218) 562-4441 | Office Hours 8:00 a.m. - 4:00 p.m. | cityadmin@cityofbreezypointmn.us

AGENDA

1. DRAFT 2024 PRELIMINARY BUDGET & LEVY

A. Draft 2024 Preliminary Budget Discussion

B. 2024 Wages Discussion

TO: Mayor and City Council

FROM: David Chanski, City Administrator/Clerk

RE: 2024 Draft Preliminary Budget & Levy

DATE: August 15, 2023



The DRAFT 2024 Preliminary Budget for the City of Breezy Point is attached. The proposed DRAFT 2024 Levy as shown below is \$3,163,350. This DRAFT preliminary levy is a \$210,611 (7.1%) increase over 2023.

The full DRAFT 2024 Levy breakdown is as shown below:

	Current 2023	Draft 2024
General Fund Levy	\$2,940,209	\$3,139,700
EDA Levy	\$ 3,530	\$ 3,650
Cemetery Fund Levy	\$ 9,000	\$ 20,000
Debt Service Fund Levy	<u>\$ 0</u>	<u>\$ 0</u>
Total	\$2,952,739	\$3,163,350

The remainder of this memo outlines the significant changes and additions that are reflected in the DRAFT 2024 Budget.

GENERAL FUND

Revenues

The adjustments received by the majority of revenue sources were to reflect historic and anticipated actuals. Some notable items include:

- LGA/HACA/MVHC: Increased to \$99,000 as the City will be receiving just shy of \$100,000 in 2024 from the State of Minnesota through the Small Cities Assistance Program. This is new funding that came out of the Spring 2023 legislative session.
- Reimbursements for Services: In 2024, the City will become the fiscal agent for the Pequot Lakes Fire District. The City will charge the PLFD \$8,500 for this service. Additionally, the PLFD will reimburse the City for 100% of the cost for its 2023 Audit, which will also be managed by the City. The estimated cost for the PLFD’s audit is \$5,000.

- Pelican Police Contract: In 2023, the City agreed to a two year contract with Pelican Township for patrol services. This contract included fee increases in both 2023 and 2024 to account for increased Police Department operating costs. The service fee for 2023 was \$58,500, and the fee for 2024 is \$62,500.
- Lease Payments: The City has had a land lease with Charter Communications since 2012. However, the City Council released Charter from that lease in 2023.
- Transfer from Cemetery Fund: The Cemetery Commission approved a \$3,000 increase over previous years to better cover the time the Public Works Department spends on work at the cemetery.

Expenditures

Notable changes to department expenditures are identified below. Increases not specifically called out are increases based on anticipated cost increases, not new expenditures.

One item to note for all departments is that wages and benefits increased across the board. This is due to annual employee step increases, 3% Cost of Living Adjustment (COLA), and insurance premium increases. While the City Council is considering increasing wages beyond the planned 3% COLA, such a change is not reflected in the DRAFT budget as a decision has yet to be made.

Additionally, the City Council has discussed hiring of a full-time Planning & Zoning Administrator to replace the current part-time, contract employee. This is also represented in the DRAFT budget.

City Council

- Professional Services: Reduced to \$5,000. 2022 professional services were for the City Administrator recruitment, and 2023 professional services were for the City Hall Facility Assessment.

Administration

- Elections: 2024 is a presidential election year. As such, there will be 3 elections held: Presidential Nominating Primary on March 5, Primary Election on August 13, and General Election on November 5. Staff estimates a cost of \$7,000 to pay election judges for all three elections plus training.
- Capital Outlay: The vast majority of city records are still paper. Staff would like to be moving toward paperless records. As such, staff is requesting \$5,000 to purchase desktop scanners for all City Hall staff.

City Attorney

- No change from 2023.

General Government

- Motor Fuels: Administrative staff do not currently have a dedicated staff car. Therefore, personal vehicles must be used to complete tasks such as bank runs, mail runs, site inspections, out of office meetings, trainings events, etc. As was done in 2023, staff is recommending transferring the police squad being replaced to the Public Works Department, which would dedicate the 2021 Ford Explorer for use by administrative staff.
- Professional Services: As discussed with the City Council at the August 1 budget kickoff, staff is seeking to implement budget management and transparency software in 2024. The annual cost of the software (approximately \$19,000 in 2024) would be split 50/50 between the General Fund and the Sewer Fund. The one-time implementation cost of approximately \$12,000 would be paid for out of the Capital Fund.
- Auditing & Accounting: Increased to account for the estimated costs of the Pequot Lakes Fire District 2023 audit as well as audit assistance.
- Engineering: Reduced by \$5,000 based on historical actuals and anticipated 2024 expenditures.
- Pequot Lakes Fire District: Increase is primarily to fund the District's new Capital Improvement Plan.
- Transfer to Other Fund: The item is transfers to the Capital Fund comprised of \$342,000 for future road improvements, \$230,000 for future debt payments, and \$10,000 for employee liabilities (retirement payouts). There is no proposed increase from 2023.

Planning and Zoning

- Wages and Benefits: As mentioned above, wages increased due to the proposed hiring of a full-time Planning & Zoning Administrator.
- Training: Increased to account for professional development training for the Planning & Zoning Administrator.

Public Safety

- Overtime: Increased to account for wage increases and the proposal of creating optional weekend patrols throughout the summer. These extra, optional weekend

patrols would be primarily for golf cart enforcement and park patrols. These patrols are contingent on the Police Department replacing its current side-by-side as it is much easier to conduct golf cart enforcement and park patrols from a side-by-side than from a squad car.

- Professional Services: In 2023, the Police Department implemented body worn cameras (BWCs) and replaced all squad cameras. Implementation in 2023 was paid out of Capital Outlay, but the annual contract fee is now being moved to Professional Services. Additionally, the Police Department is requesting to implement a subscription style contract for new tazers as well as additional data storage.
- Capital Outlay: Reduced by \$30,000 from 2023 and is comprised of the annual squad replacement.

Public Works

- Wages and Benefits: While wages and benefits increased in the Public Works Department, the public works budget doesn't appear to increase at the same rate of other departments because some of the wages and benefits were transferred to the parks budget per a recommendation from the Parks & Recreation Committee.
- Seasonal Wages: moved to the parks budget per the Parks & Recreation Committee recommendation.
- Capital Outlay: There are no Public Works capital items proposed in the 2024 budget.
- Transfer: The City has transferred \$50,000 to the Capital Fund each year to help fund future Public Works capital equipment.

Parks & Recreation

- Wages and Benefits: As mentioned above, the Parks & Recreation Committee has made a recommendation that the wages and benefits for the time the Public Works Department spends on parks be reallocated from the public works budget to the parks budget.
- Motor Fuels: In addition to wages and benefits, certain operating costs that can be attributed to parks but were historically budgeted in public works was also reallocated.
- Landscaping: Increased by \$2,000 to cover the cost of additional mulching.

- Professional Services: Increased by \$3,000 to cover the increased costs in and the number of portable restrooms for the disc golf course.
- Capital Outlay: The Parks & Recreation Committee has requested an increase of \$90,000 in capital outlay funds to cover future projects. However, the Committee does not have a specific project planned for 2024 at this time.
- Transfer: The City has transferred \$10,000 to the Capital Fund each year to help fund future Parks capital equipment such as playground replacements.

General Fund Expenditure Summary

All together, the DRAFT 2024 budget has a general fund budget of \$3,603,700. This is an increase of \$353,585 (10.9%) over 2023. It should be noted that \$275,000 (~78%) of that increase is due to the increased cost of the Pequot Lakes Fire District.

OTHER FUNDS

EDA Fund

The sole EDA Fund expenditure is an annual payment to the Brainerd Lakes Area Economic Development Corporation (BLAEDC) for economic development services. While staff has not yet received the 2024 budget request from BLAEDC, an increase of roughly 3.5% has been placed in the DRAFT 2024 budget.

TIF Fund

The TIF Fund receives revenues from existing TIF Districts and then refunds those revenues back to property owners as determined by the development agreements approved at the creation of said TIF districts. The revenue received is dependent on the increase in TIF District property values year over year.

Cemetery Fund

Most Cemetery Fund revenues are estimated to be roughly the same as those of the last few years. However, the Cemetery Commission is proposing a levy increase of \$20,000. This is to address an increase in expenditures due to the need to hire a company to conduct general landscaping maintenance. This work historically has been done by the Cemetery Commission members themselves, but they are no longer able to do this work.

Debt Service Fund

As the City Council paid off the 2012 General Obligation Bond in 2022, the City is currently debt free, and, therefore, there are no expenditures and revenues budgeted in the Debt Service Fund for 2024.

Capital Fund

Proposed Capital Fund revenues for 2024 are the same as 2023.

The proposed expenditures in the Capital Fund total \$502,000 and include:

- \$125,000 for an update to the Zoning Code
- \$25,000 for an update to the administrative sections of the City Code
- \$12,000 for the implementation of budget management and transparency software.
- \$280,000 for final design and engineering of Buschmann should the City Council move forward with that project once preliminary design is complete.
- \$60,000 for the development of a streets plan.

Capital Fund revenues are currently projected to exceed expenditures by almost \$290,000. This fund balance is saved for use for future capital projects. This allows the City to pay for significant projects while minimizing impacts to the levy.

Sewer Enterprise Fund

As an enterprise fund, the Sewer Enterprise Fund is funded through fee revenue, not tax revenue. Revenues are anticipated to be slightly higher than 2023 based on previous year actuals and increased number of sewer connections.

Fund expenditures are anticipated to increase by just over \$90,000 (24.7%). Just over 35% of this increase is due to increases in wages and benefits. The majority of the remaining increases are due to the needed rehab of wet wells #6 and #7 (\$40,000) and 50% of the proposed budget management and transparency software (\$9,500).

The DRAFT 2024 budget for the Sewer Enterprise Fund shows a projected fund balance of \$25,842. It is the City's policy to transfer any fund balance at the end of the year to the Sewer Capital Project Fund.

Sewer Capital Projects Fund

Revenues in the Sewer Capital Projects Fund are anticipated to be the same as 2023. The sole anticipated expenditure in the fund is \$25,000 for next steps in the sewer expansion process.

Sewer Capital Project Fund revenues are currently projected to exceed expenditures by almost \$100,000. This fund balance is saved for use for future sewer capital projects. This allows the City to pay for significant projects while minimizing increases in sewer rates.

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

General Fund 100

Revenues - All Departments

00000	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
31010	Property Taxes	2,303,911	2,507,108	2,940,209	0	-2,940,209
31900	P & I Delinquent Taxes	3,089	3,471	3,000	3,000	0
31920	Tax Forfeiture Land Sales	10,462	0	7,500	7,500	0
32100	Business Licenses & Permits	13,240	12,206	12,500	12,500	0
32170	Golf Cart Permits	10,040	9,905	13,000	13,500	500
32210	Zoning/Land Use	5,200	3,640	3,000	3,500	500
32000	Short Term Rental Licenses	0	0	15,000	12,000	-3,000
32240	Animal Licenses / Impound Fees	125	235	250	250	0
32300	Building Permits	254,410	194,292	100,000	100,000	0
33401	LGA / HACA / MVHC	44,865	191	0	99,000	99,000
33416	Police Training Reimb	8,243	7,089	2,400	5,000	2,600
33430	Police PERA Aids & Reimb	55,155	60,098	50,500	65,000	14,500
33600	Grants	44,681	70,623	2,500	2,500	0
33900	Recycling	922	105	0	0	0
34100	Reimburse For Services	2,489	11,520	3,500	18,000	14,500
34101	Hall Rental	1,335	1,150	1,000	1,500	500
34201	Police Reimbursements	14,295	4,319	3,500	3,500	0
34202	Pelican Police Contract	54,500	54,500	54,500	62,500	8,000
Page Sub-Total		2,826,962	2,940,452	3,212,359	409,250	-2,803,109

General Fund 100

2024 Preliminary Budget

Revenues - All Departments (Con't)

00000	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
34203	E911 Addressing	4,370	3,130	2,500	2,500	0
34206	Police S&S/NightCap Reimbursements	0	8,716	3,000	5,000	2,000
34300	Highways and Streets	62	24,910	2,000	2,000	0
34302	Culverts	3,290	3,415	1,500	3,000	1,500
34400	Election Filing Fees	0	60	0	50	50
35100	Fines	7,975	11,559	7,500	7,500	0
36102	Improvements Road/Sewer	0	0	0	0	0
36103	Assessment Search Fees	1,565	1,015	1,000	2,000	1,000
35104	Administrative Fines	100	50	100	100	0
36200	Miscellaneous & Mailbox Supports	12,842	18,294	2,500	2,500	0
36210	Interest Income	14,162	18,641	12,000	15,000	3,000
36212	Dividends Income	8,534	5,272	0	0	0
36213	Investments Gains/Losses	-15,427	-40,028	0	0	0
36220	Lease Payments Received	2,880	2,832	3,456	0	-3,456
36230	Contributions	100	350	100	100	0
36232	Refunds Received	4,912	16,664	100	10,000	9,900
39203	Transfer From Cemetery Fund	277,000	2,000	2,000	5,000	3,000
Fund 100	Total Revenue	3,149,326	3,017,332	3,250,115	464,000	-2,789,115

General Fund 100

2024 Preliminary Budget

Expenditures - City Council

41100	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
100	Compensation	18,305	18,605	18,600	18,600	0
121	PERA	570	570	558	558	0
122	FICA & Medicare	1,400	1,423	1,423	1,423	0
150	Worker's Compensation Insurance	99	101	100	100	0
300	Professional Services	0	28,800	22,500	5,000	-17,500
351	Legal Notices & Publications	394	895	500	500	0
433	Dues & Subscriptions	3,031	3,066	3,000	3,000	0
437	Training & Education	0	0	5,000	5,000	0
Fund 100	City Council - Total Expenditures	23,798	53,460	51,681	34,181	-17,500

General Fund 100

2024 Preliminary Budget

Expenditures - Administration

41300	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
100	Compensation	191,532	213,056	242,601	273,651	31,050
102	Overtime	36	8	500	500	0
121	PERA	13,892	15,313	18,195	20,524	2,329
122	FICA & Medicare	13,678	15,931	18,559	20,935	2,376
130	Life Insurance	720	592	450	624	174
131	Paid Health & Dental Insurance	18,470	33,345	39,857	54,749	14,892
150	Worker's Compensation Insurance	1,702	2,034	2,500	3,000	500
200	General Operating	2,210	4,558	5,000	5,000	0
208	Training & Education	624	2,223	6,000	6,500	500
220	Repair / Maint Supplies	85	0	1,000	1,000	0
256	Elections	8	4,386	0	7,000	7,000
321	Telephone	2,285	2,401	2,700	3,500	800
331	Travel Expenses	74	2,602	1,250	1,500	250
433	Dues & Subscriptions	685	3,032	1,200	1,500	300
590	Capital Outlay	5,695	0	0	5,000	5,000
Fund 100	Administration - Total Expenditures	251,696	299,481	339,812	404,983	65,171

General Fund 100

Expenditures - City Attorney

41610	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
304	Legal Services	4,207	32,327	20,000	20,000	0
Fund 100	City Attorney - Total Expenditures	4,207	32,327	20,000	20,000	0

General Fund 100

2024 Preliminary Budget

Expenditures - Other General Govt

41900	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
160	Liability Insurance	2,834	4,913	6,000	6,000	0
212	Motor Fuels	0	0	0	500	500
300	Professional Svs.	554	3,913	2,500	12,000	9,500
301	Auditing & Accounting	7,550	8,812	8,500	15,000	6,500
303	Engineering (General)	6,950	180	10,000	5,000	-5,000
304	Legal/Prosecution Fees	8,000	8,000	8,000	9,000	1,000
306	Animal Control	57	0	6,800	7,500	700
308	IT / Support	19,305	10,841	8,000	10,000	2,000
310	Fire District	101,919	115,313	122,349	275,000	152,651
313	Benefits Administration	1,269	1,287	1,000	1,000	0
319	Other - Reserves	0	0	0	0	0
324	Recycling	546	500	500	500	0
329	Communications	0	656	12,000	12,000	0
362	Property Insurance	2,461	2,611	2,750	2,750	0
381	Combined Utilities	7,025	7,707	8,000	8,000	0
400	Office Equipment	3,621	699	5,000	5,000	0
401	Building Maintenance	11,089	4,761	10,000	10,000	0
402	Grounds Maintenance	2,349	2,554	2,500	2,750	250
510	Land Acquisition	3,000	0	0	0	0
720	Transfer to Other Fund	210,000	628,422	582,000	582,000	0
721	EOY Fund Bal Transfers	0	0	0	0	0
810	Refunds / Reimbursements	6,034	602	500	500	0
Fund 100	Other General Government - Total Expenditures	394,561	801,771	796,399	964,500	168,101

General Fund 100

2024 Preliminary Budget

Expenditures - Planning & Zoning

41910	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
100	Compensations	32,540	48,083	60,000	79,001	19,001
104	Commission Wages	2,400	1,980	3,000	2,500	-500
106	Seasonal Wages	3,390	0	0	10,000	10,000
121	PERA	0	467	2,008	5,925	3,917
122	FICA & Medicare	184	646	2,048	6,044	3,996
130	Life Insurance	0	0	73	212	139
131	Paid Health & Dental Insurance	0	707	2,303	24,587	22,284
150	Workers Comp	0	0	190	672	482
200	General Operating	386	3,104	500	500	0
208	Training & Education	0	0	500	2,000	1,500
258	Mapping	0	0	1,000	1,000	0
300	Professional Services	1,175	7,681	3,500	3,500	0
302	E-911 / Permit Expenses	1,450	975	500	1,000	500
304	Legal Services	1,885	187	0	0	0
308	IT Services	0	-2,858	3,200	3,200	0
309	Building Inspector	123,849	153,052	85,000	85,000	0
331	Travel Expenses	0	0	300	500	200
351	Legal Notices	927	1,631	1,000	1,500	500
810	Refunds	0	250	100	100	0
Fund 100	Planning & Zoning - Total Expenditures	168,185	215,905	165,222	227,241	62,019

General Fund 100

2024 Preliminary Budget

Expenditures - Public Safety

42100	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
100	Compensation	489,826	492,113	534,000	570,000	36,000
102	Overtime	15,642	15,340	16,000	20,000	4,000
103	Admin / Office Wages	49,315	54,226	60,661	63,125	2,464
105	TZD Wages	3,280	9,131	3,000	0	-3,000
107	P/T Officer Wages	8,977	6,939	6,000	7,500	1,500
121	PERA	92,926	83,877	95,350	103,524	8,174
122	FICA & Medicare	10,084	10,073	11,000	12,922	1,922
130	Life Insurance	1,280	1,184	1,008	1,536	528
131	Paid Health & Dental Insurance	106,119	118,424	125,520	146,097	20,577
150	Worker's Compensation Insurance	29,544	34,220	36,000	40,000	4,000
160	Liability Insurance	17,636	16,205	16,000	18,000	2,000
200	General Operating	8,601	7,606	8,500	9,000	500
208	Training & Education	9,172	77,398	10,000	10,000	0
212	Motor Fuels	15,849	25,021	25,000	25,000	0
220	Repair / Maint	15,547	18,385	15,000	15,000	0
300	Professional Services	4,635	15,457	19,500	50,000	30,500
308	IT / Support	16,325	16,775	22,400	22,400	0
321	Telephone	10,770	11,272	12,500	13,000	500
362	Municipal Property Insurance	6,911	7,077	7,250	7,500	250
363	Automotive Insurance	9,032	8,793	12,000	12,000	0
381	Combined Utilities	10,287	12,163	15,000	15,000	0
400	Office Equipment	0	1,923	2,000	2,000	0
401	Building Maintenance	14,427	8,896	45,000	45,000	0
402	Grounds Maintenance	1,739	1,949	3,500	3,500	0
417	Uniforms	7,753	7,845	12,000	12,000	0
590	Capital Outlay	52,856	64,089	90,000	60,000	-30,000
Fund 100	Public Safety - Total Expenditures	1,008,534	1,126,381	1,204,189	1,284,104	79,915

General Fund 100

2024 Preliminary Budget

Expenditures - Public Works

43000	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
100	Compensation	137,989	155,563	161,652	162,488	836
102	Overtime	145	1,956	5,000	2,500	-2,500
106	Seasonal Part time wages lawn mowing	6,452	6,231	7,500	0	-7,500
121	PERA	10,036	10,825	12,124	12,187	63
122	FICA & Medicare	10,423	11,223	12,367	12,430	63
130	Life Insurance	518	475	518	490	-28
131	Paid Health & Dental Insurance	27,273	36,163	39,451	39,789	338
150	Worker's Compensation Insurance	12,225	13,191	13,000	13,500	500
160	Liability Insurance	4,705	2,133	1,200	1,000	-200
200	General Operating	2,019	1,945	2,000	2,000	0
208	Training & Education	89	397	1,000	1,000	0
212	Motor Fuels	15,155	35,560	35,000	40,000	5,000
220	Equipment - Repairs & Maint	16,754	25,200	32,000	32,000	0
222	Landscaping	207	192	1,500	1,500	0
223	Salt / Sand	3,773	8,932	9,000	9,000	0
224	Aggregate Materials	21,453	17,908	25,000	25,000	0
225	Blacktop Repair	19,466	14,139	25,000	25,000	0
226	Sign Materials	1,499	1,918	1,500	1,500	0
228	Equipment Rental	135	317	1,000	1,000	0
229	Culverts/MB Supports	8,155	4,711	2,400	2,400	0
240	Small Tools / Minor Equip	1,011	1,551	2,000	2,000	0
300	Professional Services	418	6,310	1,000	2,500	1,500
308	IT Services	0	172	2,400	2,400	0
321	Telephone	2,659	1,952	2,950	2,950	0
331	Travel Expenses	0	0	500	500	0
362	Property Insurance	1,468	2,265	3,500	3,500	0
363	Automotive Insurance	1,950	1,960	2,000	2,000	0
381	Combined Utilities	5,171	8,121	10,000	10,000	0
401	Building Maintenance	908	1,710	2,000	2,000	0
417	Uniforms	1,242	1,604	1,500	1,500	0
531	Dustcoating	21,333	22,852	30,000	35,000	5,000
533	Road Improvements	110,401	0	0	0	0
590	Capital Outlay	323,359	11,768	140,000	0	-140,000
720	Transfer	69,387	50,000	50,000	50,000	0
Fund 100	Public Works - Total Expenditures	837,781	459,244	636,062	499,134	-136,928

General Fund 100

2024 Preliminary Budget

Expenditures - Project 19-429 (Operating)

43500	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
591	Construction Cost	0	0	0	0	0
592	Engineering	39,396	809	0	0	0
594	Administrative Cost	0	0	0	0	0
595	Land Acquisition/Easements	404	0	0	0	0
Fund 100	Project 19-429 - Total Expenditures	39,799	809	0	0	0

General Fund 100

2024 Preliminary Budget

Expenditures - Parks & Recreation (Operating)

45100	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
100	Compensation	0	0	0	17,750	17,750
102	Overtime	0	0	0	0	0
106	Seasonal Part time wages lawn mowing	0	0	0	8,500	8,500
121	PERA	0	0	0	1,331	1,331
122	FICA & Medicare	0	0	0	1,358	1,358
130	Life Insurance	0	0	0	48	48
131	Paid Health & Dental Insurance	0	0	0	3,620	3,620
150	Worker's Compensation Insurance	0	0	0	500	500
160	Liability Insurance	0	0	0	200	200
210	General Operating	2,134	2,095	3,500	5,000	1,500
212	Motor Fuels	0	0	0	2,500	2,500
222	Landscaping	1,030	1,712	4,000	6,000	2,000
228	Equipment Rental	0	0	500	500	0
300	Professional Services	2,502	3,676	3,000	6,000	3,000
362	Property Insurance	748	1,706	4,000	4,500	500
400	Equipment	0	0	250	250	0
401	Building Maintenance	0	23	500	500	0
530	Beach Improvements	0	33	500	500	0
580	Equipment Outlay	-25,000	0	500	500	0
590	Capital Outlay	187,456	33,045	10,000	100,000	90,000
720	Transfer to Other	25,000	10,000	10,000	10,000	0
Fund 100	Parks & Recreation - Total Expenditures	193,869	52,290	36,750	169,557	132,807

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

General Fund 100 Summary

Revenue & Expenditures		2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
Revenue	General Fund - Total Revenue	3,149,326	3,017,332	3,250,115	464,000	-2,786,115
Expenditures						
City Council		23,798	53,460	51,681	34,181	-17,500
Administration		251,696	299,481	339,812	404,983	65,171
City Attorney		4,207	32,327	20,000	20,000	0
Other General Government		394,561	801,771	796,399	964,500	168,101
Planning & Zoning		168,185	215,905	165,222	227,241	62,019
Public Safety		1,008,534	1,126,381	1,204,189	1,284,104	79,915
Public Works		837,781	459,244	636,062	499,134	-136,928
Project 19-429		39,799	809	0	0	0
Parks & Recreation (Operating)		193,869	52,290	36,750	169,557	132,807
	General Fund - Total Expenditures	2,922,430	3,041,668	3,250,115	3,603,700	353,585
	Difference	226,896	(24,336)	0	(3,139,700)	(3,139,700)
	1% Levy Increase = \$	29,527.39				
				3% COLA		
				Preliminary Levy	3,163,350	
				Preliminary Levy Increase	210,611	Minus Fire District
				Preliminary Levy % Increase	7.1%	2.0%
				Competition New Wage Grid		
				Levy	3,281,377	
				Preliminary Levy Increase	328,638	Minus Fire District
				Preliminary Levy % Increase	11.1%	6.0%
				January 1 Anniversaries		
				Preliminary Levy	3,257,268	
				Preliminary Levy Increase	304,529	Minus Fire District
				Preliminary Levy % Increase	10.3%	5.1%

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

EDA Fund 200

Revenues - All Departments

46500	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
31010	Property Tax	3,465	3,425	3,530	3,650	120
36200	Misc Revenue	0	0	0	0	0
36210	Interest	17	17	15	15	0
36213	Investments Gains/Loses	-21	-50	0	0	0
Fund 200	Total Revenue	3,461	3,392	3,545	3,665	120

Expenditures

46500	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
200	General Operating	0	0	0	0	0
490	Donations	3,525	3,625	3,530	3,650	120
300	Professional Services	0	0	0	0	0
Fund 200	Total Expenditures	3,525	3,625	3,530	3,650	120

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

EDA Fund 200 Summary

	Revenue & Expenditures	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2022
Revenue	EDA Fund - Total Revenue	3,461	3,392	3,545	3,665	120
Expenditures	EDA Fund - Total Expenditures	3,525	3,625	3,530	3,650	120
	Difference	(64)	(233)	15	15	0

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

TIF Fund 204

Revenues - All Departments

46500	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
31010	Property Tax	9,867	10,140	10,415	16,500	6,085
36200	Misc Revenue	0	0	0	0	0
36210	Interest	0	0	0	0	0
36213	Investments Gains/Loses	0	0	0	0	0
Fund 204	Total Revenue	9,867	10,140	10,415	16,500	6,085

Expenditures

46500	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
300	Professional Services	0	6,180	8,500	1,500	-7,000
303	Engineering Fees	0	0	0	0	0
351	Legal Notice Publishing	0	45	0	0	0
594	Administration	850	0	1,000	150	-850
810	Refund/Reimbursement	8,864	0	0	14,850	14,850
811	Release of Escrow	0	0	0	0	0
Fund 204	Total Expenditures	9,714	6,225	9,500	16,500	7,000

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

TIF Fund 204 Summary

Revenue & Expenditures	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2022
Revenue EDA Fund - Total Revenue	9,867	10,140	10,415	16,500	6,085
Expenditures EDA Fund - Total Expenditures	9,714	6,225	9,500	16,500	7,000
Difference	153	3,915	915	0	-915

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

Cemetery Special Revenue Fund 270

Revenues - All Departments

00000	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
31010	Property Tax	7,725	9,000	9,000	20,000	11,000
34000	Charge for Services	3,640	2,615	3,000	3,000	0
34940	Lot Sales	10,437	3,091	8,000	8,000	0
34942	Perpetual Care	2,597	653	1,500	1,500	0
36200	Misc / Butterfly Event	14,263	14,258	3,000	4,000	1,000
36210	Interest	2,206	2,618	1,750	2,500	750
36213	Investments Gains / Loses	-2,128	-6,166	0	0	0
Fund 270	Total Revenue	38,739	26,069	26,250	39,000	12,750

Cemetery Special Revenue Fund 270

Expenditures

49010	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
200	General Operating	1,924	566	1,500	1,500	0
222	Landscaping	3,846	1,598	4,000	4,000	0
240	Small Tools/Minor Equip	198	0	0	0	0
300	Professional Services	5,170	5,401	5,000	20,000	15,000
362	Property Insurance	118	228	600	650	50
381	Combined Utilities	1,294	1,366	1,400	1,500	100
433	Dues & Subscriptions	123	0	125	125	0
438	Butterfly Event	1,874	1,890	2,200	2,500	300
439	Markers	1,351	0	1,000	1,000	0
534	Site Improvements	0	475	1,500	1,500	0
720	Transfer to Other (GF)	2,000	2,000	2,000	5,000	3,000
810	Refunds / Reimbursements	0	0	0	0	0
Fund 270	Total Expenditures	17,899	13,524	19,325	37,775	18,450

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

Cemetery Special Revenue Fund 270

	Revenue & Expenditures	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2022
Revenue	Cem Spec Rev Fund - Total Revenue	38,739	26,069	26,250	39,000	12,750
Expenditures	Cem Spec Rev Fund - Total Expenditures	17,899	13,524	19,325	37,775	18,450
	Difference	20,841	12,545	6,925	1,225	-5,700

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

Debt Service Fund 300

Revenues - All Departments

00000	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
36108	2007 GO Rd/Sew Bond (RE:2012)	88,991	43,585	0	0	0
36116	Ad Valorem Taxes	0	0	0	0	0
36210	Interest	3,685	633	0	0	0
36119	2012 GO Crossover Bond	191,115	230,000	0	0	0
36213	Investments Gains/Loses	-4,161	95	0	0	0
39200	Transfer In (from general fund)	0	272,000	0	0	0
39310	Bond Issuance/Other Financing	0	0	0	0	0
Fund 300	Total Revenue	279,630	546,313	0	0	0

Debt Service Fund 300

Expenditures

47000	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
620	Fiscal Agent Fees	1,245	5	0	0	0
637	2012 GO Crossover Bond Interest	16,405	860	0	0	0
638	2012 GO Crossover Bond Princ	225,000	570,000	0	0	0
720	Transfer to Other	0	0	0	0	0
Fund 300	Total Expenditures	242,650	570,865	0	0	0

**City of Breezy Point
2024 Preliminary Budget
Summary**

2024 Preliminary Budget

Debt Service Fund 300

Revenue & Expenditures	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2022
Revenue Debt Service Fund - Total Revenue	279,630	546,313	0	0	0
Expenditures Debt Service Fund - Total Expenditures	242,650	570,865	0	0	0
Difference	36,980	(24,552)	0	0	0

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

Capital Fund 401

Revenues - All Departments

Description		2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
31810	Franchise Fees	0	5,740	5,000	5,000	0
33600	State / Local Grants	0	0	0	0	0
33900	Recycling	0	0	0	0	0
35201	Forfeits - Alcohol	4,221	1,970	2,000	2,000	0
35202	Forfeits - Drug	0	0	2,000	2,000	0
36000	Special Assessments	59,794	85,888	50,000	50,000	0
36101	2005 GO Rd/Sew Assessments	9,088	0	5,000	5,000	0
36102	2008 Imp. Assessment	17,794	0	25,000	25,000	0
36103	2019 Road/Sewer Assessments	0	0	0	0	0
36107	Assessment Income	0	0	0	0	0
36108	2007 GO Road/Sewer Bonds Re: 2012	0	0	50,000	50,000	0
36200	Misc. Revenue	0	0	0	0	0
36201	Sold Property Revenue	0	4,000	7,500	7,500	0
42100-34201	Police Copies	0	0	100	100	0
42100-36201	Sold Property Revenue PD	5,900	1,624	1,000	1,000	0
43000-36201	Sold Property Revenue PW	55,001	0	1,000	1,000	0
41300-36200	Misc. Revenue	0	0	0	0	0
36210	Interest Income	40,148	8,272	0	0	0
41900-36210	Interest Income	0	35,960	0	0	0
36211	Insurance Dividends	0	0	0	0	0
36213	Investments Gains/Loses	-43,267	-115,568	0	0	0
36230	Contributions and Donations	0	0	0	0	0
36234	Park Dedication	0	0	0	0	0
41900-39201	Land Acquisitions (Transfer From GF)	10,000	10,000	0	0	0
41940-39201	Well Maintenanc (Transfer from GF)	0	0	0	0	0
43100	Future Improvements	0	0	0	0	0
43101-39201	Signs (Transfer from GF)	5,000	5,000	0	0	0
43121-39201	Road Improvements (Transfer from GF)	185,000	331,422	342,000	342,000	0
45100-39201	Park Equip Replacement (Transfer from GF)	0	10,000	10,000	10,000	0
49211-39201	Accrued Employee Liabilities	10,000	10,000	10,000	10,000	0
41900-39201	Transfer from General Fund	10,000	10,000			0
43000-39201	Transfer from General Fund	69,387	0	50,000	50,000	0
41950-39201	Transfer from General Fund	0	0	230,000	230,000	0
39203	Transfer from Other Fund	0	0	0	0	0
Fund 401	Total Revenue	438,066	404,308	790,600	790,600	0

**Capital Fund 401
Expenditures**

Description		2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
35201	Forfeitures Alcohol	7,377	0	3,500	0	-3,500
35202	Forfeitures Drugs	418	0	5,000	0	-5,000
31810	Franchise Fees	0	0	100	0	-100
41300	Administration	0	0	0	162,000	162,000
41900-324	Recycling	0	0	0	0	0
41900-300	Professional Services	0	0	425,000	340,000	-85,000
41900	Land Aquisitions	0	0	0	0	0
42100	Police	0	0	0	0	0
43000-226	Public Works-Sign Materials	1,254	0	2,500	0	-2,500
43000-590	Capital Outlay	0	0	150,000	0	-150,000
43100	Future Improvements	0	0	0	0	0
43121	Road Improvements	0	0	0	0	0
45100	Parks & Recreation	0	0	0	0	0
45100-580	Parks & Rec-Equipment Outlay	25,000	0	0	0	0
45100-590	Parks & Recreation/Replacement	0	0	1,000	0	-1,000
45200	Parkland Dedication	0	0	0	0	0
47000-720	Transfer to Other	0	0	0	0	0
49211	Accrued Employee Liabilities	0	0	0	0	0
43000-720	Transfer to Other	250,000	0	0	0	0
Fund 401	Total Expenditures	284,048	0	587,100	502,000	-85,100

**City of Breezy Point
2024 Preliminary Budget
Summary**

2024 Preliminary Budget

Capital Fund 401

Revenue & Expenditures		2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
Revenue	- Total Revenue	438,066	404,308	790,600	790,600	0
Expenditures	- Total Expenditures	284,048	0	587,100	502,000	-85,100
	Difference	154,018	404,308	203,500	288,600	85,100

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

Sewer Enterprise Fund 600

Revenues - All Departments

00000	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
36000	Assessments	25,003	69,662	25,000	25,000	0
36200	Misc	0	0	100	100	0
36210	Interest Income	4,915	6,172	5,000	5,000	0
36213	Investments Gains/Loses	-5,448	-15,829	0	0	0
36232	Refunds/Reimbursements	0	0	100	0	-100
37210	Sewer Service	413,843	423,208	420,000	450,000	30,000
37250	Connection Charges	2,025	900	1,200	1,200	0
37255	Connection Principal/Interest	0	0	0	0	0
Fund 600	Total Revenue	440,337	484,113	451,400	481,300	29,900

Sewer Enterprise Fund 600
Expenditures

2024 Preliminary Budget

43250	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
100	Full-Time Employee Wages	139,277	154,388	192,587	216,680	24,093
102	Full-Time Employee Overtime	145	2,337	2,500	2,500	0
103	Admin/Office Wages	26,739	28,093	0	0	0
106	Seasonal Part time lawn mowing wages	6,452	6,231	4,500	4,500	0
121	PERA	12,113	1,346	14,444	16,251	1,807
122	FICA/Medicare	12,445	13,784	14,733	16,576	1,843
130	Life Insurance	442	405	534	547	13
131	Paid Health/Dental	19,278	31,437	35,773	43,254	7,481
150	Worker's Comp	5,891	6,261	9,500	7,500	-2,000
160	Liability Insurance	1,530	4,066	5,000	5,000	0
200	General Operating	6,609	7,255	10,000	10,000	0
208	Training and Education	332	1,038	3,000	3,000	0
212	Motor Fuels	2,959	3,295	5,000	5,000	0
220	Repair/Maint Supplies	11,401	26,398	11,500	15,000	3,500
300	Professional Services	589	62	0	9,500	9,500
301	Auditing and Accounting	1,880	2,196	2,000	4,000	2,000
303	Engineering Fees	450	90	1,000	1,000	0
304	Legal Services	0	0	0	0	0
308	IT Support/Software	3,713	4,657	4,000	5,000	1,000
316	Spraying	1,064	0	1,500	1,500	0
321	Telephone	3,233	3,415	4,000	4,000	0
326	Permits & Lab Testing	2,349	2,212	3,500	3,500	0
331	Travel Expenses	602	763	500	500	0
332	Gopher One Locates	606	536	500	500	0
362	Property Insurance	3,768	3,071	4,200	4,200	0
363	Automotive Insurance	1,100	1,041	1,150	1,650	500
381	Combined Utilities (Gas & Electric)	22,952	26,638	30,000	30,000	0
386	Credit Card Proc Fees	2,427	2,595	2,500	3,000	500
417	Uniforms	420	379	500	500	0
432	Bad/Delinquent Payment	0	74	100	100	0
433	Dues and Subscriptions	345	698	700	700	0
590	Capital Outlay	26,590	4,418	0	40,000	40,000
720	Transfer to Other	0	0	0	0	0
Fund 600	Total Expenditures	317,700	339,179	365,221	455,458	90,237

**City of Breezy Point
2024 Preliminary Budget
Summary**

2024 Preliminary Budget

Sewer Enterprise Fund 600

Revenue & Expenditures		2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
Revenue	- Total Revenue	440,337	484,113	451,400	481,300	29,900
Expenditures	- Total Expenditures	317,700	339,179	365,221	455,458	90,237
	Difference	122,637	144,934	86,179	25,842	-60,337

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

Sewer Capital Projects Fund 602

Revenues - All Departments

41950	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
36000	Special Assessments	112,187	14,564	50,000	50,000	0
00000-36000	Whitebirch7/CreekCir Proj Assessments	0	0	0	0	0
36201	Sold Property Revenue	0	0	0	0	0
36210	Interest	41,946	47,031	25,000	25,000	0
36213	Investments Gains/Loses	-45,479	-126,200	0	0	0
34407	SAC/Connections	109,350	35,750	50,000	50,000	0
39200	Transfer In	0	0	0	0	0
Fund 602	Total Revenue	218,004	-28,855	125,000	125,000	0

Expenditures (Improvement Projects)

41950	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
200	General Operating	0	0	0	0	0
591	Construction Costs	0	0	0	0	0
592	Engineering Costs	402	0	70,000	25,000	-45,000
593	Legal	0	0	500	0	-500
594	Admin Costs	0	0	0	0	0
595	Land Acquisition/Easements	0	0	0	0	0
596	Transfer Out	0	0	0	0	0
720	Transfer To Other Fund	0	0	0	0	0
Fund 602	Total Expenditures	402	0	70,500	25,000	-45,500

**City of Breezy Point
2024 Preliminary Budget**

2024 Preliminary Budget

Sewer Capital Projects Fund 602 Summary

Revenue & Expenditures	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Change from 2023
Revenue - Total Revenue	218,004	-28,855	125,000	125,000	0
Expenditures - Total Expenditures	402	0	70,500	25,000	-45,500
Difference	217,602	(28,855)	54,500	100,000	45,500

TO: Mayor and City Council
FROM: David Chanski, City Administrator/Clerk
RE: 2024 Employee Wages Discussion
DATE: August 15, 2023



Background

At the August 1 Budget Kickoff workshop, the City Council had a discussion on employee wages after Chief Sandell raised concerns about the City’s ability to compete with surrounding communities when it comes to both the recruitment and retention of employees. The Police Department, specifically, has had a vacant police officer position since March after one officer left the department for employment with the City of Brainerd. Additionally, while the City was successful in the recent recruitments for the Finance Specialist and Assistant City Administrator positions, the overall pool of candidates the City received for both recruitments was underwhelming.

While the City did conduct a compensation study in 2022, concerns were raised that the 2022 study only took cities comparable to Breezy Point into account and not cities considered to be competition for retaining and recruiting employees such as Brainerd, Baxter, and Little Falls. All three of these cities have had various positions open in the last year that have not only competed with our efforts to recruit employees but could have also influenced our employees to seek employment with them. For example, the base wage for a police officer in Breezy Point is some 16.5% lower than that of police officers in Brainerd, Baxter, and Little Falls.

The City Council directed staff to further investigate how the City’s staff positions compare to that of the cities of Brainerd, Baxter, and Little Falls as those cities have been identified as Breezy Point’s immediately workforce competition.

Current Salary Plan

City staff positions are currently broken up into 10 grades (plus three union police officer grades) with each grade having 8 steps. Employees negotiate their placement on the grid when they are hired and then proceed through the grid with step increases on their employment anniversaries following a satisfactory performance review.

Each year, the City Council sets a Cost of Living Adjustment (COLA) that goes into effect on January 1. Historically, the Council has applied whatever COLA was negotiated with LELS (the union that represents patrol officers) to all employees. For 2024, that number is 3%.

Position Comparisons

The first step in conducting the wage analysis was to identify the positions with each city that best compare to Breezy Point’s positions. Unfortunately, every city is organized and operates a little differently, especially the larger a city gets. Because of the City’s smaller size, Breezy Point employees must all wear multiple hats compared to larger communities where employee tasks are more concentrated. This has multiple affects.

First, two positions are not automatically equal comparisons just because they have the same title. For example, the Finance Specialist in Breezy Point does accounts payable and accounts receivable, payroll, utility billing, audit prep and management, and general accounting. In Brainerd, Baxter, and Little Falls, however, there is one staff member dedicated to payroll, one dedicated to accounts payable and receivable, and one dedicated to utility billing as well as a dedicated Finance Director. Additional examples include:

- City Administrator
 - o chief administrative officer, finance director, human resources director, city clerk, economic development director
- Assistant City Administrator
 - o assistant chief administrative officer, communications director, IT director, special projects manager
- Public Works
 - o Streets, parks, sewer, facility maintenance
- Deputy Clerk
 - o deputy clerk, office manager, receptionist, permit technician

The necessity for employees to wear multiple hats also makes it more difficult to recruit employees as it is much easier to hire an employee to do one specific task than a variety of tasks, especially when a prospective employee can do one task for another organization and get paid more. For example, when Brainerd hires a parks maintenance employee, the city does not have to hire someone who is a licensed CDL driver or have experience with utilities. Breezy Point, on the other hand, has to take both those things into account when hiring a public works employee.

Finally, because there is only one employee serving in many positions, the City needs to recruit experienced people as there is not the bandwidth and experience elsewhere in the organization to train an inexperienced person. Recruiting experienced employees requires competitive wages.

Below is a breakdown of positions and comparables for this analysis. The selected comparison positions were determined primarily by job description and job duties. Job title was a very minor consideration.

Breezy Point	COMPARED POSITIONS		Little Falls
	Brainerd	Baxter	
City Administrator	City Administrator	City Administrator	City Administrator
Asst. City Administrator	N/A	Asst. City Administrator	N/A
Deputy Clerk	Admin Specialist II	UB Specialist	City Clerk
Finance Specialist	Admin Specialist II/Finance Director	Asst. Finance Dir/Finance Spec	AP/Accountant
P&Z Administrator	Community Development Director	Planner	N/A
Police Chief	Police Chief	Police Chief	Police Chief
Police Sergeant	Sergeant	Sergeant	Sergeant
Police Officer	Police Officer	Police Officer	Police Officer
Police Admin Asst.	Record Management Lead	Police Admin Asst.	Police Admin Supervisor
Public Works Supervisor	Water/Wastewater Manager	Streets/Util Supervisor	Wastewater Superintendent
Asst. PW Supervisor	Streets Foreman	Wastewater/Streets Lead	Streets/Parks Superintendent
Public Works Worker	Maintenance III	Maintenance Worker II	Equipment Operator

Wage Analysis

The table below shows a comparative analysis between the City of Breezy Point and the cities of Brainerd, Baxter, and Little Falls. While there is variation from position to position, Breezy Point positions are an average of 21% lower than those of Brainerd, Baxter, and Little Falls.

If it is the City Council’s intent to match the average wage for each position effective January 1, 2024, staff does recommend that a 3% COLA also be applied as the each of these cities will also be receiving a COLA. This is also shown in the table below.

Position	Breezy Point	Brainerd	Baxter	Little Falls	Average Wage	Change from Current	Average + 3% COLA	Change from Current
City Administrator	\$44.74	\$57.75	\$56.30	\$57.26	\$57.10	27.6%	\$58.82	31.5%
Asst. City Admin	\$33.18	N/A	\$47.10	N/A	\$47.10	42%	\$48.51	46.2%
Deputy Clerk	\$26.00	\$24.10	\$25.23	\$34.39	\$27.91	7.3%	\$28.74	10.6%
Finance Specialist	\$30.45	\$33.05	\$34.65	\$30.57	\$32.76	7.6%	\$33.74	10.8%
P&Z Administrator	\$30.45	\$39.99	\$36.69	N/A	\$38.34	25.9%	\$39.49	29.7%
Police Chief	\$38.73	\$49.25	\$51.19	\$52.94	\$51.13	32.0%	\$52.66	36.0%
Police Sergeant	\$33.18	\$36.83	\$38.25	\$38.68	\$37.92	14.3%	\$39.06	17.7%
Police Officer	\$27.32	\$31.35	\$31.06	\$33.07	\$31.83	16.5%	\$32.78	20.0%
Police Admin Asst.	\$22.58	\$24.10	\$24.20	\$31.80	\$26.70	18.2%	\$27.50	21.8%
Public Works Supervisor	\$33.18	\$45.88	\$38.25	\$41.84	\$41.99	26.6%	\$43.25	30.3%
Asst. PW Supervisor	\$29.00	\$29.84	\$31.06	\$38.68	\$33.19	14.5%	\$34.19	17.9%
Public Works Worker	\$22.58	\$27.08	\$25.23	\$29.40	\$27.24	20.6%	\$28.05	24.2%

New Wage Grid

The simplest way to implement the results of this analysis (should the City Council choose to do so) would be to eliminate the current wage grid and replace it with individual, 8-step wage grids for each position. This would also allow for the simplification of future wage analyses. The proposed 2024 wage for each position based on the above analysis is as follows:

Position	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H
City Administrator	\$58.82	\$61.10	\$63.46	\$65.92	\$68.48	\$71.13	\$73.89	\$76.75
Asst. City Administrator	\$48.51	\$50.39	\$52.35	\$54.37	\$56.48	\$58.67	\$60.94	\$63.30
Deputy Clerk	\$28.74	\$29.86	\$31.01	\$32.22	\$33.46	\$34.76	\$36.11	\$37.51
Finance Specialist	\$33.74	\$35.05	\$36.40	\$37.82	\$39.28	\$40.80	\$42.38	\$44.03
P&Z Administrator	\$39.49	\$41.02	\$42.61	\$44.26	\$45.98	\$47.76	\$49.61	\$51.53
Police Chief	\$52.66	\$54.70	\$56.82	\$59.02	\$61.31	\$63.69	\$66.15	\$68.72
Police Sergeant	\$39.06	\$40.57	\$42.14	\$43.78	\$45.47	\$47.23	\$49.06	\$50.97
Police Officer	\$32.78	\$34.05	\$35.37	\$36.74	\$38.17	\$39.64	\$41.18	\$42.78
Police Admin Asst.	\$27.50	\$28.57	\$29.67	\$30.82	\$32.02	\$33.26	\$34.55	\$35.89
Public Works Supervisor	\$43.25	\$44.93	\$46.67	\$48.47	\$50.35	\$52.30	\$54.33	\$56.44
Asst. PW Supervisor	\$34.19	\$35.51	\$36.89	\$38.32	\$39.80	\$41.35	\$42.95	\$44.61
Public Works Worker	\$28.05	\$29.14	\$30.27	\$31.44	\$32.66	\$33.93	\$35.24	\$36.61
Position	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H
P-3, Officer/Paramedic	\$36.85	\$38.27	\$39.76	\$41.30	\$42.90	\$44.56	\$46.29	\$48.08
P-2, Officer/EMT	\$34.47	\$35.74	\$37.06	\$38.43	\$39.86	\$41.33	\$42.87	\$44.47
P-1, Patrol Officer	\$32.78	\$34.05	\$35.37	\$36.74	\$38.17	\$39.64	\$41.18	\$42.78
Position	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H
Chief/Paramedic	\$55.17	\$57.31	\$59.53	\$61.84	\$64.23	\$66.72	\$69.31	\$71.99
Sergeant/Paramedic	\$40.92	\$42.51	\$44.15	\$45.86	\$47.64	\$49.49	\$51.41	\$53.40

Implementation

There are multiple ways the City Council could implement this analysis if they so choose.

Straight COLA Adjustment

The Council could adjust each position based on the percentage listed above while keeping employees on the step of the grid they would be at as of January 1, 2024. This is by far the most expensive option, however, as it would have a budgetary impact of approximately \$315,727. City Administrator Chanski does not recommend this option.

Grid and Step Adjustment

Under this scenario, the City Council would adjust the grid for each position and then relocate each employee to the step closest to the wage they would receive on January 1 under the current salary plan with a 3% COLA without going backward. This would have a total budgetary impact of approximately \$113,027.

Grid, Step, and Anniversary Adjustment

Under the two previous scenarios, employees would receive their new wage on January 1 and then still take their step increases on their employment anniversaries following satisfactory performance reviews. This third scenario, however, is the same as above except it also takes advantage of the significant salary plan change and moves every employee to a January 1 anniversary date.

There are two primary benefits of moving every employee to a January 1 anniversary date:

- The wage of each position is brought up to the average of Brainerd, Baxter, and Little Falls, but the budgetary impact is further reduced to approximately \$88,918.
- The administration of pay and vacation increases as well as performance reviews is simplified as they would all be conducted at the end of the year (allowing for true calendar year reviews) and wage increases would only be implemented once per year (on January 1), not twice per year (on January 1 and employees' anniversaries). This also reduces the need to track employment anniversaries throughout the year.

Two positions under this scenario would be placed one step higher than the lowest step without going backward as placing them on the lowest step would give them almost zero pay increase.

Should the City Council elect to implement this wage analysis, City Administrator Chanski recommends that the Council implement the anniversary date adjustment scenario.