

Special Work Session City Council Minutes Thursday, September 17, 2026

CALL TO ORDER AND ROLL CALL

Comprising a quorum of the City Council, the work session was called to order at 12:30 pm with the following council members present: Mayor George Deiss, Council Members Duke Harrison and Mac Nelson. Council Members Mark Lunde and Wade Miller were absent.

Staff present: City Administrator Kim Schroeder, Finance Director Penny Poling, Police Chief Naomi Plautz, WDA Director Dean Uselman, and Public Works Director Dan Kovar. Also present: April Risto, Kitchigami Regional Library System Brainerd Branch Manager.

2027 GENERAL FUND BUDGET REVIEW

Administrator Schroeder noted the department requests are significant, with the preliminary budget showing an increase of roughly \$568,000 if approved as requested.

Health insurance: budgeted 20% increase until renewal rates are received.

COLA: budgeted 5% as a placeholder pending union negotiations.

Department heads were asked to rank capital requests by priority for the September 22 meeting. The budget includes a \$125,000 transfer from reserves. Interest income has exceeded budget, and the 2027 interest budget was increased to \$50,000.

A duplicate expense entry of \$51,490 for the Highway project was discovered and removed.

Council discussed reviewing the electric utility transfer policy, currently budgeted at \$325,000, and the balance between utility rates and the property tax levy. Council also discussed a storm sewer utility fee ordinance which allows reducing the current SE project bond levies and capture through an established utility rate instead.

Council discussed whether to charge for park shelter reservations to offset staff time for cleanup, signage, and scheduling as well as a new revenue source for the general fund. Members expressed differing views, with concerns about discouraging public use of parks. Staff are reviewing the Campspot online reservation system for the campground and shelters. Overall consensus was not to start charging.

Property and workers compensation insurance increased overall.

Police Department

The department budget request increased approximately \$235,000 (16.33%), largely in salaries, overtime, part-time wages, and benefits.

Chief Plautz provided the following:

- Body cameras are budgeted every other year at approximately \$25,000, and WatchGuard software maintenance every three years, split 50/50 with Wadena County.
- Training and schools reduced by \$8,000 to \$10,500, as several instructor certifications are not due in 2027.
- Dues and subscriptions increased for employee wellness center family memberships by approx. \$3,600, and Comfort Track training software, approx. \$1,000.
- The WatchGuard/Motorola payment was moved to the capital outlay fund and reduced from \$10,000 to \$7,000 since receiving a \$30,000 Sourcewell grant. The remaining \$3,000 in the computer line will cover the 2027 audit, reducing the overall budget by \$3,000.
- A new squad is proposed for 2027 at \$46,650, replacing the 2023 squad. Old squad would be sold on MinnBid estimated at \$22,000. Equipment and graphics are approximately \$11,400.

Further discussions led to if purchased, the approximate \$31,000 net cost would be spread over three years, setting the police lease vehicle line at \$37,500 rather than \$50,000.

- Overtime budget overages are due to estimates include 11 holidays, approx. \$24,500, mandatory in-house training approx. \$12,000, and CPR/first responder recertification approx. \$6,700.
- Part-time wage budget overages are at 295% of budget, primarily covering officers on paid family medical leave or other allowable leaves.

Council discussed the department trending over its 2026 and prior year budgets and pending union negotiations for shift differential and investigator pay that isn't included in 2027 budget proposals. Council requested that the department review scheduling, including how the department would operate with one fewer officer. A work session will be scheduled in October for further discussions.

Chief Plautz noted the department has received over \$120,000 in grants in the last three years and stressed the need for adequate patrol staffing.

Schroeder will contact Sourcewell about the Impact Funds grant eligibility for the new squad.

Wadena Development Authority and Planning & Zoning

The budgets remain largely unchanged. A new Planning & Zoning assistant would start at a lower step, lowering next year's budget. WDA salaries will be adjusted once the director's retirement date is known, and insurance expense on the WDA-owned house will be transferred to the loan fund.

Fire Department

The department applied for a \$50,000 Sourcewell grant towards turnout gear, with results expected in mid to late October. This is not included in the budget; the Relief Association will be asked to cover any shortfall if the grant isn't awarded. Administrator Schroeder recommends budgeting approximately \$10,000 per year starting in 2028.

Council agreed to reduce equipment repairs and maintenance from \$15,000 to \$10,000.

Public Works & Streets Department

Most budgets remain largely unchanged. Capital requests total approximately \$304,480, including \$10,000 toward the Leaf River trail bridge, \$46,000 toward replacing a 10-foot mower (approx. \$80,000), funds toward a street sweeper, \$20,000 for a pickup with plow, and \$75,000 for a used plow truck. Council discussed delaying the sweeper and considering lease programs for equipment. Full requests are not budgetarily feasible, further cuts will be reviewed at the special meeting.

Fee Schedule, Single Day Liquor License

Council reviewed a request from the Elks to offer free or reduced-fee single-day liquor licenses to annual license holders, as the \$75 fee offsets much of the proceeds from community events. Council discussed the staff time involved and possible tiered fees. Staff will check state requirements. No changes were made.

Action Motion: Motion to adjourn at 3:37 pm.

Moved by:	Nelson	Seconded by:	Harrison
Vote in favor:	Deiss, Harrison, Nelson		

George Deiss, Mayor

Attest: _____
Kim Schroeder, City Administrator