

**City of East Bethel**  
**City Council Work Meeting**  
**Date: July 22, 2024 at 5:00 p.m.**



This City Council work meeting is open to the public but will not be broadcast.

**ITEM**

- 1.0            2025 Proposed Budget Discussion
- 2.0            B-Roc Auto Repair Discussion
- 3.0            Rooster Ordinance
- 4.0            Adjourn

**City of East Bethel  
City Council Work Meeting  
Agenda Item Information**



**Date:** July 22, 2024

**Agenda Item Number:** Item 1.0

**Agenda Item:** Proposed 2025 Budget Overview and Discussion

**Background Information:**

On June 13, 2024 the City Finance Committee met with City Staff to review and discuss the 2025 budget. The Finance Committee also discussed the City general fund balance, the actual City financial performance for the prior year and the City's debt service requirements. Prior to the Finance Committee meeting, the base budget was submitted to Department Heads for preparation of their individual department budgets.

Based on inputs from the Finance Committee and Department Heads, the budget model and budget book was prepared for the City Council to review at tonight's meeting. The draft 2025 general fund expenditure budget is projected to increase by 3% or \$175,600. This expenditure increase would then result in a corresponding levy increase (general tax levy and debt service levy) of 2.8% or \$174,900 in order to balance the 2025 budget. Overall, the general tax levy, debt service levy, EDA levy, and HRA levy would increase by 2.7% or \$174,900.

The 2025 budget model currently reflects the following expenditure inputs, which are the primary drivers of the overall increase. Please note, that the MN Public Employees Association labor agreement was approved at the June 13<sup>th</sup>, 2022 City Council meeting. The labor agreement included employee wage adjustments of 3.5% for 2025 and an increase to the cafeteria contributions for city employees of \$25 per month. The MN Public Employees Association represents 9 of the 22 proposed full time City Staff.

**Staff – Salaries and Benefits**

Per Union Contract – 3.5% COLA increase for 9 Union / 13 Non-Union / 35 Paid on Call

Per Union Contract – increase to \$1,475 per month cafeteria contribution

Overall, Salary and Benefits - \$113K increase over 2024

\*\*FTE count needs to be finalized (Proposed Budget includes City Planner Position)

**Contracted Services**

Law Enforcement Contract – 5% or \$73K increase (Estimate per Anoka County)

City Assessor Contract – 2% or \$1K increase

City Attorney Contract – 0% or \$0K increase

Metro-INET JPA - \$4.7% or \$4K increase (Estimate per Metro-INET)

Audit Contract - \$2K increase

Elections – \$17K decrease

**Transfers**

Equipment Replacement Fund - \$16K increase

Street Capital Fund - \$50K increase

Park Capital Fund - \$10K increase

City Staff or Contracted Personnel from the Administration, Finance, Community Development, Fire, Police and Public Works Departments will present their proposals and be available for questions on line items within their budgets. The remaining schedule for the discussion and consideration of the 2025 Budget is tentatively set as:

- Other Council Meeting agenda items as required prior to September 9, 2024
- September 9 Council Meeting: Consideration of the Preliminary 2025 Budget and Levy
- December 9 Council Meeting: Consideration of the Final 2025 Budget and Levy

**Attachment(s):**

Attachment 1 - 2025 Proposed Budget Book (*printed copy already provided to Council*)

**Recommendation:** City Council is requested to discuss the initial draft of the proposed 2025 Budget and provide direction to staff regarding any adjustments to be made in the attached budget proposal.