

**Hastings, Minnesota
City Council Workshop
June 26, 2023**

The City Council of the City of Hastings, Minnesota met in a workshop on Monday, June 26, 2023, at 5:30 p.m. in the Volunteer Room at the Hastings City Hall, 101 East 4th Street, Hastings, Minnesota.

Members Present: Mayor Fasbender, Councilmembers, Haus, Folch, Fox, Leifeld, Pemble
Members Absent: Councilmember Lund
Staff Present: City Administrator Dan Wietecha
Assistant City Administrator Kelly Murtaugh
Finance Manager Chris Eitemiller
Assistant Finance Manager Ashley Bertrand

Mayor Fasbender called the workshop to order at 5:35 p.m., welcoming Councilmembers and thanking Finance staff for their work on the budget process. Eitemiller reviewed the schedule and process for preparing for the 2024 budget.

Eitemiller then reviewed the preliminary revenue calculations. Growth could translate into approximately \$1M in new revenue with the same tax rate. Local government aid increased by \$372k for 2024. The Rural Fire agreement will bring in an additional \$82k.

Eitemiller then reviewed the upcoming budgetary costs in several categories: personnel (increase of \$934k), other on-going/periodic expenses (CIF, elections, community survey, deferred maintenance), inflation, CIP/CEP (backlog), debt-funded projects (street/infrastructure, arena, Hwy 61).

Projected debt and revenue vs spending charts were presented with assumptions of continued increases in spending in many areas (health insurance, cost of materials, etc.).

Council discussion on cost increases, responsibility to the City to provide services, and not falling behind where the City should be. Discussion on how revenue can be increased to expand the tax base rather than increasing the tax rate. Discussion on how important communication about the budget will continue to be so that residents understand how the funds, especially increases, are intended to be used. Council discussion on possible increase to the tax rate—critical to be able to explain the impact of the increase and connected City services. Further discussion on the growth and development plan for the City.

Council recommendations include: Use the Consumer Price Index to help with departmental inflationary increases, general support for a modest tax increase similar to the prior year, and proactive communications about the budget.

The workshop adjourned at 6:54 pm.

Mary D. Fasbender, Mayor

Kelly Murtaugh, City Clerk