

Village of Laurium
Budget Hearing
02/24/26

Meeting Called to Order by President Sullivan at 6:04 pm

Roll call:

John Galbraith

Andrew Erickson

Jen Jenich-Laplander – Absent

Krista Carlson

Jeff Erickson

Wes Pietila

John Sullivan

Budget Hearing

Discussion of FY 26/27 original/final amended budget and FY 26/27 proposed budget

Ian Lewis reported on the Village of Laurium budget including the current budget/projections for the end of the fiscal year and projected budget for 26/27. The Council went through each fund individually while Lewis answered questions and explained projections for the end of this year.

The DPW Recovery Fund is meant to end as a zero sum budget. It is only insurance proceeds and there is money left in it for building contents. The amount of funding needed to restore the contents of the building is currently unclear. Committee members are working on lists to get a better understanding of what we really need to keep on hand and in what amount. Lewis reported that Moyle is very close to target as far as cost of the rebuild. They did catch an issue with the electrical. Moyle will be reimbursing the Village when everything is done and possibly the Sanitation fund as well.

The Debt Retirement Streets fund is a sum zero fund and off sets every year. It is paying back debts from previous street projects. One has about 4 years left, another has about 10 years left. That information can be found in the Audit Report which every council member has received.

Much discussion was had surrounding the water fund, mains, and hydrants. Our area is the only municipality that gets their water from a private provider. The Village owns the mains and leases them to the water co. There was discussion about possibly selling them to the water company. Due to a contract signed by the previous administration, we are unable to increase rates. A group is looking at options for alleviating the situation. This fund could end in a deficit.

DPW Bond Debt

There is not much change in this fund. It is for equipment. Tax revenues increased to 85k in 2026. The VOL did not spend the \$70k for equipment. 59k offloading equipment assets in insurance proceeds. So many breakdowns are not costing us more. We may consider selling some of the relatively new equipment while it still has value and purchasing something newer. The dump trucks that were in the fire are down. The Kodiak is done. Lewis is projecting 80k in 26/27 for equipment capital outlay. There are cushions built in to the funds for unanticipated expenses. It was reimbursed for the Sands garbage truck purchased shortly after the fire.

The Fire Truck Fund initially had projected expenses of 25k. Only 10,400 was spent. The USRDA loan is paid off so there is no expense for 26/27 projected. Lewis suggested that the Council consider not levying the millage this year. Tax payers would appreciate the tax decrease. We have paid off the aerial truck. This fund is solely for apparatus. If levied set it up for maintenance as well. How to reimburse and move funds is a question for the auditor.

Discussion of whether or not to levy the tax needs to be started at the next meeting. Everything needs to be submitted by April/May. Sue will give her opinion and we'd like to ask Jon Koskineimi (Village Treasurer) as well.

The Fire Department is in a good position with equipment. Tanks have been replaced and turn out gear is new. There will be some revenue coming in from selling the truck that the new one is replacing.

The Debt Retirement Fire/Police pays debt associated with Fire or Police Departments.

Recreation budget is increased a bit. Many projects were completed this year.

The General Fund is showing almost a zero sum but Lewis stated that it is not fully accurate. Some lines are inflated for bills that were incurred during the last month of the fiscal year that will not come in until the following month.

One payroll is still outstanding for the current fiscal year. The fund should end with a net revenue of approximately \$150,000 – 160,000. It is customary to leave 3 months worth or 10% in the general fund. It will be up to Council how much to leave and where to put any excess. Lewis suggested that the Council consider adding more to PIF (Public Infrastructure Fund) for projects they are reviewing with regard to the Village Hall and others. Keep building the PIF and use it for sidewalks, ballfields, improving public access, or a new police car, for example. Council voted at the last meeting to move 30k to PIF. Consider moving 20k bringing it up to 50k and use that as a staple.

MSHDA money will support the general fund by assisting with administrative costs.

Street lights are down \$10,000 from previous years based on actual cost the previous two years.

The Police Budget also has one more payroll in the fiscal year so should end at about \$200,000. We added a FT officer half way through the year. This year we will add a part time officer. Sullivan asked if we are able to afford 4 FT officers and whether our part time will work into a full time position.

Lewis brought up the In Lieu of payments that are paid to FT employees who do not take the health benefits. In general, the payment should be near ½ of the cost of the policy. It is well below at this time. Some discussion ensued regarding those payments.

Lewis also discussed his upcoming contract. He has fulfilled his first contract and has submitted a potential contract of 6 years. Some details were discussed. He would encourage the Council to review it and make a decision in a timely manner,

Union contract negotiations will be upcoming. Lewis would like to get them all on the same time table. Erickson raised the question of discussing the amount of money council members make as well.

Pietila asked if we are done paying for Ed Vertin's phone. Since he is completely done as an employee of the Village, we no longer cover that cost.

Employee benefits this year should come out to approximately \$429k

The Multi-Rec fund includes Bryce. Daniell Park Concert series is still included. Beautification has been transferred to the general fund. The water bill for the Splash Pad is expected to be \$5,000 to \$10,000. We are also looking at fixing the Gipp Memorial with its water fountain and water feature on the memorial. We will need to hire a plumber and do it right.

J Sullivan asked if there is a line item for the Planning Commission. Lewis reported it is in the General Gov't fund.

Municipal Street Fund – Tax revenues of 195k for 2026/27

The snow has cost the Village this year. There was an amendment for 130k for Major Streets and 85-110k for Local street

Discussion followed about stocking parts due to the 90 – 120 day wait we've experienced.

The snow fund either has big deficits or big surpluses based on the amount of snow that we get. Can only be guessed. Discussion on Act 51. Municipalities receive funds based on amount of snow over 200 inches.

The local street fund has been amended numerous times to get to a zero fund balance. J Erickson asked about a roller

Sullivan asked if we need another mechanic. Lewis reported we already have two and that is enough. We could get help on an as needed basis.

Sanitation Fund – Balance is approximately 135k. Would like to develop and Ice Arena Only fund.

CCJHA is interested in using our ice. Weekends with that addition would cover expenses for the year.

J Erickson talked about the UPPCO Incentive

Sanitation – Capital Outlay includes large purchased – garbage truck. Discussion of garbage bins. Sue wanted to expense the garbage bins to sanitation.

Lewis reported he will go to the next County board meeting with documentation to get the zoning changed on the property down by the new building. It was never annexed to us although we own it.

Discussion of the safety rail in the ballroom. 42” standard rail will cost \$12000

Motion to accept the budget by J Erickson 2nd John Galbraith

Vote: Yes – 6 No – 0

Motion carried.

Meeting adjourned at 8:35

Respectfully Submitted,

Mary Pat Crampton, Clerk
Village of Laurium