CITY OF BALDWIN

BALDWIN CITY COUNCIL SPECIAL MEETING

SEPTEMBER 15TH, 2025

Present – Mayor Jay Swanson, City Council; Tom Rush, Alan Walker, Scott Case, and Jeff Holm
Jeff Holm arrived at 7:03 p.m.
Also Present – Baldwin City Finance Consultant, Elizabeth Diaz from Ehlers.

Call to Order – The September 15th, 2025, special meeting of the City of Baldwin was called to order by Mayor Jay Swanson at 7:02 p.m.

Pledge of Allegiance – All present recited the Pledge of Allegiance

Discuss Capital Projects – Swanson asked our Finance Consultant, Elizabeth Diaz from Ehlers, if she had any questions or needed clarification on capital projects. Elizabeth stated that she will update the financial management plan to reflect option 2 for future roads projects. Elizabeth asked if special assessments should be in place and if Baldwin had a special assessment policy, Rush stated the city does. Option 2 would be roads that have been previously identified as a priority by the City Council. This spreads the road project out over more time. Rush reached out the City Engineer and they stated that option 2 is more money but the city would get more road projects completed. Case stated that option 2 costs less in 2027 and 2028 but in 2029 the cost increases. Case agreed with Rush that option 2 would be best. Rush discussed MSA money and the breakdown. Elizabeth went over capital projects for the fire fund and park fund.

Rush discussed the 23% increased levy and stated he will not vote for this increase. Rush wants to leave the park fund at $90,000 and said that the only equipment Public Works needs is a zero-turn lawn mower. Case stated that this is a preliminary budget, and the City Council can decrease the budget amount but cannot increase the levy after this is submitted to Sherburne County before September 30th, 2025.

Elzabeth from Ehlers stated that the 2024 levy was $1,661,551 and that this meeting is a discussion of your maximum levy that cannot be increased. Elizabeth received the preliminary tax capacity from Sherburne County. This number could change a little bit but the tax rate is approximately 17.7%. Elizabeth stated that in 2018-2021 the tax rate was higher than that. As an example, the 2018 tax rate was 24% and came down to 19% in 2019. There are many factors that are out of control of the City Council. Some of these factors are tax class rates set by the State of Minnesota and assessed values. Rush asked what the value of the households are on the 23% increase, which was an increase of $110 per household. Elizabeth stated that the $110 increase is marginal impact of a single-family home valued at $404,000 based on assessed value set by the assessor. Case asked for clarification on the tax rate on the capacity and the increase on the total levy, if this is 17.7% or 23% and Holm stated the 23% is the increase in the levy amount and Elizabeth agreed. Case went on to ask if the actual tax rate on the capacity of the taxpayers is 17.7% and Elizabeth stated it was, but this is a preliminary percentage. Elizabeth said that the goal is to concentrate on what the levy needs to fund versus what the tax rate is. This is because there is a lot of moving pieces due to the valuations not being finalized by Sherburne County.

The City Engineer will need to identify the MSA roads that money can be applied to. Elizabeth from Ehlers explained that this budget covers expenses and capital needs. After the preliminary budget is adopted, the capital projects are reviewed again by the City Council. Holm stated that Elizabeth will need more time in finalizing the options for the road projects. The City is working with the City Engineer on MSA funding and what roads the funding can cover. Elizabeth stated that the budget funds the operations and capital needs that have been identified by the City Council. The next step would be to look closer at expenditures and capital projects. Park capital will only be the crushed granite trails, and discussion is being done on scaling back on the trails at the park. The parking lots at the parks have been completed. Rush stated that the road and bridge fund should be increased by $100,000. Rush recommends reducing the park fund down to $90,000 and the capital fire to $125,000. Making this change would be an approximate 13% increase for the 2026 levy. Holm stated he is not comfortable with a 23% increase at a single time. Rush echoes what Holm said and that the City Council needs to think about future renovations of the existing buildings or a new fire department and City Hall. Swanson stated that the City Council will go through the budget line items and review where the cuts could possibly happen. Elizabeth stated that the expenditures should be reviewed in order to make the necessary cuts.

Review 2025 Budget/Line Items for Each Fund and Establish 2026 Budgets/Line Items for Each Fund – The City Council reviewed the budget lines.

Approve/Disapprove Proposed 2026 Line-Item Budget – Rush/Walker unanimous to approve preliminary levy of $2,026,044. **Holm disapproved. Motion carried.**

Adjourn - Rush/Case unanimous to adjourn at 8:36 p.m.

Joan Heinen

Submitted By: (s/) Joan Heinen
Clerk/Treasurer
City of Baldwin

Approved By: (s/) Jay Swanson
Mayor
City of Baldwin

10-6-2025
Date

Attendees: Bruce West and Cartrell Cooper