

City of Winsted
Special City Council Meeting
Lewis Room
Thursday, September 22, 2016
4:00 p.m.

Present: Mayor Steve Stotko
Council Member Bonita Quast
Council Member Tom Ollig
Council Member George Schulenberg
Council Member Patty Fitzgerald

Staff Present: Mr. Daniel Tienter, City Administrator
Ms. Raquel Kirchoff, City Clerk-Treasurer

1) Mayor Stotko called the meeting to order at 4:00 p.m.

2) No Consent Agenda

3) No Public Hearings.

4) No Old Business.

5) New Business

a) Resolution R-16-44 – Year 2016 Preliminary Property Tax Levy

Mr. Dan Tienter stated that this Special City Council meeting is to certify the 2017 Preliminary Property Tax Levy.

Mr. Tienter reviewed the 2017 Budget Process as follows:

2017 Budget Process

July, 2016	City staff prepared the Proposed 2017 Budget.
August 2, 2016	City Council Work Session to review Recommended 2017 General Fund Budget and Preliminary General Fund and Debt Service Property Tax Levy.
August 16, 2016	City Council Work Session to review Recommended 2017 – 2021 Capital Equipment and Improvement Plans.
September 6, 2016	Additional City Council Work Session to review Recommended 2017 General Fund Budget, if needed.
September 20, 2016	Additional City Council Work Session to Review Recommended 2017 General Fund Budget.
September 22, 2016	Special City Council Meeting to certify Recommended 2017 Property Tax Levy
October 4, 2016	City Council Work Session to review Recommended 2017 Airport, Cable, Sewer and Water Budgets.
October 18, 2016	Additional City Council Work Session to review Recommended 2017 Budget, if needed.
November 1, 2016	Additional City Council Work Session to review Recommended 2017 Budget, if needed.
November 15, 2016	City Council Work Session to review Recommended 2017 General Fund Budget, prior to the Truth-in-Taxation Public Hearing.
December 6, 2016	City Council conducts the Truth-in-Taxation Public Hearing.

December 20, 2016 City Council adopts Recommended 2017 Budget and certifies the Recommended 2017 General Fund and Debt Service Property Tax Levies.

Mr. Tienter stated that information regarding the recommended 2017 Preliminary Property Tax Levy was included in the City Council packet for this meeting. Mr. Tienter continued by stating that at this time, City staff recommends an increase in the Property Tax Levy of 7.50%, to allow for a maximum amount of flexibility to finance the Streets Capital Improvement Plan (CIP) and to determine the best option for this; either through a storm water utility fee and Fire Department fee or an increase in the Property Tax Levy.

Council Member Ollig stated that regarding raising funds to finance the Streets CIP through fees versus an increase in the Property Tax Levy, he was not in favor of fees. He continued by stating that with fees, the person that can least afford the fee pays the same amount as a person that it least affects. Council Member Ollig stated that regarding raising funds through a Property Tax Levy, the impact on properties could decrease if tax capacity increases in the future.

Council Member Ollig stated that the City of Winsted was scheduled to receive an increase in Local Government Aid (LGA), however, that has not occurred.

Council Member Quast stated that she was not in favor of fees for the same reasons that Council Member Ollig stated. She continued by asking that if the City receives an increase in LGA in the future, could it be dedicated to funding the Streets CIP. Mr. Tienter stated yes.

Mr. Tienter stated that the City Council has been reviewing ways to finance the Streets CIP through fees; and if this option were chosen, the proposed 2017 Preliminary Property Tax Levy would be 5.01%. If the City Council decided not to use fees to finance the Streets CIP; but instead to finance it through the Property Tax Levy, the recommended increase is 7.50%.

Mayor Stotko stated that the City does not have to finance for the Streets CIP through a Property Tax Levy increase; the City can dedicate any future LGA increase to the Streets CIP or use more bond funds in the future to pay for the improvements to streets.

Council Member Ollig asked what the dollar difference was between an increase of 5.01% and an increase in 7.50%. Mr. Tienter stated \$28,234.

Mayor Stotko stated that there are still items in the proposed budget that can be adjusted. Mr. Tienter stated that City staff has made approximately \$40,000 in reductions in the proposed budget to better reflect three year averages within the specific line items of the budget, and that these dollars have been reallocated to other items.

Mayor Stotko stated that the City has a Pavement Management Plan and Mr. Tienter has provided options to help finance the Streets CIP based on direction from the City Council.

Council Member Ollig stated that the City must plan for improvements to its streets, its water tower, its wastewater treatment facility, and other improvements but the City must also examine where it can possibly reduce from its budget.

Mr. Tienter stated that under the 7.5% recommended increase, the City may still examine the question of reductions. He continued by stating that the Streets CIP financing model is a five year projection and it will be re-evaluated every year. The City Council will be given the opportunity to make decisions about property taxes versus fees with regard to development that is occurring.

Council Member Ollig stated that the City Council should approve the 7.5% increase with the understanding that the City Council has the opportunity to decrease this percentage before the 2017 Final Property Tax Levy is adopted. Mayor Stotko and Council Member Fitzgerald agreed.

The City Council members asked if City staff could recommend areas that could be cut without affecting how services are provided. Mr. Tienter stated that City staff can review the budget again but further reductions may impact service.

Council Member Ollig requested that the portions of the budget that are affected by the property tax levy be reviewed line by line before the Final Levy is adopted.

Council Member Ollig motioned to adopt Resolution R-16-44 certifying the Preliminary 2017 General Property Tax Levy of \$896,408 and Preliminary 2017 Debt Service Levy of \$346,450 for a total Preliminary 2017 Property Tax Levy of \$1,242,858. Council Member Quast seconded the motion. Motion carried 5-0.

Council Member Ollig motioned that the City Council hold a Special City Council Work Session for the City Council to review the budget line item, by line item and that any other candidates that have filed for City Council be invited to attend. Council Member Fitzgerald seconded the motion. Motion carried 5-0.

6) **Adjournment**

Council Member Quast motioned to adjourn the meeting. Council Member Fitzgerald seconded the motion. Motion carried 5-0.

The meeting was adjourned at 4:57p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff

Raquel Kirchoff, CMC
City Clerk-Treasurer
City of Winsted