

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 6:00 p.m.
2. **Roll Call:** Council Members Present: Dave Owings, Justin Schreiber, Joe Olson, and Kimberly Savageau; City Clerk/Treasurer Wendy Affield; City Police Chief Michael Cline; City Attorney Ken Norman.

As per sign in sheet: Kevin Mitchell and Joel Walsvik.

3. **Items Included in Packet:**

a. Bonds & Budget Requirements from David Drown & Associates – Affield said this first sheet in the packet shows what bonds are still out, what the City’s payments are, and what will finish being paid and when. This sheet is only for Council’s reference.

b. Letter to Lori Johnson on Proposed 7% Levy – Affield said this letter was sent to Lori Johnson, the Clay County Auditor, back in September notifying her of the public hearing tonight and also of the proposed levy percentage. She reminded Council they cannot go above the 7%, but can go lower.

c. 2019 Tax Levy Amount Payable in 2020 (\$489,833.85) with Proposed Percentages for 1% to 7% Increase – Affield informed Council this sheet shows what the total 2019 Levy amounts would be brought in if set at these different percentages.

d. Prior Years Levy Percentages – 2009 to 2019 – Affield said this sheet documents what Council has chosen for levy percentages during these years. She also reminded Council the 2019A Bond was set up in a way for other bonds to drop off so the City will not have to change the levy. Those funds can then be set aside for other projects or deposited into the bank. She said in 2021 is when the City will see more tax revenue from the businesses recently built in Stockwood and the new homes in Southview.

e. Expenditure Budget Worksheet – Affield wanted to inform Council of the following changes she has made to the Expenditures:

Changed all Wages to what the Market Study Amounts were from David Drown & Associates – Affield said these new figures are now factored into the budget. She had to add a little to the PERA for the Police Department due to a 2020 increase.

Changed Figures for Garbage & Recycling to Increases from Fuchs Sanitation – Affield said she updated figures for both Expenditures and Revenues.

Changed 101-41000-210 – Operating Supplies – Increased \$100

Changed 101-47000-212 – Motor Fuels – Increased \$100

Changed 301-44000-216 – Chemical & Chemical Products – Increased \$300

Will be changing the Railroad Rental – Final number not yet received – Affield said she contacted the railroad after going through invoices, and said two different instances the City was overcharged. A representative from the railroad has recognized the error and will be contacting the appropriate personnel to correct the issue. Affield said if there is any change to be made, it would be for around one hundred dollars (\$100).

New Security System for City Hall Building - Olson asked to discuss with Council the issue of a security system for City Hall. He asked if it would be wise to invest some money into the purchase and installation of a security system? He guessed a decent system might cost about five thousand dollars (\$5,000). Owings said he believes the cost may range closer to ten thousand dollars (\$10,000), and if Council decides to go this route, he would like to see the installation of panic buttons and cameras. Olson feels it is getting to the point where it is certainly needed. Norman agreed and said he had a similar conversation with Chief Cline. Affield asked if she should factor this into next year's budget? Mayor Johnson said first it needs to be decided which line it would come out of. Affield responded it would most likely fall under Building Repairs & Maintenance. Owings said the expensive portion of a new security system is not the cameras, but the panic button installation. Olson said a system can be discussed more in depth at a later time, but he wants to resolve the money portion for the budget first. Norman said the League of Minnesota Cities might also have helpful information on these systems, along with the necessary insurance which may be needed. Council agreed to leave the budget as is for now, and have bids collected for what a new system would cost and go from there.

f. Revenue Budget Worksheet

Changed 101-41000-31000 – General Property Taxes – Decreased to \$217,795 – Added \$28,000 as per Jason Murray (TIF County Payment) – Transferred \$55,000 from 601-54000-31050 (2020 TIF Funds – Close this account as per Jason Murray) – Affield said this change may appear confusing, as at first she decreased it to two hundred forty thousand dollars (\$240,000) but the other portion of the property tax came in and was combined with the Tax Abatement Note line 603-63000-36103, which is why she decreased it to get the final number of two hundred seventeen thousand, seven hundred ninety-five dollars (\$217,795). She also noted the TIF payment to the County will be paid back to the City of twenty-eight thousand dollars (\$28,000). The funds from the Centennial TIF line are going to be decertified and need to be moved to the General Property Taxes line which will be around fifty-five thousand dollars (\$55,000).

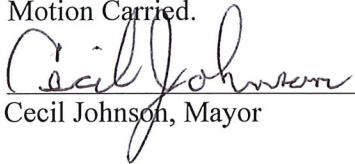
Add Final Levy Amount to Budget – Affield said it is now up to Council to discuss the Levy. She showed to Council the final City surplus will be approximately seventy-five thousand (\$75,000). Mayor Johnson asked about the description of “Material used on calls” under the Fire/Rescue fund’s Misc Income/Expense line? Affield said the Fire Department charges a certain amount for materials used when on a service call. When the bill is paid, the check goes into this line. Schreiber asked if the 2020 Budget number for the General Property Tax line is currently what it is if the City makes no changes? Affield responded yes, because the levy has not yet been included. Olson asked if Council had remembered to include funds for the new mosquito fogger? Affield said no, because money was allocated instead towards the new alleyway grader and further discussion on the fogger was tabled. Mayor Johnson asked Council for opinions on whether to come down from the 7% or to hold steady with that percentage? Schreiber stated he feels the percentage should come down to 2% as the school district’s recent referendum will also be increasing resident’s taxes. Owings agreed, and said a 2% levy is what he had previously suggested. Olson said he was in that range, and had been looking at something between 2% and 4%. Savageau stated she would also be comfortable with a 2% levy number, and feels department heads can come up with different ways to save money this year. Mayor Johnson said he does not have a problem with a 2% levy, as he sees surrounding cities keeping their levies within the 2% to 5% range also. Schreiber is hopeful more lots will sell in Stockwood in order to widen the tax base. He also agrees

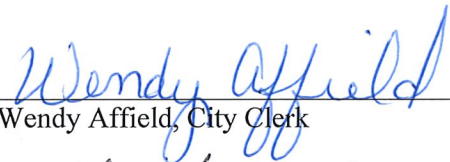
with Savageau on having department heads plan different cost-saving strategies for any future improvements. Olson said it will be a situation where the City needs to do more with less, and focus more on needs instead of wants. Mayor Johnson asked Affield what she thinks are the most asked-for items from both the Maintenance Department and the Police Department? Affield said a new payload is really the only big-ticket item at this point. Mayor Johnson then asked Chief Cline if he foresees any major growth in the City next year where another officer would be needed? Cline said he feels the current size of the department will be adequate. Council agreed to set the 2020 Levy percentage at 2%.

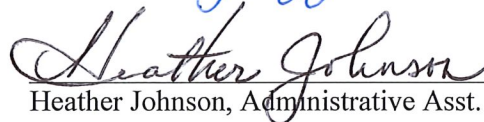
4. **Discussion:** Resident Kevin Mitchell asked Council about sewer improvements, and how did it affect property values over the last four (4) years? He stated his home value has decreased by roughly thirty thousand dollars (\$30,000). Savageau asked to clarify if he means the assessed value of a property? Mitchell said yes. Savageau said he would need to contact the County Assessors office for more information, as they do the property assessments for the City and set the values for homes. She also said in April the County will send out the proposed values for 2021 and will have a meeting the public can attend regarding their assessments.

5. **Adjournment** – A motion to adjourn the Truth in Taxation Meeting at 6:32 p.m. was made by Kimberly Savageau, seconded by Dave Owings. All in favor.

Motion Carried.


Cecil Johnson, Mayor


Wendy Affield, City Clerk


Heather Johnson, Administrative Asst.

December 11th, 2019 Budget Meeting Minutes