

December 3, 2007

The Truth in Taxation Public Hearing meeting of the Scandia City Council was held on the above date. Mayor Seefeldt called the meeting to order at 7:00 p.m. The following council members were present: Council members Pete Crum, Michael Harnetty, Dolores Peterson, Mayor Dennis Seefeldt, Donnette Yehle. Staff present: Administrator Anne Hurlburt and Treasurer Colleen Firkus.

Administrator Hurlburt gave an overview of the Proposed 2008 Budget, answering questions as they arose.

Mayor Seefeldt opened the public hearing. *Cliff Guggisberg, 12780 182<sup>nd</sup> St.*, asked if the City Council felt the Fire Department budget was comparable to other Fire Departments with similar numbers of runs. Mayor Seefeldt responded that our volunteer firefighters have a lower remuneration compared to others in the area, and that the City does compare their rates of pay with other cities. Mr. Guggisberg also asked if the cost of the Fire Hall building was in the Debt Service part of the budget. Mayor Seefeldt indicated that it was all in the Debt Service and that the cost of the Public Works/Fire Hall bond is not taken out of those department's budgets. Mr. Guggisberg indicated that the true costs for the Fire Department are not reflected in the budget for that department and that all departments should reflect true costs. Mayor Seefeldt commented that our Fire Department just went through an insurance rating review and kept its ISO rating of 7, which is the best rating it could have, and saves a significant amount in property insurance premiums for the city's residents.

*Rod Negus, 23120 Melanie Trail*, asked about the expenses directly related to incorporation; what were the estimated expenditures and when did the expenses end. Mr. Negus also asked how the Council gets feedback on the issue of increasing services versus increased spending. Mayor Seefeldt explained the many different ways the City obtains public input.

*Ernie Kertscher, 21350 Olinda Trail*, commented that 19% of the General Fund spending goes to the Fire Department. He asked if May Township is spending 19% of their General fund budget on fire protection, and that perhaps they should if they aren't. Mr. Kertscher said we shouldn't be subsidizing their fire protection.

*John Lindell, 11240 218<sup>th</sup> Street*, asked several questions:

1. What was the Washington County Tax Settlement line was in the Revenue Budget? It was explained that this was the levied property taxes.
2. Did Personal Services expenses in the Administration budget double in two years? Yes, because we added personnel and basic benefits.
3. Why were there no numbers in 2005 & 2006 for Personal Services in the Planning and Building Department? This was a previously contractual service that has been brought in-house.

4. How is paving being paid? How much is paid by city and how much is assessed? It was explained that paving is paid by bonds with about 25% of the cost being assessed to property owners. He suggested that debt service could be reduced by assessing more.

5. Why are there differences between bonds for principal and interest payments?

Different outstanding bond balances and interest rates make for different payments.

6. The theme of incorporation was that services wouldn't change and thereby there would be no budget changes. He sees expenses significantly higher than proposed in 2006 for incorporation. Mayor Seefeldt replied that any changes made would have been made regardless of whether Scandia was a city or a township.

The public hearing was closed at 8:47 p.m. and will not be continued. The final budget will be adopted on December 18, 2007 with a possible budget work session on December 17, 2007.

The meeting adjourned at 8:50 p.m.

Respectfully submitted,

Colleen Firkus  
Treasurer