

December 2, 2015

A Special Budget meeting of the City Council to hold the public hearing on the 2016 Budget and Tax Levy was held on the above date. Mayor Randall Simonson called the meeting to order at 6:30 p.m. The following were present: Mayor Randall Simonson, Council members Chris Ness, Jim Schneider, Dan Lee and Bob Hegland. Staff present: Out-going City Administrator Kristina Handt, new City Administrator Neil Soltis, Public Works Director Dave Williams, Fire Chief Mike Hinz and Treasurer Colleen Firkus.

APPROVAL OF THE AGENDA

Ness, seconded by Hegland, moved to approve the agenda as presented. The motion carried unanimously by those present.

PUBLIC HEARING ON 2016 BUDGET AND TAX LEVY

Administrator Handt presented an overview of the 2016 budget and tax levy. The Council met in a series of budget work sessions beginning in August and set the maximum tax levy at \$2,257,871 on September 15th, a 1.82% levy increase over 2015.

Total overall spending will be increased 8.62% from 2015. Increase in the General Fund is proposed at 5.75% in the following departments: Council due to audio equipment, in Elections for 2016 general election, and in Public Works for a larger transfer to the Local Road Improvement Fund. The Debt Service Funds are seeing a decrease of 34% over last year's budget with the payoff of the 2007 Road Project Bond in 2015 and the 2010 Equipment Certificate paid off in 2016.

A shift in funding from the Equipment Replacement Fund and Debt Service Funds in 2016 will add \$581,142 in tax levies to the Local Road Improvement Fund along with a transfer of \$315,000 from the Public Works budget in the General Fund. Street projects totaling \$1,150,000 are projected for 2016 in this fund. Funding of at least \$500,000 per year will allow the city to plan for significant reclamation work every other year.

Other Capital Projects noted were \$40,000 for Log House Landing (\$20,000 from the City), \$38,500 for Lilleskogen improvements (from grants/donations), \$115,000 for Fire equipment replacements (Equipment Replacement Fund), and \$200,000 for dump truck replacement (from an equipment certificate).

Handt reported that 22 residents responded to the fall survey on capital improvements with a majority favoring Public Works and Fire Department capital improvements funded through general tax levies, and that Community Center and Park capital improvements funded mostly by donations and grants.

Handt presented figures which showed a reduced 2015 tax capacity rate for Scandia properties over last year, ranking roughly in the middle of all Washington County communities.

Mayor Simonson opened the hearing for public comments at 6:50 p.m.

Steve Kronmiller, 13450 188th St., reported that the Watershed District adopted a zero percent increase for 2016, and that he agrees with the proposed Log House Landing improvements.

Christine Maefesky, Planning Commission Chair, noted the change to the Capital Improvement Plan by the Planning Commission by adding the Log House Landing project for 2016.

There were no further comments and Mayor Simonson closed the hearing at 6:55 p.m.

Council indicated their consensus to use \$100,000 of fund balance from the Local Road Improvement Fund for 2016 reconstruction projects raising the street reconstruction total to \$1,250,000.

Council members thanked Kristina Handt for her valuable service to the City over her tenure.

Simonson announced that the Final Budget and Levy, and the 2016-2020 Capital Improvement Program adoption is scheduled for the Council's regular meeting on Tuesday, December 15, 2015 at 7:00 p.m.

ADJOURNMENT

Ness, seconded by Schneider, moved to adjourn the meeting. The motion carried 5-0.

The meeting adjourned at 7:00 p.m.

Respectfully submitted,

Colleen Firkus
Treasurer