

Present: Mayor Steve Stotko  
 Council Member George Schulenberg  
 Council Member Patty Fitzgerald  
 Council Member Tom Ollig  
 Council Member Mike Henrich

Staff Present: Mr. Daniel Tienter, City Administrator  
 Ms. Raquel Kirchoff, City Clerk-Treasurer  
 Mr. Justin Heldt, Winsted Police Chief  
 Mr. Dave Meyer, Maintenance Supervisor

**I. Call to Order**

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

**II. 9/11 Moving Memorial**

Council Member Ollig provided information regarding a 9/11 Moving Memorial to consider for the 2018 Winsted Summer Festival. Council Member Ollig stated that he spoke with a city that had this memorial during their summer festival who stated that it enhanced their festival and drew many people.

Council Member Ollig stated that he would be talking with organizations in the city to help fund the expense of the memorial because a fee cannot be charged for visitors to view the memorial. The expense of the memorial for two days is \$10,000 plus providing hotel accommodations for five people traveling with the memorial, including two New York Firemen.

The City Council Members were interested in this memorial coming to Winsted.

**III. Recommended 2018 Capital Equipment Plan (CEP)**

Mr. Daniel Tienter, City Administrator, stated that the Recommended 2018 – 2022 CEP assumes the following:

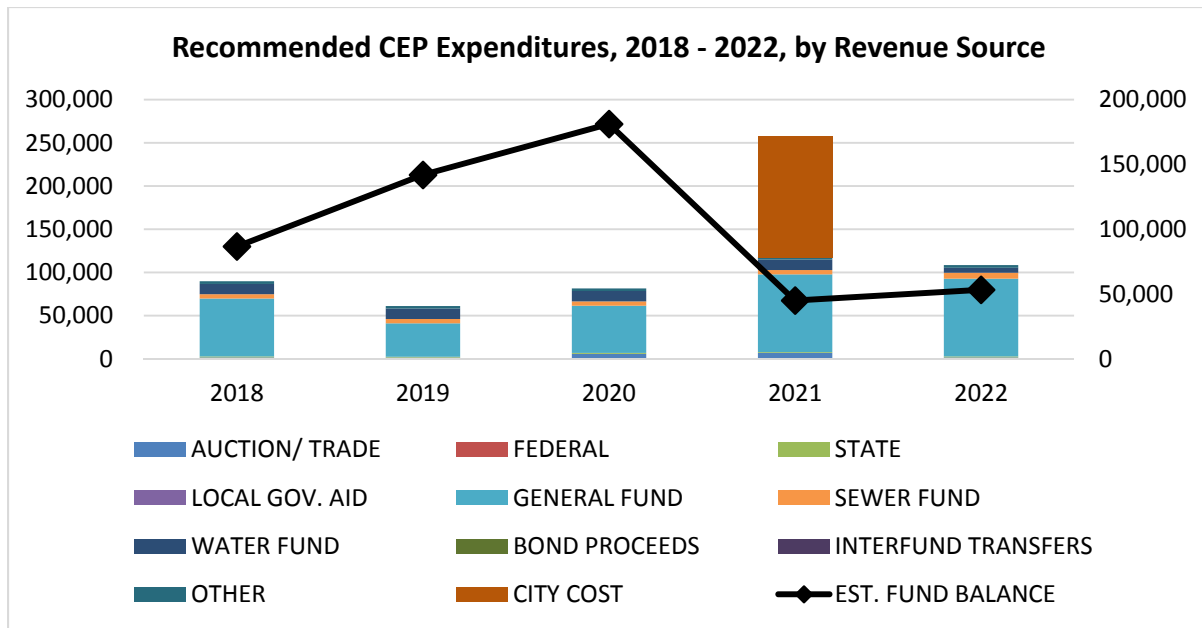
- 3.00% of equipment replacement value accepted as auction or “trade-in” revenue;
- Continues the practices of replacing a Police Department vehicle every two years;
- Includes funding to implement a Body-Worn Camera program for the Police Department in 2018.
- Beginning in 2018, City staff proposed to rename the “Police and Public Work Departments Capital Equipment Fund” to simply the “Capital Equipment Fund.”

The Recommended 2018 – 2022 CEP does not include:

- The purchase of a replacement sewer jetter in 2018;
- The Public Works Operations Budget contains funding to support the continued maintenance (approximately \$15,000 annually).

Mr. Tienter provided the following charts regarding the CEP.

PAGE NO.	PROJECT DESCRIPTION	BUDGETED COST	REVENUE SUMMARY						
			AUCTION/TRADE	STATE	GENERAL FUND	SEWER FUND	WATER FUND	OTHER	CITY COST
<b>2018 Section</b>									
	Replace 2012 Police SUV	55,200	1,656	0	33,544	5,000	12,000	3,000	0
	Police Equipment Set-Aside	14,000	0	1,000	13,000	0	0	0	0
	Police Department Body-Worn Cameras	8,500	0	0	8,500	0	0	0	0
	Equipment Replacement Set Aside	12,000	0	0	12,000	0	0	0	0
		<b>89,700</b>	<b>1,656</b>	<b>1,000</b>	<b>67,044</b>	<b>5,000</b>	<b>12,000</b>	<b>3,000</b>	<b>0</b>



Mayor Stotko asked Mr. Justin Heldt, Winsted Police Chief, if the Police Department was ready to implement body worn cameras. Mr. Heldt responded yes and stated that with all of the recording that is produced by individuals of police activity in present time, it would be of value to have police produced recordings of the activity.

Mr. Tienter stated that when the City Council discussed body worn cameras at previous work sessions it was recommended that discussion be continued at the present budget work sessions. The City Council should decide whether to keep the \$8,500 in the 2018 budget for body worn cameras.

## II. Recommended 2018 Budget

### a.) General Fund

Mr. Tienter stated that the Recommended General Fund considers and assumes the following:

- Conservative revenue and expenditure assumptions:
  - Single step salary increase for each employee and 1.00% Recommended 2018 Compensation Plan increase;
  - Reallocation of current resources based on need and actuals history;
    - Budget adjusted to better reflect actual expenditures;
    - Limited adjustments to external revenues.
- Supports current compliment of Full-Time Equivalent (FTE) Employees.
- The Recommended 2018 General Fund Budget is structurally balanced.
- Continues the multi-year funding strategy to support the Street Capital Improvement Program (CIP) as adopted in the 2017 Budget.
  - Increases in Streets CIP funding supported by the Property Tax Levy.
- The Preliminary 2018 General Fund Budget does not include:
  - Approved property tax abatements beginning in 2017; and
  - Economic Development Authority funding.

### Employee Wages

Mr. Tienter reviewed changes with the Recommended 2018 Compensation Plan as follow:

- Assigning the Part Time (PT) Police Officer wage to Police Officer Step 1-\$18.32 compared to previous \$18.00.
- Addition of PT, Maintenance Worker, On Call position.

Mr. Tienter stated that the position description for this position will be the same as the Maintenance Worker position. Mr. Tienter stated that presently, this position will not be required to work a minimum number of shifts. This position will be scheduled if a full-time maintenance worker uses an extended amount of vacation hours and is not available to be on call on the weekend.

- Listing the Audio/Video (A/V) Council/Commission Meetings hourly contract rate on the Compensation Plan.
- Increase from \$.30 to \$.50 for Premium or Shift Differential Pay. The City of Winsted's shift differential pay is low compared to other Police Departments that range from \$1.00-\$1.50. The plan is to phase an increase in shift differential over time for the City of Winsted.

Mr. Tienter reviewed the following considerations regarding employee wages.

- Regularly, the City Council modifies the annually adopted Compensation Plan to better reflect market conditions, sometimes call Cost of Living Adjustments (COLA).
  - Generally, these changes are based on certain measures of inflation, such as the Core Personal Consumption Expenditure (PCE), and the Consumer Price Index for All Urban Consumers (CPI-U).
- Often the recommended changes to the Compensation Plan are further altered by the City Council through intuition based on local market conditions.
- In order to prevent larger-than-expected compensation changes during the regular Compensation Plan Studies, City staff recommend consistent annual COLAs based on the abovementioned inflation indicators.
- In order to provide a more defensible approach to the annual COLAs, the Recommended 2018 Budget employs the following wage adjustment calculation:  $F(C_c) = C_i(0.75) + M$

$F(C_c)$  - Change in Compensation  
 $C_i$  - change in inflation based on the Core PCE (Low Range Projection)  
 (0.75) - 75%  
 M - Merit-based change (i.e., salary step increase)

**Employee Benefits**

Mr. Tienter stated that on October 3<sup>rd</sup>, 11<sup>th</sup> and 17<sup>th</sup>, City staff met with a representative of Flagship Insurance Services to review health, dental and ancillary insurance plan renewal options. City staff reviewed 14 different healthcare plan options that included different health insurance providers; various deductible amounts; alternate network levels; different purchasing options; different premium structures; alternate financing methods; and two different procurement options. Mr. Tienter described the process with this review.

On October 30<sup>th</sup>, the City Administrator held an all-staff meeting to review possible recommendations to the City Council and take staff comments on any proposed benefit modifications. Generally, City staff are supportive of the proposed 2018 plan renewal proposals.

Also, on October 30<sup>th</sup>, the Personnel Committee reviewed and recommended the renewal plan approach.

**Dental Insurance**

Mr. Tienter stated that the recommended Dental Insurance Provider and Plan is Delta Dental-the Pathfinder Plan, which has no changes from the year 2017.

Cost Comparison, Net City Cost	
2018 Est. Premium	\$ 8,128.51
2018 Premium	\$ 7,526.40
Change (\$)	\$ (602.11)
Change (%)	-7.41%

**Health Insurance**

Mr. Tienter stated that the recommended Health Insurance Provider and Plan is Blue Cross Blue Shield of Minnesota-\$2,250 (Individual) / \$4,500 (Family) Health Savings Account (HSA) Plan. This is the same plan as the year 2017 with an increase in premium cost of 10.09% compared to 2017.

Cost Comparison, Health Insurance Plan, 2016F - 2018R					
Insurance Year	Annual Amounts			Previous Budget	
	Premium	HSA Contrib.	Total	Change (\$)	Change (%)
2016F	\$ 87,763	\$ 17,000	\$ 104,763	n/a	n/a
2017P	\$ 88,621	\$ 17,000	\$ 105,621	\$ 858	0.82%
2017F	\$ 85,298	\$ 18,000	\$ 103,298	\$ (2,323)	-2.20%
2018P	\$ 92,974	\$ 18,000	\$ 110,974	\$ 7,677	7.43%
2018R	\$ 93,899	\$ 18,000	\$ 111,899	\$ 924	0.83%

Change 2016F v. 2018R (\$) \$ 7,135  
Change 2016F v. 2018R (%) 6.81%

Change 2017F v. 2018R (\$) \$ 8,601  
Change 2017F v. 2018R (%) 8.33%

Mr. Tienter explained the percentages that the City pays for the employee for their benefits.

Mr. Tienter stated that based on cost estimates over the past two years, the City anticipated a 17.00% increase in health insurance costs; however, by annually reviewing all alternatives, the City has effectively limited that cost increase to approximately 6.81% over the same time, or 59.93% less than projected.

### **Ancillary Insurance**

Mr. Tienter stated that the recommended Ancillary Insurance Provider and Plans is Hartford – Life Insurance, Short Term Disability (STD), and Long Term Disability (LTD).

Highlights:

- Allows the City to streamline administrative processes by purchasing the different insurance products from a single vendor; and
- Provides an annual cost savings of approximately \$1,876 per year, or about 31.33% less than 2017 Final cost for these benefits.

Major Changes:

- Reduces the LTD benefit from three to two years; and
- Reduces the LTD benefit from 66.66% of gross income to 60.00% of gross income.

Mr. Tienter stated that when considering all of the modifications to the employer–provided benefits, the Recommended 2018 Budget provides for a total cost increase of approximately \$6,724, or 6.81%. These costs remain about 1.45% below the 2018 projection for these same services.

Benefit Cost and Change Summary, 2017F - 2018R							
Benefit Type	2017F	2018P	2018R	Change, 2018P v. 2018R (\$)	Change, 2018P v. 2018R (%)	Change, 2017F v. 2018R (\$)	Change, 2017F v. 2018R (%)
Health Insurance	\$ 85,297.50	\$ 92,974.28	\$ 93,898.50	\$ 924.23	0.99%	\$ 8,601.00	10.08%
Dental Insurance	\$ 7,526.40	\$ 8,128.51	\$ 7,526.40	\$ (602.11)	-7.41%	\$ -	0.00%
Other Insurance	\$ 5,988.36	\$ 5,988.36	\$ 4,112.16	\$ (1,876.20)	-31.33%	\$ (1,876.20)	-31.33%
Total	\$ 98,812.26	\$ 107,091.15	\$ 105,537.06	\$ (1,554.09)	-1.45%	\$ 6,724.80	6.81%

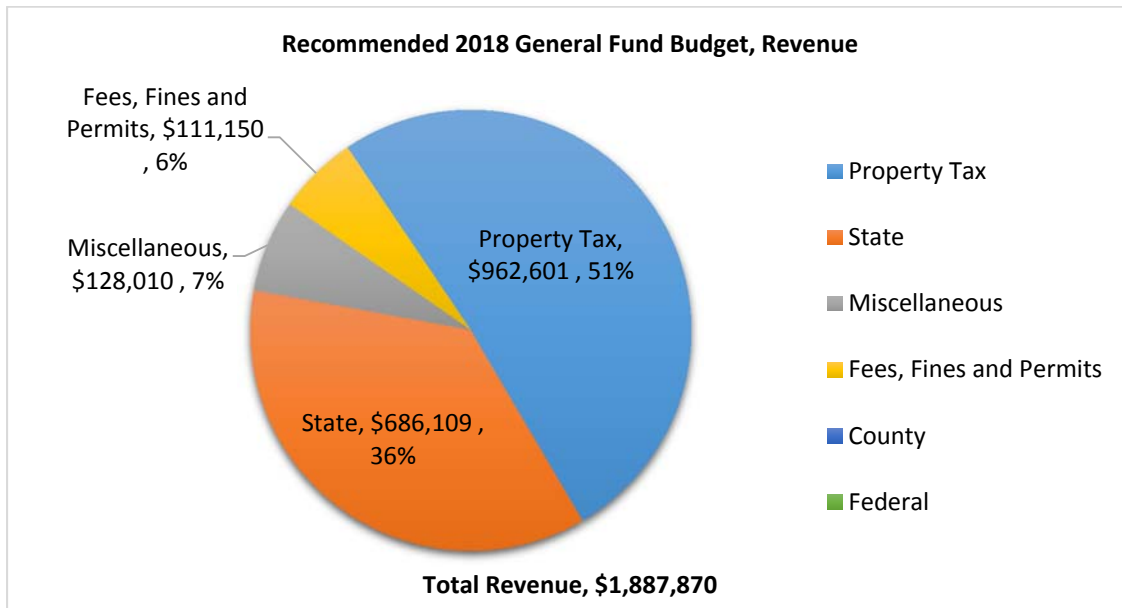
Mr. Tienter reviewed information related to some of the changes over \$1,000 in the Recommended 2018 Operating Budget as follow.

Recommended 2018 Operating Budget, Changes Over \$1,000 (Selected)			
Department and Change	Expense	Other Revenue	Net City Cost
41000 Mayor and City Council			
E 101-41000-100 Wages and Salaries (GENERAL)	\$ 3,700		\$ 3,700
E 101-41000-309 Web Site	\$ (1,610)		\$ (1,610)
41300 Administration			
E 101-41300-201 Elections	\$ 1,800		\$ 1,800
41500 Assessor			
E 101-41500-300 Professional Serv. (GENERAL)	\$ 2,500		\$ 2,500
41900 General Government			
E 101-41900-207 Computer Supplies/Contract	\$ 8,900		\$ 8,900
E 101-41900-703 CIP Transfer	\$ 13,834		\$ 13,834
R 101-41900-31000 General Property Taxes		\$ 87,196	\$ (87,196)
R 101-41900-31020 Delinquent Property Taxes		\$ 8,000	\$ (8,000)
R 101-41900-32210 Building Permits		\$ 3,500	\$ (3,500)
R 101-41900-33401 Local Government Aid		\$ 10,643	\$ (10,643)
R 101-41900-39203 Transfer from Other Fund		\$ (5,000)	\$ 5,000
42000 Public Safety			
E 101-42000-367 Body Camera Maintenance	\$ 2,000		\$ 2,000
R 101-42000-33151 Training Reimbursement		\$ 1,000	\$ (1,000)
R 101-42000-33168 MN POST Board Reimbursement		\$ 1,600	\$ (1,600)
42200 Fire Protection			
E 101-42200-300 Professional Serv. (GENERAL)	\$ 18,312	\$ -	\$ 18,312
43000 Public Works			
E 101-43000-228 Street Seal Coating	\$ (1,500)		\$ (1,500)
E 101-43000-XXX Sewer Jetting	\$ 15,000		\$ 15,000
E 101-43000-XXX Airport Operations Transfer	\$ 1,728		\$ 1,728
45200 Parks			
E 101-45200-381 Electric Utilities	\$ 2,700		\$ 2,700
E 101-45200-400 Repairs & Maint	\$ 2,500		\$ 2,500
42000 Public Safety			
E 101-42000-367 Body Camera Maintenance	\$ 2,000		\$ 2,000
R 101-42000-33151 Training Reimbursement		\$ 1,000	\$ (1,000)
R 101-42000-33168 MN POST Board Reimbursement		\$ 1,600	\$ (1,600)
42200 Fire Protection			
E 101-42200-300 Professional Serv. (GENERAL)	\$ 18,312	\$ -	\$ 18,312
43000 Public Works			
E 101-43000-228 Street Seal Coating	\$ (1,500)		\$ (1,500)
E 101-43000-XXX Sewer Jetting	\$ 15,000		\$ 15,000
E 101-43000-XXX Airport Operations Transfer	\$ 1,728		\$ 1,728
45200 Parks			
E 101-45200-381 Electric Utilities	\$ 2,700		\$ 2,700
E 101-45200-400 Repairs & Maint	\$ 2,500		\$ 2,500

Mr. Tienter reviewed the following information regarding the General Fund Revenues and Expenditures.

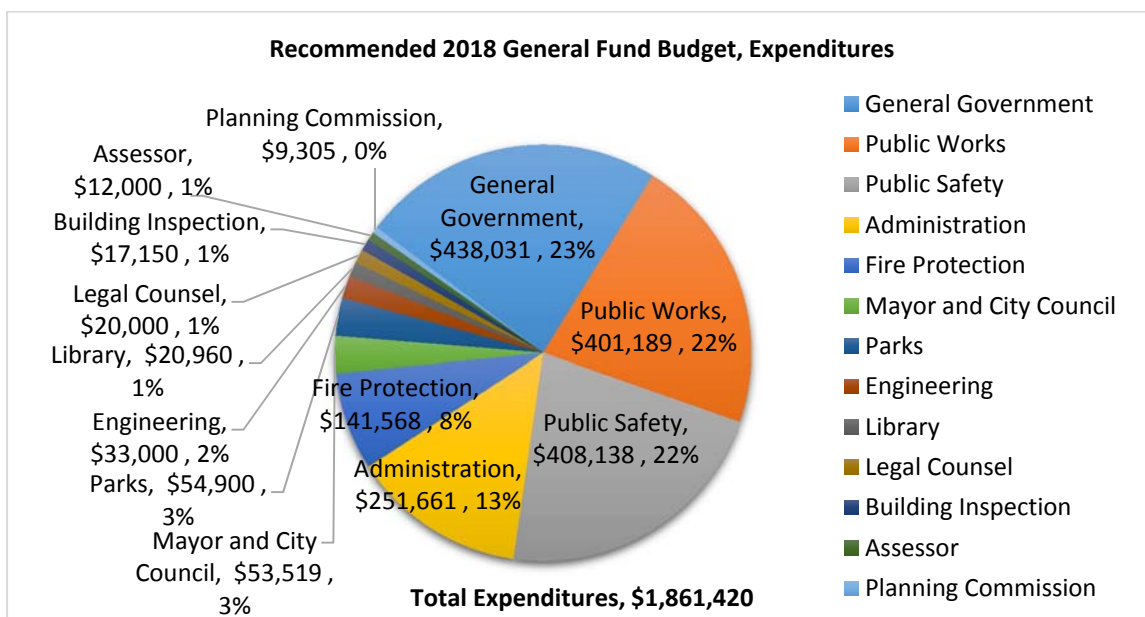
**General Fund Revenue, 2016 Final – 2018 Recommended**

Department	2016 Budget	2017 Budget	Recommended Changes	Recommended 2018 Budget	Adopted 2017 v. Recommended 2018 (%)
41000 Mayor and City Council	\$ -	\$ -	\$ -	\$ -	#DIV/0!
41300 Administration	\$ -	\$ -	\$ -	\$ -	#DIV/0!
41500 Assessor	\$ -	\$ -	\$ -	\$ -	#DIV/0!
41600 Legal Counsel	\$ -	\$ -	\$ -	\$ -	#DIV/0!
41700 Engineering	\$ -	\$ -	\$ -	\$ -	#DIV/0!
41900 General Government	\$ 1,670,185	\$ 1,701,061	\$ 109,259	\$ 1,810,320	6.42%
41910 Planning Commission	\$ -	\$ -	\$ -	\$ -	#DIV/0!
42000 Public Safety	\$ 46,550	\$ 46,350	\$ 3,800	\$ 50,150	8.20%
42200 Fire Protection	\$ -	\$ -	\$ -	\$ -	#DIV/0!
42400 Building Inspection	\$ -	\$ -	\$ -	\$ -	#DIV/0!
43000 Public Works	\$ 19,000	\$ 20,000	\$ -	\$ 20,000	0.00%
45200 Parks	\$ 5,400	\$ 6,900	\$ 500	\$ 7,400	7.25%
45500 Libraries	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Revenue Total</b>	<b>\$ 1,741,135</b>	<b>\$ 1,774,311</b>	<b>\$ 113,559</b>	<b>\$ 1,887,870</b>	<b>6.40%</b>

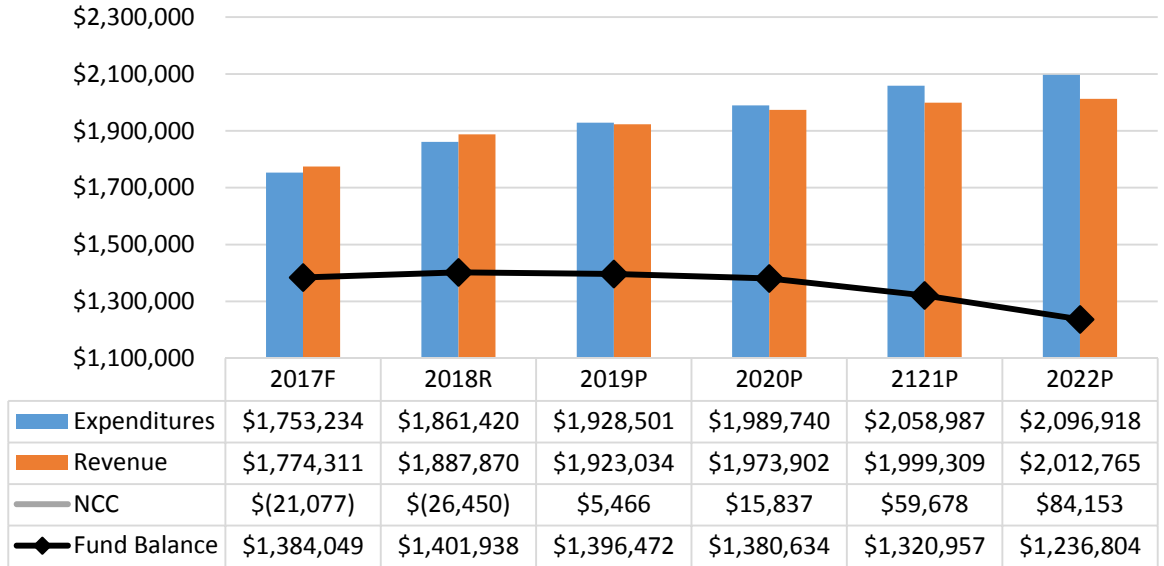


### General Fund Expenditures, 2016 Final – 2018 Recommended

Department	2016 Budget	2017 Budget	Recommended Changes	Recommended 2018 Budget	Adopted 2017 v. Recommended 2018 (%)
41000 Mayor and City Council	\$ 51,367	\$ 51,349	\$ 2,170	\$ 53,519	4.23%
41300 Administration	\$ 244,882	\$ 236,447	\$ 15,214	\$ 251,661	6.43%
41500 Assessor	\$ 12,050	\$ 9,500	\$ 2,500	\$ 12,000	26.32%
41600 Legal Counsel	\$ 18,000	\$ 20,000	\$ -	\$ 20,000	0.00%
41700 Engineering	\$ 33,000	\$ 33,000	\$ -	\$ 33,000	0.00%
41900 General Government	\$ 386,253	\$ 410,832	\$ 27,199	\$ 438,031	6.62%
41910 Planning Commission	\$ 8,755	\$ 9,280	\$ 25	\$ 9,305	0.27%
42000 Public Safety	\$ 374,258	\$ 392,224	\$ 15,914	\$ 408,138	4.06%
42200 Fire Protection	\$ 119,790	\$ 123,256	\$ 18,312	\$ 141,568	14.86%
42400 Building Inspection	\$ 15,650	\$ 16,150	\$ 1,000	\$ 17,150	6.19%
43000 Public Works	\$ 370,502	\$ 380,537	\$ 20,652	\$ 401,189	5.43%
45200 Parks	\$ 47,900	\$ 49,700	\$ 5,200	\$ 54,900	10.46%
45500 Libraries	\$ 20,160	\$ 20,960	\$ -	\$ 20,960	0.00%
<b>Expenditure Total</b>	<b>\$ 1,702,567</b>	<b>\$ 1,753,234</b>	<b>\$ 108,186</b>	<b>\$ 1,861,420</b>	<b>6.17%</b>



**General Fund Budget Projections, Streets CIP Strategy and Debt Levy Retention**

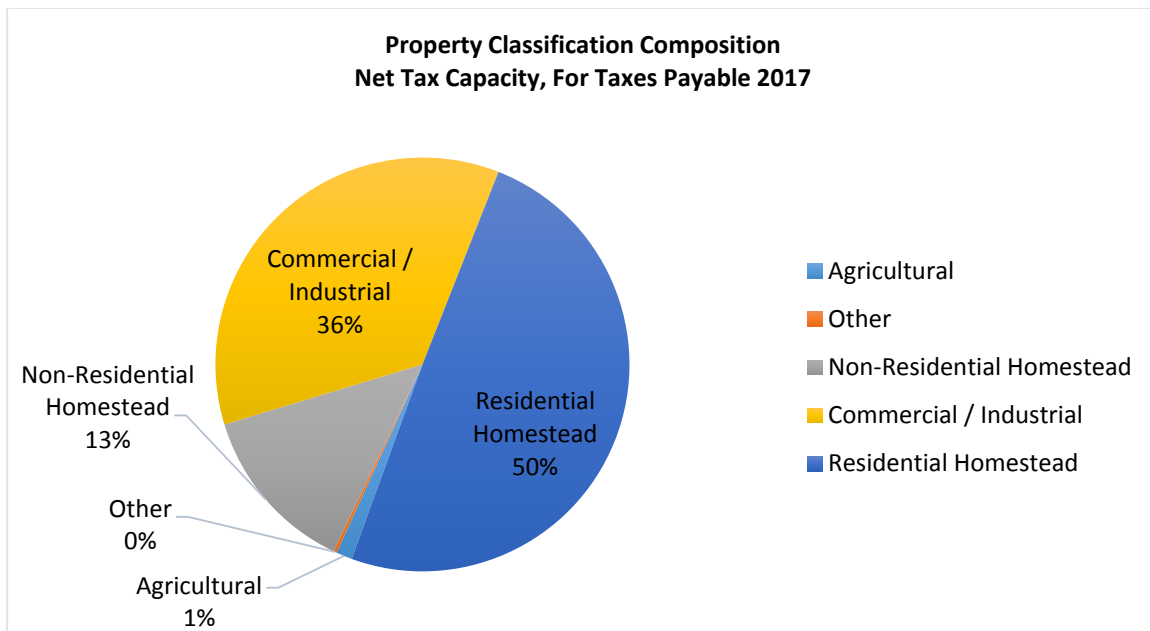


Mr. Tienter reviewed the following information regarding the 2018 Property Tax Levy.

- Market values continue to increase throughout Minnesota in all property categories.  
Property tax rates continue to decline as a result.
- In 2017, certified property tax levies for cities increased 5.5% compared to the previous year with an average property tax levy increase of 3.9%.  
City staff expect this upward trend to continue.
- Local Government Aid (LGA) increased \$15,000,000 resulting in an increase for the City of approximately \$10,643.

Additionally, the State granted additional aid for municipal streets (\$17,581) and police officer training (~\$900 per officer).

Any additional aid from the State of Minnesota (State) does not supplant any adopted or preliminary property tax levy authority.



- As discussed during the Recommended 2018 – 2022 Streets CIP, the City Council established a five year Property Tax Levy Strategy (Strategy).

- For 2018 Recommended, this Strategy provide a levy target of 5.32%, which informed the certification of the Preliminary 2018 Property Tax Levy.
- Current cost estimates and certain projects place particular pressure on the General Fund and Property Tax Levy.
  - The Recommended 2018 Budget retains Property Tax Levy authority from the expiring 2008 Equipment Certificate, or \$26,450.
  - By retaining this portion of the Property Tax Levy, the City Council may continue its strategy of building fund balance for existing and current projects without significant property tax changes.
  - Additionally, the Recommended 2018 Budget does not utilize these funds to support ongoing operations. It will remain available as debt service for any future project.

Debt Service Levy						
Year	Debt Issue	2018R	2019P	2020P	2021P	2021P
2008	Equipment Certificate	\$ -	\$ -	\$ -	\$ -	\$ -
2008	City Hall	\$ 38,600	\$ 38,400	\$ 37,700	\$ 37,100	\$ 36,500
2012	Westgate Project	\$ 48,500	\$ 49,000	\$ 49,500	\$ 50,000	\$ 50,500
2012	Refunding	\$ 206,000	\$ 206,000	\$ 206,000	\$ 206,000	\$ 206,000
2016	Kingsley Street	\$ 26,900	\$ 26,400	\$ 25,900	\$ 25,300	\$ 24,800
Total		\$ 320,000	\$ 319,800	\$ 319,100	\$ 318,400	\$ 317,800
Additional Debt Service Estimate (1,2,3)			\$ -	\$ 77,000	\$ 77,000	\$ 96,200
<b>Total Debt Service Estimate</b>			<b>\$ 319,800</b>	<b>\$ 396,100</b>	<b>\$ 395,400</b>	<b>\$ 414,000</b>

- Notes
- (1) Assumes 2018 - 2022 Streets CIP Bond Issues at 2.00% for 15 years.
  - (2) Assumes Airport CIP Bond Isssue at 2.00% for 10 years.
  - (3) Assumes \$73,000 for the Sewer and Water Funds for McLeod Avenue Area Improvements.

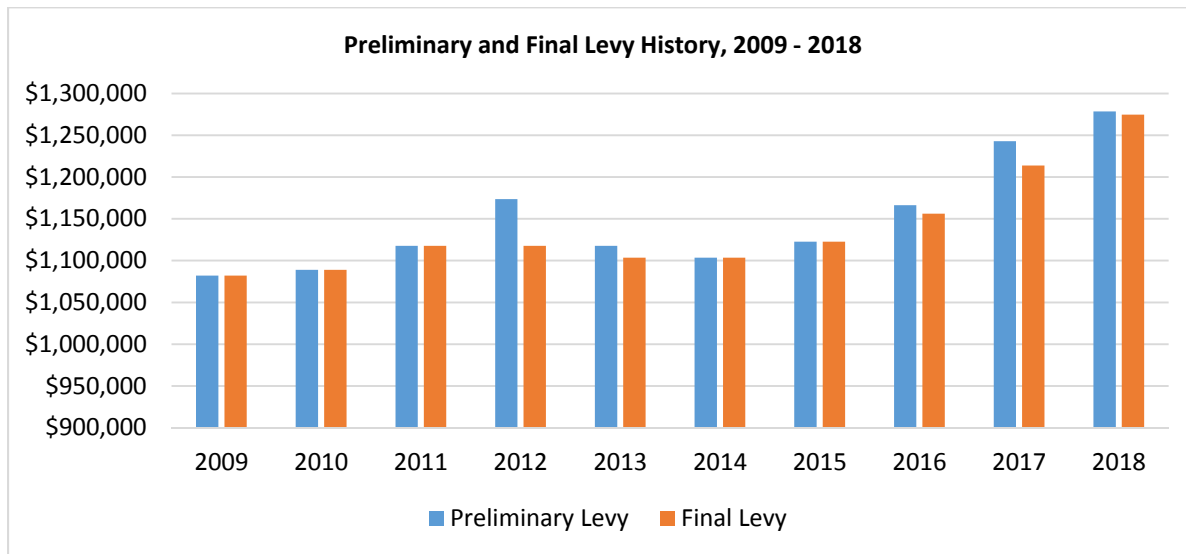
- The City also issued debt for the following projects:
  - Wastewater Treatment Facility Improvement Project (2016B); and
  - Fire Rescue Truck (2017A).
- The debt issues are financed by other City funds that are not supported by the Debt Service Levy.

General Budget and Levy History and Detail							
	Final 2017	Pre. 2018	Change 2017F v. 2018P (%)	Change 2017F v. 2018P (\$)	Rec. 2018	Change 2017F v. 2018R (%)	Change 2017F v. 2018R (\$)
Expenditures	\$ 1,753,234	\$ 1,850,477	5.55%	\$ 97,243	\$ 1,861,420	6.17%	\$ 108,186
Revenue	\$ 1,774,311	\$ 1,874,701	5.66%	\$ 100,390	\$ 1,887,870	6.40%	\$ 113,559
<b>Total (NCC)</b>	<b>\$ (21,077)</b>	<b>\$ (24,224)</b>	<b>14.93%</b>	<b>\$ (3,147)</b>	<b>\$ (26,450)</b>	<b>25.49%</b>	<b>\$ (5,373)</b>
General Levy	\$ 867,405	\$ 958,432	10.49%	\$ 91,027	\$ 954,601	10.05%	\$ 87,196
Debt Levy	\$ 346,450	\$ 320,000	-7.63%	\$ (26,450)	\$ 320,000	-7.63%	\$ (26,450)
<b>Total</b>	<b>\$1,213,855</b>	<b>\$1,278,432</b>	<b>5.32%</b>	<b>\$ 64,577</b>	<b>\$ 1,274,601</b>	<b>5.00%</b>	<b>\$ 60,746</b>

- For 2018, the Recommended 2018 General Property Tax Levy would increase 10.05% and the Recommended 2018 Debt Service Levy would decrease 7.63% resulting in a total Preliminary 2018 Property Tax Levy (Levy) increase of **5.00%**.
  - This change represents a decrease of 5.93%, or \$3,831, compared to the Preliminary 2018 Levy.

Political Subdivision	2018 Preliminary Property Tax Change
Brownnton	0.00%
Lester Prairie	2.00%
Hutchinson	2.10%
Montrose	2.50%
Cokato	3.88%
Area Average	4.75%
Glencoe	4.88%
<b>Winsted</b>	<b>5.00%</b>
Delano	6.65%
Waverly	7.00%
Silver Lake	7.80%
Howard Lake	10.48%





The 2018 Recommended Property Tax Levy is \$1,274,601.

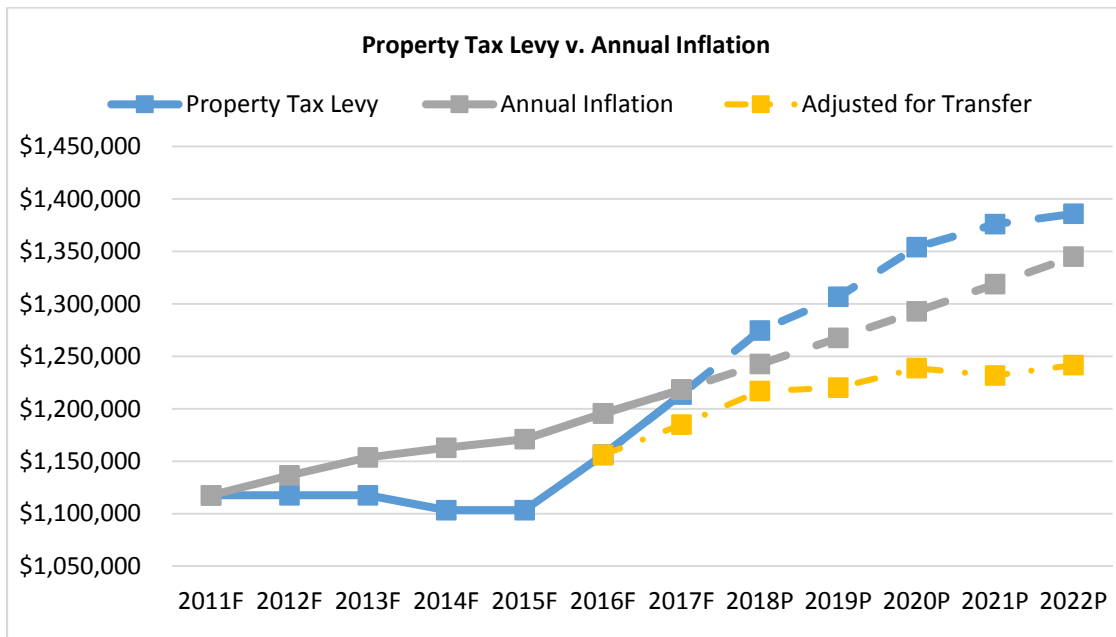
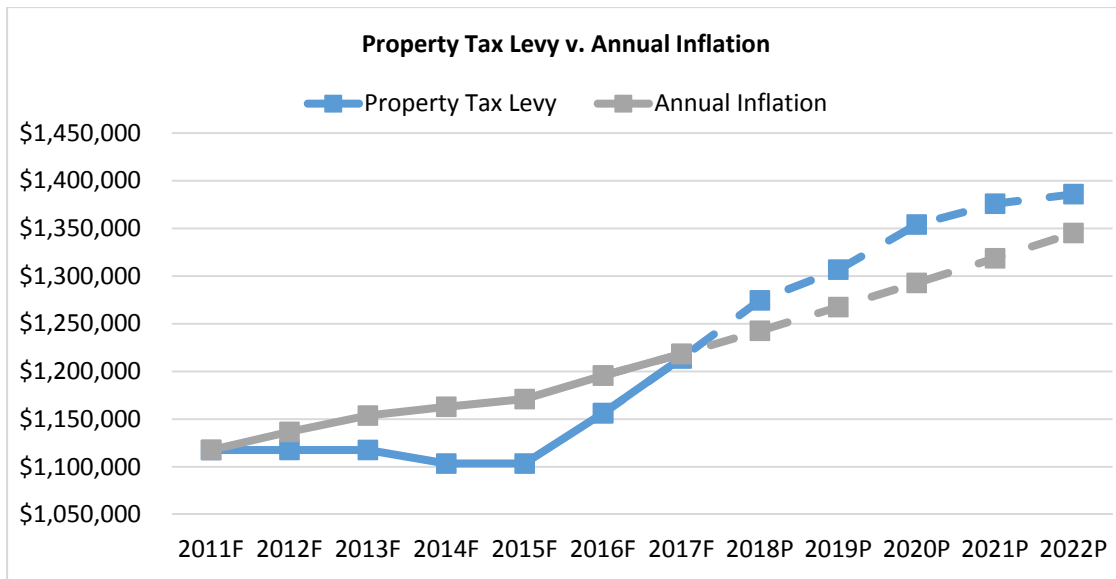
\$954,601 (General Levy) + \$320,000 (Debt Levy) = \$1,274,601 (Property Tax Levy)

Property Tax History and Detail							
Year	Net Tax Capacity	Property Tax Levy	Net Tax Capacity Rate	Estimated Median Value Home	Net Property Tax	Net Property Tax Change (%)	Net Property Tax Change (\$)
Final 2015	\$ 1,262,652	\$ 1,122,654	88.91%	\$ 119,916	\$ 860	1.52%	\$ 13
Final 2016	\$ 1,486,206	\$ 1,156,154	77.79%	\$ 141,148	\$ 932	8.43%	\$ 72
Final 2017	\$ 1,653,241	\$ 1,213,855	73.42%	\$ 157,011	\$ 1,007	8.00%	\$ 75
Pre. 2018	\$ 1,668,380	\$ 1,274,601	76.40%	\$ 158,456	\$ 1,060	5.25%	\$ 53
Change (n)							
2017 v. 2018	\$ 15,139	\$ 60,746	2.97%	\$ 1,445	\$ 53	-2.75%	\$ (22)

Assuming a 0.92% increase in valuation, the median valued residential homestead (~\$158,456) would pay approximately \$53.00 more per year or about \$4.40 per month. Under the Preliminary 2018 Budget, the Net Tax Capacity (NTC) rate would increase by 2.97% resulting in the second lowest NTC Rate in the past nine years.

Estimated Property Tax Changes, Assuming No Change in Value				
Property Value	2017F Property Tax	2018R Property Tax	Change (\$)	Change (%)
\$ 80,000	\$ 391	\$ 406	\$ 16	4.05%
\$ 140,000	\$ 871	\$ 906	\$ 35	4.05%
\$ 200,000	\$ 1,351	\$ 1,406	\$ 55	4.05%
\$ 280,000	\$ 1,991	\$ 2,072	\$ 81	4.05%
\$ 340,000	\$ 2,471	\$ 2,572	\$ 100	4.05%

Five Year Property Tax Projections, Residential					
Valuation	2018R	2019P	2020P	2021P	2022P
\$ 157,011	\$ 1,007	\$ 1,060	\$ 1,095	\$ 1,144	\$ 1,171



- The Recommended 2018 Property Tax Levy responds to cost pressures, but:
  - Remains below the trend line of inflation for non-Streets CIP expenses;
  - Remains competitive with surrounding communities;
  - Provides for predictable and stable property tax levy change in the future;
  - Continues the Streets CIP funding strategy;
  - Supports certain recommendations of the pending Fire Department Strategic Operations Plan; and
  - Allows the City Council to rebuild General Fund Balance during a period of capital intensive projects.
- The Final Property Tax Levy may be certified at a lower amount than the Preliminary Property Tax Levy, but not greater than it.

**Recommended 2018 Budget Cost Calculator**

Tax or Fee	2017	2018	Change (\$)	Change (%)	Notes
<b>Private Responsibility</b>					
Property Tax Levy	\$ 1,006.94	\$ 1,059.76	\$ 52.83	5.25%	(1)
Water Minimum	\$ 73.29	\$ 74.75	\$ 1.47	2.00%	
Water Rate	\$ 242.70	\$ 247.56	\$ 4.85	2.00%	(2)
Sewer Minimum	\$ 107.90	\$ 118.69	\$ 10.79	10.00%	
Sewer Rate	\$ 818.21	\$ 900.04	\$ 81.82	10.00%	(2)
Park Improvement Fee	\$ 18.90	\$ 19.85	\$ 0.95	5.00%	
<b>Subtotal</b>	<b>\$ 2,267.94</b>	<b>\$ 2,420.64</b>	<b>\$ 152.70</b>	<b>6.73%</b>	
<b>Public Responsibility</b>					
"Per Unit" Fire Protection Fee	\$ 124.00	\$ 142.00	\$ 18.00	14.52%	
<b>Total</b>	<b>\$ 2,391.94</b>	<b>\$ 2,562.64</b>	<b>\$ 183.91</b>	<b>7.14%</b>	

(1) Assumes a 0.92% increase in valuation on a median-valued homestead.

(2) Assumes monthly usage of 6,000 gallons.

- Across all funds and activities, the Recommended 2018 Budget results in a total cost increase of about \$153, or 6.73, per household, based on the abovementioned assumptions.

Mr. Tienter displayed the following budget recommendations that require City Council guidance.

- Recommended 2018 Cable Fund; - Combination with the General Fund
- Recommended 2018 Facilities CIP - Library Funding Request
- Recommended 2018 Fire Department Operations - Paid, On–Call Compensation System
- Recommended 2018 General Fund;
  - Airport Operations Property Tax Transfer Strategy;
  - Body Camera Maintenance (also referenced in Recommended 2018 CEP);
  - McLeod County Historical Society Funding Request (not currently recommended);
  - Employer–provided benefit changes;
  - Recommended 2018 Compensation Plan;
  - Debt Levy Retention Strategy;
  - Recommended Property Tax Levy Change;
- Recommended 2018 Water Fund;
  - Rate changes;
- Recommended 2018 Sewer Fund;
  - Rate changes.

The City Council discussed the recommended changes to the budget that were presented over the three days of budget work sessions. They approved of the recommended budget presented and approved of the recommended 5.00% increase. This strategy will help to save money for the City’s Streets Capital Improvement Plan (CIP).

### III. Adjourn

**Council Member Ollig motioned to adjourn the meeting. Council Member Schulenberg seconded the motion. Motion carried 5-0.**

The meeting was adjourned at 3:42 p.m.

*Steve Stotko*

Steve Stotko  
Mayor  
City of Winsted

ATTEST:

*Raquel Kirchoff*

Raquel Kirchoff, CMC  
City Clerk-Treasurer  
City of Winsted