

**MILACA CITY COUNCIL MINUTES**  
**SPECIAL MEETING-2019 Budget and Tax Levy**  
**August 22, 2018**

**Call to Order Roll Call**

The special meeting of the Milaca City Council was called to order at 12:00 p.m. by Mayor Pedersen. Upon roll call the following council members were present: Mayor Pedersen, Councilors Dillan, Muller, Johnson and Gahm.

Councilors Absent:

Staff present: City Manager Tammy Pfaff, Police Chief Todd Quaintance, Liquor Store Manager Vicki Jeys, Treasurer Tracy Gann-Olehy, Building Official Marshall Lind, and Public Works Supervisor Gary Kirkeby.

**Approval of the Agenda**

On a motion by Johnson and seconded by Muller, the agenda was approved. Motion carried unanimously. Review of 2019 Budget Highlights:

***Expenditures***

Street Improvements of \$425,000

Utility Improvement of \$220,000

Fire Department Tanker Truck Purchase \$260,000

Parking Lot expansion in Rec Park

Camping expansion in Rec Park

City Hall- Sidewalks, furnace and Sealcoat parking lot

Police Department-Vehicle replacement

Liquor Store- Parking lot pavement, and counter top replacement

Airport- Pavement improvements, brush cutter and mower purchase

New Position- Community Event Coordinator

***Revenue***

Levy Increase of 1.75%

LGA increased to \$816,450

Ogilvie Contract increased \$5,000

Camping Fees

Fee Schedule increases

Transfer from Liquor Fund \$65,000

***Capital Improvement Plan***

The five year Capital Improvement Plans were reviewed by each department. City Hall will have \$38,000 in improvements. Public Works Department will have a Mill and Overlay street improvement project on 8<sup>th</sup> Street NE and 6<sup>th</sup> Ave NE. Sealcoat plan is for 1/5 of the city to be done each year. Utility Improvements will be done as part of the county project on 2<sup>nd</sup> Street SE. Radio Read water meters will be purchased in the amount of \$25,000 each year until the city is upgraded to radio read meters. A new truck will be purchased to replace 2001 Dodge Truck.

Park Improvements- Expansion of the parking lots, mower purchase, hockey rink improvement and other improvements as needed.

Liquor Store Improvements- Parking lot improvements and building improvements.

Fire Department- Purchase of a new tanker truck, replacing tanker truck #2.

Police Department- Purchase of new squad to replace the Crown Vic.

Airport- Taxiway reconstruction, mower and brush cutter. Council did not see the need for a reconstruction and voiced that the cost is too high for just a few people that use the airport and would like

to see the budget lower for the airport. Council stated that they want any reserved used first for future projects and that is an area that they would reduce the budget to lower the tax levy. The City Manager stated that she would contact the engineer to look for other ways to improve the taxiway.

Review of Preliminary Budget Summary by Fund Type;

CITY OF MILACA  
2019 Preliminary Budget Summary by Fund Type

|                            | General Fund     | Special Revenue Funds | Debt Service Funds | Water Fund          | Sewer Fund         | Liquor Fund        | Deputy Registrar Fund | Agency Fund     | Total               | 2018 Comparative Total |
|----------------------------|------------------|-----------------------|--------------------|---------------------|--------------------|--------------------|-----------------------|-----------------|---------------------|------------------------|
| <b>REVENUES:</b>           |                  |                       |                    |                     |                    |                    |                       |                 |                     |                        |
| Property Tax Levies        | \$ 562,750       | \$ -                  | \$ 369,500         | \$ -                | \$ -               | \$ -               | \$ -                  | \$ -            | \$ 932,250          | \$ 944,715             |
| Other Property Taxes       | 15,450           | -                     | -                  | -                   | -                  | -                  | -                     | -               | 15,450              | 13,050                 |
| Tax Increments             | -                | 57,000                | -                  | -                   | -                  | -                  | -                     | -               | 57,000              | 57,000                 |
| Lodging Tax                | 2,000            | -                     | -                  | -                   | -                  | -                  | -                     | -               | 2,000               | 2,000                  |
| Special Assessments        | 2,000            | -                     | 2,000              | -                   | -                  | -                  | -                     | -               | 4,000               | 10,700                 |
| Intergovernmental          | 862,047          | -                     | -                  | -                   | -                  | -                  | -                     | -               | 862,047             | 882,113                |
| Licenses and Permits       | 37,250           | -                     | -                  | -                   | -                  | -                  | -                     | -               | 37,250              | 78,250                 |
| Charges for Services       | 289,095          | 13,000                | 24,000             | -                   | -                  | -                  | -                     | 115,000         | 441,095             | 416,935                |
| Fees and Forfeits          | 10,600           | -                     | -                  | -                   | -                  | -                  | -                     | -               | 10,600              | 9,900                  |
| Interest Earned            | 16,000           | 450                   | -                  | 10,000              | 12,000             | 4,350              | 100                   | -               | 42,900              | 31,550                 |
| Refunds and Reimbursements | 6,000            | -                     | -                  | -                   | -                  | -                  | -                     | -               | 6,000               | 6,000                  |
| Grants                     | 18,000           | -                     | -                  | -                   | -                  | -                  | -                     | -               | 18,000              | 18,000                 |
| Miscellaneous              | 79,000           | 27,750                | -                  | -                   | -                  | -                  | -                     | -               | 106,750             | 95,250                 |
| Sales                      | -                | -                     | -                  | 554,000             | 346,000            | 2,238,500          | 168,750               | -               | 3,307,250           | 3,282,200              |
| Less: Cost of Sales        | -                | -                     | -                  | -                   | -                  | (1,695,500)        | -                     | -               | (1,695,500)         | (1,662,500)            |
| Other Income               | -                | -                     | -                  | -                   | -                  | 500                | 2,500                 | -               | 3,000               | 2,000                  |
| <b>Total Revenues</b>      | <b>1,900,192</b> | <b>98,200</b>         | <b>424,500</b>     | <b>564,000</b>      | <b>358,000</b>     | <b>547,250</b>     | <b>170,850</b>        | <b>115,000</b>  | <b>4,178,592</b>    | <b>4,167,363</b>       |
| <b>EXPENDITURES:</b>       |                  |                       |                    |                     |                    |                    |                       |                 |                     |                        |
| General Government         | 477,515          | -                     | -                  | -                   | -                  | -                  | -                     | -               | 477,515             | 419,350                |
| Public Safety              | 1,066,720        | -                     | -                  | -                   | -                  | -                  | -                     | -               | 1,066,720           | 759,845                |
| Public Works               | 395,365          | -                     | -                  | -                   | -                  | -                  | -                     | -               | 395,365             | 495,660                |
| Culture and Recreation     | 193,065          | 66,500                | -                  | -                   | -                  | -                  | -                     | -               | 259,565             | 173,225                |
| Miscellaneous              | 70,825           | 15,750                | -                  | -                   | -                  | -                  | -                     | -               | 86,575              | 92,570                 |
| Debt Service:              |                  |                       |                    |                     |                    |                    |                       |                 |                     |                        |
| Principal                  | -                | -                     | 361,000            | 156,000             | 30,000             | -                  | -                     | -               | 547,000             | 589,000                |
| Interest                   | -                | 3,500                 | 49,570             | 14,625              | 2,570              | -                  | -                     | -               | 67,265              | 79,470                 |
| TFE                        | -                | 54,110                | -                  | -                   | -                  | -                  | -                     | -               | 54,110              | 54,110                 |
| Operating Expenses         | -                | -                     | -                  | 329,095             | 287,160            | 473,750            | 195,040               | 145,265         | 1,370,350           | 1,255,145              |
| Depreciation               | -                | -                     | -                  | 165,000             | 110,000            | 44,000             | -                     | -               | 319,000             | 319,000                |
| <b>Total Expenditures</b>  | <b>2,203,590</b> | <b>87,660</b>         | <b>429,570</b>     | <b>674,220</b>      | <b>409,730</b>     | <b>517,750</b>     | <b>195,040</b>        | <b>105,265</b>  | <b>4,632,565</b>    | <b>4,222,375</b>       |
| Transfers In               | 74,750           | -                     | 22,230             | -                   | -                  | -                  | -                     | -               | 96,980              | 94,730                 |
| Transfers Out              | -                | (9,750)               | -                  | -                   | -                  | (87,230)           | -                     | -               | (97,980)            | (94,730)               |
| From Equipment Reserves    | 318,000          | -                     | -                  | -                   | -                  | -                  | -                     | -               | 318,000             | -                      |
| To Equipment Reserves      | (79,000)         | -                     | -                  | -                   | -                  | -                  | -                     | -               | (79,000)            | (85,000)               |
| <b>Excess (Deficit)</b>    | <b>\$ 10,332</b> | <b>\$ 590</b>         | <b>\$ 7,160</b>    | <b>\$ (110,220)</b> | <b>\$ (51,730)</b> | <b>\$ (57,170)</b> | <b>\$ (24,190)</b>    | <b>\$ 9,735</b> | <b>\$ (215,973)</b> | <b>\$ (149,012)</b>    |

Debt Service Schedule Review:

The City Manager reviewed the debt schedule and stated that in 2021 the 2010 Refunding Bond for the Water Fund will be paid and that will open up the city to do a water main replacement project.

The 2010 Refunding Bond for the Sewer Fund will be paid in full in 2021 and will also open up the ability to replace old sewer mains within the city.

The 2012 Equipment Certificate for the Bridge in Rec Park will be paid in full in 2020 and this will make it possible to do other projects within the city in the near future.

CITY OF MILACA  
 Debt Payment Schedule

|                                       |                            |                  | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      | 2026      | 2027     | 2028     | 2029     | 2030     |
|---------------------------------------|----------------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|
| <b>SPECIAL ASSESSMENT</b>             |                            |                  |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 845,000                               | 2012 G.O. REFUNDING        | Northland        |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 2024                                  | Principal                  | Feb / Aug        | \$85,000  | \$90,000  | \$95,000  | \$90,000  | \$95,000  | \$95,000  | \$30,000  |           |           |          |          |          |          |
| Fund 383                              | Interest                   |                  | \$9,879   | \$8,583   | \$7,910   | \$5,348   | \$3,590   | \$1,666   | \$323     |           |           |          |          |          |          |
|                                       | Assessment                 |                  | \$14,513  | \$14,513  | \$14,513  | \$14,513  | \$14,513  | \$14,513  |           |           |           |          |          |          |          |
|                                       | Levy                       |                  | \$83,500  | \$83,500  | \$83,500  | \$83,500  | \$83,500  | \$27,500  |           |           |           |          |          |          |          |
| 1,250,000                             | 2010 G.O. REFUNDING        | Northland        |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 2023                                  | Principal                  | Feb / Aug        | \$105,000 | \$110,000 | \$115,000 | \$120,000 | \$125,000 | \$50,000  |           |           |           |          |          |          |          |
| Fund 382                              | Interest                   |                  | \$16,646  | \$13,955  | \$10,830  | \$7,363   | \$3,594   | \$813     |           |           |           |          |          |          |          |
|                                       | Assessment                 |                  |           |           |           |           |           |           |           |           |           |          |          |          |          |
|                                       | Levy                       |                  | \$125,000 | \$115,000 | \$110,000 | \$105,000 | \$105,000 |           |           |           |           |          |          |          |          |
| 475,000                               | 2015 G.O. PARK IMPROV BOND | FNB              |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 2030                                  | Principal                  | June / Dec       | \$25,000  | \$25,000  | \$30,000  | \$30,000  | \$30,000  | \$30,000  | \$30,000  | \$35,000  | \$35,000  | \$35,000 | \$40,000 | \$40,000 | \$40,000 |
| Fund 386                              | Interest                   |                  | \$12,090  | \$11,590  | \$11,090  | \$10,490  | \$9,710   | \$8,930   | \$8,150   | \$7,370   | \$6,460   | \$5,270  | \$4,080  | \$2,720  | \$1,360  |
|                                       | Levy                       |                  | \$40,000  | \$40,000  | \$41,000  | \$41,000  | \$41,000  | \$42,000  | \$42,000  | \$42,000  | \$43,000  | \$43,000 | \$43,000 | \$44,000 | \$44,000 |
| <b>REVENUE</b>                        |                            |                  |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 40,000                                | 2010 REFUNDING (NEW WATER) | Northland        |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 2015                                  | Principal                  | Feb / Aug        | \$5,000   | \$5,000   | \$5,000   | \$5,000   |           |           |           |           |           |          |          |          |          |
| Fund 602                              | Interest                   |                  | \$486     | \$361     | \$223     | \$75      |           |           |           |           |           |          |          |          |          |
| 3,060,000                             | 2006 WATER                 | MIPA             |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 2026                                  | Principal                  | Feb / Aug        | \$159,000 | \$161,000 | \$162,000 | \$164,000 | \$166,000 | \$167,000 | \$169,000 | \$171,000 | \$173,000 |          |          |          |          |
| Fund 602                              | Interest (4.69%)           |                  | \$15,964  | \$14,263  | \$12,540  | \$10,807  | \$9,052   | \$7,276   | \$5,489   | \$3,681   | \$1,851   |          |          |          |          |
| 295,000                               | 2010 REFUNDING (NEW SEWER) | Northland        |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 2015                                  | Principal                  | Feb / Aug        | \$30,000  | \$30,000  | \$30,000  | \$35,000  |           |           |           |           |           |          |          |          |          |
| Fund 603                              | Interest                   |                  | \$3,068   | \$2,318   | \$1,485   | \$525     |           |           |           |           |           |          |          |          |          |
| <b>LEASE PURCHASE</b>                 |                            |                  |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 1,670,000                             | 2017 LIBRARY REFUNDING     | FNB              |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 2022                                  | Principal                  | Feb / Aug        | \$131,000 | \$126,000 | \$129,000 | \$132,000 | \$135,000 |           |           |           |           |          |          |          |          |
| Fund 387                              | Interest                   |                  | \$13,513  | \$10,587  | \$7,625   | \$4,623   | \$1,553   |           |           |           |           |          |          |          |          |
|                                       | Levy                       |                  | \$160,000 | \$160,000 | \$160,000 | \$165,000 |           |           |           |           |           |          |          |          |          |
| 138,800                               | 2012 EQUIP CERT - BRIDGE   | Bank of Zambezia |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 2020                                  | Principal                  | Feb / Aug        | \$21,000  | \$21,000  | \$22,000  |           |           |           |           |           |           |          |          |          |          |
| Fund 284                              | Interest (2.6%)            |                  | \$1,391   | \$845     | \$286     |           |           |           |           |           |           |          |          |          |          |
| 190,000                               | AMBULANCE FEE LOAN         | ECE              |           |           |           |           |           |           |           |           |           |          |          |          |          |
| 2024                                  | Principal                  | March            | \$19,000  | \$19,000  | \$19,000  | \$19,000  | \$19,000  | \$19,000  | \$19,000  |           |           |          |          |          |          |
| Fund 385                              | Interest (2%)              |                  | \$2,660   | \$2,280   | \$1,900   | \$1,520   | \$1,140   | \$760     | \$380     |           |           |          |          |          |          |
|                                       | Lease Payments             |                  | \$24,000  | \$24,000  | \$24,000  | \$24,000  | \$24,000  | \$24,000  | \$24,000  |           |           |          |          |          |          |
| Total Governmental Principal Payments |                            |                  | \$386,000 | \$365,000 | \$281,000 | \$259,000 | \$269,000 | \$194,000 | \$79,000  | \$35,000  | \$35,000  | \$35,000 | \$40,000 | \$40,000 | \$40,000 |
| Total Governmental Interest Payments  |                            |                  | \$56,179  | \$37,253  | \$31,116  | \$24,726  | \$18,034  | \$12,169  | \$8,853   | \$7,370   | \$6,460   | \$5,270  | \$4,080  | \$2,720  | \$1,360  |

Estimated Equipment Reserves were reviewed. Fire Department will remain the same at \$25,000 and the Public Works Department, Parks and Police reserves will be increased to \$18,000.

Preliminary Tax Levy. The Tax Levy for the General Fund will be increased by 4.95% and the Debt Service Levy will decrease by 2.45%, resulting in an overall increase in the tax levy of 1.75%

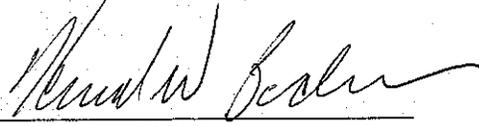
Wage Distribution Review- The graph was reviewed by department of the top three departments, with the police department at \$428,628 or 32% of the wage distribution. Liquor fund with wages of \$211,178 or 16% of the wage distribution. Deputy Register wages of \$136,249 or 10% of the wage distribution. Budget increases over the previous year including benefits is 4.8%. Discussion as to the Community Event Coordinator was reviewed and it was determined that the position will be two days a week and the starting wage will be \$15.00 per hour. Mayor Pedersen would like to see this position grow into a combination of event coordinator, park host at Rec Park and some parks maintenance.

2019 Preliminary Tax Levy. Council reviewed the levy history and the 2019 Preliminary Tax Levy. Resolution 18-36 Approving the Preliminary 2019 Budget and Tax Levy. A motion was introduced by Johnson to approve the 2019 Budget and Tax Levy, the motion was seconded by Dillan. Motion carried unanimously.

New Business- Council to call a Public Hearing on December 20<sup>th</sup>, 2018 for the Truth and Taxation for the 2019 Budget and Tax Levy. A motion was introduced by council member Dillan to set the public hearing for December 20<sup>th</sup>, 2018 at 6:30 p.m. The motion was then seconded by council member Gahm. Motion carried unanimously.

**Adjourn**

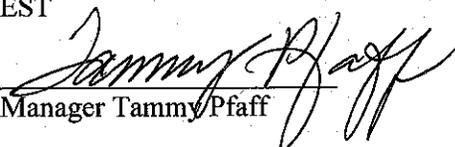
With no other business presented before the council, a motion to adjourn was made by Dillan, seconded by Gahm, all present voted in favor and the meeting adjourned at 1:10 p.m.  
Motion carried unanimously.



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Mayor Harold Pedersen

ATTEST



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City Manager Tammy Pfaff