

CITY OF PIERZ
Official Minutes of the Pierz City Council
City Council Workshop
September 14th, 2020
6:00 PM

Members Present: Dave Fischer, Jacque Ballou, Don Bujalski, Kyle Bednar, Lynn Egan, Linda Sczublewski

Staff Present: Bob Otremba

The City Council workshop was called to order at Pierz City Hall at 6:00 p.m. by Mayor Dave Fischer.

2021 BUDGET:

Mayor Dave Fischer explained the steps that have been taken so far and asked for comment from city council members on the 2021 Budget. There were no comments from the city council members.

2021 PROPERTY TAX LEVY:

Mayor Dave Fischer explained the Finance Committee's recommendation of a 2.5% property tax levy increase. The recommendation for a levy increase centers on the proposed budget deficit in the General Fund of \$112,148.00. The 2.5% levy increase is a total increase of \$8,115.25 and total proposed levy of \$333,000.00. Mayor Dave Fischer expressed that he would like to see the property tax levy no higher than 3.0% but, would be okay with a 2.5% or 3.5% property tax levy increase.

City Clerk Kyle Bednar discussed when the right time would be to increase the levy. His recommendation is to do a 3.5% increase in 2021 because of the large increase in the preliminary property tax levy base.

City Council Member Jacque Ballou sited the need for infrastructure improvements, the deficit in the General Fund, and being fiscally responsible for the reasons to increase the property tax levy. She stated she is in favor of a 3.5% to 4.0% increase in the property tax levy.

City Council Member Don Bujalski stated his concerns of economic instability with the effects of COVID-19. He feels the pandemic has had a negative effect on the businesses and residents in Pierz and does not want to add extra burden. His recommendation would be 2.5% to 3.0% property tax levy increase.

City Council Member Lynn Egan stated she would not be in favor of a property tax levy increase of over 2.5%. She mentioned some businesses are doing well because of the pandemic and others have been shut down completely and have had a dramatic decrease in revenues. She also stated that the price of building materials has increased dramatically since the pandemic and has and will discourage new home and commercial construction for the unforeseeable future. Her other concerns are the newly updated property tax values that are now available on the county's website. She stated my properties in Pierz have a large increase in property tax value. City Administrator Bob Otremba reminded the city council that the total tax capacity that the city has been using is a preliminary amount that will not be finalized until February 2021 by Morrison County. Because of this fact, it becomes impossible to fully know the impact of a city property tax levy increase would have a particular property owner until then.

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The 2021 property tax levy distribution by fund was discussed. City Administrator Bob Otremba explained the needs for the Robert/Park Fund are only \$5,000 for the next four years. The remaining \$5,300 previously levied for the Robert/Park Fund will be used to increase the Capital Projects Levy and the General Fund levy. The Capital Projects Fund is currently about a negative \$49,000. With increased levy amounts and coding future street assessments to this fund the Capital Projects Fund should be positive in a short amount of time. City Administrator Bob Otremba will prepare the Preliminary Property Tax levy breakdown by fund for the city council meeting on September 14th, 2020.

After further discussion, City Council Member Don Bujalski and City Council Member Lynn Egan stated they would in favor of a 3.5% tax levy increase as long as the levy and the effects on property owners are researched and discussed further before the Final Tax Levy is submitted in December 2020.


The city council will act on the Preliminary Property Tax Levy at the September 14th, 2020 city council meeting.

ADJOURNMENT:

The meeting was adjourned at 6:45 pm.



Dave Fischer, Mayor



Kyle Bednar, City Clerk