

CITY COUNCIL MEETING

A work session was held beginning at 3:30 p.m. and the regular meeting of the Coleraine City Council was held at 4:00 p.m., **Monday, December 11th, 2023** in the Council Chambers of Coleraine City Hall.

WORK SESSION

3:30 p.m.

There was some discussion on the proposed budget for 2024, the ending result for the levy, and the formula used to determine the tax rate for the rural district and maintaining the 65% benefit ratio and not increasing the ratio to 75% for 2024.

REGULAR MEETING

4:00 p.m.

The regular meeting was called to order by Mayor Nielsen at 4:00 p.m. followed by the Pledge of Allegiance. A roll call was done by Clerk Anderson. **Members present: Councilpersons Giving, Soltzak, T. Troumbly, Sertich, and Mayor Nielsen.** City Attorney Dimich was also present.

Moved by Mayor Nielsen, supported by Councilperson T. Troumbly, **to approve the consent agenda which included minutes of 11.27.23, correspondence, claims of \$28,478.67, and Resolution 2023-12.11-Polling Places.**

Roll Call: Ayes: Mayor Nielsen, Councilpersons T. Troumbly, Giving, Soltzak and Sertich. Nays: none.
Motion carried.

Moved by Mayor Nielsen, seconded by Councilperson Sertich, **to approve the meeting as presented.** Ayes: All. Nays: None. Motion carried.

PUBLIC COMMENTS:

Peggy Smith, resident in the rural district, inquired on the accounting for the rural district.

DEPARTMENT HEADS

Police:

Police Chief Johnson reported that another squad needed to go in for repairs. He stated that he already has received a squad from the County for \$1.00 that does not need any work to it.

Public Works (Street):

Public Works Supervisor Rogich went over his written report that had been included in council packets which was a listing of all the things the PW department is working on. He stated the most challenging right now is working through furnace issues at the Library and trying to get a snow pack to start the outdoor rink.

ATTORNEY:

Nothing to report.

**Committee/Commission/Other
Infrastructure Committee**

It was reported that the committee is working on adding to the wish list. Nothing further to report at this time.

NEW BUSINESS:

Agreement with Eagle Ridge Golf Course Management Group – review moved to January meeting.

Transfer remaining balance left in rural district 2023 budget to 402 fund – **Motion** by Councilperson Sobotzak with the support of Mayor Nielsen **to transfer any remaining funds available in the rural district budget after all final bills for 2023 have come in to the 402 fund and earmark those funds specifically for rural district work.** Roll Call: Ayes: Councilperson Sobotzak, Mayor Nielsen, Councilpersons Giving, T. Troumbly, and Sertich. Nays: none. Motion carried.

Resolution No. 2023-12.11-2—ESST – A draft policy for part-time, temporary, and seasonal employees (anyone not covered by a collective bargaining agreement) suggested by the labor attorney which meets all MN statute requirements effective 1.1.24 was sent out to council earlier for review and provided again in council packets. **Motion** by Councilperson Giving, supported by T. Troumbly, **to approve the resolution which indicated the approval of the Earned Sick and Safe Time policy and put into the Coleraine Policy manual.** Roll Call: Ayes: Councilpersons Giving, T. Troumbly, Sobotzak, Sertich, and Mayor Nielsen. Nays: none. Motion carried.

Resolution No. 2023-12.11-3—Trout Lake Fishing Pier – An agreement with the DNR had been presented in Council packets. This addresses the building of a new fishing pier with the DNR reimbursing the city for the cost of materials. **Motion** by Council person T. Troumbly supported by Giving **to approve said resolution and agreement.** Roll Call: Ayes: Councilpersons T. Troumbly, Giving, Sobotzak, Sertich, and Mayor Nielsen. Nays: none. Motion carried.

Anderson access to SSA’s business services on-line for W-2 reporting – the federal government requires approval of the authorizing authority to provide internet access to the SSA Administration site to be able to enter and process employees W-2s electronically. **Motion** by Councilperson Sertich, with support of T. Troumbly, **to approve and grant said access.** Ayes: all. Nays: none. Motion carried.

UNFINISHED BUSINESS:

Nothing to be discussed.

COUNCIL CONCERNS:

Sobotzak: None
T Troumbly: None
Sertich: None
Dreher: None
Nielsen: None

Motion to recess the meeting at 4:26 p.m. was made by by Mayor Nielsen with support from Councilperson Sertich. Ayes: all. Motion carried, meeting recessed until 6:00 p.m. for the Truth in Taxation portion of the meeting.

At 6:00p.m. Mayor Pro Tem Sobtzak, with the support of Councilperson Sertich, **motioned to end the recess and recall the meeting to order for the Truth in Taxation portion of the meeting.** Ayes: all. Motion carried.

Councilmembers present: Sobtzak, Giving, T. Troumbly, and Sertich. Mayor Nielsen was absent.

Mayor Pro Tem Sobtzak began by explaining that the council has been reviewing the budget and numbers to keep the levy as low as possible. The proposed tax statements went out anticipating a 15% increase in the levy to Coleraine residents. The rural benefit ratio, which was scheduled to go up to 75% for 2024 was paused at 65% by vote of council earlier this year. With so many unknowns the preliminary levy is typically set higher since once that is done the levy can go down, but it cannot go up. Upon thorough review, they were able to reduce the actual levy by more than half. The number levied will be only 7% higher than last year.

In addition, council was aware that the rural district was seeing a much higher increase in their city portion of property taxes. Even though the tax capacity of the rural district went substantially down (making less to spread the levy out to), the numbers did not make sense. There have been many conversations with the County Auditor and the State regarding these numbers. Formulas to make the computations were reviewed and council is proposing using a different formula recommended by the state. This formula is much more equitable to Coleraine as a whole to both rural and urban districts and serves the intent of the rural benefit ratio. The result of the formula is that the tax rate for those in the rural district will be 38.5% and for those in the urban district the tax rate will be 61.5%.

It was also noted that there is no way to see the impact of the change until the final tax statements go out in March, but that the Coleraine city portion of taxes for rural district residents will go down.

A brief explanation of why everyone's property taxes went up was given. It was pointed out that the only three things that the city has any control over is the amount of the levy, the benefit ratio, and the formula used.

There were many comments and questions from the full gallery of residents in chambers. They were answered and anyone wanting to stay after and see/review the formula with Clerk Anderson were encouraged to do so.

Motion by Mayor ProTem Sobtzak, supported by Councilperson Giving, **to approve the 2024 budget as presented, set the general levy at \$885,171 and the library levy at \$114,315 for a total of \$999,486 (which is a 7% increase over last year), to confirm stalling the benefit ratio for 2024 at 65%, and use a change in formula for the taxing districts with a resulting tax rate of 38.5% for the rural district and 61.5% for the urban district.**
Roll Call: Ayes: Mayor Pro Tem Sobtzak, Councilpersons Giving, T. Troumbly, and Sertich. Nays: none.
Motion carried.

Mayor Pro Tem Sobtzak made a **motion at 7:03 p.m. to adjourn the meeting.** This was supported by Councilperson Sertich. Ayes: all. Nays: none. Motion carried.

Thomas Nielsen, Mayor



Briana Anderson, Clerk-Treasurer