

**SPECIAL CITY COUNCIL MEETING  
CITY OF SHELL LAKE  
December 1, 2016**

Mayor Peterson called the meeting to order at 6:30 p.m. Council members present were McCumber, Edlin, Andrews, Harrington, Shelton, Jenderny, Leckel and Schultz. Also present were Danielle Danford, Dustin Danford, David Wilson, Mitch Brown, Steven Rohow, Jack Harrington, Sue Krantz, Amy Stormberg, Sally Bartz, Rob Anderson, Mike Pesko, David Zeug, Mark Bruce, Jordan Feidt, Rudy Kessler, Kathy Erickson, and Andy Eiche.

Eiche presented the 2017 budget recommended by the Finance Committee.

Sally Peterson announced that Bill Jenderny will not be seeking re-election to the City Council in April, 2017.

Sally Peterson gave an overview of meeting procedure to the audience.

A Public Hearing was held on the proposed 2017 city budget. The budget includes Funds 100, 260, 270 and 310. Copies of the budget were distributed.

Mike Pesko, representing the Shell Lake Lions Club, thanked the Parks & Rec. committee and the Finance committee for recommending the \$5,000.00 into Park Upkeep Outlay for future repairs to the Community Center. Mr. Pesko updated the Council on work they had already performed on the Community Center, and commented on how dedication of funds by the City toward the Community Center improvements would result in further support financially from the Lions Club.

Sue Krantz, President of the Shell Lake Library Board, informed the Council that the Library was not looking for health insurance for the Director of the library, but to change her status to full time. She informed the Council the library will keep coming back.

There was no further public comment. Peterson closed the public hearing.

Edlin stated that deficit budgeting should be discussed.

Schultz discussed the deficit budget, explaining to the Council how the State legislature has created avenues for Cities to address their financial woes. In conversations Schultz had with the City's auditor, he explained how the City could move \$42,229.00 to debt service which would increase the City's allowable tax levy to 6.04%. Schultz went on to explain by doing this, the City would not have a deficit budget, and further, would need to allocate an additional \$15,935.00 to various items. Schultz suggested to spend the \$15,935.00 in the following manner; \$8,100.00 allocation toward the purchase of a new Public Works pickup truck; \$3,000.00 toward chairs in the City Council Chambers; \$4,835 toward the Public Works finish mower purchase in 2017.

McCumber and Jenderny asked the City Administrator his opinion on the suggestion made by Mr. Schultz. Eiche informed the council that a 6.04% increase in tax levy seemed high. Although Schultz had confirmed with the City's auditor that such a decision does not impact the City negatively in future years, Eiche recommended the City Council consider a move of \$26,294.00 instead of the full \$42,229.00 in order to reach a balanced budget from the Finance Committee recommendation.

Terry Leckel voiced a desire to achieve a balanced budget, and agreed with Eiche in only utilizing \$26,294.00. Leckel also voiced concern over the wage adjustments.

Schultz explained how the 6.04% is the micro portion of a total tax bill, and how the net mill rate will only result in a 2.10% increase. He went on to express his desire to provide a balanced budget and meet the needs of the City.

Schultz moved, seconded by McCumber, to an extra \$42,229.00 from the general fund to debt service, resulting in a 6.04% increase in tax levy, generating a net mill rate of 2.10%. Roll call vote was taken: McCumber – Yes, Andrews – No, Shelton – No, Edlin – No, Schultz – Yes, Harrington – Yes, Leckel – No, Jenderny – Yes. Upon tie vote, Peterson voted Yes. Motion carried.

Schultz moved, seconded by McCumber, to approve the spending of \$15,935.00 in the following manner; \$8,100.00 allocation toward the purchase of a new Public Works pickup truck; \$3,000.00 toward chairs in the City Council Chambers; \$4,835 toward the Public Works finish mower purchase in 2017. Discussion took place regarding other areas in which the monies could be placed. Roll call vote was taken: Jenderny – No, Leckel – No, Harrington – Yes, Schultz – Yes, Edlin – Yes, Shelton – No, Andrews – No, McCumber – No. Motion failed.

McCumber moved, seconded by Shelton, to approve \$26,294.00 of the \$42,229.00 to be spent on the recommendations recommended by the Finance committee to City Council. Roll call vote was taken: McCumber – Yes, Andrews – Yes, Shelton – Yes, Edlin – No, Schultz – No, Harrington – Yes, Leckel – No, Jenderny – Yes. Motion carried.

At the request of McCumber, the City Council discussed how to spend the remaining \$15,935.00 of the \$42,229.00. McCumber felt the monies should be divided in some fashion between Public Works, Parks & Rec. and the Library. Leckel suggested \$2,000.00 for the Library, \$2,000.00 for a garage door on well house #1, and the remaining \$11,935.00 toward the finish mower. Andrews agreed with Leckel but asked that \$2,000.00 be shifted from the finish mower to chairs for the Council Chambers.

McCumber moved, seconded by Schultz, to approve \$6,500.00 be added to the \$9,000.00 for a finish mower purchase in 2017. Roll call vote was taken: Jenderny – Yes, Leckel – Yes, Harrington – Yes, Schultz – Yes, Edlin – Yes, Shelton – No, Andrews – Yes, McCumber – Yes. Motion carried.

Harrington moved, seconded by McCumber, to approve \$2,000.00 to place a garage door at well house #1. Roll call vote was taken: McCumber – Yes, Andrews – Yes, Shelton – No, Edlin – Yes, Schultz – Yes, Harrington – Yes, Leckel – Yes, Jenderny – Yes. Motion carried.

McCumber moved, seconded by Andrews, to approve \$3,000.00 be added to the \$5,000.00 for the library fund. Roll call vote was taken: Jenderny – Yes, Leckel – Yes, Harrington – Yes, Schultz – No, Edlin – Yes, Shelton – No, Andrews – Yes, McCumber – Yes. Motion carried.

Schultz moved, seconded by Jenderny, to approve \$2,000.00 be added to the \$5,000.00 allotted for future improvements to the Community Center, and, the remaining \$2,435.00 be added to the \$10,000.00 contingency fund. Roll call vote was taken: McCumber –

Yes, Andrews – Yes, Shelton – No, Edlin – Yes, Schultz – Yes, Harrington – Yes, Leckel – Yes, Jenderny – Yes. Motion carried.

McCumber moved, seconded by Jenderny, to adopt the 2017 budget as amended with a total levy of \$984,794.00. Roll call vote was taken: Jenderny – Yes, Leckel – No, Harrington – Yes, Schultz – Yes, Edlin – No, Shelton – No, Andrews – Yes, McCumber – Yes. Motion carried.

Sally Peterson thanked the audience for their participation in the evenings meeting.

Eiche informed the Council of a December 20<sup>th</sup> meeting to approve the resolution pertaining to Clean Water Funding of the Effluent Lift Station Project.

Mike Pesko thanked the Council for doing a great job.

Sue Krantz thanked the Council.

McCumber moved, seconded by Shelton, to adjourn at 8:05 p.m. The motion carried.

\_\_\_\_\_, Mayor

\_\_\_\_\_, City Administrator