



Watertown City Council  
Regular Meeting

Mayor Michael Walters  
Adam Pawelk  
Fred McGuire  
Dan Schuette  
Kay Thul

9/26/2023 - Minutes

1. Call To Order And Roll Call

Pursuant to due call and notice thereof, the regular meeting of the Watertown City Council was called to order in the Council Chambers of City Hall at 6:30 p.m. on Tuesday, September 26, 2023, by Mayor Mike Walters.

Councilmembers present: Mike Walters, Adam Pawelk, Dan Schuette, Fred McGuire, and Kay Thul.

City Staff present: City Administrator Jake Foster, City Development Consultant Mark Kaltsas

2. Adopt Agenda

**COUNCILMEMBER MCGUIRE MOVED TO APPROVE THE AGENDA AS PRESENTED.  
COUNCILMEMBER THUL SECONDED. MOTION CARRIED 5-0.**

3. Consent Agenda Discussion And Approval

**COUNCILMEMBER PAWELK MOVED TO APPROVE THE CONSENT AGENDA AS PRESENTED.  
COUNCILMEMBER MCGUIRE SECONDED. MOTION CARRIED 5-0.**

3.A. 3A - Mobile Food Unit - Elephant Joes Coffee

4. Open Forum

4.A. Carver County Sheriff's Office Update

Corporal Cripps presented a brief update. There was a burglary in town a couple of days ago at Crow River Liquors. a juvenile male suspect was apprehended about an hour after the incident and got transported to out juvenile detention center. School is back in season, the officers are in full swing, taking reports and getting in touch with school staff, the principals, and being noticed there, getting keys, keyholder information, and getting all the updated knowledge that comes with a new school year. There hasn't been really a big increase or decrease in any particular crimes, other than school is back in session.

#### 4.B. Fire Department Update

Fire Chief Tom Hanson reported as of this morning, we are at 393 calls for service. Over the course of the last month, we had 43 calls. 12 of those were fire-related calls. We had 29 medicals and 2 rescue-related calls. The breakdowns for the City was 29 calls. Watertown Township had 3 calls. Hollywood Township had one call. Franklin Township had six calls. Woodland Township had one call. And we had three mutual aid assists outside of our fire district. Just a couple updates of those calls. We had two fire assists to Waconia, and we did have one LSU assist to Cologne both for building fires. We did have an arson fire in town that we worked in conjunction with the Sheriff's Office and passed that information along to them and obviously the one last Friday was the horse farm up in Franklin Township so that was a rather large fire required a lot of resources so we thank our mutual aid partners for notes of things we've been working on.

Our new LSU trailer is in service and we were able to show it off at the open house last week. For those of you that were able to make it and those in the community, we thank you for swinging up and having time to visit with us up there at the fire station. With that, that kind of kicks off our big fire prevention activities. The open house is kind of the kickoff and in the next couple weeks. We'll be meeting with the elementary school students in the community and delivering some fire prevention messaging through the school districts and CCLS over the course of the next couple weeks.

#### 5. New/Old Business

##### 5.A. 5A - Cove At River Ridge Preliminary Plat

City Development Consultant Mark Kaltsas presented on the preliminary plat for Cove at River Ridge. The property surrounds the Lutheran School south of Sugarbush, north of Tuscany Village, and east of County Road 10. The property is zoned A1 Agriculture by the city. It's guided by the city's comprehensive plan, it's low-density residential, and it is 32.83 acres in overall size. There's been a lot of review for this particular project by the Planning Commission and based on their initial discussion that was held originally in July and then again this past month the Planning Commissioners has made recommendations to make changes to the plans.

Staff has continued to work with the applicant in an effort to try to accommodate and cause for those changes that were being recommended by Planning Commission to be made. Mr. Kaltsas gave a high-level overview of what was originally submitted and then gave an update as to what is in front of the Council tonight and really focus on those areas that have been changed since the time it came forward to the City initially.

The applicant, Aligned Ventures XLC, originally approached the City about the possibility of developing the property in accordance with a concept plan that had been presented to the City in 2020 through a sketch plan process. It was not the same developer but it is the same property owner. Staff had reviewed what was being asked or being requested and gave the applicant the option to go to preliminary plat if they felt comfortable with that based on the comments that were provided on the original sketch plat in 2020 or to come back with an updated sketch plat.

Because this proposal was identical which had been proposed previously they chose to move forward with a preliminary plot application and all the requirements associated with that. The original sketch plot that was submitted to the city earlier this year was comprised of 83 single-family lots on the 35 or 32 acres for this particular property. The applicant had looked at the properties both to the south and to the north and in the sketch plot that had originally come through to the city. There has been a lot of discussion about preservation of natural resources, preserving the trees that are on that site to the extent possible, looking at access to this site, noting that a singular access coming from Tuscany was not adequate to serve the south area of this development.

There has been discussion about a through street connecting to Sugarbush as well as a connection to County Road 10. Ultimately the county did approve a connection to County Road 10 that would come in as shown on the sketch plan and with that the through street that would connect to the north side of the

property was removed or eliminated in the proposed plan.

When the Planning Commission initially reviewed the concept and it's being presented as a planned unit development in this case, commissioners noted that they were concerned about the loss of trees. They asked the applicant if there were opportunities to preserve additional trees and they gave some recommendations on how or where they thought that could be achieved. Commissioners also commented on things like berming, sidewalks, usable rear yard space on lots, elimination of some lots that they felt were somewhat compromised, but ultimately came back to the conversation on preservation of natural resources and the tree stand.

The Planning Commission has recommended in their approval to the City Council that the applicant go back, look at potentially being able to save trees in two areas. One was between the existing houses in Tuscany Village and the second area was up against the eastern property line that really runs all the way along the east side of this development. Staff we went back, we challenged the developer to come back with a plan that responded to those recommendations and comments, and we've gone back and forth with the developer on a number of meetings and occasions to try to continue to advance the plan in a way that accomplishes those goals. Preservation of more trees and then looking at just usability of individual lots, trying to maximize usable space, especially rear yard space.

Also looking in the key areas at berming and buffering from County Road 10, noting that that's a high-traffic road. The applicant has come back after a lot of conversation with the city with a updated plan that really is intended to try to achieve the recommendation that was made by Planning Commission to the City Council, and they're doing that by eliminating, what would have been the six lots on the south property line up against the existing lots on Tuscany Village.

To do that, we've talked about some of the quality, tree quality issues, and we looked at where trees being preserved would have the most, and potential minimal impacts. Looking at this plan that's now being proposed, you can see that now they've established kind of a single loaded road on street A, leaving a larger amount of open space up against the adjacent development, while also being able to preserve that tree line that runs along that adjacent development in its entirety now without having to compromise that. In exchange though for that, the developer and city talked about some of the trees beneath where lots 1 through 10, block 8 are proposed, which are the eastern most lots, and noted there are a significant number of trees in that area that are either dead dine or green ash, which are trees that long-term are probably gonna be susceptible to the ash bore.

Now the applicant has proposed a plan that reduced their original preliminary plots middle from 83 lots to now 75 lots, so a little bit less than a 10% reduction in the overall lots and all those lots that are being removed around the south side or that south portion of the development. What that did for the density of this development is it reduced the density from 3.52 units an acre down to 3.34 units an acre and as noted in the report the density allowed under the city's comprehensive plan is for low density residential goes up to 3.5 units an acre, so it falls below that threshold. Now that's not the only measure that we use for either deciding if a development works or doesn't work, that's just one of the measures that we must meet in order to consider that. A couple of things the developer in this case is proposing sidewalks in the locations that were recommended by Planning Commission staff. That's a two-sided sidewalk on the south side of the development and then one-sided sidewalk on the north side of the development and that would be consistent with past practices of the city in terms of smaller lots, even single-family lots of this size.

Historically, the city has been an advocate for sidewalks on both sides of the street. When we get into lots that are a little bit larger in size or a little bit different in orientation, we've required or requested a singular sidewalk on one side. The tree preservation for this property, when it was originally submitted to the city it was proposing to preserve about 16% of the overall tree mass on the property and we're looking at the overall mass and then we also have a requirement that looks at significant trees which are trees that are 8 inch in caliper, 8 caliper inches or greater or 6 caliper inches or greater if there are certain types. So, some of your hardwood species, maples, oaks, ironwoods fall into that six inch.

In any case, the preservation proposed in the initial plan was 16%. They've increased that now to almost 25% of the canopy coverage, which is an increase in about 150 trees. We have noted, and it

was noted in the report that was prepared by their consultant. It was also noted in our review that there is a significant number of trees on this site that are of a species that we considered to not constitute significant trees or are of a species like green ash that are susceptible now to ash borer which is something that all cities are starting to deal with. Green Ash was a approved and actually promoted species for many years just like Elm was before Dutch Elm and we're no longer doing that but in any case there are quite a bit, quite a few ash trees on this property that are going to have to be looked at in a little bit more detail. We did look at where the massing for trees was on this site, obviously anything along that eastern property line is where the trees are.

As noted, you can see in the aerial photograph, and if you block the site, there's a good bit of land that was at a point tillable, which is an upland portion of that land all on the west side of that property. It should also be noted within those treed areas, which as everybody knows there's a major wetland complex just to the east of this and south of this particular property. But the changes that have been made have been made to preserve trees that have the most impact on surrounding properties as well as to try to preserve trees that are a more significant value and whether it's the species or the size or the combination of that.

Grading and drainage, the applicant did make changes based on recommendations that staff had and they related to the grading and drainage on lots 8 through 11 block 3 that's on the north side of the development, that's one area where the city identified that even though there is physical space behind those proposed lots, there was not usable physical space. It had steep slopes, and they would not be usable. They have made some changes to the grading, and they've incorporated some retaining walls along some drainage areas that would help to increase the amount of usable rear yard in each of those lots. One thing I will note, and I noted it in the report, is when we're talking about the usable rear yards, one of the things we noted with the developer upon the initial concept review for this plan was the R1 standards that the city has allow for a 10-foot building setback, which is how the surrounding properties are regulated right now. We ask for an increased setback for a PUD to a 20-foot setback, so it's twice as much, with the intent that we would get more usable rear yard for those residences if they were to come in and be built. 10 feet is not enough to do drainage, grading, put a deck, and then still have something in your backyard. So, these are all 20-foot setbacks so that they would have a conceivably larger space, although we run into this problem in Minnesota where everything's wanting to be a walkout and so when we build walkouts we create grading issues for ourselves and then ultimately for the people who own those properties because of the private properties, put it on the public outlots.

We have worked with the developer to increase the berming along County Road 10. One thing that is a city requirement now is we have a 30-foot berming buffer requirement along major roadways. That's something, if you look around the city, that is done on new developments, wasn't done on previous developments, but because of that Birmingham outlot requirement, we are able to provide some more Birmingham. One thing along County Road 10, especially where the south portion of this development touches County Road 10, grades are challenging. This is something we run into a lot. The County Road's higher than the adjacent property, so it makes it hard to go from a higher road to a higher berm and then back down to a lower property but it's something we work with. We're now showing four-to-five-foot berms.

Mr. Kaltsas noted lots four and five block two, which is some of these blocks have changed, but there's just a couple of lots over on the very north side of the development. There's a stormwater feature that's proposed. Mr. Kaltsas noted that we won't accept that on an outlot, but those lots are deep and have the ability to create or shave that off to create that outlot, so that was just one other thing.

Mr. Kaltsas went over the Planning Commission's discussion. The developer is proposing this development as a planned unit development. Planned unit development does have language in our ordinance as well as our comp plan that talks about the reasons for utilizing it and how the city would either review or consider use of a planned unit development and essentially what that criteria would be. The Planning Commission talked about stimulating approaches to residential, commercial, and industrial development, and they are trying to stimulate development, that wasn't otherwise occurring.

Providing more efficient use of land, to preserve natural features and provide open spaces, recreational areas more than that that is required under the existing zoning regulations, and then to develop new

approaches to a living environment through a variety of type in design of various residential structures, commercial buildings, or public facilities, and then to unify building structures through design. The Planning Commission talked about planned unit development for a mix of reasons.

In the last 25 years the city has by vast majority developed as planned unit developments. The city doesn't have very many developments that have been done in the last 25 years that are what Mr. Kaltsas would call straight zoning developments and that's not atypical for Watertown. That's something that has happened in many areas, although there are some communities that are going back the other way on planned unit development.

Mr. Kaltsas reminded everyone that the property owner dedicated 6.29 acres to the city 6.29 acres several years ago to help create the wetland conservation area that is to the east of this property. In exchange for that, the city granted that property owner park dedication credit. We accepted the dedication, but we memorialized it saying that the remainder of the property wouldn't be subject to park dedication because of this donation or dedication that you're making ahead of development. This is significant because when we are looking at the property with that taken out and the property in terms of open space created. You'd have to think about that as being part of it because we gave credit for that. That is now being kind of leveraged against that property.

The Planning Commission noted that the applicant is proposing an additional 10 acres of property in outlet A that does contain stormwater ponds that are required. It does contain tree preservation areas. It does contain buffer and berming areas that are required by the city. If you put those together, you're preserving somewhere on the magnitude of 15 and a half almost 16 acres of the overall size of the parcel which is 39 including the six acre piece that was dedicated that would equate to around 43%.

There's a couple of tweaks that could occur once all the final stormwater and once all the final landscape pieces are made and those outlots, another 2 lots are created. Mr. Kaltsas noted, in the ordinance, one measure that we look at is that the applicant preserve in terms of open space a minimum amount of acreage and this minimum amount is what we would consider to be above and beyond regular or standard development. We say single family detached residential has a requirement of 25% open space preservation. The applicant's looking at, proposing north of 40% or 43% this would exceed our base level minimum for the Planning Commission to consider the open space preservation under the plan unit development standards. The Planning Commission looked at some of those numbers and some of that additional open space preservation as a positive for this development and noted that if it were developed under R1, there wouldn't have a provision that requires that level of open space.

The Planning Commission did ultimately make a recommendation to the City Council for approving the proposed planned unit development. Subject to the changes that were noted in the Planning Commission, which were to try to remove a couple additional lots and preserve some of the existing trees between the existing lots on the north side of Tuscany and the proposed lots on the south side as well as shifting the lots further away from the east property line.

The Planning Commission also recommended those changes that were noted in the front part of the report relating to Birmingham sidewalks, the grading and drainage of certain lots for the expansion of some of the usable areas, and then increased Birmingham along County Road 10. On the north side the lots average somewhere around 12,500 square feet and that was just on what's being proposed now. The lots on the south side are closer to an average of 6,000 square feet. The Planning Commission did look at this as kind of two pieces, one on the south side, one on the north, because again, we were trying to look at how do they relate to the adjacent properties and the adjacent types of development, noting that there's smaller lots on the south, larger lots on the north, and there's kind of a distinct break due to the elementary school being carving out a pretty big island or peninsula in the middle of that development.

These plans that we are considering again are preliminary plan and site plan approval. The details that relate to the grading, drainage, stormwater, any kind of, any of the lot standards, and then the structure standards. Anything with housing, design standards, architectural standards, those things would be brought forward with the final plat.

Mr. Kaltsas reminded the council, when the City Council approves or considers preliminary plat, you are considering granting land use rights in Minnesota in the sense that if the developer can come back with a final plat that is consistent with, it doesn't have to match perfectly, but it must be consistent. The city must essentially grant approval of that. So preliminary plat is a big step for cities to take, which is why we require all of that preliminary grading, preliminary stormwater, and some of the details associated with the development so that we can ensure that in any kind of a consideration that if it moves forward we can make what's being proposed work from a technical standpoint and in compliance with all other applicable standards, not only ours but watershed and anybody else who would have regulatory authority over that.

Councilmember Pawelk asked, in terms of the lot sizes from a PUD perspective and a standard development would both portions fall in under the PUD or with the little bit larger lot sizes and being on the north side being in more in line with the neighboring developments with those is that more in line with R1? Mr. Kaltsas responded, the Planning Commission has talked about it a little bit internally, for example, if you were to look at Sugarbush as a development, there's a couple things that I would note in terms of trying to review and look at lot size. One is I would look at then, not only lot size, I'd look at density. One of the things that you notice in Sugarbush right away is there's no stormwater ponding, and there's no berming or outlots for landscape berming buffering. Because of that, there's no then open space dedication that was made on those lots. If that development was to come in today, those lots would, with the exact same number of lots, those lots would have to be smaller in order to meet our current standards. There would have to be fewer lots.

The Sugarbush development, there's 30 lots on 12 acres pulling the multifamily out because, there's the 12 townhomes in Sugarbush which would actually increase their density pretty much higher than what we're wanting to talk about if you're just trying to compare apples to apples. But in that comparison if you just took the 30 units on under 12 acres, about 11 and a half acres, they have a density of about 2.6 units an acre in Sugarbush, but their lot size or their lot average is about 17,000, a little under 17,000. If you looked at just that north half of the proposed development and again we did look at this kind of in two pieces because of the relationship to the adjacent properties. Not that the city has to do that but we always try to look at how do how do properties relate to each other. That north piece in this development is 26 lots on about 12 or 11 and a half acres also, and has a density of 2.27 units an acre when you look at then just kind of an acreage to acreage.

Part of that is they're dedicating that portion of outlot A, which surrounds the development, because they have to take out ponds, wetlands, and then there's some open space tree preservation in there. So if you look at that on a whole you know this that north end is 2.27 units an acre what's being proposed sugarbush is 2.6 units an acre so sugarbush even though it has 17,000 square foot lots compared to the average I should say and then in the north half of this development is 12,500 so you're looking at you know 4,500 square foot lot difference which is about 25%, smaller lot, but you're actually looking at a higher density in sugarbush.

Councilmember Pawelk also asked as far as the south half, comparing it to the neighboring development, in terms of lot size, density, in terms of Tuscany, it's comparable in nature in terms of space because Tuscany was a PUD also. Mr. Kaltsas stated the single family homes in Tuscany is somewhere around six units per acre. If you were to look at the south half of this development, that area is closer to five units per acre.

Councilmember was concerned about the wetlands or buffer being on private property. Mr. Kaltsas stated, the city won't allow the buffer or the wetland to be on private property, just like we won't allow the stormwater ponds or facilities to be on private property. We looked at it, and we made that comment, that the average is going to have to work such that the buffer is taken off of the private portions of the property and it's really now on the developer and then through watershed review to confirm that. We looked at it and commented on it we think it's possible in the orientation that they have currently. If we were to come back, I would say preliminary plot and we find something that doesn't meet our ordinance though and it cuts out one or two lots because they couldn't make it work, that's okay.

Councilmember Pawelk was also concerned about the setbacks of the lots. Mr. Kaltsas stated the drawing shows a 50-foot blanket buffer, which isn't really the buffer at the end of the day. The developer can take that down to a lesser buffer through that averaging. We won't allow any of it on private property, it's going to either be eliminated mitigated or they're going to have to adjust the lots with the 20-foot setback requirement and everything else. This was one area the Planning Commission focused on; this area is now the most sensitive in terms of where that buffer is.

Councilmember Thul expressed her concerns regarding the lot sizes and also about the addition of traffic this development will be adding to a already congested area of traffic.

Mr. Kaltsas, answered with, Our recommendation under the lot scenario was if we can remove those driveways, that's a better layout. It's not that we can't have them there. We talked to the county. They were okay if the driveways pushed back as far to the east, as they could get. We said if we could eliminate the houses along the Tuscany property line, we thought that was a better way to preserve trees and open space. The developer proposed two large lots instead of lots that were consistent. That would have caused more trouble with those lots being out of character with the surrounding lots. There were huge corner lots that were just out of place and part of the issue there is the grade coming off County Road 10, going towards Sienna Drive is very steep, it goes down. And so being able to step on the lots with the orientation that they're proposing makes better lots. It's not perfect, I'm not saying it's perfect, but we were working on trying to come up with what's the best outcome and sometimes there's some compromise in that. We thought that the clean out lot A with no grading, no impact on those trees and nothing up against the existing residents. Felt like a good solution based on the Planning Commission's recommendation and what staff had been looking at with preservation of resources and looking at how they had left lots, what used to be one and one on either side. Those felt out of character, out of place then because they were so big compared to the lots around them.

Councilmember McGuire stated he is concerned the City might not be very development friendly. He also stated there is a shortage of homes available for new community members to purchase in Watertown. He also stated we need to be looking at the housing needs for the first time homebuyer and seniors in our area.

Councilmember Schuette stated, we need to understand the long-term strategic growth plan and how that meets or exceeds the 40-year comprehensive plan for a city. The onus is on a developer to give the city a product that meets or exceeds our zoning standards. In this case, we would be sacrificing our zoning standards to allow a developer to develop a piece of property using a PUD. We often hear that we cannot stop development, that land will eventually get developed. The responsibility is with the Planning Commission prior to the Council and then eventually the City Council to make sure that we're approving developments that meet or exceed the requirements of our zoning standards and the 40-year comprehensive plan.

We have a PUD and a PUD and are trying to develop a piece of land in between it. This is a product of utilizing PUDs to develop within a city. If we had utilized zoning standards, we would not be in this position. We would be matching a zoning standard to a zoning standard to a zoning standard. Now we're in a tough spot. The 40-year comprehensive plan for the city of Watertown is not guided using PUDs. It is guided using zoning standards that we are not utilizing in this preliminary plot plan as the proposed development process for this piece of property. PUDs are utilized in strategic situations where standard zoning requirements do not work. All available standard zoning options for the City of Watertown outside of utilizing PUDs are available to be utilized within this piece of property.

Mayor Walters expressed his variety of concerns and the challenges of this project which included there is a fully development basically all the way around the development along with the increased the increase traffic to the area. He also expressed his concerns regarding the possibility of 84% of the forest in the area being removed. The original plan, back in 2006, was called North Tuscany. It had 90 homes. The plan that came in originally to the Planning Commission was around 84, I believe. The developer came back with 77, and that was approved. Mayor Walters explained we need to continue to have community grow and tax basis to continue to have thriving city.

Mayor Walters opened the floor for discussion and reminded everyone to be respectful. Proposed

Developer Bob Machik reminded everyone they have tried to address everyone's concerns about this project including the open space, lot size, which are bigger lots & setbacks than in the Tuscany development. The problem with having huge lots is not only does it make it unaffordable, but the lot will not sell. Mr. Machik also addressed some rumors he has heard, there are not going to be any manufactured homes being brought into this development, these will be very nice homes. Mr. Machik also stated they are excited to bring this development to this nice community and to work with a variety of builders.

David Mann expressed his concern with this subdivision is its going to destroy 30 years' worth of work and one of the biggest goals that city had at that time. Mr. Mann checked with the Carver County Assessor on how to value and assess property, which is lot size, home size, construction materials, and high amenity considerations (tree lots, wetland lots, park). He also expressed his concern that developer has not supplied the type of buildings they project would have in it. He concluded by asking the council to deny the proposal as presented.

Amy Mandt stated she has been very involved in the 30<sup>th</sup> St wetland and preservation project and uses the trail on a regular basis. She was asking the council to redirect the tree preservation to the Park & Recreation Commission per Section 26-123 of the City Code. She also asked the council to force the developer to replace every tree he can in the development and not accept cash for trees.

Tess Fritz expressed her concern about the lack of transparency and being no inclusive to Watertown residents on this matter. She mentioned the two special meeting, one of which was held on a holiday weekend, insufficient notices of the meetings, abruptly rescheduling of meeting, and information not being posted with adequate time for people to review the information.

Jeremy Arthur stated he is concerned that the type of proposed home has not been supplied by the developer to include if the homes slab on grade, type of building materials, and size of homes.

Julie Sweeney was concerned about the size of the lots, and the use of the PUDs in the City of Watertown. Ms. Sweeney stated the Planning Commission should be following the zoning regulations that are already in place. She was also concerned about the type of homes being proposed, the building materials, and the HOA.

Brad Kipp stated his concern that the developer has not provided the type of home being proposed, the building materials, and the quality of homes.

Brian Fritz expressed his concern about the destruction of the wildlife habitat of this area. He is also concerned about the lot sizes, size of home that will be built on the lots and would like the homes to be held to the Tuscany standards.

Mark Kaltsas addressed some of the concerns brought forward by the residence. Mr. Kaltsas explained that there is another step in this process, where the Planning Commission will ask for an indication of what types of products are being proposed with any kind of review or consideration which happens at the final plat stage. The Planning Commission added in the proposed resolution that says the PUD would need to be developed and approved with similar homes to Tuscany development. Mr. Kaltsas did state that in a PUD you specify the building standard versus straight zoning the development is open to building standards. He also discussed the city building standards, zoning specifics and how the HOA is developed. He also explained the process of tree preservation and the use of outlot to help with this situation.

**COUNCILMEMBER THUL MOVED TO DENY THIS RESOLUTION TO CHANGE IT TO A PUD, BECAUSE IT DOES NOT MEET OR EXCEEDS OUR ZONING STANDARDS. COUNCILMEMBER SCHUETTE SECONDED. MOTION CARRIED 5-0.**

5.B. 5B - 2024 Preliminary Levy

Jake Foster presented the background and update regarding the 2024 preliminary levy. Council



discussed the general fund budget/levy at the July 11th and 25th work sessions, the CIP at August 8th work session, and the 2024 contract for policing services at the August 22nd work session. At the September 12th work session Council was able to discuss the budget withing the context of the 2024 assessment information from Carver County, and comparing the tax impacts for the median home value in the City of Watertown.

The budget proposed at the September 12th work session provided for a total levy increase of 16.40% from 2022 including the general levy (includes EDA levy) and debt levy. This budget impacted the median home value in Watertown of \$304,600 at an increase of 18.06% or \$247.25 annually. Given these somewhat dramatic increases, Council directed staff to make significant changes to decrease the proposed levy for preliminary levy consideration and potential adoption.

With that direction staff made the following changes to the proposed 2024 budget:

- -\$100,000 = Removal of Public Services FTE
- -\$100,000 = Decrease in CIP transfer (general CIP fund)
- -\$50,000 = Using one-time public safety aid to offset increase in policing contract
- -\$38,500 = Decrease in EDA levy

These adjustments decreased the budget a total of \$288,500 from the original proposal. The revised budget would bring the total general fund levy (including EDA levy) and debt levy to an increase of 7.79% (down from 16.40%). The impact on the median home in Watertown would be 5.86%, or \$80.17 annually.

As discussed before, the preliminary levy is the maximum amount the City could levy for in 2024. City Council would still have the ability to decrease the levy further prior to adopting the final levy in December. As a reminder, staff has budgeted a 10% increase to health insurance premiums which equates to an increase of just under \$56,000. Additional adjustments could be made based on the final health insurance renewal cost.

**COUNCILMEMBER THUL MOVED TO ADOPT RESOLUTION #2323-57. COUNCILMEMBER PAWELK SECONDED. MOTION CARRIED 5-0.**

#### 6. Other Reports

Jake Foster gave a staff report. Councilmember Pawelk stated the Highland Park renovations are in the process. Councilmember Thul reminded everyone of the Senior Dance this weekend.

#### 7. Claims

7.A. 7A - Claims Packet 9.26.23

**COUNCILMEMBER SCHUETTE MOVED TO APPROVE THE SEPTEMBER 26, 2023, CLAIMS PACKET. COUNCILMEMBER MCGUIRE SECONDED. MOTION PASSED 5-0.**

#### 8. Adjournment

**MAYOR WALTERS MOVED TO ADJOURN THE SEPTEMBER 26, 2023 COUNCIL MEETING. COUNCILMEMBER THUL SECONDED. MOTION PASSED 5-0.**

**309 Lewis Avenue South; P.O. Box 279, Watertown, MN 55388**

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Michael Walters, Mayor

ATTEST: \_\_\_\_\_

Jake Foster, City Administrator