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Water and sewer impact fees temporarily waived by Fredonia Town Council

by Kelly Hilding

The Fredonia Town Council had a long night last Tuesday as they discussed several important issues that impact the community including taxes and impact fees.

The council first discussed the town's Use Tax and Sales Tax at length. Town Clerk TinaMarie Horlacher created data sheets to show the council how much the town is bringing in from the 4% Use Tax imposed on vehicles purchased at out of state dealerships, as well as sales tax collected. The amounts were substantial, but with the amount received for vehicles, it was not clear whether it was solely from the use tax or also included the town's portion of the licensing fee. Horlacher agreed to contact the state to find out. The council agreed to do something to help the citizens, but were concerned about the impact on the town's funding.

Office staff discussed waiting to make changes until they had a full year under their belts. With a new manager, town clerk and council, they discovered significantly reduced spending, but would not know the extent of the difference until they had a full fiscal year behind them.

The council agreed it would be beneficial to have that information. They were concerned the state may also, once again, reduce revenue sharing, which would devastate the town financially. Brent Mackelprang stated he wanted to reduce the tax but did not want to approve anything that could get the town into serious financial difficulty.

Horlacher agreed to create a tier chart, showing the council how different rates would impact the town.

Town Manager Dan Watson explained that Fredonia is one of the few towns that rely on sales tax instead of property tax.

The council will review all information and re-evaluate after it knows how the state budget will affect the town in July.

The council discussed the town's fee schedule, which includes impact fees. Watson said he had called the League of Cities and Towns and discovered it was not necessary to hold a public hearing to waive the impact fees. Horlacher presented information showing the town was not benefitting from the 2008 impact fee increase. The council unanimously approved to temporarily waive the water and sewer impact fees of \$5700 and \$2000 beginning January 1, 2011. The hookup fees of \$950 and \$500 will remain intact, as well as the power impact fee of 10% of cost.

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