

TRUTH IN TAXATION HEARING
CITY OF CROSSLAKE
MONDAY, DECEMBER 1, 2008
6:00 P.M. – CITY HALL

The Council for the City of Crosslake, Minnesota met in the Council Chambers of City Hall on Monday, December 1, 2008 for the purpose of holding the Truth in Taxation Hearing. The following Councilmembers were present: Steve Roe, Dean Swanson and Rusty Taubert. Mayor Jay Andolshek and Councilmember Irene Schultz were absent. Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson, Police Chief Bob Hartman, Public Works Director Ted Strand and Clerk/Treasurer Darlene Roach. There were three residents in the audience. (Sign in sheet included as a permanent part of the minutes.)

Deputy Mayor Dean Swanson called the meeting to order at 6:00 P.M. and stated that the purpose of the public hearing was to allow property owners the opportunity to express comments on the proposed budget. The meeting was then turned over to City Administrator Tom Swenson to review the City's proposed budget and amount of property taxes proposed to be collected to pay for the costs of services the City will provide in 2009.

City Administrator Tom Swenson stated that a Notice of Hearing, which included the location, date and time of the hearing was posted at three locations within the City, namely at City Hall, Crosslake Communications and the Post Office as required by law. The hearing notice was also posted on Cable TV Channel 12, the local access channel. In addition to postings by the City, each property owner received a Notice of Proposed Tax Statement from Crow Wing County, which lists the location, date and time of the hearing. No correspondence was received in writing from any taxpayer within the City.

City Administrator Swenson prepared a packet of information beginning with a document that compares the 2008 Adopted Revenue Budget with the 2009 Proposed Revenue Budget. The Proposed 2009 Revenue Budget is \$3,839,280, which is an increase over the 2008 Adopted Budget of \$3,826,992. On the expenditure side, the 2008 Adopted Budget was \$3,826,992 and the proposed 2009 Expenditure Budget is \$3,839,280 or an increase of .32%. A proposed resolution for adoption by the Council at the Regular Council Meeting in December showed a detailed breakdown by general property tax levy and debt service tax levies to be levied for the current year, collectible in 2009, upon taxable property in the City. These items bring the total levy to \$2,729,176. The next handout showed the impact on the proposed tax levy incorporating the new construction values. When incorporating a conservative number of \$31,000 being generated from new construction, the proposed spread levy increase on the existing tax base is 3.2%. A detailed breakdown of revenues and expenditures by department as well as a listing of proposed capital expenditures was included in the information provided in the handout.

A handout showing a comparison of surrounding cities' ranks Crosslake 3rd lowest in Average City Tax Rate among 29 area cities and 2nd lowest in Average Total Tax Rate

for 2008. Information taken from the September 2008 League of Minnesota Cities Monthly Magazine compared area cities by population, city net tax levy, LGA, county tax rate, average city tax rate, school tax rate, special tax rate and average total tax rate. A report from Crow Wing County dated November 19, 2008 shows for payable 2009 taxes that the estimated market value in the City is \$1,475,193,700. Two bar graphs were included in the information provided which shows the estimated market value due to new construction between January 1, 1998 through October 31, 2008 and the number of permits issued during the same period of time. These graphs show a decrease in the number of permits issued and the estimated market value from 2007. It was noted that the projected city tax rate for 2009 is 18.274% which is a decrease over the previous rate of 19.629%.

The meeting was open to questions and comments from the Council. Councilmember Roe expressed concern over the economy and the need for City Staff to be careful with expenditures as we move forward since market values may decline resulting in less tax revenue. Councilmember Swanson agreed, that while the City is currently in a good position, things could change. Phil Carlson of 12424 Manhattan Point Boulevard stated while this meeting wasn't the forum to discuss market values or assessed valuations, there is a lag time in the notices sent to the property owners and the actual market values.

City Administrator Swenson noted that the proposed budget and proposed levy will be presented to the City Council for adoption at the Regular Council Meeting on December 8, 2008 at 7:00 P.M.

There being no further comments, MOTION PH01-12-01-08 WAS MADE BY STEVE ROE AND SECONDED BY RUSTY TAUBERT TO ADJOURN THIS TRUTH IN TAXATION HEARING AT 6:22 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,



Darlene J. Roach
Clerk/Treasurer

