

TRUTH IN TAXATION HEARING  
CITY OF CROSSLAKE  
MONDAY, DECEMBER 4, 2006  
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 4, 2006 for the purpose of holding the Truth in Taxation Hearing. The following Councilmembers were present: Mayor Jay Andolshek, Dick Phillips, Dean Swanson and Terry Curtis. Councilmember Dean Eggena was 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. Councilmember Elect Steve Roe was also in attendance. (Sign in sheet included as a permanent part of the minutes.)

Mayor Andolshek 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 2007.

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. There was one email received from Stuart Swenson of Sundance, Inc. which questioned the market valuation of the property on Cross Lake and the amount of footage owned as compared to the proposed 2007 tax statement. City Administrator Swenson stated that this may be a question for the Board of Review Meeting which is held in the Spring in conjunction with the County Assessor's Office, however he will send a Truth in Taxation Handout to Stuart Swenson. The email received by the City was also sent to Ron Rydh at the County Assessor's Office.

City Administrator Swenson prepared a packet of information beginning with a document that compares the 2006 Adopted Revenue Budget with the 2007 Proposed Revenue Budget. The Proposed 2007 Revenue Budget is \$3,675,595, which is an increase over the 2006 Adopted Budget of \$3,354,238. On the expenditure side, the 2006 Adopted Budget was \$3,354,238. The proposed 2007 Expenditure Budget is \$3,675,595 for a 9.6% increase. The third handout shows the impact on the tax levy incorporating the recommended budget adjustments, taking into account the expected increases in market value and tax capacity for new construction. When incorporating a conservative number of \$80,000 being generated from new construction, the proposed spread levy increase on the existing tax base is 2.75%. A proposed resolution for adoption by the Council at the meeting of December 11, 2006, shows a detailed breakdown by general property tax levy and debt service tax levies to be levied for the current year, collectible in 2007, upon

taxable property in the City. These items bring the total levy to \$2,461,374. 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 4<sup>th</sup> lowest in Average City Tax Rate among 29 area cities and 3<sup>rd</sup> lowest in Average Total Tax Rate for 2006. Information taken from the September 2006 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 13, 2006 shows for payable 2007 taxes, the estimated market value in the City is \$1,273,343,500. Two bar graphs were included in the information provided which shows the estimated increase in market value due to new construction from 1996 through November 2006 and the number of permits issued during the same period of time. The spike in the number of permits issued in 2004 includes permits issued for connection to municipal sewer, which resulted in a higher number over the previous years. It was noted that the projected tax rate for 2007 will drop to 22.078% from just under 25% in 2006.

The meeting was open to questions and comments from the Council and audience and there were no questions or comments.

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 11, 2006 at 7:00 P.M.

There being no further comments, MOTION PH01-12-01-05 WAS MADE BY DEAN SWANSON AND SECONDED BY TERRY CURTIS TO ADJOURN THIS TRUTH IN TAXATION HEARING AT 6:23 P.M. MOTION CARRIED WITH ALL EYES.

Respectfully submitted by,



Darlene J. Roach  
Clerk/Treasurer

