



ALBERTVILLE CITY COUNCIL
December 5, 2011
Truth-in-Taxation
MINUTES

ALBERTVILLE CITY HALL

6:15 PM

CALL TO ORDER

Mayor Meehan called the Albertville Truth-in-Taxation Public Hearing to order at 6:17 p.m.

ROLL CALL

Council members present were: Mayor Mark Meehan, Council members Larry Sorensen, Dan Wagner, John Vetsch, and Jillian (Schommer) Hendrickson

Staff member present were: City Administrator Larry Kruse, City Clerk Bridget Miller, and Finance Director Tina Lannes

PUBLIC HEARING ON TRUTH-IN-TAXATION

Finance Director Lannes gave an overview of the 2010 Budget that was set at \$2,979,997 for 2011. The first 2011 Preliminary Budget amount was \$3,146,321, which was a 5.58% budget increase. Lannes explained this was due to a levy increase of 11.90% because of the loss of State Aid, increased Debt Service for CSAH 19, Street Maintenance increase, and SAC Fund repayment.

Lannes went over a few key points that are related to the increase/decreases in Revenues:

- Loss of Market Value Credit in the amount of \$113,170
- Decrease in Building Permit Revenue/Fees \$90,000
- Decrease in Administrative fees \$16,378
- Decrease in Fire Aid \$9,000
- Decrease in Interest and Service Charges Revenue \$12,000
- Decrease in Rentals of City Buildings \$3,000

Lannes stated that the 2011 Approved Preliminary Budget amount of \$3,053,009 was a .48% Operations Budget decrease, which resulted in a Tax Levy increase of 5.32%.

Next, Lannes reported how the 2011 Budget Expenditures were increased and or decreased to balance the budget.

- Increase in Street Maintenance of \$60,000
- Decrease in Building Dept. Budget by \$94,621 (retaining the Permit Tech at ½ time and changing the Bldg Official to ¾ time)
- Decrease in City Clerk Budget by \$19,000 (changing the Clerk to ¾ time)
- Increase in Capital Reserves amount was \$40,691
- Add New Branch Library Debt Service of \$23,665
- Overall Debt Service Increase of \$122,180
- Increase Sewer Access Charges (SAC) loan repayment amount of \$50,000

Lannes demonstrated how the Total Tax Levy has decreased over the past several years beginning with 2006 at 15.4% and the current year 2011 at 5.32%.

<u>Year</u>	<u>Total Levy</u>
2006	15.4 % (Full PW Bldg)
2007	13.1 % (Phase in City Hall)
2008	13.4 % (Phase in City Hall)
2009	4.6 % (CH Full, Phase in CSAH 19 1 time \$)
2010	4.5% (CSAH 19 1 time \$)
2011	5.32% (CSAH 19 Full move recycling to UB)

Lannes brought to the Council’s attention that the City of Albertville has been decreasing its operations budget for the last few years. The levy increases are due to loss of state aid and increasing debt service. The total Tax Levy for 2009 decreased from 2008 due to a Debt Service Bond being completed. The decrease in Tax Levy for 2010 is due to the use of \$97,500 of Municipal State Aid (MSA) to offset the CSAH 19 Debt Service Levy coming on. This was a one-time only option for the City to use.

Lannes reminded the Council that the Minnesota Legislature repealed the Homestead Market Value Credit (the HMVC homestead credit), and replaced it with a new Homestead Market Value Exclusion (HMVE).

Lannes displayed an example for the Council to get a visual attempt to address other changes between 2011 and 2012.

	Payable 2011	Payable 2012
Properties:		
1,000 homes @ \$100,000	\$1,000,000	\$ 717,600
1,000 homes @ \$200,000	2,000,000	1,807,600
Non-homestead properties	3 ,000,000	3 ,000,000
Total NTC	\$6,000,000	\$5,525,200

PUBLIC COMMENT

Mayor Meehan opened the meeting up for public comment.

Todd Zachman of 5584 Lambert Avenue NE shared that he recently received his proposed property tax statement where it appears the City's portion went up. Zachman was asked to display the tax statement for the Council to review.

Council member Sorensen shared his comments on the proposed property tax statement, which the taxes were reasonable. Sorensen brought up the asterisk next to the STMA School proposed taxes that states there is a possible change because of the recently passed STMA School Levy.

Council member Wagner confirmed that his statement had the same language on his. It was about this point that Finance Director Lannes observed the Zachman Property Tax Statement, which was for taxes payable this year. Zachman was encouraged to look through his mail as he should have received a statement for 2012 Proposed Property Taxes. Lannes did offer to contact the Wright County Assessor's Office to get an additional copy if Zachman was unable to locate his.

Meehan asked if there were any other members present to discuss their property taxes. There were no other property owners present.

OTHER BUSINESS

Council member Vetsch asked City Administrator Kruse if there was a Library Agreement that was finalized.

City Administrator Kruse shared that at the December 7, 2009 meeting there was a motion made as follows: CM Vetsch and seconded by CM Sorensen to approve the Joint Agreement between the City of Albertville and the City of St. Michael entitled an Agreement for Construction and Maintenance of a New Branch Library as on file in the Office of the City Clerk subject to obtaining a positive opinion from the City's Bond Council that the Agreement complies with State Statutes regarding Debt Obligations; further, conditioned on the City of St. Michael's approval of this Agreement; further, that the City of Albertville be given equal recognition as St. Michael in the name of the Library if any city's name is included in the library's name.

Kruse stated that Vetsch has been asking to see the signed agreement since the approval. Kruse reported that staff has been in contact with St. Michael in obtaining a copy. The version received was incorrect; therefore, City Attorney Couri reviewed the agreement and worked on including the comments the Albertville Council approved.

Kruse concluded that the Agreement has been reviewed by the City's Bond Council and City Attorney Couri, which meets the intentions of the Albertville City Council. The Agreement was

signed by the current Mayor (Mark Meehan). The three (3) signed copies will be mailed to the City of St. Michael for review and signatures. A fully executed copy will be returned for Albertville's records. Kruse reassured Council member Vetsch that a Principal and Interest spreadsheet has been included with the agreement.

ADJOURN

CMs Sorensen/Wagner **motioned** to adjourn the Monday, December 5, 2011 Truth-in-Taxation Public Hearing meeting at 6:41 p.m. Motion carried unanimously.

Bridget Miller, City Clerk (recording secretary)