

TRUTH IN TAXATION HEARING  
CITY OF CROSSLAKE  
MONDAY, DECEMBER 2, 2002  
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 2, 2002 for the purpose of holding a Truth in Taxation Hearing. The following Councilmembers were present: Mayor Darrell Swanson, Councilmembers Sandy Eliason, Charles Miller, Irene Schultz and Dean Swanson. Also present was City Administrator Tom Swenson, Police Chief Bob Hartman and Clerk/Treasurer Darlene Roach. Attendees in the audience were Councilmember's Elect Dean Eggena and Dick Phillips and Allen Eliason and Cindy Holden.

Mayor Swanson called the meeting to order at 6:00 P.M. and stated that the purpose of the hearing was to take questions and comments regarding the proposed 2003 budget and proposed tax levy.

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. 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 for the hearing.

City Administrator Swenson presented information on the proposed 2003 budget and levy. A handout showing a Preliminary Budget Comparison of Revenues and Expenses for the 2002 Budget and Proposed 2003 Budget was read item by item. The proposed 2003 budget reflects an increase of \$198,779 over 2002 or a 9.2% increase. A large portion of the increase in expenditures is due to repairs to the ESC/City Hall roof, downpayment on the grader, payment on land purchased adjacent to the cemetery and increases in wages and benefits. A breakdown of revenues showed where the revenues would come from by source and compared the 2002 revenue budget with the proposed revenue budget for 2003. A breakdown of expenditures for each department was included in the handout. Included in each department's budget is a category for Capital Outlay. A listing of proposed Capital Outlay items by department was included in the handout. The total of these items are included in the proposed budget, but were provided for Council information. A comparison of surrounding cities' ranks Crosslake 3<sup>rd</sup> lowest in Average Total Tax Rate among 29 area cities and 5<sup>th</sup> lowest in Average City Tax Rate for 2002. A Truth in Tax Publication provided by the County showed 2002 Property Tax Levy Data and Payable 2003 Property Tax Levy and what effect a no levy tax increase versus the Preliminary 2003 Tax Levy would have on the tax rate. A bar chart showing the increase in the number of zoning permits issued between 1994 and November 2002 was provided to the Council for information. If the proposed 2003 budget is approved, the total levy for 2003 would be \$1,713,834 as compared to \$1,509,234 for 2002 or a 13.6% increase.

The meeting was opened to the Council and public for questions and comments. Councilmember Schultz asked if the City would be receiving any LGA or other aid from the State. City Administrator Swenson stated that he would be surprised if the City received funding due to the State's proposed shortfall. A payment of approximately \$35,000 for 50% of the 2002 Market Value Homestead Credit has been received year-to-date, but it is unknown whether the City will get the balance of the funds scheduled to be paid in December. Crosslake is in a better position than many of the surrounding communities since most of the cuts in State funding to Crosslake have already been made by the State due to the City's high tax base. Dean Eggena addressed the Council and wanted to know why actual spending was not compared to budgets. He stated that all of the information he has reviewed compares budget-to-budget and not budget to actual spending. Mayor Swanson stated that in the Budget Meetings that are held each year starting in August, each Department Head along with the City Administrator goes through each category of expenditures line item by line item to explain the expenditures or spending against the budgeted amount.

Adoption of the 2003 Budget and Tax Levy will be on the agenda for the December 9<sup>th</sup> Regular Council Meeting.

There being no further comments, MOTION PH01-12-01-01 WAS MADE BY SANDY ELIASON AND SECONDED BY CHUCK MILLER TO ADJOURN THIS TRUTH IN TAXATION HEARING AT 6:45 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach  
Clerk/Treasurer

