

PUBLIC INFORMATION MEETING  
CITY OF CROSSLAKE  
MONDAY, DECEMBER 3, 2012  
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 3, 2012 for the purpose of holding a Public Information Meeting. The following Council Members were present: Mayor Darrell Schneider, Steve Roe, Rusty Taubert, John Moengen and Dean Swanson. Also present was Council Member Elect Gary Heacox, City Administrator Tom Swenson, Community Development Director Ken Anderson, Police Chief Bob Hartman, Public Works Director Ted Strand, and Park and Recreation Director Jon Henke. There were fifteen residents in the audience. (Sign in sheet included as a permanent part of the minutes.)

Mayor Darrell Schneider called the meeting to order at 6:00 P.M. and stated that the purpose of the public hearing was to allow individuals 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 2013.

City Administrator Tom Swenson stated that a Notice of Hearing, which included the location, date and time of the hearing was posted at four locations within the City, namely at City Hall, Crosslake Communications, Community Center and the Post Office. 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 meeting. 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 2012 Adopted Revenue Budget with the 2013 Proposed Revenue Budget. The Proposed 2013 Revenue Budget is \$3,813,456, which is an increase of \$31,222 over the 2012 Adopted Budget of \$3,782,234. On the expenditure side, the 2012 Adopted Budget was \$3,782,234 and the proposed 2013 Expenditure Budget is \$3,813,456 or an increase of 0.8%. 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 2013, upon taxable property in the City. These items bring the total levy to \$2,709,916 which is the same as the Collectible 2012 Levy. 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.

Council Member Elect Mark Wessels arrived at the meeting at 6:30 P.M.

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 5<sup>th</sup> lowest in Average Total Tax Rate for 2012. Information taken from the September 2012 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 October 18, 2012 shows for payable 2013 taxes that the estimated market value in the City is \$1,127,174,000, a decrease of \$206,226,900 from 2012. The City Tax Rate increased 1.599% from 2012. A chart outlined the tax classifications and the percent of taxes paid by each category. Commercial properties paid 6.37% of total taxes in Crosslake in 2012, while seasonal recreational properties paid 60.75%. Two bar graphs were included in the information provided which shows the estimated value due to new construction between January 1, 2002 through October 31, 2012 and the number of permits issued during the same period of time. These graphs show an increase in both the number of zoning permits issued and in the estimated value from 2011.

No questions or comments were made by the City Council. The meeting was then open to questions and comments from the public.

Crosslake business owner and resident Paul Nelson addressed the Council and stated that he was disappointed that the Council made no effort to reduce taxes and that keeping the levy the same as last year is not good enough. Property values are going down and taxes continue to go up. He urged the Council to cut spending.

Crosslake business owner and resident Pat Netko asked the Council to respond to Mr. Nelson's concerns. Dean Swanson stated that the County is responsible for the valuations of property and the valuations affect the tax rate. Mayor Schneider added that some of the budget includes bond payments and there is nothing the Council can do to eliminate those payments now. Tom Swenson stated that \$55,000 is included in the proposed budget for the ambulance addition and 2013 roadwork is included in the budget and will not be bonded for. Mr. Swenson stated that Moody's gave the City an Aa3 rating which shows that the City is financially sound. Steve Roe stated that the Council has delayed many projects in order to keep the budget low. John Moengen added that the outcome of putting projects off is that the project will cost more in a year or two. Pat Netko thanked the Council for responding and stated that she is not asking for budget cuts.

Resident Jim Talbott asked the Council to explain the correlation between the number of permits and property valuations. With the number of permits increasing, it would seem that there would be more people to pay the taxes and rates would go down. Tom Swenson replied that Minnesota's Tax System is complicated. The County shows new construction in Crosslake is valued at \$4,940,000. The County also reduced the values of lakeshore property, so the taxes that the lakeshore property owners were paying decreased and were shifted to commercial and homesteaded properties.

Paul Nelson addressed the Council again and stated that private businesses have had to make cuts and the City needs to also because money is not limitless.

Dean Swanson noted that the City does not always have a say in where the taxes are spent as with the County Road 3 improvement project. Even if the City does not want to participate, the County will move forward and charge the City for the costs.

Steve Roe stated that the City has maintained a consistent budget for the past few years and that is important for governments to do.

Dean Swanson commended the Fire Department, Police Department and Ambulance services and stated that he does not want City services cut.

Jim Talbott addressed that Council again and stated he still did not understand how an increase in construction would not lower taxes. Tom Swenson replied that if all things stayed the same, that would be true, but the County changes the breakdowns and valuations which changes the amount of taxes due. The City can only control the levy amount. From there, the County has control of the valuations placed on properties.

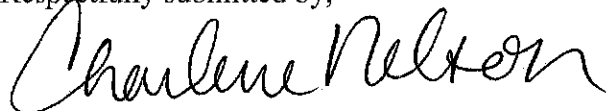
Steve Roe wanted the citizens to be aware that Crosslake's budget only accounts for approximately 34% of their total tax bill.

Mayor Schneider noted that a property owner on Rush Lake had his valuation go up 8% and suggested that he come to the Board of Review meeting in the spring to speak with the County Assessor.

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 10, 2012 at 7:00 P.M.

There being no further comments, MOTION 12PH1-01-12 WAS MADE BY JOHN MOENGEN AND SECONDED BY STEVE ROE TO ADJOURN THIS PUBLIC INFORMATION MEETING AT 6:57 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,



Charlene Nelson  
Deputy Clerk

PUBLIC INFORMATION MEETING  
 2013 BUDGET  
 2012 COLLECTIBLE 2013 TAX LEVY  
 CITY OF CROSSLAKE  
 MONDAY, DECEMBER 3, 2012  
 6:00 P.M. - CITY HALL

SIGN-IN SHEET

NAME	ADDRESS	PHONE
Ted Strand	14565 White Birch LN	692-1570
Tom Swenson	CITY ADMINISTRATOR	692-2688
Dean Swanson	CITY COUNCILMAN	692-2688
Pete Abla	34447 DUNE LN	692-3892
Bob Hartman	POLICE DEPT	692-2222
DARRELL SCHWIDER	12481 ARROWHEAD LN	692-4572
GARY OLSON	35926 ROBERT ST.	692-3021
Rich ANDERSON	14125 TALL TIMBERS TRAIL	692-1018
John Mosen	36170 GALE LN	330-9451
Char Nelson	CITY HALL	692-2685
Mike Winkels	35944 Robert Ln	692-1406
JERRY NORGARD	37104 BANKHOUSE RD	692-5370
PATTY NORGARD	" " "	" "
Fred Thoman	BROOKWOOD CIR	692-3664
"Dodo" Fraser	37670 Co Rd 66	692-4056
Pat Nelko	P.O. BOX 317 Crosslake	692-4411
Cindy Myogeto	38397 Cty Rd 3	692-3046
JIM THIBOUT	12604 MANHATTAN PT BLVD	692-4030
Jon Henke	COMMUNITY CENTER	692-4271
Ann Sturgeleski	37104 Co Rd 3	340 8610
Joe St Pierre	37104 Co Rd 3	
GARY HENCO X	36775 Pine Bay Dr	692-5324
Ken Anderson	37028 Co. Rd. 66, Crosslake	692-2689
Mark Wessels	1333 G East Shore Xlaka	692-2691