

**BIG LAKE CITY COUNCIL
SPECIAL MEETING MINUTES**

NOVEMBER 30, 2011

1. CALL TO ORDER

Mayor Kampa called the meeting to order at 6:00 p.m.

2. ROLL CALL

Council Members present: Dick Backlund, Raeanne Danielowski, Lori Kampa, Duane Langsdorf, and Mike Wallen. Also present: Interim City Administrator Todd Bodem, City Clerk Gina Wolbeck, Police Chief Sean Rifenberick, and Finance Director Brad Falteysek from AEM, Inc.

3. PROPOSED AGENDA

Council Member Wallen motioned to adopt the proposed Agenda. Seconded by Council Member Backlund, unanimous ayes, agenda adopted.

4. BUSINESS

4A. PUBLIC INPUT HEARING - Truth In Taxation

Brad Falteysek discussed the preliminary operating and debt levy figures Council approved in September, and reviewed Council and staffs efforts to bring the tax levy increase to no more than a 2% increase. Falteysek also discussed the proposed final budget and levy that will be considered by Council at the December 14, 2011 meeting. Falteysek reviewed the Market Value Exclusion Program that will replace the Market Value Homestead Credit which will cause a reduction in overall tax base for communities. Falteysek reviews the Public Input Hearing procedures and asked for Council to open the hearing to allow the public an opportunity to provide comments on the 2012 budget and levy.

Mayor Kampa opened the public input hearing at 6:34 p.m.

1. Russell Vetsch from Russell's on the Lake located at 111 Jefferson Blvd- Discussed the \$4,300 increase to his commercial property taxes for 2012 and expressed his concern with being able to keep up with the increases.
2. Kenneth Halvorson; 710 Katrina Lane – Stated his concern with City staff wages and noted that he would not build a building in Big Lake due to the high taxes. Halvorson also questioned the accuracy of the Big Lake Median Income that was identified in the Maxfield Research study. Mayor Kampa clarified that the City is proposing a 2% increase to its Levy and that the changes to the State MVHC program is what is causing the larger increases to property taxes. Council Member Wallen discussed the efforts of the Council and staff to incorporate budget reductions over the last 6 years to keep the levy at an acceptable amount while still providing City services. Council Member Danielowski stressed that we cannot control what the State of MN did with the MVHC/MVE program and noted that increasing the levy at all will add insult to injury to our taxpayers.
3. Chuck Hultman from Big Lake Hardware Hank located at 621 Rose Drive – Asked for confirmation that the projected tax rate has gone from a 5% increase at preliminary to a 2% increase. Staff confirmed that the proposed increase at this time is at 2%. Hultman thanked Council for lowering the increase.
4. Janice Halvorson; 635 Rose Drive – Discussed her concern with the increase to the property taxes for her commercial building along with the valuation decrease.
5. Eric Petersen from McPete's Sports Bar and Lanes located at 590 Humboldt Drive – Questioned how Sherburne County is able to stay at a zero percent increase and why the City feels the need to increase their tax rate. Petersen expressed his concern that businesses are suffering and continuing to get hit with tax increases.
6. Jerry McKernan from Tootsie's Tavern located at 110 Jefferson Blvd – Discussed his concern with the Police Department Budget and feels that public works employees don't earn the wage they are paid.
7. Steve Heath; 430 Crescent Street – Stated his concern with the amount showing on his property tax statement but is more concerned for residents who are struggling during these difficult times. Heath suggested to Council that there is too much debt service and not enough discretionary funds.
8. Rick Schroeder from the Friendly Buffalo located at 16722 – 198th Avenue NW – Stated his concern that City staff is set to receive pay increases when the general public isn't. Schroeder also noted that there are spending issues nationwide.

9. Diane Boser; 113 Hill Street – Questioned why Big Lake is having these financial problems and asked what is attracting businesses to surrounding areas. Suggested that Big Lake find out what our niche is, and figure out how to get residents and businesses to invest in our success.

Mayor Kampa closed the public input hearing at 7:23 p.m.

Council Member Danielowski motioned to set a Special Budget Workshop on Wednesday, December 7, 2011 at 5:00 p.m. in the City Council Chambers to discuss the 2012 Budget. Seconded by Council Member Backlund, unanimous ayes, motion carried.

5. ADJOURN

Council Member Langsdorf motioned to adjourn at 7:26 p.m. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

12/14/11
Date Approved By Council