

**Lauderdale City Council
Meeting Minutes
September 9, 2003**

1. Meeting called to order at 7:00 P.M.

2. ROLL

Council present: Christensen, Giannetti, McCloskey, Gill-Gerbig and
Mayor Dains

Staff present: Administrator Getschow

3. APPROVAL OF THE AGENDA

A. Approval of Agenda. Motion by Giannetti, second by McCloskey to
approve the agenda. Motion carried unanimously.

4. APPROVAL

A. Approval of Minutes. Motion by Christensen, second by McCloskey to
approve the minutes of the August 26, 2003 City Council meeting. Motion carried
unanimously.

B. Approval of Claims totaling \$60,148.99. Motion by McCloskey, second
by Gill-Gerbig to approve the claims totaling \$60,148.99. Motion carried
unanimously.

*C. Approval of Pay Request #5 for the 2003 Street and Utility Improvements
for S.M. Hentges and Sons in the amount of \$232,683.70.* Motion by Giannetti,
second by McCloskey to approve Pay Request # 5 for the 2003 Street and Utility
Improvements in the amount of \$232,683.70. Motion carried unanimously.

5. OPPORTUNITY FOR THE PUBLIC TO ADDRESS ITEMS NOT ON THE AGENDA
6. CONSENT
7. SPECIAL ORDER OF BUSINESS/RECOGNITIONS/PROCLAMATIONS/
CITIZENS ADDRESSING STREET AND UTILITY IMPROVEMENTS
8. INFORMATIONAL PRESENTATIONS
9. PUBLIC HEARINGS
10. ACTION

A. *Resolution 090903A: A Resolution Levying Taxes for 2003 Payable in 2004 (2004 Preliminary Levy)*. The City Administrator presented the City Council with two options for the 2004 preliminary tax levy that included:

Option A - keeping the tax levy the same (0% increase) at \$480,000;
Option B – increasing the levy 3.3% to \$496,000;

The Administrator stated that Option A was selected for the 2001 and 2003 Levy and resulted in a decrease in the tax rate in those years. The Administrator then summarized the 2001 Legislative reforms of the state class rates, whereby even a lowering of the levy could not lower the city tax rate. Since things have now leveled off since that reform, choosing the no levy increase option will once again lower the city tax rate.

If the Council chooses Option A, the city tax rate will decrease from 32.4% to 28.8%. This means that the proposed 0% levy increase would bring tax bills down by the same percentage that the city tax rate is decreasing. The average residential tax bill in Lauderdale (on a \$125,700 house) will decrease by \$45.35 or 11.1%, assuming property values are equal.

The Administrator stated that this option has been factored into the preliminary 2004 Budget. To allow for this option, expenditures in the 2004 General Fund Budget have been proposed to be cut by 3%. This cut, and a no levy increase option, also follows a \$75,000 cut of state aid into the General Fund revenue stream.

The Administrator then discussed Option B. This option captures a small percentage of the 11% tax capacity (city property value) increase. Also, the city tax rate will decrease from 32.4% to 29.9%. This means that the proposed 3.3% levy increase would bring tax bills down by the same percentage that the city tax rate is decreasing. The average residential tax bill in Lauderdale (on a \$125,700 house) will decrease by \$30.67 or 7.5%, assuming property values are equal.

This 3.3% increase is the highest increase proposed since it still does not trigger the need for an official Truth-In-Taxation hearing. All Minnesota cities with a population over 500 are required to hold Truth-In-Taxation hearings if their property tax levy increase is greater than the implicit price deflator which is 3.3481%.

The Administrator stated that the City could function well with the 0% increase, which was factored into the 2004 proposed Budget. It produces an overall budget that is much tighter and possesses much less wiggle room than in previous years- but it is workable.

The Mayor and Council members discussed approving Option B, with the possibility that they could lower the levy to the Option A amount. The \$16,000 in more levy funds can be utilized since the proposed budget is tight. Discussion then ensued regarding sticking with Option A now (0% levy increase) as opposed to trying to work back to this levy amount at a later date.

Motion by Christensen, second by McCloskey to approve Resolution 090903A: A Resolution Levying Taxes for 2003 Payable in 2004 for \$480,000 [0% levy increase and the same levy as 2003]. Roll: Yes: all. Motion carried.

B. Approval of a City of Lauderdale Fixed Assets Policy. Administrator Getschow stated that Assistant to the City Administrator Bownik drafted a Fixed Assets Policy for Council approval that was reviewed and approved by the City Auditor. This is a component of the Council goal in 2003 to begin to comply with the Government Accounting Standards Board, Rule 34 (GASB 34) that takes effect in Lauderdale with the 2004 financial statements. Other subsequent activities will include creating a capital assets list, reclassifying revenues, and creating a management discussion and analysis for the financial statements. These tasks will be completed with the assistance of the fixed assets software, which was purchased from Banyon Data Systems in 1999.

Motion by Gill-Gerbig, second by Giannetti to approve the Lauderdale Fixed Assets Policy. Roll: Yes: all. Motion carried.

11. REPORTS

A. *Metropolitan Council Livable Communities (LCDA) Opportunities Grant-Larpenteur Avenue Corridor Redevelopment Application.* The City Administrator stated that the City Council approved a resolution in May of 2003 supporting the application for a Metropolitan Council Livable Communities Demonstration Account (LCDA) Opportunities Grant to explore the possible future redevelopment of the Larpenteur Avenue corridor.

The potential creation of a master plan for the future redevelopment of this corridor has been a City Council goal since 2000. In fact, the city last applied for Livable Communities grant funding in 2001 but was unsuccessful. The Administrator was pleased to announce that in 2003, the City has been approved for \$20,000 of grant funding by the Metropolitan Council. In approving the grant, the Community Development Committee of the Metropolitan Council suggested that staff members be assigned to assist Lauderdale in the preliminary stages of the implementation of the grant.

In the opinion of the Metropolitan Council, Larpenteur Avenue fits the concept of a "Livable Community" that encourages redevelopment that is orientated toward a transit and pedestrian friendly environment in neighborhoods with a mix of residential and commercial uses that are essential to daily life. Funding under this grant would provide for a corridor study and/or development plan. The study could be undertaken with the assistance of the Council and a potentially appointed task force.

The Council was extremely pleased to hear the news of the grant award and appreciated the work that the staff had done in putting the application together. They look forward to working with the Metropolitan Council on this endeavor.

12. ITEMS REMOVED FROM THE CONSENT AGENDA

13. ADDITIONAL ITEMS

14. SET AGENDA FOR NEXT MEETING

1. Public Hearing on the Assessment Roll for the 2002 Improvements
2. Resolution Approving the Assessment Roll for the 2002 Improvements
3. Appointment of Election Judges for the 2003 General Election

15. ADJOURNMENT

Motion by Gill-Gerbig, second by Christensen to adjourn at 7:48 P.M. Ayes: All.