

**Lauderdale City Council
Meeting Minutes
September 14, 2004**

1. Meeting called to order at 8:10 P.M.

2. ROLL

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

Council absent: McCloskey

Staff present: Administrator Getschow

3. APPROVAL OF THE AGENDA

A. Approval of Agenda. Motion by Christensen, second by Gill-Gerbig to approve the agenda. Motion carried unanimously.

4. APPROVAL

A. Approval of Minutes. Motion by Giannetti, second by Gill-Gerbig to approve the minutes of the August 31, 2004 City Council meeting. Motion carried unanimously.

B. Approval of Claims totaling \$23,465.24. Motion by Christensen, second by Giannetti to approve the claims totaling \$23,465.24. Motion carried unanimously.

5. OPPORTUNITY FOR THE PUBLIC TO ADDRESS ITEMS NOT ON THE AGENDA

A. Leslie Kratz, 1773 Carl Street, requested information from the City Council regarding the *Larpenieur Avenue Redevelopment project.*

Mayor Dains stated that the discussion of this redevelopment dates back to the creation and approval of the Lauderdale Comprehensive Plan in the mid-1990's. The Comprehensive Plan Task Force, which consisted of residents and elected officials were created in part to discuss the future land use of the City. The Task Force and the Council committed to create a plan for future redevelopment in this area. The Mayor stated that no specific decisions have been made. A city needs to plan for its future well in advance of actual demolition and construction. Discussing redevelopment in this area of the city should occur before the area completely deteriorates. Many projects such as this take several years to come to fruition, if at all. There will be several meetings conducted on this potential redevelopment – the process has only just begun.

Council member Christensen reiterated the Mayor's comments and stated that market and financial feasibility studies have yet to be undertaken. That is why the city retained a consultant.

Kratz stated that she was gathering information for residents of certain Lauderdale Hollows apartment units that were concerned about being displaced in the near future. They will be relieved by what they have heard here. She stated that the residents she has been in contact with have difficulty with the English language, as English is their second language, and may not fully understand the redevelopment process.

Council member Gill-Gerbig stated that there will be several public meetings on this issue. She also encouraged any interested or concerned residents to contact City Hall regarding this project.

6. CONSENT
7. SPECIAL ORDER OF BUSINESS/RECOGNITIONS/PROCLAMATIONS/
CITIZENS ADDRESSING STREET AND UTILITY IMPROVEMENTS
8. PUBLIC HEARINGS
9. INFORMATIONAL PRESENTATIONS

10. ACTION

A. Resolution 091404A: A Resolution Levying Taxes for 2004 Payable in 2005 (2005 Preliminary Levy). The City Administrator presented the City Council with five options for the 2005 preliminary tax levy that included:

- Option A - keeping the tax levy the same (0% increase) at \$480,000
- Option B – increasing the levy 1.5% to \$487,260
- Option C – increasing the levy 2% to \$489,600
- Option D – increasing the levy 3% to \$494,400
- Option E – increasing the levy 4% to \$499,200

Getschow stated that all options produce a decreased city tax rate.

With Option A, the levy being kept the same for 2005, the city tax rate will decrease from 28.8% to 25.88%. 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 \$145,200 house) will decrease by \$41.84 or 10%, assuming property values are equal.

But property values have not remained equal for the past several years. Property values have risen. For 2005, the highest increase for a given property is 15%. This percentage has continued to increase since the State Legislature is phasing out the limited market value policies that were created to shield fast rising property values from substantial tax increases. As a result of this, Getschow presented a spreadsheet that highlights the difference between the 2004 median valued home's tax rate and the 2005 median valued home's proposed tax rate. The same house valued at \$125,700 with a 28.76% tax rate in 2004 would see a \$28.82 increase in city taxes in 2005 as a \$145,200 house with a 25.88% tax rate. The \$28.82 tax increase, plus another \$41.84 that would have been saved through the lower tax rate, is completely due to the increase in property valuation.

Getschow then discussed Option B, a levy increase of 1.5% for 2005. With this scenario, the city tax rate will decrease from 28.76% to 26.35%. This means that the proposed 1.5% 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 \$145,200 house) will decrease by \$35.05 or 8.3%, assuming property values are equal.

Also, the 1.5% increase would 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 1.5%.

He noted that any option chosen besides Option A or B would trigger the need for a Truth-In-Taxation hearing.

Option B would yield \$7,260 in general fund revenue.

In Option C, the levy is increased 2% for 2005. The city tax rate will decrease from 28.76% to 26.50%. This means that the proposed 2% 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 \$145,200 house) will decrease by \$32.86 or 7.9%, assuming property values are equal.

This option would yield \$9,600 in general fund revenue.

In Option D, the levy is increased 3% for 2005. The city tax rate will decrease from 28.76% to 26.81%. This means that the proposed 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 \$145,200 house) will decrease by \$28.37 or 6.8%, assuming property values are equal.

This option would yield \$14,400 in general fund revenue.

Finally, in Option E, the levy is increased 4% for 2005. The city tax rate will decrease from 28.76% to 27.12%. This means that the proposed 4% 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 \$145,200 house) will decrease by \$23.88 or 5.7%, assuming property values are equal.

This option would yield \$19,200 in general fund revenue.

The Administrator stated that the City could function with the 0% increase, which was factored into the 2005 proposed Budget. It produces an overall budget that is as tight as the 2004 Budget- but it is workable.

The Mayor and Council members discussed approving Option B. This is only a 1.5% increase in the levy. Also, there is no telling what the 2005 Legislature may do with LGA or MVHC. All local levels of government are concerned about state funding as the 2005 session nears. A 1.5% levy increase this year could assist in avoiding a bigger increase in the future.

Motion by Christensen, second by Gill-Gerbig to approve Resolution 091404A: A Resolution Levying Taxes for 2004 Payable in 2005 at \$487,260. [1.5% levy increase from 2003]. Roll: Yes: all. Motion carried.

B. Establishment of a 2004 Truth-in-Taxation (TNT) Public Hearing Date. No action was need on this item since the City Council chose a levy option that does not require the need for a Truth-In-Taxation Hearing.

11. DISCUSSION

12. ADDITIONAL ITEMS

13. SET AGENDA FOR THE NEXT MEETING

1. 2003 Street and Utility Improvements Special Assessment Public Hearing
2. Approve Draft RFP for Recycling Services
3. Resolution regarding City/County Emergency Management Plan
4. Residential Rear-Yard Setback Variance

Administrator Getschow read the Lauderdale results of the state primary election that concluded at 8:00 p.m.

A break was taken at 9:00 p.m. to transition into a work session discussion.

14. WORK SESSION DISCUSSION

The meeting resumed at 9:01 p.m.

A. Draft Zoning Ordinance. The City Council discussed Chapter 17 of the zoning ordinance titled home occupations. The Council then discussed Chapter 18 of draft zoning ordinance, which regulates adult uses.

B. Organized Collection- Solid Waste and Recycling Proposals. The City Council continued to discuss the organized solid waste and recycling proposals.

15. ADJOURNMENT

Motion by Gill-Gerbig, second by Giannetti to adjourn at 10:00 P.M. Ayes: All.