

**PUBLIC HEARING
TRUTH IN TAXATION
DECEMBER 10, 2013**

The Bagley City Council held their Truth In Taxation Public Hearing on December 10, 2013 at 7 p.m. in the Bagley City Hall.

Present: Mayor Sidney Michel, Council Members Dennis Merschman, Jon Brovold, David G. Anderson, and Chad Bonik, Deputy Clerk Faye Jacobs, and City Clerk Treasurer Colleen R. Lindgren.

Also present: Street Superintendent Bill Masterson, Police Chief Larry Peterson, Utilities Manager Mike Jensen, Liquor Store Manager Chris Arnold, Heather Galli, Doug Lindgren, and Ciera Hartman.

Clerk announced that at this time discussion is to be held on the 2014 Budget.

Clerk informed the Council that the proposed budget shown is the one which was approved by the Council on September 5th 2013.

There were no City residents present. The proposed budget would raise the levy by \$49,257 over the 2013 budget, which would be an 8.57% hike in the levy. Anderson would like to cut some but not everything due to winter storms he would like to have some extra in the budget in case the storms hit hard in the next fiscal year. Mayor Michel would like to follow the 2013 budget and he feels comfortable to stay with the same budget as 2013. Raises for employees, which were added into the budget, would not take effect until July 2014 so they would be for half a year and that would be a savings. If the levy does not get raised for 2014, he would like it noted that there could be an increase in 2015 if the LGA were to be changed.

Discussion held on the sale of the old Liquor Store. City Auditors have explained that the dollars generated from the sale would need to go into the Liquor Store account and then be transferred back to the City accounts. This would cover the \$30,000 which is to be transferred to the city accounts from the Liquor store accounts. Mayor would like to request that when the sale funds come in, a walk behind floor scrubber is purchased for the Liquor Store. Brovold stated those funds need to be accounted for because he does not agree that City funds are sitting in an account to pay liquor store bills that they are not generating their own money for. The new store was built on the premise that it would pay for itself and be a profit center. Mayor feels that if it is projected out for next year with the school reunion, there should be at least \$20,000 to transfer to the City. He does feel that the new store still needs a large open sign and some equipment inside such as floor dryers and a scrubber.

Mayor asked what the Council would like to do with the budget. "Do you want it as is or cut it by \$25,000 to keep funds for fuel and such?" Brovold asked what exactly was decided on the snow blower. He would like to keep the blower in the budget and build up funds for it. Masterson said that he has looked into used ones. Mayor feels it can be put on hold.

Doug Lindgren asked to speak. He stated that he has worked on budgets when he was on the Township board. He does not like to see taxes go up but you have to continue to grow. He does not feel it is feasible to cut because of everything increasing in cost, that they should increase the levy a little bit. Merschman stated that an increase in LGA was gotten. Mayor stated that there is no guarantee on what will be gotten out of the liquor store this year or next. Brovold agreed with Lindgren, and it is the job of the Council to scrutinize what they have. Mayor still thinks that the 2013 budget will work for 2014. There are some increases in the City Hall budget due to new expenses on the new library location.

Discussion was held on where to cut. Clerk stated that as far as what the Council had previously talked about was cutting the Police Dept. lift area down to \$5,000 and cut the building addition for the lift by \$7,580 due to designated funds. Brovold feels that the Police Dept. capital outlay be reduced \$12,000. Mayor stated that extra money had been set aside for the park. Brovold said there are some designated funds in the park budget and the park board would like to use those for larger projects such as a fishing pier.

Mayor said the board has taken out the \$1,000 from the Fire Dept. furnace. Merschman asked about all the repair funds in the Park budget that have not been used. Clerk stated that the funds left in the 2013 budget may be needed in another department to balance out the 2013 year, such as fuel in the Street Dept.

Capital expenses still have \$3,000 in hanging flower planters, take out the Fire Dept. furnace and \$12,000 in the Police Dept. It is unknown yet about the tennis court repair. Doug Lindgren stated that the Park Board is concerned that if you wait too long it might not be good enough to repair. He feels the court is a small draw to the park.

Merschman discussed taking \$20,000 from the snow blower, \$3,000 from the hanging flowers and \$12,000 from the Police Dept. lift and leave the balance for the rest of the project, and \$1,000 from the Fire Dept. furnace, and also take \$5,000 from the park capital outlay.

Mayor still feels comfortable with the 2013 budget. Clerk stated that this is a Public Hearing and the Council can recommend these changes and bring to the Council meeting next week. Mayor would like to see the capital expenses kept so that when equipment is needed that there are funds for such. Bonik stated he agreed with Doug Lindgren. The Council raised taxes a few years ago and everyone was in a big turmoil of taxes going up. He would like to keep these numbers that are manageable. Then if the state nails the city in a couple years, there are funds to do repairs if needed. He likes to see small steady growth. Clerk was asked to run the numbers as such: cut the total capital outlay by \$28,000 - \$15,000 from the snow plow, \$12,000 from the Police Dept. lift and \$1,000 from the Fire Dept. furnace budget.

Mayor announced that a continuation meeting will not be held on Thursday December 12th. The Council will meet for final budget decisions on Tuesday December 17th at 6 p.m.

Mayor closed the Public Hearing at 8:20 p.m.

Sidney Michel, Mayor

Attest:

Colleen R. Lindgren, MCMC
City Clerk Treasurer

Faye Jacobs
Deputy Clerk