

2014 Hunting Map

The hunting map, unchanged for the 2014 season, identifies where hunting is permitted and what type of weapon can be used. Hunters need written permission from the property owner to hunt.

A permit from the Baxter Police Department is required when hunting big game, small game, and for target practice within city limits.

No rifles may be discharged within the city limits. No firearm may be discharged with 500 feet of a residence or building. All hunting is subject to State and Federal laws.

The hunting map is available on the city's website at <http://www.baxtermn.gov> or contact the Baxter Police Department.

City of Baxter

City Hall
13190 Memorywood Dr.
Baxter, MN 56425

Baxter Local Option Sales Tax Information Inside!

SCHEDULE OF CITY MEETINGS

Check our website for current schedules at www.baxtermn.gov
 Council Meetings 1st and 3rd Tuesdays • 7:00 p.m.
 Planning & Zoning Commission 2nd Tuesday • 6:00 p.m.
 Long Range Planning Commission • As Scheduled
 Utilities Commission 1st Wednesday • 4:00 p.m.
 Parks & Trails Commission 4th Monday • 4:00 p.m.
 Economic Development Authority 1st Tuesday of Odd Months • 6:00 p.m.
 Architectural Review Commission 1st and 3rd Thursdays • 7:30 a.m.

CITY PHONE NUMBERS

City Hall 454-5100 Parks & Trails 454-5085
 FAX 454-5103 Utility Billing 454-5121
 Planning & Zoning . . . 454-5109 Police Department . . . 454-5090



MAYOR DARREL OLSON



TODD HOLMAN



JIM KLEIN



MARK CROSS



ROB MOSER



13190 Memorywood Dr.
P.O. Box 2626
Baxter, MN 56425
218-454-5100
www.baxtermn.gov
cityhall@baxtermn.gov



LEAF DISPOSAL

Hengel's Ready Mix and Construction, Inc. will provide disposal of leaves and grass clippings at no charge for Baxter residents during the following times:

October 6th-31st
Monday – Friday
7:00 a.m. – 5:00 p.m.

Saturday
8:00 a.m. – 12:00 p.m.

If you drop off leaves or grass clippings during any times other than the specified collection dates and times listed, you will be charged. Hengel's is located west of Baxter on state highway 210. Follow the signs once inside the yard.

Baxter

CITY SEEKS EXTENSION OF THE EXISTING LOCAL OPTION SALES TAX

PART 1 OF A 2 PART SERIES - WATCH FOR PART TWO IN LATE OCTOBER



The City of Baxter currently has a local option sales and use tax and a motor vehicle excise tax in place to pay for a portion of the city's infrastructure needs. The existing sales tax has funded the water treat-

ment plant, wastewater treatment plant and new water tower. Without sales tax revenues, water and sewer utility fees and/or property taxes would have had to be increased to pay for the city water and wastewater infrastructure. With the expiration of the existing sales tax projected in the near future and the continued need to fund infrastructure improvements, the city is looking to extend the existing sales tax.



It is estimated that over 85% of the estimated sales tax generated in Baxter is paid by non-Baxter households.

What? Local Option Sales Tax Informational Meeting

Where? Baxter City Hall
13190 Memorywood Drive

When? Monday, October 20 at 7:00 p.m. or Tuesday, October 28 at 6:00 p.m.

Have your questions answered at the informational meeting. Make an informed choice at the November 4th election.

HISTORY OF LOCAL SALES TAX

As early as the 1990's, the City of Baxter began exploring the possibility of a local option sales tax to finance a portion of the city's infrastructure needs. The sales tax financing option was based on the Council philosophy that Baxter residents alone should not carry the burden of infrastructure costs for a growing regional center. The goal was to capture some of the revenue generated by regional visitors who are driving the need for additional regional services.

With dwindling state aid from the State of Minnesota, including the entire elimination of the city's Local Government Aid (LGA) in 2003, and the need to replace the city's water treatment plant and expand its wastewater treatment capacity with the City of Brainerd, it became important for Baxter to diversify its revenue sources. When Baxter first considered the local option sales tax over a decade ago, a Minnesota Department of Revenue study at the time indicated Baxter generated over \$14,000,000 in sales tax revenue for the state. Yet, we received less than \$130,000 in aid back from the State of Minnesota.

In 2004, the city sought voter approval to implement a one-half percent local option sales and use tax and a motor vehicle excise tax of up to \$20 per vehicle to finance a portion of the city's growing infrastructure needs. Voters approved the local option sales tax on November 2, 2004 and the city was granted authority by the State of Minnesota to implement the sales tax on October 1, 2006. The initial sales tax has been successful for the city with \$15 million in sales tax proceeds financing the water and sewer infrastructure

projects. Sales tax receipts have paid for a portion of the wastewater treatment plant jointly constructed with the City of Brainerd, a portion of the water treatment plant and the entire cost of the new water tower near Highway 371 and College Road.



The initial authorization granted the city the ability to collect up to \$15 million for the water and wastewater projects or for 12 years, whichever occurred first. Current projections indicate the city is on track to have sufficient sales tax revenues for the existing \$15 million of projects by early 2016, about two and one-half years (2.5 years) before the September 30, 2018 expiration of the current authorization.

In 2013, Baxter collected \$2.4 Million in local option sales and use tax and motor vehicle excise tax to finance capital projects.

EXTENSION OF LOCAL SALES TAX

With ongoing continued infrastructure needs and the existing authorization set to expire prior to the 2016 general election, the city sought and was granted approval by the State of Minnesota to extend the existing local option sales and use tax and motor vehicle excise tax. The 2014 general election is the last general election before the existing sales tax would expire. City officials felt it was important to extend the sales tax prior to its expiration to continue to pay the existing debt on the water treatment plant and fund other infrastructure improvements needed in the city, rather than having to increase property taxes, special assessments or utility rates for these purposes.

Similar to the existing sales tax already in place, purchases currently exempt under state statutes, including food, clothing and most services would not be taxed. State statute also limits local sales tax on vehicles to \$20. Sales tax on any vehicle purchased for \$4,000 or more would be capped at \$20.

The Minnesota Legislature has set certain criteria for local governments requesting a local option sales tax or

an extension of an existing sales tax. These requirements, specific to the City of Baxter's request to extend the existing sales tax in 2014, include:

- **The sales tax must be used for capital projects.** Baxter is proposing to fund \$32 million of water, sanitary sewer, storm sewer, and traffic safety improvements with proceeds from the extension of the local option sales tax. Brainerd Lakes Regional Airport improvements, totaling \$8 million, is the other proposed use of the sales tax proceeds.

- **The sales tax must sunset.** The legislation enacted this year, has the extension expiring at the earlier of December 31, 2037 or when \$40 million plus any bond interest and issuance costs is generated to the pay for the proposed infrastructure improvements.

- **The city must demonstrate community support for the sales tax.** Positive feedback has been received at the last two Baxter Town Meetings. The enabling legislation to extend Baxter's existing local option sales tax approved earlier this year by the Minnesota Legislature requires Baxter to seek voter approval at the November 4th general election. The extension of the existing local option sales tax is contingent upon voters approving the ballot question on November 4th.

- **The projects must have regional significance.** Baxter is a regional center and must provide regional services of water, sewer, and public safety with a limited population base and less reliance from the state. Continued economic development and increased environmental regulations require the City to upgrade its existing infrastructure and to plan for new infrastructure. The sales tax successfully funded the joint wastewater treatment plant shared with the City of Brainerd. The wastewater treatment plant was the required regional project when the sales tax was implemented in 2006. The regional project for the 2014 extension of the sales tax required and approved by the Minnesota Legislature this year is improvements to the Brainerd Lakes Regional Airport. The airport is in need of municipal sewer and water services for its continued operation and for essential fire protection.

COST OF LOCAL SALES TAX

COMPARED TO USING PROPERTY TAXES OR UTILITY FEES

The City Council of Baxter is proposing the extension of the local option sales tax to pay for the remaining debt on the water treatment plant and future wastewater, water, stormwater and transportation safety improvements as it results in the least cost to Baxter households.

According to most recent Minnesota Department of Revenue estimates, the median Baxter household spends approximately \$16,784 on taxable purchases each year. Extension of the one-half percent local option sales tax would continue to cost the average Baxter family an additional \$84 per year, or 23 cents per day.

Extending the existing one-half percent local option sales tax costs the average Baxter family less than \$84 per year, or 23 cents per day.

If the City had to finance the water and sewer treatment plants and water tower projects with a property tax levy instead of the existing sales tax, the average \$175,000 valued home would have seen a property tax increase of \$161 per year for the last seven years. If sales tax proceeds had not been available to fund a significant portion of the additional water and wastewater capacity obtained from the utility projects, residential users of 6,000 gallons of water per month would have seen water and sewer bills increase \$293 per year during the past seven years.

In the second newsletter, at the informational meetings, and on the city's website, we will highlight some of the projects proposed with the extension of the sales tax. If you have questions, we encourage you to visit our website, contact your council members, city staff, and/or attend one of the informational meetings. Please remember to vote on Tuesday, November 4th!

The local sales tax has resulted in the least cost.



For example, over the last seven years **without** the one-half percent sales tax the average Baxter household would have paid \$161 per year in increased property taxes on a \$175,000 median priced home or \$293 per year more on water and sewer bills for infrastructure improvements.

With the one-half percent sales tax, the average Baxter household only paid \$84 per year based on estimated annual taxable purchases.

BALLOT QUESTION

CITY BALLOT QUESTION 1

EXTENSION OF SALES AND USE TAX

Shall the City of Baxter be authorized to (a) extend an existing sales and use tax of one-half of one percent (0.5%) and a motor vehicle excise tax of up to \$20 per motor vehicle, and (b) issue its general obligation bonds in an aggregate principal amount not to exceed \$40,000,000, plus the cost of issuing the bonds, to finance the acquisition and betterment of sanitary sewer, storm sewer, and water projects, and transportation safety improvements, and improvements to the Brainerd Lakes Regional Airport?

An affirmative vote would extend the tax through 2037 or until an additional \$40,000,000 plus an amount equal to interest and issuance costs associated with the bonds hereby authorized to be issued is raised above the amount originally authorized to pay for \$15,000,000 plus any interest and issuance costs on the bonds previously issued to finance projects previously authorized.

BY VOTING YES ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE. Sales and use taxes are intended to be the primary source of payment for the bonds and property taxes will increase **only** if sales and use and excise tax revenues are not sufficient to pay principal and interest on the bonds when due.

On the left is the question that will appear on your voting ballot on November 4th. By voting "yes" you are authorizing the City to extend the existing sales and use tax of one-half percent on items already taxable in Minnesota and currently taxed with the city's existing local option sales tax already in place. Automotive vehicles will continue to be limited to a total tax of \$20. So, if you purchased a vehicle for over \$4,000, the maximum additional sales tax you have paid and would continue to pay is \$20.

A "yes" vote also authorizes the City to issue bonds to finance the projects discussed in this newsletter, including traffic safety, water, sewer, and storm sewer improvement projects in the City of Baxter and improvements to the Brainerd Lakes Regional airport. Notice the bolded section indicating you are voting for a property tax increase? Minnesota law requires us to disclose that the bonds will be repaid with sales tax proceeds, but a property tax increase is possible. To guarantee payment to the bondholders, the City must back up the pledge with its ability to levy a property tax. It is important to note that the levy language assumes a "worst case" scenario of sales tax not being sufficient to repay the bonds. A property tax levy will be used only if sales tax revenues are not sufficient to repay the bonds. To date, a property tax levy has not been necessary to pay the bonds under the current authorization and is not anticipated if the extension of the sales tax is approved. The City will closely monitor construction contracts and financing to avoid the need for a property tax levy.



Identified Uses of Proposed Local Option Sales Tax Extension in 2014



- **Water Infrastructure Improvements** (payment of existing outstanding debt on the water treatment plant, new wells, trunk lines and automatic water meter reading equipment)
- **Sewer Infrastructure Improvements** (lift stations and trunk lines)
- **Storm Sewer Improvements** (collection systems and ponds to prevent flooding)
- **Traffic Safety Improvements** (extension of Cypress Drive, improvements to Excelsior Road, and other safety projects)
- **Improvements to Brainerd Lakes Regional Airport**