

BAXTER CITY COUNCIL MINUTES
Special Meeting
August 30, 2016

Mayor Darrel Olson called the Special City Council Meeting to order at 6:00 p.m.

COUNCIL MEMBERS PRESENT: Mayor Darrel Olson and Council Members Quinn Nystrom, Steve Barrows, Mark Cross, and Todd Holman.

COUNCIL MEMBERS ABSENT: None.

STAFF PRESENT: Finance Director Jeremy Vacinek, Community Development Director Josh Doty, Police Chief Jim Exsted, IT/GIS Director Todd DeBoer, Assistant Finance Director Susannah Jensen, Public Works Director Trevor Walter, and Interim City Administrator Kelly Steele.

Finance Director Vacinek reviewed the 2017 Proposed Operating and Debt Service Property Tax Levy. There are no levy limits in place for the 2017 budget. The total proposed property tax levy of \$5,807,000 is a \$72,400 increase from 2016. Of the total proposed levy, the debt service levy of \$1,126,000 is a reduction of \$50,000 from 2016 and substituted in the operating levy for the collector street funding. The operating levy of \$4,731,000 is a \$122,400 increase from 2016.

The estimated tax capacity for taxes payable in 2017 will not be available until mid-September. Based upon the Spring Mini-Abstract, new construction added for taxes payable in 2017 is approximately \$15.1 million, generating about \$191,065 of tax capacity. Deducting for estimated new construction within the tax increment district, the net new construction is about \$14.6 million with net tax capacity of roughly \$183,298.

As a comparison, for 2016 payable, new construction was estimated at \$14.9 million with \$193,622 of tax capacity and \$126,848 of net tax capacity.

Based on the city's current tax capacity rate of 53.426% and an estimated additional net tax capacity of \$183,298 from new construction, approximately an additional \$97,929 of revenue would be generated.

Staff is currently reviewing average property valuation changes by class and will present information as available.

Finance Director Vacinek summarized the governmental funds budget and various highlights. The 2017 proposed budget does not contain changes to staff levels. A summary of items not included in the budget was provided.

The Council discussed concerns of exempt staff working long hours and the link to the capital improvements plan.

Finance Director Vacinek explained the council would continue review of the budget during the next work session.

MOTION by Council Member Cross, seconded by Council Member Holman to adjourn at 7:40 p.m. Motion carries unanimously.

Approved by:

Respectfully submitted,

Darrel Olson
Mayor

Kelly Steele
Interim City Administrator