



**SPECIAL CITY COUNCIL
MEETING MINUTES
Richfield, Minnesota**

**Special Meeting of the City Council
November 30, 2009**

CALL TO ORDER

The meeting was called to order by Mayor Goettel at 7:00 p.m.

ROLL CALL

Council Members

Present: Debbie Goettel, Mayor; Pat Elliott; Sue Sandahl; and Tom Fitzhenry.

Council Members

Absent: Fred Wroge.

Staff Present:

Steven L. Devich, City Manager; Mike Eastling, Public Works Director; Karen Barton, Acting Community Development Director; Todd Sandell, Acting Public Safety Director; Jim Topitzhofer, Recreation Services Director; Brad Sveum, Fire Services Director; Bill Fillmore, Municipal Liquor Operations Director; Chris Regis, Finance Manager; and Cheryl Krumholz, Recording Secretary.

M/Goettel, S/Fitzhenry to determine the absence of Council Member Wroge from the Special City Council Meeting of November 30, 2009 as an excused absence.

Motion carried 4-0.

Item #1	TRUTH IN TAXATION PUBLIC HEARING REGARDING 2010 PROPERTY TAX LEVY AND 2009 REVISED/2010 PROPOSED BUDGET AND PROPOSED 2010 WATER, WASTEWATER, AND STORM SEWER UTILITY RATES S.R. NO. 242
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City Manager Devich stated the public hearing is not the forum to address property tax values. The value determination is handled by the County Assessor's office during open book process. The public hearing is to discuss the proposed tax levy for Richfield.

Finance Manager Regis made a PowerPoint presentation "2010 Proposed Budget and Tax Levy" (City Clerk's File No. C-455).

Joel Schnell, 6408 Pleasant Avenue, encouraged continued cost savings over the long-term because he believed Local Government Aid (LGA) allocations from the State will be in jeopardy in future years. He stated he believed there was not adequate transparency of the revenue raising mechanisms for the franchise fees and street light fee.

George Puthukulam, 4801 West 98th Street, Bloomington, property owner of 30 unit apartment building at 76th Street and Cedar Avenue, stated he believed the tax increase burden was passed to rental properties which could result in an inability to maintain the property in good condition.

Council Member Sandahl suggested Mr. Puthukulam contact City staff to join the Richfield Apartment Managers Association Group which deals with tenant issues.

Dean Springer, 6813 Queen Avenue, requested clarification of the tax increase on his property.

Finance Manager Regis explained the tax capacity rate, market value, and class rate included in determining the tax levy.

Rick Stone, 6935 Irving Avenue, requested clarification of the tax increase on his property.

City Manager Devich explained how the tax levy impact is different for every property.

Larry Wozniczka, 6744 Wentworth Avenue, requested clarification on the revenue generated by the recently implemented street light use fee versus the percentage impact on property taxes, tax abatement levy, increase in gas and electric franchise fees, debt service breakdown of principal and interest for each project, and sale of bonds for the new City Hall facility before the funds were needed. He requested the City Council be more diligent and demanding of staff.

Finance Manager Regis explained the tax abatement district which was established by the developer agreement with the business subsidy as an incentive to do the project.

Finance Manager Regis explained the consolidation of Tax Increment-type and General Obligation-type bonds included in the budget.

City Manager Devich stated the City Council in office at the time, decided to proceed with the City Hall financing and bond sale because interest rates were good.

Council Member Sandahl added that the City's bond counsel, Ehlers and Associates, recommended the bond sale to save money.

Mr. Springer asked about the probability of change before the City Council approves the levy.

City Manager Devich explained the City Council makes the decision on December 8, 2009. State law requires a preliminary tax levy be submitted to Hennepin County by the City Council by September 15 and it is a firm amount that cannot be increased, but can be decreased. If the City Council changed the tax levy significantly, City services will change also.

City Manager Devich stated improved communication to the public of the tax capacity and tax impact is needed for better understanding.

Matthew Clemenson, 6736 Park Avenue, asked about the City considering refinancing the bonds with lower interest rates and alternative income services other than property taxes.

Council Member Sandahl explained the use of liquor store profits for capital improvements, and implementation of franchise fees and the street light fee with dedicated uses.

Council Member Elliott added there may be administrative fees established for property maintenance violations.

Mayor Goettel continued that permits and fees are reviewed annually and compared to other cities.

City Manager Devich concluded that the City can recoup costs for only what is actually incurred.

Council Member Elliott stated that the City is weaning from being dependent on LGA to discontinue relying on the State's allocation determination.

M/Sandahl, S/Elliott to close public hearing.

Motion carried 4-0.

Mayor Goettel stated the Truth in Taxation hearing was concluded and the official adoption of the final levy and budget is scheduled for December 8, 2009.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 8:27 p.m.

Date Approved: _____

Debbie Goettel
Mayor

Cheryl Krumholz
Recording Secretary

Steven L. Devich
City Manager