

**MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD WEDNESDAY,
DECEMBER 13, 2006 – ROCKVILLE CITY HALL**

The meeting was called to order by Mayor Brian Herberg. Roll Call was taken and the following members were found to be present: Mayor Herberg, council members Vern Ahles, Jeff Hagen, Ed Karls, Lloyd Lommel, Don Simon and Greg Simones. Absent: None.

Staff Members present were: Administrator/Clerk Rena Weber, Finance Director Julie Zimmerman, and Maintenance Worker Rick Hansen.

Also present were: John Koerber, Dave Volkmuth, Greg Berg, Brian Klocker, Hank Kohorst, Susan Palmer & Tom Van Lith.

PURPOSE OF MEETING – Mayor Herberg announced that the special meeting had been called for the purpose of truth in taxation.

BUDGET PROCESS – Julie Zimmerman gave a brief explanation of the budget process, when it begins, who participates in the process, and the time frames involved.

PROPOSED TAX RATE – Julie reported that the proposed tax rate is 43.453% and the former City of Rockville at 46.961%. The Consolidation Agreement predicted a 2006 tax rate of:

City of Rockville	64.994%
City of Pleasant Lake	55.606%
Rockville Township	50.790%
Combined City of Rockville	50.366%

St. Joseph 52.112% tax rate for 2007

Local Government Aid – 2002	\$ 94,136
2003	150,834
2004	113,311
2005	78,842
2006	85,632
2007	62,009

Cold Spring – \$607,621 for 2007

Reasons why the tax levy increased:

Facilities - \$57,000 more in debt service for 2007, however, this will stay fairly level until 2017

Sewer project increased by \$20,000 for 2007 and will stay here until the bond is retired

Civil defense siren - \$10,000 per year.

New Pumper Truck - \$22,000 per year

Rescue Truck – Fire Department is setting aside \$10,000 per year

Overlay on 133rd Avenue is a \$23,000 cost share with Wakefield Township

St. Augusta – is starting their own fire department which is a \$18,000 loss in revenue to Rockville

LEVY REDUCTIONS – Julie Zimmerman reported that with a number of reductions and increases considered by the Finance Committee at the 12/04/06 meeting a \$28,036 reduction is proposed and is based on a number of factors. This brings the tax levy down to 16.5%.

COLA – Julie Zimmerman presented examples of Cost of Living increases from other cities:

CITY	AVERAGE STEP INCREASE	PROPOSED COLA
Albany	4.0%	3%
Cold Spring	3.50%	3%
Freeport	Varies	5%
Melrose	Varies	3.85%
Rockville	3.1%	3%
Richmond	3.7 – 3.8%	4.2 – 30% due to new Comp system
Sartell	Varies based on performance	1.5%
St. Joseph	5%	3.25%

GOALS FOR NEXT YEAR – Julie reported that other areas that can have an impact on the budget are: Manage development contracts to make sure the costs are being recovered, and to use accurate date for CIP & CEP tracking of future debt.

Dave Volkmuth – 25754 Lake Road, voiced concern that there should have been a cost savings to us with consolidation. This does not meet with the criteria as to why we consolidated. He has heard nothing but scares of people not being able to pay their taxes. For 26 months he has watched the council and does not think it is fair to the people of Rockville. The Council has pretty much taken care of the older people as to how are they going to pay for it? Nobody shows up at meetings because nobody listens to you. Dave Volkmuth challenged the council to cut the budget by 25% across the board. Dave further added that as long it is usually a 6 to 1 vote he was amazed that there was a 4 to 3 vote on the wages for the council.

John Koerber – 25722 Lake Road, stated that when he was Mayor of Pleasant Lake and when the assessor came in with an increase they did not accept it. There are 15 people on Pleasant Lake that can't pay their taxes. The Fire Department can clean their own department. He does not buy it. John stated you can build the most elaborate fire hall and city hall and add a \$67,000 tax the people. He does not know where the council is coming from. When he was Mayor the most expensive plowing he had was individual. The City bought a new truck for \$37,000 and it better not go over that. He does not think we are utilizing the equipment. "You owe it to the taxpayers, so you better sit down and listen."

Greg Berg – 8615 County Road 6, questioned the Local Government Aid amount of \$62,009 and City of Cold Spring being over \$600,000.

Julie explained what is involved such as:

- Pre-1940 homes,
- Per Capita accidents
- Revenue need – population
- Tax Base
- Aid Base

Discussion was held regarding the LGA and why there is such a big difference between the two.

Tom Van Lith – 8949 County Road 6, asked if everybody's value went up 23.6%. Discussion was held regarding various evaluations and that land values are causing appraised valued to rise significantly in the rural areas.

Member Hagen asked if anybody saw the newspaper report that Watab Twp. is building a \$338,000 township hall and they are a township that is growing. The City of Rockville spent 3.0 million on buildings when we could have done it for 1.0 million. Jeff indicated that we knew we needed trucks, and would have to pay for the Broadway Street turn back. 20 homes per year is not going to happen, we need to spend smartly, and we should look at taking care of the things we should have been thinking of when we built the buildings. Eden Valley is building a fire hall that will cost \$600,000 or less. We could have saved \$2.0 million and look at the other places we could have spent. It seems that there is an attitude problem that has been developed in the last 2 years. We want the biggest and best right now. Jeff hopes we will have some commercial industrial tax base. People are giving back their homes and have big cars in garages. Foreclosures are only going to get worse.

Brian Klocker – 25901 Burg Street, stated it is hard to undue what you did. This is a pretty nice building we are sitting in.

John Koerber, 25722 Lake Road stated we turned down a bid on the Fire Hall. We could have done it for \$500 to \$600 thousand cheaper.

Motion by Member Ahles, second by Member Simon, to close the public hearing on truth in taxation at 7:49 p.m.

AYES: Ahles, Hagen, Herberg, Karls, Lommel, Simon & Simones

Motion passed on a 7 to 0 vote.

ADJOURNMENT – Motion by Member Ahles, second by Member Simones, to adjourn the meeting at 7:50 p.m. Motion carried unanimously.

VERENA M. WEBER-CMC
ADMINISTRATOR/CLERK

BRIAN HERBERG
MAYOR

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