

**Glyndon City Council**

**12/14/2016**

6:30 p.m. Truth in Taxation Hearing  
Glyndon Council Chambers

**Call to Order:** Mayor Cecil Johnson called the meeting to order at 6:30 p.m.

**Roll Call:** Council Members Present: Dave Owings, Chris Jensen, Joe Olson and Kimberly Savageau, Deputy City Clerk Wendy Affield, Police Chief Mike Cline, City Attorney Ken Norman and City Engineer Chris Thorson.

**As Per Sign-in Sheet:** Justin Schreiber, Nick Olek.

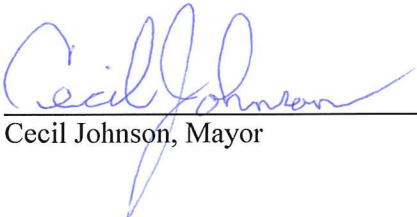
**1. Discussion on Tax Levy for 2017** – Mayor Johnson asked if everyone received a copy of the Bond Schedule David Drown Associates prepared. Mayor Johnson discussed the Preliminary Tax Levy percentage of seven percent (7%) Council passed in September and would like to know what everyone's thoughts are. Affield informed Council a final decision would need to be made on the percentage for the Tax Levy tonight at the Regular Council Meeting, stating the figure will need to be sent to the State by 6:00 p.m. December 28<sup>th</sup> and the next Council Meeting does not start until 7:00 p.m. that evening. Affield informed Council a Special Meeting would need to be scheduled if a decision was not made tonight. Olson asked if everyone was still in favor of the three percent (3%) that was discussed at a prior meeting. Council discussed the values of their homes and how it affected the difference in their proposed property taxes for the 2017 year. Mayor Johnson informed Council of the increase in taxes for Buffalo River Sales and the building Mr. Church built on Highway 10, stating the County increased their value which then in turn increased their property taxes. Affield stated the buildings were assessed as cold storage but were heated so the value increased and a new building was also built. Jensen stated Kelly Richards was also paying a large amount of taxes on the bus garage he used to own in Glyndon. Mayor Johnson informed Council the owner of Buffalo River Sales attended the County meeting concerning his taxes and may attend the meeting on the 28<sup>th</sup> to make sure the Council is aware of the increase. Jensen asked Savageau if she could explain how the process works with calculating property value and property taxes. Savageau explained with Commercial taxes it is done differently (spread differently), one person's value may go down, while others go up so the difference is adjusted amongst the ones that have an increased value. Savageau discussed the Ag containment tax lose that was approved since a Special Session with Congress did not happen. Savageau explained agricultural businesses do not pay taxes anymore on a building that stores farming chemicals, those lost dollars are then spread across the town to recoup what is lost for taxes on that building. Savageau mentioned the possibility of Congress holding a Special Session next week that may look at changing this back to allow taxes to be charged on agricultural chemical storage buildings. If this is taken care of in the Tax Bill for 2016 you would see it go back on the tax roll for 2017 and then you would see a change on your property tax statement. Savageau explained how a new building goes on the tax roll, stating you actually have a year where the value is not captured, it is based on the value captured on January 2<sup>nd</sup> once the building has been completed. Jensen discussed the expenditure and revenue sheets included in the Agenda Packet, stating they are close to the same amounts so the City does not have a very large surplus for 2017. Owings informed Council the revenue is \$6,805.70 more than the expenses. Jensen

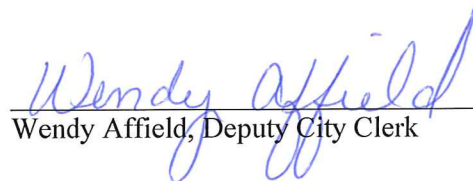
believes this year is the closest out of the eight (8) years he has been on the Council for the revenues and expenditures to almost match and does remember the City Auditor saying “you want to be close because you do not want the tax payers to think Council are cheating them”. Mayor Johnson asked the audience if anyone has a question. A resident informed Council he is new to town and came to hear how things are figured out for property taxes, stating his taxes went up a small amount but his value decreased. Savageau explained Clay County came out and reassess the property in Glyndon (which they try and do every 5 years to small towns), stating during the years between physically viewing the property the County will increase your value by an estimated percentage, that is why you may see a decrease in value after the 5 years. Savageau stated the increase you see would be from the proposed tax levy the Council set in September. Commercial property is assessed at a higher tax rate than residential property. Savageau believes the City portion of the proposed levy will decrease once they set the levy percentage, but stated the County’s proposed tax levy figures are usually close on the preliminary property tax statement as it will be on the final. Mr. Olek arrived late so Savageau explained the Ag containment funds Cities in Minnesota will lose out of due to the Special Session not happening this year.

Council discussed there was a three percent (3%) levy in 2016, zero (0) levy in 2015 and zero (0) levy in 2014. Council and Department Heads have done a good job over the last few years to keep the levy low for the residents. Olson stated a three percent (3%) levy would allow the City to have an addition \$13,482.33 to work with in 2017. Savageau asked if the 2014A Bond payment amount is included in the 2017 Preliminary Budget figures. Affield stated Anderson added that figured to the 2017 Budget before she left. With no more questions from Council or the audience Mayor Johnson asked for a motion to close the hearing.

**2. Open Forum -**

**3. Adjournment** – Chris Jensen made a motion to close the Truth in Taxation Hearing at 6:53 p.m., seconded by Joe Olson.  
Motion Carried

  
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Cecil Johnson, Mayor

  
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Wendy Affield, Deputy City Clerk