

CITY OF GRAND MARAIS
TRUTH IN TAXATION PUBLIC HEARING
MINUTES
December 10, 2008

Mayor Larsen called the meeting to order at 5:00 p.m.

Members present: Evelyn Larsen, William Lenz, Edward Bolstad, Tim Kennedy and Kay Costello

Members absent: None

Staff present: Mike Roth, Don Davison, and Kim Dunsmoor

City Administrator Roth informed the public that we have been working on the 2009 budget since July. The Preliminary Levy was set in September at 7.23% increase with a goal to reduce the levy between 3 and 4%. We resolved some of the increase by having utility rates pay toward the debt levy. We reached a tentative agreement with the union and the wage increase is within the budget. We have received the street/building maintenance department supervisor's retirement notice and we may restructure that department from 2 ½ people to 1 full time and 2 part-time people. The state has claimed a \$5.2 billion deficit and said it could be worse. The legislature has said that cities and counties will get reduced Local Government Aid. We need to be prepared for a loss of state funding. The formula is complex and it is difficult to predict what we will face. We recommend leaving in the budget the potential savings of the street department. We recommend the levy increase of 4.47% due to the risk of losing some state funding. The general fund spending is budgeted to increase 1.54%, but the levy increased more due to the 2008 Improvement debt levy. Although the levy has increased, the effective tax rate has remained relatively flat from last year.

Linder Peterson addressed the council regarding market value of his home and others that sustained flood damage due to the June rain event. The market value of his home remained the same according to the assessor's evaluation. Linder was encouraged to speak with Mary Black, Cook County Assessor, to discuss his market value. The City Administrator will also contact the assessor.

Councilor Kennedy asked if the anticipated loss at the golf course was included in the levy. It is not included in the levy and should be discussed further in 2009.

There being no further business, the meeting adjourned at 5:24 p.m.