

TRUTH IN TAXATION PUBLIC HEARING
Thursday, December 6, 2007 – 7:10 p.m.
County Board Room – 3rd Floor – Courthouse

M I N U T E S

The Clay County Board of Commissioners met in special session on Thursday, December 6, 2007, with all commissioners present: Brunsvold, Campbell, Evert, McCarthy, and Waller. Attachment “A” is a sign-up sheet of the citizens present.

On motion by McCarthy, seconded by Brunsvold, and unanimously carried, the public hearing was opened.

Chair Campbell referred to the hand-out of the meeting (See Attachment “B”), and read the statement of purpose and procedures for citizens to address the Board. He also advised that this meeting and the 2008 Budget & Tax Levy document will be available for viewing on the County’s website at www.co.clay.mn.us.

County Auditor Treasurer Lori Johnson informed the group that the 2008 Tax Levy (spread) is \$21,269,100, a 5.46% over 2007 (2.06% after new growth is taken into consideration). She reviewed the breakdown by major funds, indicating that the majority of the tax levy, 52.89%, goes to the Revenue fund (Courthouse activities, law enforcement, Sheriff’s office, attorneys, etc.), with 30.90% going to Social Services functions (out of home placement, mental health issues, elderly, etc.).

Ms. Johnson reviewed the budgeted expenditures, budget history for the past four years, and the levy history for 2000-2008, which are included in Attachment “B”.

Chair Campbell requested comments from the audience and reminded them that the purpose of the meeting is to seek comments regarding the 2008 levy and how it impacts taxpayers.

Ms. Melissa Seitz, Hawley, had a question regarding the valuation of her property. She was advised to contact the Assessor’s Office for clarification.

County Assessor Loren Johnson commented that until recently, Parke Township had a local Assessor, who would have been responsible for the assessments on the current statement. He advised that the County Assessor took over the assessments for the 2008 payable 2009 tax.

There were several citizens present from Parke Township who expressed concerns with their valuations. Mr. Johnson stated that Parke Township has five school districts with varying levies, however, if the market value of their home stayed the same, their taxes would have gone down.

Mr. Ken Hall, Hawley (Parke Township), stated that he felt with the increase in taxes the services they receive should be better, specifically, road grading. Chair Campbell explained that improvements have been made for summer maintenance, in that a 12th Maintenance District has been implemented so that maintainers can go over the roads more frequently.

Mr. John Winter, Glyndon, expressed concern regarding CSAH 12 and the fact that only $\frac{3}{4}$ of a mile was paved. He felt this road has considerable gravel truck traffic and has been on the Highway Construction Plan for many years. He questioned who determines how and where the Highway funds are utilized. Chair Campbell explained that there is a 5-year Highway Construction Plan that is recommended by the Highway Engineer and the

Highway Tracking Committee for the County Board's approval annually. He added that state and local funding are considered as the Plan is developed, with prioritization of the conditions and volume of traffic on the roads. Commissioner Evert added that CSAH 12 is wide enough to be tarred, and much harder to maintain. He felt that the ¾ that was tarred was the area where most of the gravel trucks were traveling.

Chair Campbell stated that the Board was hopeful that a draft of the Five-Year Highway Construction plan could be brought before the Township Officers at their Spring meeting. He informed the group that the County is testing a new product, Otta Seal, which is a fraction of the cost of tarring, but offers similar results. He was hopeful this product could be used in more areas in the future.

Mr. Winter expressed his frustration that the valuation of his property is going up – and is assessed higher than its appraised value.

Commissioner Evert commented that the Governor has twice vetoed a plan that the 87 counties in Minnesota have agreed to for funding of roads, resulting in MnDOT being \$2.3 billion short per year, which then falls to the Counties.

Mr. Randy Tweten, Hawley, expressed concern that the icy condition of County Road 10 is not treated. The Highway Tracking Committee will address this concern with the County Engineer.

Mr. Brian Brunette, Hawley, stated that with taxes increasing so dramatically, there are no funds left in his family budget to send his kids to college.

Ms. Jean Fuchs, Hawley, was curious regarding the difference between the City of Moorhead and Oakport Township real estate tax projections. Commissioner Campbell commented that the City of Moorhead spends more for operations than Oakport Township.

Commissioner Waller reminded the group that the valuation process is mandated by a formula established by the State of Minnesota.

Mr. Johnson stated that sales that transpire within a township affect the valuations of other properties in that Township. The State mandates that values must be within 90-105% of sales.

Commissioner Waller noted that, by formula, when a certain Township grows stronger than other areas, that Township will see a shift of taxes and pick up more of the County levy than those areas that are not experiencing growth.

Mr. Jeff Formo, Hawley, stated that over the years he has lived in the County, he has noted that the more he pays in tax, the less he sees road work and law enforcement. He felt the County is using a lot of bandaids on the roads, with no major fixes. He questioned where the money goes.

Chair Campbell replied that some of the major factors in the increase in the levy this year are employee health insurance, cost of living adjustments, and law enforcement (for transporting prisoners to other counties due to lack of space in the Clay County jail).

Commissioner Evert indicated that it would cost \$18,000,000 to construct Highway 52 from Sabin to Barnesville, and those funds are not available.

Commissioner Brunsvold felt it is difficult for the County to provide all the services that are dictated by the State when the State continues to reduce funding.

Commissioner Waller felt we are fortunate to live in a County where there is growth. Commissioner Campbell added that Clay County had the 2nd lowest increase in tax levy of the 13 counties in District IV.

Mr. Wade Savageau inquired if the County must burn up fuel in order to get its next allotment. Chair Campbell responded that the County does not, and the plows are only out when they are needed.

Concerns were raised regarding a segment of County Road 8 which is breaking away. This area is scheduled for repair in 2008/2009 in conjunction with a Buffalo Red River Watershed project.

Considerable discussion took place regarding structural and electrical deficiencies that a citizen experienced with a home she purchased and the resultant efforts to correct them. Commissioner Evert commented that the County does not have a Building Code despite efforts to implement the State's code earlier this year. At that time considerable opposition was raised by citizens and the County declined to adopt the State's Building Code.

On motion by Brunsvold, seconded by Waller, and unanimously carried, the public hearing was closed at 8:26 p.m.

Chair Campbell announced that the Levy and Budget Adopting Hearing will be Tuesday, December 18, 2007, at 9:30 a.m., in the Clay County Commission Board Room at the Clay County Courthouse.

ADJOURN

The meeting adjourned at 8:40 p.m.

Kevin L. Campbell, Chair
Clay County Board of Commissioners

Vijay Sethi, County Administrator

Truth in Taxation Public Hearing

December 6, 2007 - 7:00 p.m.

Name	Address
Ten Fineman	Furn
Rhonda Porter	Soc. Sec. Director
Dawn Greener	H.A. Boettcher/RA
Dara A. Lee	Clay Cty HRA, PO Box 99, Dilworth
Randy T. Wetzel	22527 22 Ave Hawley, Hawley
Tim Brendemuhl	8463 2nd St N Moorhead
Jeff Formo	27908 88th Ave S Hawley
John & Melissa Seitz	27669 76 Ave So Hawley
Bryan & Theresa Brunette	27935 86th Ave S. Hawley
CARY ALEXANDER	3055 96th St N. Moorhead
Randy Olson	27523 82nd Ave Hawley Mn
John Hicks	10207 240 St. S Hawley Mn
John W. Juntla	4433 100th St. S. Glyndon
Jim Baker	9061 78th Ave. S. Sebien
KENNETH HALL	27521 83rd Ave S. Hawley
FRAN Bedore	27478 82 Ave S. Hawley
Wade Savageau	11635 Hwy 10 Glyndon, Mn.



Clay County Mission Statement

Clay County is dedicated to providing services to the public in an efficient, responsible and professional manner. Services will be delivered in a caring, humane environment.

Clay County is dedicated to providing a work environment where we respect the dignity, and recognize the merit of each individual employee.

Clay County is committed to a policy of open government.

**PUBLIC MEETING ON 2008 BUDGET & TAX LEVY FOR
CLAY COUNTY**

**Thursday, December 6, 2007
7:00 p.m.**

**Clay County Commission Room
Moorhead, MN**

A G E N D A

1. Statement of Purpose & Procedures: Kevin Campbell, Chair, Clay County Board of Commissioners
2. Description of 2008 Property Taxes
3. Public Input & Comments (Please state your name and address for the meeting record).
4. Announcement of Levy & Budget Adopting Hearing: December 18, 2007, 9:30 a.m.
5. Adjourn

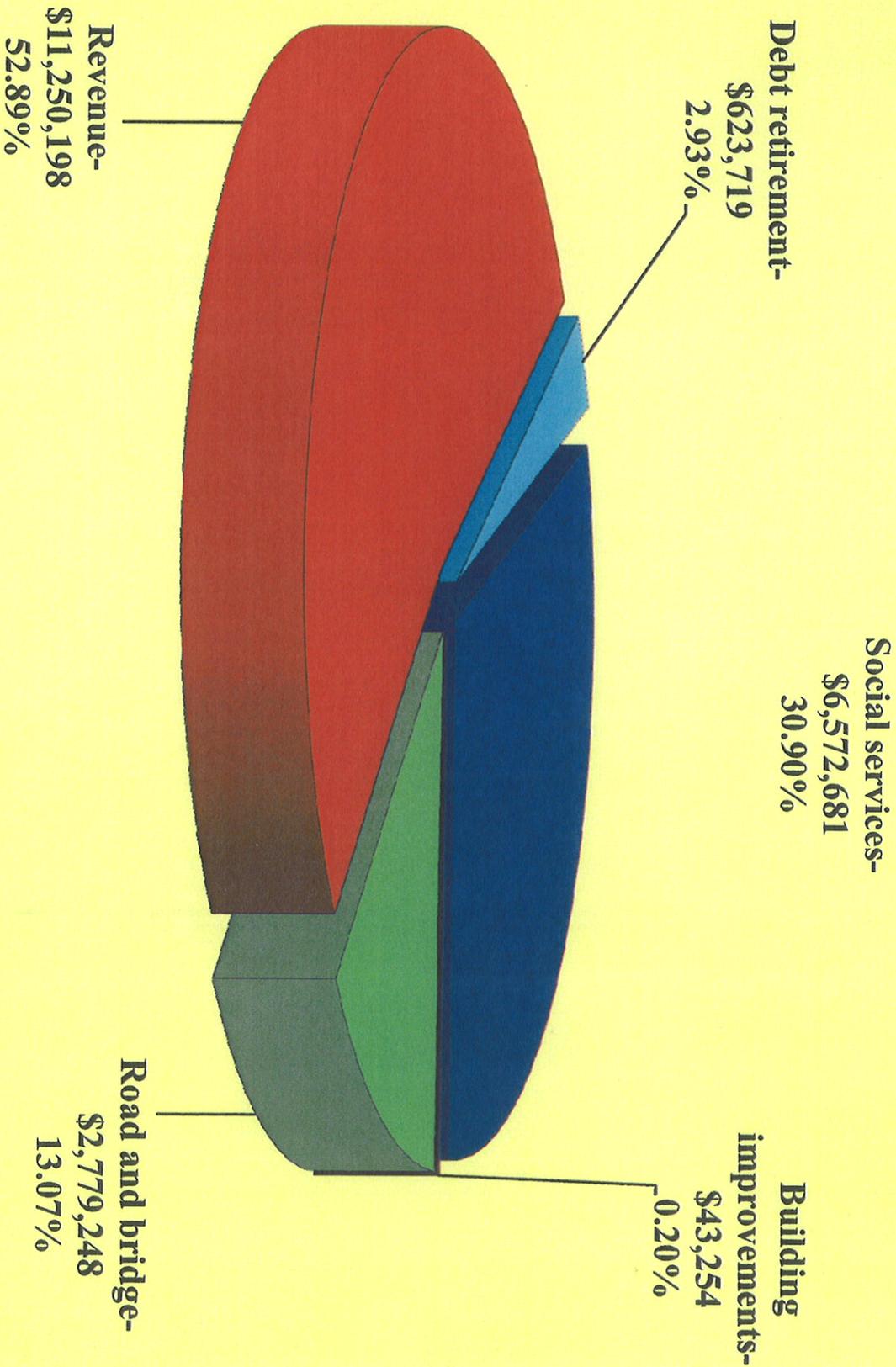
PURPOSE

1. The purpose of this public meeting is to seek input and comments from Clay County citizens on the County's annual tax levy for 2008 and how it can impact you as a taxpayer.
2. The meeting pertains to the Clay County portion of the property taxes only.
3. If necessary, the County Board of Commissioners can continue this public meeting to a subsequent date to ensure that all citizens wanting to be heard have an opportunity to do so.

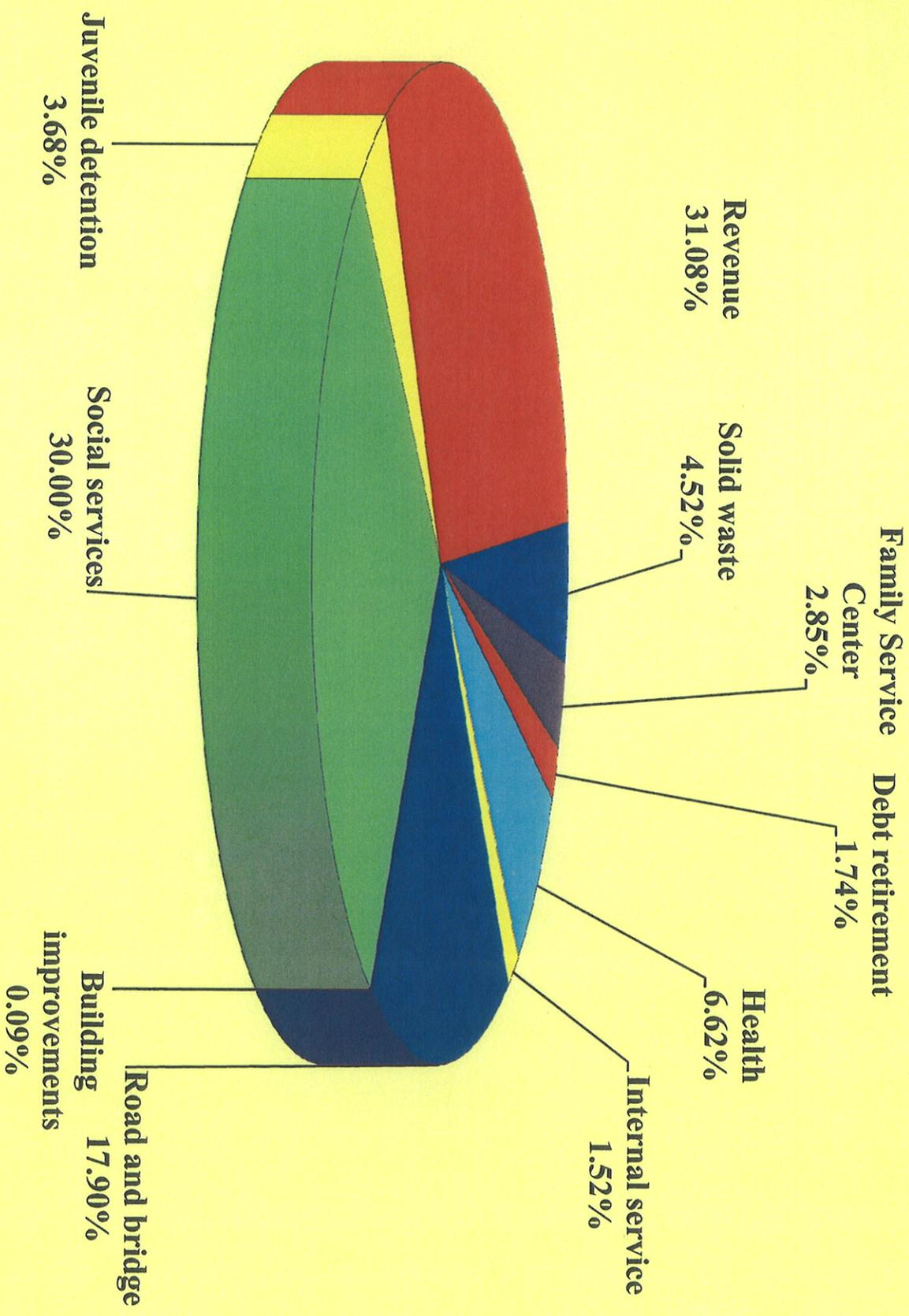
PROCEDURES

1. Please be sure to sign your name and address on the sign-up sheet which is located near the door.
2. As indicated by the agenda, public input and comments will be invited after the County Auditor has completed her presentation.
3. In order that everyone present will be able to hear what is being said, please use the microphone provided. For the record, please state your name and address prior to making your statement or asking your questions. Thank You.

Clay County Tax Levy



Clay County Budgeted Expenditures



CLAY COUNTY BUDGET HISTORY

	Percent of		Percent of		Percent of		Percent of	
	2008	Total Budget	2007	Total Budget	2006	Total Budget	2005	Total Budget
Revenues								
Taxes	23,117,280	42.07%	22,236,719	43.27%	20,440,998	39.41%	19,168,052	41.85%
Licenses and permits	53,330	0.10%	133,316	0.26%	98,864	0.19%	91,700	0.20%
Intergovernmental	19,442,610	35.39%	18,035,468	35.09%	21,093,047	40.66%	16,736,007	36.54%
Charges for services	9,045,726	16.46%	7,416,472	14.43%	7,233,813	13.95%	6,744,355	14.73%
Fines and forfeits	6,000	0.01%	6,000	0.01%	5,000	0.01%	5,000	0.01%
Interest on investments	749,296	1.36%	593,500	1.15%	370,500	0.71%	318,919	0.70%
Miscellaneous	1,803,255	3.28%	1,999,426	3.89%	1,906,943	3.68%	2,067,503	4.51%
Transfers in	725,814	1.32%	973,212	1.89%	723,366	1.39%	664,994	1.45%
Total Budgeted Revenues	54,943,311		51,394,113		51,872,531		45,796,530	43,816,146
Expenditures								
General government	6,822,329	12.42%	6,238,893	12.12%	5,857,675	11.10%	5,261,751	11.42%
Public safety	9,777,390	17.80%	9,464,104	18.38%	9,000,871	17.06%	8,267,615	17.94%
Highways and streets	10,131,624	18.45%	8,680,877	16.86%	10,564,895	20.03%	7,634,508	16.57%
Health	3,794,199	6.91%	3,519,324	6.83%	3,309,729	6.27%	3,211,043	6.97%
Social services	16,477,977	30.00%	15,674,674	30.44%	15,621,606	29.61%	14,474,396	31.41%
Solid waste	2,482,191	4.52%	2,017,593	3.92%	2,889,487	5.48%	2,030,437	4.41%
Culture and recreation	409,661	0.75%	393,166	0.76%	363,248	0.69%	344,416	0.75%
Conservation of natural resources	566,278	1.03%	573,972	1.11%	494,550	0.94%	475,786	1.03%
Economic development	436,221	0.79%	406,379	0.79%	383,788	0.73%	364,929	0.79%
Unallocated	770,610	1.40%	755,153	1.47%	811,463	1.54%	821,985	1.78%
Debt service-principal	536,844	0.98%	773,535	1.50%	703,062	1.33%	677,589	1.47%
Debt service-interest	1,981,497	3.61%	2,022,543	3.93%	1,932,466	3.66%	1,940,489	4.21%
Transfer out	739,146	1.35%	973,212	1.89%	817,782	1.55%	574,222	1.25%
Total Budgeted Expenditures	54,925,966		51,493,425		52,750,622		46,079,166	45,933,333
Total Budgeted Revenues								
Over (Under) Budgeted								
Expenditures	17,345		(99,312)		(878,091)		(282,636)	(2,117,187)

CLAY COUNTY LEVY HISTORY

	PAYABLE YEAR	LEVY	INCREASE	PERCENT
	2008	21,269,100	1,100,881	5.46%
	2007	20,168,219	1,720,719	9.33%
	2006	18,447,500	1,217,248	7.06%
	2005	17,230,252	(892,826)	-4.93%
	2004	18,123,078	1,222,794	7.24%
	2003	16,900,284	982,420	6.17%
	2002	15,917,864	1,001,694	6.72%
	2001	14,916,170	1,153,084	8.38%
	2000	13,763,086	590,967	4.49%
<u>FUND</u>	2008	2007		
	<u>PROPOSED LEVY</u>	<u>CERTIFIED LEVY</u>	<u>INCREASE</u>	<u>PERCENT</u>
REVENUE	11,059,401	10,449,658	609,743	5.84%
ROAD AND BRIDGE	2,779,248	2,657,445	121,803	4.58%
BUILDING IMPROVEMENT	43,254	43,278	(24)	-0.06%
LIBRARY	190,797	185,416	5,381	2.90%
DEBT RETIREMENT - LE	161,068	160,171	897	0.56%
DEBT RETIREMENT - RB	162,226	160,921	1,305	0.81%
DEBT RETIREMENT - Courthouse	300,425	297,137	3,288	1.11%
SOCIAL SERVICES	6,572,681	6,214,193	358,488	5.77%
TOTAL	<u>21,269,100</u>	<u>20,168,219</u>	<u>1,100,881</u>	<u>5.46%</u>

Real Estate Tax Projections
Based on preliminary levies certified September 2007

	City of Moorhead		City of Barnesville		City of Dilworth		Oakport Township	
	2007	2008	2007	2008	2007	2008	2007	2008
Market Value	85,000.00	85,000.00	85,000.00	85,000.00	85,000.00	85,000.00	85,000.00	85,000.00
Tax Capacity	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00
Tax Capacity rate	122.012%	123.038%	117.084%	115.465%	141.106%	139.408%	107.130%	104.674%
TC Tax	1,037.10	1,045.82	995.21	981.45	1,199.40	1,184.97	910.61	889.73
MV Tax	43.40	38.34	197.17	206.66	27.51	29.13	43.40	38.34
Less Homestead MV Credit	(295.90)	(295.90)	(295.90)	(295.90)	(295.90)	(295.90)	(295.90)	(295.90)
Net tax payable	784.60	788.27	896.48	892.21	931.01	918.20	658.11	632.17
Change		0.47%		-0.48%		-1.38%		-3.94%
		3.66		(4.27)		(12.81)		(25.93)
Market Value	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Tax Capacity	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Tax Capacity rate	122.012%	123.038%	117.084%	115.465%	141.106%	139.408%	107.130%	104.674%
TC Tax	1,220.12	1,230.38	1,170.84	1,154.65	1,411.06	1,394.08	1,071.30	1,046.74
MV Tax	51.06	45.11	231.96	243.13	32.36	34.27	51.06	45.11
Less Homestead MV Credit	(282.40)	(282.40)	(282.40)	(282.40)	(282.40)	(282.40)	(282.40)	(282.40)
Net tax payable	988.78	993.09	1,120.40	1,115.38	1,161.02	1,145.95	839.96	809.45
Change		0.44%		-0.45%		-1.30%		-3.63%
		4.31		(5.02)		(15.07)		(30.51)
Market Value	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Tax Capacity	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Tax Capacity rate	122.012%	123.038%	117.084%	115.465%	141.106%	139.408%	107.130%	104.674%
TC Tax	1,830.18	1,845.57	1,756.26	1,731.98	2,116.59	2,091.12	1,606.95	1,570.11
MV Tax	76.59	67.67	347.94	364.70	48.54	51.41	76.59	67.67
Less Homestead MV Credit	(237.40)	(237.40)	(237.40)	(237.40)	(237.40)	(237.40)	(237.40)	(237.40)
Net tax payable	1,669.37	1,675.84	1,866.80	1,859.27	1,927.73	1,905.13	1,446.14	1,400.38
Change		0.39%		-0.40%		-1.17%		-3.16%
		6.47		(7.53)		(22.61)		(45.76)
Market Value	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
Tax Capacity	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Tax Capacity rate	122.012%	123.038%	117.084%	115.465%	141.106%	139.408%	107.130%	104.674%
TC Tax	2,440.24	2,460.76	2,341.68	2,309.30	2,822.12	2,788.16	2,142.60	2,093.48
MV Tax	102.12	90.22	463.92	486.26	64.72	68.54	102.12	90.22
Less Homestead MV Credit	(192.40)	(192.40)	(192.40)	(192.40)	(192.40)	(192.40)	(192.40)	(192.40)
Net tax payable	2,349.96	2,358.58	2,613.20	2,603.16	2,694.44	2,664.30	2,052.32	1,991.30
Change		0.37%		-0.38%		-1.12%		-2.97%
		8.62		(10.04)		(30.14)		(61.02)

Real Estate Tax Projections
Based on preliminary levies certified September 2007

	Moorhead Twp - School Dist #152		Clivdon Twp - School Dist # 2164		Humboldt Twp - School Dist # 146	
	2007	2008	2007	2008	2007	2008
Ag Homestead						
320 acres (\$1700/acre \$100,000 house and garage)						
Total Market Value	544,000.00	544,000.00	544,000.00	544,000.00	544,000.00	544,000.00
HGA Market Value	100,000.00	100,000.00	100,000.00	100,000.00	120,600.00	121,300.00
Ag Land TC	2,442.00	2,442.00	2,442.00	2,442.00	2,328.70	2,324.85
HGA TC	1,000.00	1,000.00	1,000.00	1,000.00	1,206.00	1,213.00
Total Tax Capacity	3,442.00	3,442.00	3,442.00	3,442.00	3,534.70	3,537.85
Tax Capacity rate	112.470%	100.669%	98.638%	94.017%	93.199%	86.582%
TC Tax	3,871.22	3,465.03	3,395.12	3,236.07	3,294.31	3,063.14
MV Tax	45.11	45.11	32.36	34.27	279.74	294.92
Less Homestead MV Credit	(282.40)	(282.40)	(282.40)	(282.40)	(263.86)	(263.23)
Less Ag MV Credit	(180.50)	(180.50)	(180.50)	(180.50)	(190.80)	(191.15)
Net tax payable	3,453.43	3,047.24	2,964.58	2,807.44	3,119.39	2,903.68
Change		-11.76%		-5.30%		-6.92%
		(406.19)		(157.14)		(215.71)
Ag Non-homestead						
160 acres (\$1,700/acre)						
Market Value	272,000.00	272,000.00	272,000.00	272,000.00	272,000.00	272,000.00
Tax Capacity	2,720.00	2,720.00	2,720.00	2,720.00	2,720.00	2,720.00
Tax Capacity rate	112.470%	100.669%	98.638%	94.017%	93.199%	86.582%
TC Tax	3,059.18	2,738.20	2,682.95	2,557.26	2,535.01	2,355.03
MV Tax	0.00	0.00	0.00	0.00	0.00	0.00
Less Ag MV Credit	0.00	0.00	0.00	0.00	0.00	0.00
Net tax payable	3,059.18	2,738.20	2,682.95	2,557.26	2,535.01	2,355.03
Change		-10.49%		-4.68%		-7.10%
		(320.99)		(125.69)		(179.98)
Ag Non-homestead						
500 acres (\$1,700/acre)						
Market Value	850,000.00	850,000.00	850,000.00	850,000.00	850,000.00	850,000.00
Tax Capacity	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00
Tax Capacity rate	112.470%	100.669%	98.638%	94.017%	93.199%	86.582%
TC Tax	9,559.95	8,556.87	8,384.23	7,991.45	7,921.92	7,359.47
MV Tax	0.00	0.00	0.00	0.00	0.00	0.00
Less Ag MV Credit	0.00	0.00	0.00	0.00	0.00	0.00
Net tax payable	9,559.95	8,556.87	8,384.23	7,991.45	7,921.92	7,359.47
Change		-10.49%		-4.68%		-7.10%
		(1,003.09)		(392.79)		(562.45)