

**MINUTES
OF THE SPECIAL MEETING OF THE
EDINA CITY COUNCIL HELD AT CITY HALL
ON DECEMBER 4, 2006 AT 5:00 P.M.**

ROLLCALL Answering rollcall were Members Housh, Hulbert, Masica, Swenson and Mayor Hovland.

TRUTH IN TAXATION PUBLIC HEARING HELD FOR PROPOSED 2006 CITY BUDGET Pursuant to published notice given, the Edina City Council conducted a public hearing on the proposed property tax increase in the 2007 Budget for the City of Edina, as mandated by Chapter 375, Laws of Minnesota 1993.

Mayor Hovland stated the purpose of the Truth in Taxation hearing would focus on the proposed 2007 City of Edina Budget. The budget review would relate to the monies' source and how they would be expended on the various functions and services of the City. Residents with questions relating to the valuation placed on their homes should plan to appear at the Board of Review in April of 2008. Mayor Hovland noted that due to an error in the publication of the City's Truth In Taxation Notice in the Edina Sun Current, the hearing would be continued until December 5, 2006, regular Council meeting in case any citizens were confused by the notice.

Manager Hughes introduced a short video entitled 14 Reasons Property Taxes Go Up or Down produced by the League of MN Cities, the Association of MN Counties, and the MN School Boards Association. Mr. Hughes said filming and technical work on the video was done by Tremendous Entertainment 2006.

Following the video Mr. Hughes noted this was the second step in the budget adoption process. The Council, in September, adopted a maximum levy and later in December will adopt the actual budget and levy. Mr. Hughes reviewed the 2007 proposed expenditures of \$28,888,666. He explained this would be an increase of \$1,847,577 or approximately 6.83%. Mr. Hughes noted that \$300,000 of the increase represented one-time costs associated with updating the City's Comprehensive Plan as mandated by Minnesota Statute. Mr. Hughes said the City's tax revenues must increase \$704,398 or 3.48% from 2006 to support the proposed expenditures.

Public Comment

Lavern Tolzmann, 6419 Stauder Circle, stated he had been a resident since 1993 and was shocked at the increase in value of his home since it had risen 11.8%. Mr. Hughes explained values could not be adjusted at this time. He suggested that when Mr. Tolzmann received his value notice in 2007 he plan on attending the Board of Review and Equalization meeting to have his value issue addressed.

Robert Burley, 4400 Valley View Road, stated that his non-residential business property had increased monumentally. He added he had severe health issues during the preceding year and the increase was very challenging. Mr. Burley was also advised to attend the 2007 Board of Review and Equalization meeting in the spring.

Minutes Special Meeting /Edina City Council/December 4, 2006

John Ward, 5916 Hansen Road, stated Edina used to be a conservative community. He said that he felt the City should be going on a financial diet and noted many residents were elderly and on fixed incomes. Mr. Ward said incomes were not keeping pace with tax increases and the City should look more closely at its spending.

The Council briefly discussed the relationship between values and property taxes, asked questions including some about the operation of City Enterprises and reviewed that the final 2007 Operating Budget would be adopted at the regular meeting of the Council on December 19, 2006. **Member Swenson made a motion to continue the Truth in Taxation Hearing until the City Council's regular meeting of December 5, 2006.** Member Hulbert seconded the motion. It was noted that the Council would be in a work shop at 5:00 p.m. on the December 5, 2006 and a staff member would bring any interested resident into that session if someone appeared to speak.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

Mayor Hovland adjourned the meeting at 5:30 p.m.

City Clerk