

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1276

2007 HOUSE FINANCE AND TAXATION

HB 1276

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1276 A

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 30, 2007

Recorder Job Number: 2226 58min 21sec

Committee Clerk Signature

Mickie Schmidt

Minutes:

Chairman Belter: We'll open the hearing on HB 1276.

Rep. Kim Koppelman: I had a constituent tell me that one of his goals in life was to own my home free and clear. The good news is that I've accomplished that. The bad news is my tax bill is now higher than my mortgage payment used to be when I had one. Property taxes are a problem in our State. HB 1276 seeks to remedy that. It's one of several proposals about how to deal with the issue of property taxes. I believe that this is a critical solution not only with a quick fix but also a systemic change going forward so that we attack the problem where it's happening. Our citizens are suffering from what I call stealth tax increases. The State doesn't levy property taxes. The State has been sending a lot of money to the local political subdivisions over the years. Yet, property taxes continue to go up. If one of your constituents, one of the tax payers of our state goes to their local City Council and says property taxes are too high. That Commissioner or Councilman can smile at them and say I haven't increased your property taxes, and they're telling the truth. You can go to the local school board and hear the same thing, and they're telling the truth. Yet our tax payers open their tax bills and find out it's higher than ever. Why? What's going on? We're suffering from stealth tax increases. The reason by large in most cases, the property taxes are going up as fast because your property

is worth more. That's normally a good thing, right? Your house is worth more than it was when you bought it, until it comes time to pay the tax bill. Then it results in inflation at a rate that most North Dakotans simply can't afford anymore. I believe that there are two myths being propagated; myth #1; the state just isn't doing its part. The education funding does make up the lions share of most of our property taxes. In the last 12 years we've increased funding for K-12 education from the State of ND by 217 million dollars. My point is the State is doing a great deal to try to send money not only in K-12 education, but also through other programs to the local political subdivisions. So why are the property taxes still high? Myth #2; because the State isn't doing anything or enough, therefore you're local officials have no alternative but to increase your property taxes. Most local officials are not out there increasing your tax rates. In fact, many are out there lowering them. Fargo school district announced they were going to lower the mill levies on property taxes for schools. But, if your home goes up in value, you will probably pay more. Why? This Bill addresses the why. This Bill stops the runaway stealth tax increases that our citizens are experiencing without costing the State a penny, without costing the school districts and cities or other local political subdivisions a penny. Why, because it doesn't force anybody to lower taxes. It doesn't send a bunch of money to the school districts. We are forced in our State to value property at true and full value. And because of that as your property rises in value, your taxes automatically do as well, unless your local taxing authority comes in and lowers the mill levy to try to match that. Often that doesn't happen. This bill says it should happen. This Bill will simply cap the rate of increase at 2 percent. The concept is what we need to take forward. The concept simply says that as your taxes go up, if they're scheduled to go up more than 2 percent or more than modest rate of inflation, your local taxing authorities under this Bill would simply have to adjust their taxing structure to the point where it wouldn't go up. If they can make a case for why they want to go up at a higher rate, let them

make that case to the people. That's what the Bill calls for. It establishes some responsibility for local political subdivisions and puts the ultimate authority for deciding whether taxes ought to go up at a rate faster than inflation in the hands of the voters. There was a lawsuit years ago by the Railroad saying there was inequity in the way we tax, and they won. So the State was forced to force our local political subdivisions to value property at true and full value. So because we required at the State level, we are partially responsible for those values increasing so fast and therefore for tax increasing so fast. This would give our local political subdivisions some direction in that area saying, Ok, we realize property taxes are going up fast, but you need to help us put a lid on that. My local City Auditor asked me what happens if we add 100 homes to West Fargo next year? Does that mean that we have to take our tax phase from last year and only add 2% to it and distribute that amount to all of West Fargo? No. There's a provision in the Bill that says page 1, line 11; if improvements to property have been made which were not taxable in the previous year, the additional taxable valuation attributable to the improvements is taxable without regard to the limitation under this subsection. That would include a new house being built on a vacant lot, adding an addition onto your house, anything that would add to the valuation based on improvement is not covered by this. On pg. 2, line 1 that if the property was not in the taxing district in the preceding taxable year, however I talked with Legislative Council about that and just to make sure that there's not doubt about that point I have an amendment to adopt to the Bill. **(See attachment #1)** This would clarify that point.

Representative Kelsh: You referenced sub. Section a; Fargo has an incentive program for older neighborhoods. If you increase a valuation caused by improvement is not taxable for 5 years. In here it says improvement is taxable without regard.

Rep. Kim Koppelman: No, it means that the provision that the Bill imposed are not subject to that kind of a situation. On pg. 1, line 14; in Fargo and West Fargo, we exempt property taxes up to a certain amount for two years on new construction.

Representative Weiler: On pg. 2, line 17; when it goes to a vote of the people, that's better than 50% threshold?

Rep. Kim Koppelman: Yes. However I certainly would not object to some other provision that the committee might choose such as a 60% threshold.

Representative Weiler: If it went to a vote of the people and they did need to increase it under this current Bill, its 2%, and they did need to increase the maximum to 3%. Is that for that 1 year only or is that now it's a 3%.

Rep. Kim Koppelman: The intent is that it would be for that 1 year only, although it would raise the bars.

Representative Weiler: When I get my tax statement, I can look at next year and it's not going to be more than 2% higher than it was the previous year? You're saying that every home cannot be more than 2%?

Rep. Kim Koppelman: That is in section 1, line 7;

Representative Pinkerton: Do you think that West Fargo's school district or city governments are irresponsible in their spending?

Rep. Kim Koppelman: No

Representative Pinkerton: I think that the State has not funded education at the same level of increased cost. If it doesn't streamline, and if we don't tax it as the lorum, will we end up with government regulations?

Rep. Kim Koppelman: I'm not sure, but this Bill says nothing about education. You can support this legislation as a way to cap the growth and property taxes for your constituents, and also support heavy increases in K-12 spending. But this Bill doesn't control that.

Representative Weiler: Do you know the number increase or the percent increase that we've had in students in ND over the last two years?

Rep. Kim Koppelman: Yes. It's a 57% increase per school district and 60% increase per student.

Representative Weiler: So it's an actual decrease in the number of students across the State, not an increase?

Rep. Kim Koppelman: That's correct.

Chairman Belter: Thank you. Is there further testimony in support of HB1276? Is there any opposition?

Kevin Glatt; Burleigh County Auditor/Treasurer: Testimony in opposition. I'm not against property tax reform or relief, although I have concerns with HB 1276. **(See attachment #2)**

Representative Weiler: This Bill says 2%. Can you give me an idea of what percent we should be looking at?

Kevin Glatt: I'm sorry, I cannot.

Chairman Belter: Thank you. Is there further testimony in opposition?

Kent Costin; Director of Finance from the City of Fargo: Testimony in opposition **(See attachment #3)**

Chairman Belter: You stated here that you're overall budget increased 5.3%. What percentage did the tax increase on an average home? What's the decrease?

Kent Costin: Actually it went down slightly because we lowered our mill levies from 59.25 to 57.25. We had a two mill levy cut. The valuation fees went up. We ended up levying about a

5% tax increase of which about 3-1/2% on that is related to new bricks and mortar. The tax rate went down and the amount levied went up slightly.

Representative Brandenburg: You said the mill levies haven't been raised for several years, in fact, may have even gone down. Do you know how many years that's been?

Kent Costin: At least for the last ten years we've not raised our levies. And to answer your question; Have we taken some of the valuation and I think all governments have been somewhat guilty of that and that certainly is part of the problem.

Representative Brandenburg: Do you know what your budget was in 1990, compared to your budget for 2006.

Kent Costin: They've gone up. In our annual financial report we provide a 10 year listing of our budget. Our rate of growth year over year in our governmental funds, general funds and service funds is about 6.6% growth per year.

Representative Brandenburg: You've been able to enjoy a 6.6% growth every year for the last 10 years. That's 6.6% more dollars working and yet to say that you've had no tax increase or no mill increase and it's really not a fair statement. You work with more dollars because of the valuation of land. The people haven't found you yet because they don't understand it. They've come to us though and asked for tax relief. The issue is that you have many more dollars to work with because of the valuation of the land, your properties went up and you're able to take on more dollars. That's why the Bills are here.

Kent Costin: We understand that problem and in my testimony it states that local governments are hearing the message and we are starting to respond to that.

Representative Brandenburg: The reason I bring that up is because we're not trying to "over achieve" as your testimony points out. Property tax relief is what we're trying to address.

Representative Wrangham: In your graph which shows the actual general fund revenues, education for school funding is not included in it?

Kent Costin: The school district is a completely separate political sub. Some of the education dollars are shown in the city of Fargo's graph.

Representative Wrangham: On your graph on State grants & revenue at 18%, do you know what the tread line is on that?

Kent Costin: The tread line over the last 10 years has been a growth. That's largely related to the changes that were made in the State Aid Formula a few sessions ago. We currently are distributed four tenths of 1% of the sales tax receipts.

Representative Froseth: Fargo has a two cents savings sales tax?

Kent Costin: We currently have a one percent sales tax. And we have another authorization which will start in 2009 for that fiscal 1% for infrastructure and the library tax just came off the authorization. We have been running at about 1-1/2 %. The voters recently approved this 1% for a 20 year extension for infrastructure.

Representative Froseth: What is the first 1% dedicated to?

Kent Costin: The Fargo Dome is the first 1/2%.

Representative Froelich: Do you have any charts or data that shows the population growth in the last ten years in a dollar amount? Not the mill levy.

Kent Costin: Are you referring to the dollar amount per capita basis?

Representative Froelich: The total dollar amount from 1996 to last year that shows the total population growth.

Kent Costin: We have that data but not with me. Fargo has enjoyed a population growth of 2% to 3% year over year and continues to rapidly grow.

Representative Pinkerton: Over this 10 year period you've had a 6% rate of growth. Are you adding miles of streets?

Kent Costin: Surely we've had lane growth and miles of additional streets. A lot of those dollars are paid for by sales tax and special assessments. The issue that goes with growth is gain of costs relating to streets, miles, snow plowing, sweeping the streets, patrolling the streets and with these come additional costs.

Representative Pinkerton: Actually you're getting 1-1/2% sales tax for city expenses?

Kent Costin: Yes, however, this graph is just the general fund. The City of Fargo currently does not use any of its sales tax resources in the general fund. They go into capital projects.

Representative Pinkerton: So this chart doesn't include any of your sales tax? You have another chart that shows quite a bit of money that's paid in by folks that live all over the State?

Kent Costin: Yes, there is significant amount of sales tax flowing in but what I'm saying is those monies are appropriated by the vote of the people to infrastructure. So it can only be used for highway construction, road construction, sewer, water projects and support of the Fargo Dome.

Representative Pinkerton: I still don't understand this. So this just represents just your general fund, it doesn't represent your operating cost to the City as far as infrastructure for repairing?

Kent Costin: The bricks and mortar are accounted for in capital project funds. But the on-going operational costs relating to caring for those buildings and streets and such come through the general fund and that's shown in this graph.

Representative Pinkerton: This chart shows the 54 million dollars for the general fund. Is this a quick estimate of what the other chart would show?

Kent Costin: The City of Fargo's entire budget is 160 million. The general fund represents only about a third of that. The utility operations account for about one third of our operations. The big piece where all the sales tax is flowing into is the capital project fund, which is probably 50 to 60 million dollars year over year. This is the entire budget of the City of Fargo.

Representative Froseth: You say you can use 27 new employees. Is that maintaining a balance of ratio employees to the number of residents in Fargo? Is the ratio changing to have more employees per capita?

Kent Costin: The Department has requested 27 additional FTE's. It's pretty common of their needs. The City funded only about 9 of those.

Chairman Belter: Is there any further testimony in opposition to HB 1276?

Connie Sprynzyncatic, ND League of Cities: I just have written testimony from the Mayor of Williston. **(See attachment #4)** We have well over 100 Cities that have home rule charters. And it looks like this Bill cuts the heart out of Cities that have home rule charters. That last provision of the Bill says it may not be superseded by any provision of home rule charter. So in those cases where the citizens have already had the vote, taken that step, this seems to cut the heart out of home rule. What difference full and true value makes in its equation? Let's say a city shows because of the market, full and true value is a reflection of the market. If the values are increasing, it simply means that property is selling in that community for a higher amount of money. If you're going to raise the same amount of dollars, that's good news. We have a lot of concerns about how we deal with assessed taxable value.

Chairman Belter: Further testimony in opposition of HB 1276? Any neutral testimony?

Marcy Dickerson, State Supervisor of Assessments and Director of the Property Tax

Division: I just wanted to agree whole heartily with what Mr. Glatt said about the administration of this Bill. When the limit is being placed on taxes, there are two components to

your taxes here. That is your values and your mill rights. The interaction of those two in order to come up in meeting by 2% increase in taxes, I think it's going to take a lot of work, require more personnel and more computer programming, maybe even more hardware. I think from the stand point of the work it's going to cause this Bill, it's going to be difficult and quite expensive to administer.

Chairman Belter: Are there any questions? Is there any other neutral testimony? If not, we'll close the hearing on HB 1276.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1276 B

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: February 6, 2007

Recorder Job Number: 2892

Committee Clerk Signature

Mickie Schmidt

Minutes:

Chairman Belter opened the hearing on HB 1276. The committee had a discussion on amending this Bill; cap at 2% amount levied in dollars.

Vice Chairman Drovdal: I would move the amendment, 0101.

Representative Owens: Second it.

Chairman Belter: Any discussion?

Representative Froseth: If 1051 has limited 3-1/2%, so this would conflict with that?

Chairman Belter: Yes. Any other discussion? If not, all those in favor of the proposed amendments signify by saying aye; the motion carries. What are the committee's wishes?

Representative Brandenburg: I move a Do Not Pass as Amended.

Representative Grande: Second it.

Chairman Belter: Any other discussion? If not will the clerk read the roll; 12-y, 0-n, 2-absent;

Rep. Brandenburg will carry HB 1276. Closed the hearing on HB 1276.

House Amendments to HB 1276 (70109.0101) - Finance and Taxation Committee
02/06/2007

Page 1, line 12, after "year" insert "or territory has been incorporated into the taxing district which was not part of the taxing district in the previous taxable year"

Page 1, line 13, after "improvements" insert "or added territory"

Renumber accordingly

Date: 2-6-07
Roll Call Vote #: 1276

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House _____ Finance & Tax _____ Committee

Check here for Conference Committee

Legislative Council Amendment
Number

Action Taken Do Not Pass As Amended

Motion Made By Rep. Brandenburg Seconded By Rep Grande

Representatives			Representatives		
	Yes	No		Yes	No
Chairman Belter	✓		Rep. Froelich		
Vice Chairman Drovdal	✓		Rep. Kelsh	✓	
Rep. Brandenburg	✓		Rep. Pinkerton	✓	
Rep. Froseth	✓		Rep. Schmidt	✓	
Rep. Grande	✓		Rep. Vig	✓	
Rep. Headland	✓				
Rep. Owens	✓				
Rep. Weiler	✓				
Rep. Wrangham					

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Brandenburg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1276: Finance and Taxation Committee (Rep. Belter, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO NOT PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1276 was placed on the Sixth order on the calendar.

Page 1, line 12, after "year" insert "or territory has been incorporated into the taxing district which was not part of the taxing district in the previous taxable year"

Page 1, line 13, after "improvements" insert "or added territory"

Renumber accordingly

2007 TESTIMONY

HB 1276

HB 1276 A

1-30-07 Am

Testimony to the
House Finance & Taxation Committee
presented January 30, 2007
by Kevin J. Glatt
Burleigh County Auditor\Treasurer

Concerning HB1276

Chairman Belter and members of the committee, I appear before you to express my **concerns** regarding HB1276.

As the elected Burleigh County Auditor\Treasurer, I know first hand the feelings the tax payers of Burleigh County have regarding real estate taxes. *I too am concerned with the escalation of property taxes!* I applaud the efforts of this legislative assembly to try and find a solution to this problem.

As a County Treasurer who regularly "sits at the front counter" and receipts property tax payments I am on the "front-line" and personally help many of my constituents. As County Auditor I have knowledge of how property taxes are calculated and work closely with many of the local tax authorities as they set their budgets and estimate property tax needs.

I am concerned that HB1276 will create a property tax system that will be very difficult if not impossible to implement, administer, and explain.

Section 1 of this bill requires the tax calculation down to the individual parcel for each taxing district. In the City of Bismarck, for example, we have approximately 18,000 tax parcels, six (6) different taxing districts and a total of thirty-seven (37) different mill levies. After much thought and discussion I do not know how we could implement the provisions of HB1276 without an increase in staff and software costs.

Chairman Belter and members of the House Finance & Taxation Committee, I am very concerned that HB1276 will require counties to overhaul or implement new real estate tax systems and software at significant cost.

It is a nice idea but a very time consuming and costly MANDATE.

BURLINGHAM COUNTY LEVIES, 2006

	MILLS	LEVIES IN DOLLARS							
STATE :									
State Medical Center	1.00	194,868							
COUNTY :									
General Fund	28.35	5,525,077							
Road & Bridge	0.25	46,722							
	28.60	5,571,800							
SPECIAL COUNTY :									
Insurance	0.47	91,597							
Special Assessment	0.11	21,438							
Job Development	0.47	91,597							
Social Security	2.68	522,300							
Veterans Service Office	0.78	152,013							
Advertising	0.20	38,975							
Water Resource District	1.40	272,843							
County Agent	1.10	214,377							
Senior Citizens	1.02	198,765							
Comprehensive Health Insurance	2.34	456,038							
Jail Construction & Maintenance	0.50	97,444							
Soil Conservation	0.58	113,035							
Social Welfare	15.92	3,102,618							
	27.57	5,373,054							

		CITY OF BISMARCK :							
		General Fund	57.30	6,593,057					
		Building Construction	3.99	596,365					
		Social Security	4.99	746,331					
		Forestry	2.59	368,412					
		Library	9.02	1,352,694					
		Employee Pension	5.88	861,801					
		Police Pension	4.23	634,357					
		Fireman Pension	1.88	296,933					
		Public Transportation	3.00	449,898					
		Special Deficiency	1.00	145,966					
		Leafy Spruce/Weed Control	0.35	58,487					
			94.37	14,153,301					
		Club Fire Protection Service	28.46	14,595					
		Tax Increment Valuation	3,085,810	1,359,431					
		BISMARCK PARK DISTRICT:							
		General Fund	20.80	3,119,295					
		Park & Recreational Facilities	4.99	748,331					
		Special Assessments	8.99	1,348,195					
		Social Security	2.39	358,419					
		Pension	1.60	239,946					
			38.77	5,614,186					
		LINCOLN PARK DISTRICT:							
		General Fund	8.03	22,260					
		Social Security	0.26	721					
			8.29	23,001					
		WILTON PARK DISTRICT:							
		General Fund	10.00	1,665					
		Special Assessments	5.88	1,097					
			15.88	2,762					
		WILTON AMBULANCE DISTRICT:							
			9.20	33,217					

	CITY OF LINCOLN:								
	General Fund	38.00							
	Social Security	8.39							
	Pension	5.00							
	Planning	1.00							
	Insurance	5.00							
	Building Construction	13.873							
	Special Assessments	26.662							
	Forestry	2.00							
		74.01							
		205,349							
	CITY OF WING:								
	General Fund	97.81							
	Social Security	21.91							
		119.72							
	CITY OF REGAN:								
	General Fund	80.29							
	Insurance	8.15							
	Advertising	1.82							
		90.06							
	CITY OF WILTON:								
	General Fund	38.00							
	Special Assessments	10.20							
	Social Security	9.86							
	Insurance	3.06							
		61.12							
	RURAL FIRE DISTRICTS:								
	Sterling	5.00							
	Bismarck	13.91							
	Braddock	4.94							
	Wilton	6.14							
	Wing	5.00							

SCHOOL DISTRICT LEVIES

School District	General	Sinking and Interest	Building	High School Transportation	High School Tuition	Total Tax Levy
Bismarck	181,875,187	229,177	10.00			45,177,796
Apple Creek, Glenview, Riverview, Burnt Creek, Naughton, Hay Creek, Gibbs, Hazelton-Moffitt	597,683	152.64	7.20			110,368
McClusky	1,706	174.73	9.41			314
Tuttle	21,579	171.40				3,699
Naughton	286,333	167.64				171.40
Steele-Dawson	477,217	161.23				167.64
Wing	2,196,193	141.13	10.00			201.25
Balwin	880,825	136.24	7.74			148.57
Menoken	1,275,945	166.26				217.98
Sterling	2,123,700	166.69				3.14
Apple Creek	2,293,197	89.27				14.69
Manning	252,003	219.94				148.88
	2,608,240	161.74				261.93
						163.48

HB 1276 A
#3 1-30-07-AM

City of Fargo – Testimony on HB 1276

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Honorable Chairman Belter, and House members of the Finance and Taxation Committee, my name is Kent Costin, Director of Finance from the City of Fargo. I would like to take a brief moments give you some insights from Fargo on the impact of HB 1276 to our local government.

Over the past several weeks City officials have been evaluating the impact of many bills addressing property tax reform and reduction. It feels like legislators are attempting to “overachieve” in their efforts on local property tax reform. By our last count there were eight bills introduced all focusing on various facets of the how properties are valued, how taxes are levied, and how they might be capped in the future.

Our City Commissioners support a focused effort on funding efforts directed to education as an important first step in true property reduction. A meaningful and sustainable appropriation of funds to local schools will have the greatest impact to local taxpayers. I would also suggest that the problem of high property taxes is something that has taken a long time to surface, and I would also suggest that it is not something that can be cured effectively by placing caps on our revenue streams. The magnitude that Cities have on the overall tax burden is much less than that of local school districts. Currently, the City of Fargo’s mill levy is 12% of the consolidated tax levy and has remained stable for the past several years. We have not been abusing our tax levy authority locally. Again, I

23 would suggest that there is a great amount of work to do for property tax reform and
24 school funding.

25

26 We poll our citizens from time to time on their overall satisfaction levels with the
27 governmental services provide by the City of Fargo. Based upon the last survey results
28 85% of our citizens felt that the City was providing good (36.8%) or very good (47.7%)
29 services, which is a very high rating, especially for a governmental unit. The City has a
30 broad range of responsibilities in providing services to the public. Some of our services
31 generate revenue, while many others do not. Those operations that do not produce
32 revenues are subsidized by property tax or other revenue sources. Property taxes are the
33 largest and most stable revenue source in our General Fund budget. While accounting
34 for about 24% of our overall General Fund revenue, this important revenue source helps
35 us maintain budgets at levels adequate to provide the much needed community services.

36

37 Our budget cycle begins each year in May and continues until October with the passage
38 of a final budget. Let me share with you just a few of the actual comments that I
39 journaled last year during the budget development process.

40 6/2/2006 - (2006 is correct)

41 *Updated state intergovernmental revenue projections using Cityscan magazine guidance from the*
42 *ND League of Cities. State aid and Municipal Highway funds is up about 5%, cigarette tax down*
43 *12%, and all others about the same as previous years. Overall increase from the growth in state*
44 *intergovernmental revenues is \$340,000.*

45

46

47 6/12/2007

48 Updated property tax levy projections using a growth in mill levy for the share of 2007 increase
49 related to new building permit growth in valuation. City Assessor shows a 9.3% increase in the
50 value of a mill. Permits growth represents a 3.4% increase. Updated all collection figures using
51 the 3.4% growth assumption. Total mills calculated dropped from 59.25 in 2005 payable 2006 to
52 56.15 in preliminary 2006 payable 2007. Change in budgeting technique based upon local
53 commitment to lower property taxes. These numbers may have to be updated if the newly elected
54 Mayor feels that this method is not acceptable. Total dollars levied last year were \$ 14,465,362
55 vs. \$14,957,184 in 2007 which computes to 3.4% growth in tax collections.

56 6/13/2007

57 Discussed budget goals with Mayor Furness. 5% growth target with goal of a two mill tax levy
58 reduction.

59 6/27/2007

60 Received health insurance renewal report from AON. Projected premium increase is 3.7% for
61 2007 per their analysis. Report includes benchmarking data and comparisons to other
62 governmental units. This is a break from the double digit inflation incurred in previous fiscal
63 years.

64 6/27/2007

65 Updated all personnel services requests into the budget spreadsheet. Verified pay level and
66 synchronized with our pay scale and related benefits. 27 new employees requested on first draft
67 for a total of \$1,405,000 in proposed positions.

68 7/5/2007

69 Posted updated personnel cost projections for next year. Cost for step increases = \$392,000,
70 cost of COLA for existing staff \$1.2 million, and overall employer cost for health insurance rate
71 increase is \$355,000.

*Cost of Living Adjustment - COLAs

