COON CREEK WATERSHED DISTRICT  
Request for Board Action  

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<th>MEETING DATE:</th>
<th>December 22, 2015</th>
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<td>AGENDA NUMBER:</td>
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<td>ITEM:</td>
<td>Adopt Resolution Repealing the property tax levy approved December 14, 2015</td>
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**FISCAL IMPACT:** Budgeted  
**POLICY IMPACT:** Policy  

**REQUEST**  
Review and discuss and, if appropriate, adopt resolution repealing and rescinding December 14 property tax levy.  

**BACKGROUND**  
At the December 14, 2015 meeting the Board adopted the 2016 tax levy of $3,041,118 on a 3-2 vote (Voting Yea: Bromley, Phelps, Westlund; Voting Nay: Hoffman, Kearns). That levy was certified to Anoka County Property Tax and Records on December 15, 2015.  

On Thursday, December 17 Board President Westlund met with staff and indicated that he had met with Mike Van Kirk City of Ham Lake. Van Kirk indicated that Anoka County was supportive of a building and had indicated a willingness to facilitate the financing of such a structure but not at the current high estimate of $4 million. Westlund indicated he had conducted a cursory review of the market and believed that an office space conducive to the District needs could be found for less than the $4 million being used by officials outside the District. Westlund suggested a special meeting of the Board of Managers with the potential outcome of changing the levy to a 2.44% increase over last year and requested staff to investigate the noticing requirements.  

After discussion with the District’s attorney on noticing requirements, two issues influenced a special meeting:  
1. Can the levy be repealed/rescinded?  
2. Meeting notice requirements  

On Friday, December 18 Mike Van Kirk, Mayor and Don Krueger, City Administrator of Ham Lake came to the office shortly after 11:00 AM. No meeting had been scheduled. Van Kirk and Krueger met with the District Administrator for approximately 45 minutes. Mayor Van Kirk wanted to reiterate his statements at the December 14 meeting and that he is learning more about the District. Van Kirk also indicated that while he was supportive of the District having its own office he could not support the estimated cost of $4 million, the sudden increase in property taxes, the increase of staff to 25 in the next 3 years or the lab.
Kelly clarified that the building cost and staffing estimates provided to the Board appear to have taken on a life of their own and have become exaggerated. Kelly noted that:

- The $4 million was a high end very rough estimate that appears to have been turned into a hard and fast proposal and that was not and is not the case.
- The staffing forecast was also an initial estimate based on an initial forecast of the unfunded mandates the District expects to receive over the next 3 to 8 years and that forecast was never as high as 25 or the 35 he most recently heard.
- The laboratory that has now become an issue is not a closed ventilation room with a hood, industrial freezer and refrigerator with microscopes, Bunsen burners and petri dishes but a space big enough to isolate and temporarily store the water, plant and soil samples and are an increasing part of District responsibilities.
- The District has moved fast on the building issue and that there is no doubt it has created concerns among several parties and has led some Board members to reconsider the District’s adopted levy for 2016.

Van Kirk acknowledged this and suggested that the District establish a building committee to facilitate communication and advise the Board and help get the word out. Kelly noted that he would forward this suggestion to the Board. The meeting ended at approximately 11:45 AM.

**ISSUES/CONCERNS**

**Rescinding/Repealing the Levy**: Minnesota Statutes section 275.075 (1) allows 5 working days after December 20 for final levy certification. The fifth working day would be December 28. While the Board has a regularly scheduled meeting on December 28, the published meeting time is after business hours for the County.

**Meeting Notice**: Special meetings require 3 days’ notice. The special meeting was noticed Friday December 18 making three days Tuesday December 22.

**Assistance on Proposed Building**: On December 17 Westlund indicated that Anoka County had agreed to provide or facilitate the financing of the proposed office building. Westlund will provide details at the meeting.

**Building Committee**: At the December 18 meeting with Mayor Van Kirk the establishment of a building committee was suggested. At present, this suggestion is proposed to be on the January 11 meeting agenda as a discussion item.

**RECOMMENDATION**

Attached is a draft resolution repealing/rescinding the tax levy adopted December 14.
RESOLUTION
RESCINDING AND REPEALING THE PROPERTY TAX LEVY
APPROVED DECEMBER 14, 2015

WHEREAS, The Coon Creek Watershed District is established and authorized under Minnesota Statutes 103D; and

WHEREAS, The Coon Creek Watershed District has an approved management plan under Minnesota Statutes 103B.231 and is the local water management organization; and

WHEREAS, The Coon Creek Watershed District has completed the budget hearings required under Minnesota Statutes 103D.911, subdivision 1; and

WHEREAS, Minnesota Statutes 103B.241 authorizes a watershed district established under Minnesota Statutes 103D to levy a tax sufficient to pay the increased costs to the District of implementing section 103B.231 costs of preparing a plan or for projects in the plan; and

WHEREAS, On December 14, 2015 the Board adopted a resolution levying taxes for the year 2016 for the purpose of paying the current and increased costs of the District to implement Minnesota Statutes 103B, and

WHEREAS, Pursuant to December 14 members of the Board of Managers were contacted by Members of the Anoka County Board of Commissioners expressing support for a District Office Building and a willingness to assist in funding such a building, as well as officials of the City of Ham Lake and Coon Rapids expressing a willingness to assist in the search for office space, and

WHEREAS, Minnesota Statutes section 275.075 (1) allows 5 working days after December 20 for final levy certification.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Managers of the Coon Creek Watershed District does hereby rescind and repeal the tax levy of $3,041,119 (Three million Forty-one Thousand one hundred nineteen and xx/100 dollars) adopted by the Board of Managers on December 14, 2015 and certified to Anoka County Property Tax on December 15, 2015.