CITY OF LEEDS

Minutes

Special Meeting

Public Informational Meeting

7:00 PM,

May 21, 2014

A public informational meeting was held on Wednesday, May 21, 2014 at7:00 pm. Present were Council Members Kyle Nelsen, Linda Himle, Rob Nelsen, and Terry Westphal; City Employees Justin Nelsen, Nicky Ritterman and Kari Follman. About 20 City residents were also in attendance.

Adoption of a Home Rule Charter for the City of Leeds will be placed on the June 2014 ballot.

Bradley Muscha with Moore Engineering gave a presentation on upcoming issues for the City of Leeds.

If the Home Rule Charter is approved by the electors, the City would be able to implement a City Sales, Use and Gross Receipts Tax. In the state of North Dakota a Home Rule Charter is required for a city to implement a Sales, Use and Gross Receipts Tax; therefore every city that currently has a sales tax in place operates under a Home Rule Charter. The majority of cities with a population of over 200 persons now operate under a Home Rule Charter. Examples of surrounding cities that have adopted a Home Rule Charter and have implemented a Sales, Use and Gross Receipt Tax include Minnewaukan, Maddock, Cando, Bisbee, Devils Lake, Rugby, Rolette, Rolla, Lakota, Michigan,Towner, Carrington, and New Rockford.

If the Home Rule Charter had been passed and a 2% Sales Tax had been implemented the City would have had $36,666 in revenue for 2011, and $42,300 in revenue in 2012. Data was not available for 2013. Revenue for 2013 was anticipated to be much higher due to Envision’s new location along the highway being in operation for the entire year.

The City is looking for ways to increase revenue as we will be looking at some major upcoming expenses due maintenance and repair of the City’s infrastructure.

The water tower will require some maintenance and improvements very quickly. The tower is 18 years old and the coatings used on the tower have an approximate 20 year life expectancy. Due to our weather extremes these repairs are needed now. The estimated cost to repair and recoat the water tower is $375,000.

The City will also be examining the sanitary sewer system. The majority of this system is original and repairs and updates are needed. The City’s goal is to address issues with the aging sanitary sewer system before any major street maintenance/repair projects are planned.

Without revenue from a city sales tax, funding would fall solely on residents in the form of special assessments on property taxes and utility rate increases. The City Council would like to avoid this pressure on city residents as much as possible and revenue from a city sales tax would be vital.

