

# WEEKLY MEMO

**Date:** August 26, 2011

**To:** Mayor Lynn Stauss, Council President Craig Buckalew, Vice President Wayne Gregoire, Council Members Marc Demers, Ron Vonasek, Henry Tweten, Greg Leigh, and Mike Pokrzywinski.

**From:** Scott Huizenga

**RE:** Weekly Update

## **UPCOMING MEETINGS:**

*August 30, 2011 – 5:00 pm – Work Session – Training Room*

*September 6, 2011 – 5:00 pm – Council Meeting – Council Chambers*

*September 13, 2011 – 5:00 pm – Work Session – Training Room*

*September 20, 2011 – 5:00 pm – Council Meeting – Council Chambers*

## **WEEKLY UPDATE:**

I have an abbreviated memo this week as most of the last couple of weeks has been devoted to staffing, Sherlock Forest, and the 2012 Preliminary Budget – all of which are discussed below.

### **Meeting with Representative Davids and Representative Kiel**

I attended a conversation in Crookston on Tuesday hosted by Representatives Greg Davids and Deb Kiel. Rep. Davids is the House Tax Committee Chair; and Rep. Kiel represents House District 1B, which includes East Grand Forks. Davids spoke primarily to County and City officials from Polk County. One of the primary topics included the tax changes as a result of the change to the Market Value Homestead Credit (MVHC) program – which is now called the Market Value Homestead *Exclusion*. Davids also discussed local option sales taxes and Local Government Aid (LGA). Regarding LGA, Davids indicated that he favors increasing LGA from 2010 levels provided there is an increase in economic activity that positively affects future state budgets.

### **Staffing Changes**

Finance Director Karla Anderson began her service this week after the last week's retirement of Jerry Lucke. Please stop by to greet Karla if you have not already done so. And, Administration and Finance will once again lose an outstanding team member today when Erin Johnson, Accounting Technician, leaves the office for the last time. Erin has been instrumental in the development many new systems including the Springbrook financial software and the budget. Erin took the lead in developing the 1<sup>st</sup> draft of the 2012 Preliminary Budget. She made my life incalculably easier in this round while I attended to other administrative matters. I wish Erin all the best in her next phase. She will be missed.

### **Sherlock Forest**

The Sherlock Forest Playground planning committee is putting the finishing touches on the preparation for next month's planned reconstruction. The purchasing manager has been procuring materials prices; and most of those will be presented at Tuesday's special meeting

(discussed below). The committee is still in great need of many volunteers. The rebuild requires 100-200 persons per shift. There are three shifts per day for five to six days. Therefore, labor is by far the most pressing need on the project. Volunteers and service groups can contact the planning committee in any number of ways including the City's web site, Facebook (facebook.com/sherlockforest) and e-mail at [sherlockplayground@gmail.com](mailto:sherlockplayground@gmail.com). Telephone contacts are also listed through these sources.

## **AGENDA ITEMS:**

The City Council hold a brief Special Meeting to consider approving materials purchases for the Sherlock Forest Playground. Quotations will be presented for items on which the City received a bid. The resolution also grants approval to the City Administrator to purchase any remaining materials necessary to the complete the project.

The City Planner will request Council approval to formally accept the state grant award of the 2012 Safe Routes to School program. The state awarded the City's application to construct a sidewalk on the west side of Bygland. I commend planning and engineering staff for building relationships and demonstrating competence in this program to the degree that the state has awarded the City its third straight Safe Routes to School application

Item 2 on the work session considers a request to the Minnesota Department of Transportation (MnDOT) to conduct a speed study of Bygland Road that would raise the speed limit to 35 miles per hour. The City Council discussed the issue last year when the City requested – and eventually received – approval to raise the speed limit on River Road. The Council may choose to proceed with the request now that most construction activity (with the exception of the aforementioned Safe Routes to School project) is completed on Bygland Road.

The Parks and Recreation Director will discussed the proposed arena lease with the school district for the 2011-2012 winter sports season. There are no proposed changes to the agreement. The School Board has accepted the agreement contingent on Council approval.

Finally, I will present the 2012 Preliminary Budget. The Preliminary Budget is available on the City's web site. I am pleased to report that the 2012 Budget contains a slight surplus in the General Fund with a small decrease to the total property tax levy. One should note, however, that some property owners will still see small tax increases due to the state changes to the MVHC program. The Preliminary Budget and Levy is due to Polk County on or before September 15. The Council may choose to increase the Preliminary Levy for flexibility as the Council discusses the budget in full this fall. The Preliminary Levy, once approved, can be decreased; but it cannot be increased.

The Preliminary Budget contains utility fee increases for street lighting and storm water. Neither fee has been increased in several years, and both accounts reported losses in 2010. The Storm Water Fund especially has sustained great financial damage due to three successive years of flood events. The flooding has caused a “double-whammy” of cash flow issues and increased maintenance costs. The City must provide upfront funding for flood fights while FEMA reimbursements often lag for years. Further, high waters also cause significant damage to lift stations, gates, and levee turf that must be repaired largely at City cost.

Overall, the 2012 Preliminary Budget focuses a great deal on infrastructure maintenance and equipment replacement that has been deferred for years and, in some cases, decades. The entire

City, from the Council to front-line staff, should be proud that proactive measures taken by the City in prior years have eased the adjustment period of our “new normal” economy while many of our peers are scrambling to identify revenue sources to replace lost state funding.