

WEEKLY MEMO

Date: January 18, 2013

To: Mayor Lynn Stauss. Council President Craig Buckalew, Vice President Greg Leigh, Council Members Clarence Vetter, Ron Vonasek, Henry Tweten, Mark Olstad, and Chad Grassel

From: Scott Huizenga

RE: Weekly Update

UPCOMING MEETINGS:

January 22, 2013 – 5:00 PM – Regular Meeting – Council Chambers

January 29, 2013 – 5:00 PM – Work Session – Training Room

February 5, 2013 – 5:00 PM – Regular Meeting – Council Chambers

February 12, 2013 – 5:00 PM – Work Session – Training Room

WEEKLY UPDATE:

Citizen Request Tracker

The City has released its beta version of [Citizen Request Tracker](#) online. Through the new module, users can send a request directly to City Hall from their desktops, iPhone, or even through the Facebook app. From the City's home page, www.egf.mn, one can click on the "Report a Concern" button on the left border. iPhone users can download the mobile app from [iTunes](#) by searching for "Citizen Request Tracker." And, the Facebook app is available at <http://apps.facebook.com/requesttracker>. Citizen Request Tracker requires a one-time registration. We will continue to add functionality to the module. We welcome and appreciate your input during this trial stage.

Blue Line Arena Sound System

Last weekend, the Blue Line Arena's new audio system was greeted with warm reviews from the attendees. Activity in the City's winter recreation programs has continued to expand over the last few years. All of the arenas, including the Blue Line Arena, continue to see more activity, including competitions. The Blue Line Club and the Northern Lights Figure Skating Club recognized the need for a full audio system in the Blue Line Arena to supplement this increased activity. Therefore, the project was completed with the input and financial participation of the clubs. All seem very happy with the results.

LGA formula

As presented at this week's work session, House Research released a preliminary estimate of 2014 Local Government Aid (LGA) levels based on current law. If the current law holds, 2014 will be the first time in many that the state actually will use the established LGA formula for distribution, albeit with

decreased funding. This follows several years of previous unallotments, cuts, and freezes. East Grand Forks would lose at least 86,000 with no other changes due to overall decreases in LGA funding and to demographic shifts in the City. These cuts would be ongoing, and they are on top of the funding decreases that have already occurred since 2008. Even without the proposed cuts, the City receives \$600,000 *per year* less than it did in 2007, which was already cut from 2003 levels.

LGA funding and potential formula changes likely will be a major topic in the current legislative session. For example, there is talk about remove the annual maximum that a City can gain or lose in LGA funding. If that scenario was implemented, the City would lose two thirds of its funding, or over **\$1.5 million**. The House research report is attached to this memo and can be found at: www.house.leg.state.mn.us/hrd/issinfo/2014prelim.pdf. Two figures displaying recent LGA trends is also attached.

Labor Negotiations

The City's labor negotiation team met with two groups this week, with several more meetings scheduled in the next couple of weeks. We have not yet reached any tentative agreements. All of the five labor agreements representing city employees expired on December 31, 2012.

LaFave Boat Ramp

Department of Natural Resources (DNR) officials contacted the City regarding preliminary plans for replacement and expansion of the LaFave Park (Catfish Days) boat ramp. The state is beginning survey work soon. Design of the ramp and surrounding area likely will be ready for a spring 2014 bidding. In 2013 budget discussions, the City Council opted not to spend local design funds in order to expedite the project for the 2013 season.

Reminder: City Hall and most city operations will be closed Monday, January 21st to observe the Martin Luther King Jr. holiday.

Also, the Council will meet in the Chambers at 4:00 pm Tuesday for the new council photographic session.

DEPARTMENT REPORTS:

Parks and Recreation, Dave Aker

As you may already know we had a compressor go down last Thursday at the Civic Center just before 4:00 pm. I was called over there at 4:30 pm with Brian Larson and Alex Barta, from Barta Refrigeration, and they turned the compressor on we heard loud banging noises that sounded like a broken piston or crankshaft. The reason the compressor shut down was the oil pressure had dropped, anyways that night Alex took the oil pressure down so he could work on the compressor the next day. On Friday he changed a piston from the spare parts we have from an old compressor, put the used piston in and started it up. It ran for three hours before we lost oil pressure again. He then took the oil pump off the old compressor and put it on the compressor and that didn't work either. He then took a spring off the old compressor and put it on the oil relief pressure and the oil sprung out all over. He then put a shaft seal on and that seemed to work, it has been running since Monday night at 9:30 pm. We are not out of parts for the Frick compressor, they don't make parts for that compressor anymore, this spring he

have to put the Vilter compressor in that we have had for 15 years. If the Frick compressor makes it the of the season we are looking at roughly \$10,000 to install it.

Police Department, Chief Mike Hedlund

Winter Weather Driving –

Our recent weather has resulted in very slippery roadways (and driveways, sidewalks and parking lots). The subsequent snowfall can often cover patches of shear ice that can be very dangerous. Whether you are driving or walking take a little extra time and arrive safely at your destination.

The winds in our area can make driving conditions very hazardous, even with relatively little snow on the ground. If you need to travel plan ahead and bring extra clothing, boots, blankets or sleeping bags as well as some emergency food and water. It is also a good idea to make sure someone knows when and where you are traveling and what time you expect to be at your destination.

Snowmobile Regulations – Snowmobiles are NOT allowed on the city's Flood Control Levees!

Our recent snowfalls have been very welcome by winter sports enthusiasts but the new snow also creates a few problems. The dikes used as part of the city's flood control system are easily damaged and snowmobiles are not allowed to be driven on them. Snowmobiles may be driven within the city limits in a very limited manner. Snowmobiles **may** be driven on city streets if they are driven at speeds under 10 MPH and are kept close to the right hand curb or road edge. Snowmobiles are **NOT** allowed to be driven on any public property, including schoolyards, parks, playgrounds and recreation areas unless such areas have been declared as official snowmobile trails/use areas by the city council. The complete city ordinances as related to snowmobile usage may be found at www.egf.mn in the Traffic section of the Municipal Code.

Public Works, Jason Stordahl

Streets

With the recent snowfall and winds staff has been busy with snow removal. We have been sand/salting streets as best we can, but there is still a good layer of ice on some streets do to the recent rain.

Wastewater

We finally received the go ahead from MPCA to implement our odor neutralizing system at lifts 4 and 5. Lift five has been installed and working since Tuesday. Installation at lift four will be delayed due to design differences in buildings. We hope to see some results very soon.

Library, Charlotte Helgeson

The East Grand Forks Campbell Library has received a \$10,000 grant from Northwest Minnesota Arts Council to bring in authors, workshops and summer reading presenters. These activities will be funded, in part, by this grant from the Northwest Minnesota Arts Council and the Minnesota Arts and Cultural Heritage Fund as appropriated by the Minnesota State Legislature with money from the vote of the people of Minnesota on November 4, 2008.

The EGF Campbell Library is also working on a Legacy funded grant in cooperation with Northland to provide an Arts in the Park event in June at Sherlock Park. Details are being finalized.

The Friends of the Campbell Library have placed a sign above the front entrance to the library with the intention of identifying the building from DeMers Ave. This was part of a signage project that included a long overdue plaque to identify the "Good Friends" brick relief to the left of the front door. The Friends work and attention to detail is much appreciated!

Agenda Items

The consent agenda includes the following:

- A quotation to repair Storm Lift Station No. 16
- A resolution to accept a two-year SAFER (Staffing for Adequate Fire and Emergency Response) grant from the Federal Emergency Management Agency (FEMA).
- A resolution to change the City's retiree health insurance policy so that retired employees who choose to maintain coverage with the City must choose a family policy to cover spouses or dependents.
- A resolution approving the Council appointees to boards and commissions for the 2013-2015 City Council term.

The New Business agenda includes the following:

- The City Council will consider filing plans and specifications and ordering bids for the 2013 City Project No. 2 – Water Main and Force Main Replacement. As the name implies, the project would replace selected areas of water main on the pre-determined maintenance cycle. And, the project would make the final waste water connection for force main improvements from Lift Station No 5 (near 5th Avenue NE) to the Master Lift Station (8th Avenue NW). The force main improvements should improve greatly the ongoing odor issues along 10th Avenue NE. The city will combine the two projects in order to optimize bid quantities.
- The City Council will consider approving the City's 2013 Legislative priorities including: Red River State Recreational Area (RRSRA) campground expansion, waste water treatment funding, and a proposed Northwest Regional Wellness and Recreational Center.
- The Finance Director will present optional City liability coverage in excess of state statutory limits. By state law, cities are liable only for most claims up to \$500,000 per individual or \$1,500,000 per occurrence. Some cities choose to purchase additional coverage to protect its residents in the event of claims against the City that are above and beyond the state limits. The League of Minnesota Cities Insurance Trust (LMCIT) offers excess liability coverage of \$1,000,000 per occurrence. The City has opted to purchase this additional coverage for many years. The premium increase for the coverage in 2013 is \$34,939. The City Council must approve the additional coverage.
- The Finance Director will present a proposed Post-Issuance Tax Compliance Procedures Policy as recommended by the City's bond counsel, Dorsey and Whitney, LLP. The procedures are recommended to assure that debt issued by the city remains non-taxable by state and federal guidelines.

House Research Department
1/12/2013
Run: LGA2014prelims

Certified 2013 LGA vs. Preliminary 2014 LGA and 2014LGA with no caps

The attached run shows certified 2013 LGA and the preliminary 2014 LGA payments under current law. It also shows what 2014 LGA payments would be if there were no limits on annual increases or decreases in LGA to individual cities; this is their “pure formula” amount.

2013 LGA distributions for cities with a population of 5,000 or more are not based on the LGA formula but are equal to each city’s 2012 paid LGA amount. For cities with a population under 5,000, their 2013 aid is the greater of the amount they received in 2012 or what they would have gotten under the LGA formula in 2013.

Beginning in 2014 LGA is once again distributed to all cities via the LGA formula. The changes in the aid distribution between 2013 and 2014 are significant because:

1. the 2012 LGA aid was based on 2010 aid after reductions; with the reductions made on a different basis (levy plus aid) than the LGA formula used to distribute 2014 aid (‘need’ minus ‘ability to raise revenues locally’);and
2. the data used in calculating city LGA has changed for all cities since the last time the formula was totally in effect which was in 2008.

These changes are mitigated somewhat due to statutory caps on aid gains and losses to any city in one year.

The 2014 LGA with no caps is a hypothetical amount that each city would get if all aid was based strictly on the formula in law, with no limits on annual increases or decreases to individual cities. This hypothetical amount may be higher or lower than preliminary 2014 LGA because the limits shift a set dollar appropriation for this program between cities. As cities who currently get more than their formula amount, phase back on the formula over time it increases the percent of “unmet need” paid to all other cities under the program.

- **Column 1:** Certified 2013 LGA
- **Column 2:** Preliminary 2014 LGA under current law
- **Column 3:** Preliminary 2014 LGA under the current formula with no caps on annual increases or decreases in aid to individual cities
- **Column 4:** Change in LGA between 2013 certified and preliminary 2014 LGA
- **Column 5:** Change in 2014 LGA if there were no caps on annual increases or decreases in aid to individual cities

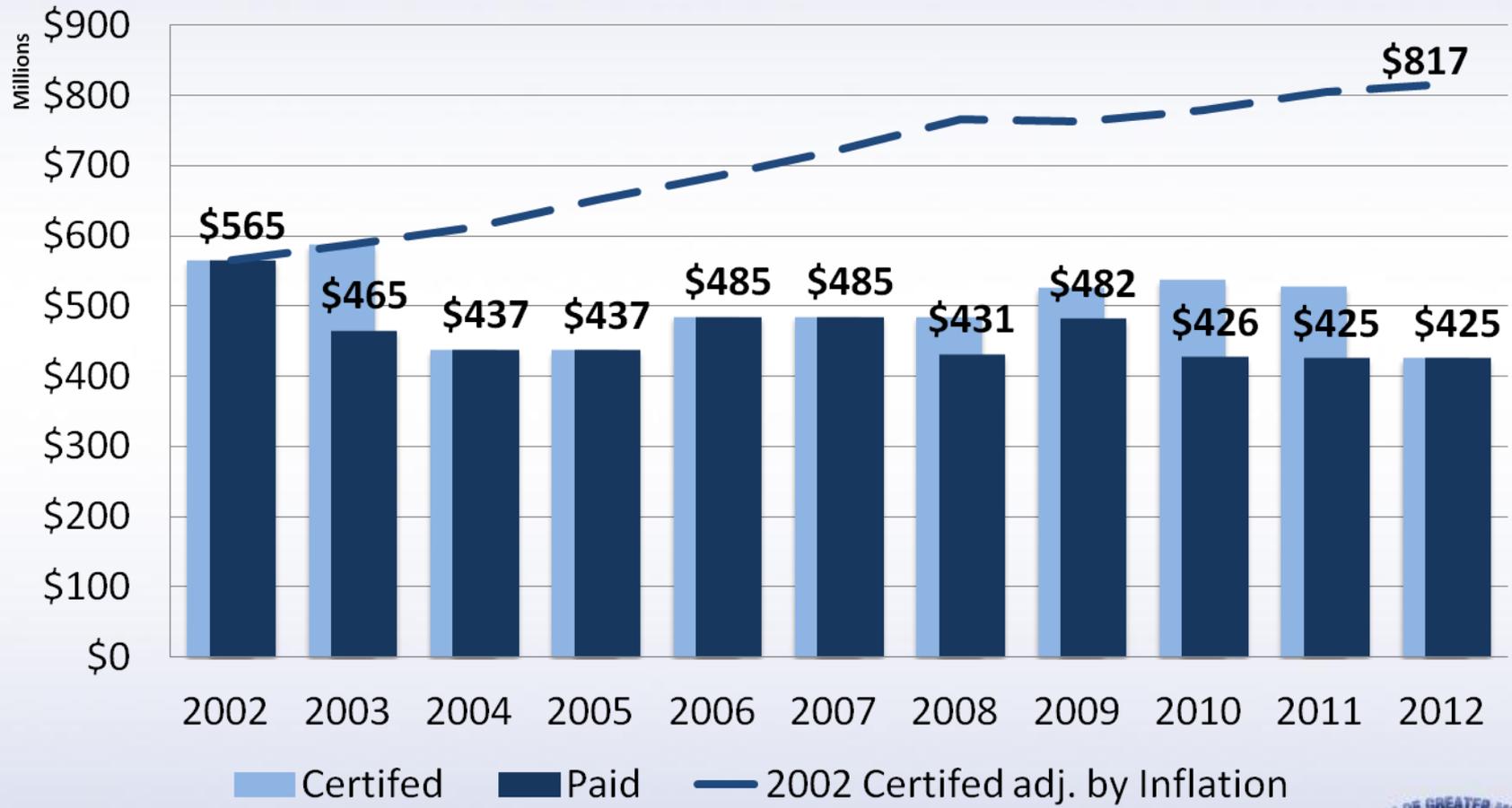
For further information contact: Pat Dalton 651-296-7434

2013 Certified LGA vs. Preliminary 2014 LGA AND 2014 LGA with no caps*

Cityname	Certified 2013 LGA	Preliminary 2014 LGA	2014 LGA if no caps	Change in LGA 2013-2014	Change in 2014 LGA if no caps
	(1)	(2)	(3)	(4=2-1)	(5=3-2)
Non-metro					
Major Cities					
DULUTH	27,437,478	27,137,478	25,850,512	-300,000	-1,286,966
MANKATO	6,228,727	5,928,727	5,732,501	-300,000	-196,226
MOORHEAD	6,790,628	6,490,628	5,528,564	-300,000	-962,064
ROCHESTER	5,101,571	4,801,571	2,580,184	-300,000	-2,221,387
ST CLOUD	10,081,386	9,781,386	11,024,777	-300,000	1,243,391
Group Total	55,639,790	54,139,790	50,716,538	-1,500,000	-3,423,252
Regional Centers					
ALBERT LEA	4,724,618	4,544,678	5,236,347	-179,940	691,669
AUSTIN	7,122,450	6,874,420	6,915,934	-248,030	41,514
BEMIDJI	2,906,194	2,770,914	2,474,942	-135,280	-295,972
BRAINERD	3,637,320	3,501,260	3,262,523	-136,060	-238,737
CLOQUET	1,968,020	1,846,580	2,090,235	-121,440	243,655
EAST GRAND FOR	2,471,550	2,385,650	814,517	-85,900	-1,571,133
FAIRMONT	3,722,165	3,615,855	2,868,947	-106,310	-746,908
FARIBAULT	4,772,748	4,538,658	4,505,860	-234,090	-32,798
FERGUS FALLS	3,563,824	3,432,794	3,039,019	-131,030	-393,775
HIBBING	7,994,316	7,831,186	5,873,319	-163,130	-1,957,867
HUTCHINSON	1,784,272	1,805,226	2,155,993	20,954	350,767
MARSHALL	2,110,608	1,972,938	1,924,383	-137,670	-48,555
NEW ULM	4,111,762	3,977,092	3,200,165	-134,670	-776,927
NORTH MANKATO	1,358,107	1,223,847	931,358	-134,260	-292,489
NORTHFIELD	2,243,397	2,141,063	2,542,601	-102,334	401,538
OWATONNA	3,153,124	3,140,994	3,720,573	-12,130	579,579
RED WING	619,586	666,960	666,960	47,374	0
THIEF RIVER FALL	2,418,906	2,333,036	2,172,022	-85,870	-161,014
VIRGINIA	4,062,905	3,976,055	3,230,836	-86,850	-745,219
WASECA	2,273,651	2,179,971	2,255,624	-93,680	75,653
WILLMAR	4,052,790	3,856,790	3,421,134	-196,000	-435,656
WINONA	9,162,003	8,885,973	8,390,263	-276,030	-495,710
WORTHINGTON	2,705,107	2,576,817	2,537,500	-128,290	-39,317
Group Total	82,939,423	80,078,757	74,231,055	-2,860,666	-5,847,702
Sub-regional Cent					
ALEXANDRIA	1,204,947	1,075,747	350,679	-129,200	-725,068
CANNON FALLS	469,740	428,920	482,464	-40,820	53,544
DETROIT LAKES	690,536	603,376	196,099	-87,160	-407,277
GRAND MARAIS	96,422	82,862	39,934	-13,560	-42,928
GRAND RAPIDS	963,410	904,812	1,102,086	-58,598	197,274
GRANITE FALLS	717,911	689,121	793,123	-28,790	104,002
HINCKLEY	267,164	318,426	523,945	51,262	205,519
HOYT LAKES	360,759	340,589	330,250	-20,170	-10,339
INTL FALLS	3,710,994	3,647,054	1,578,484	-63,940	-2,068,570
ISANTI	313,359	415,854	527,519	102,495	111,665
LITTLE FALLS	2,089,080	2,005,770	2,050,078	-83,310	44,308

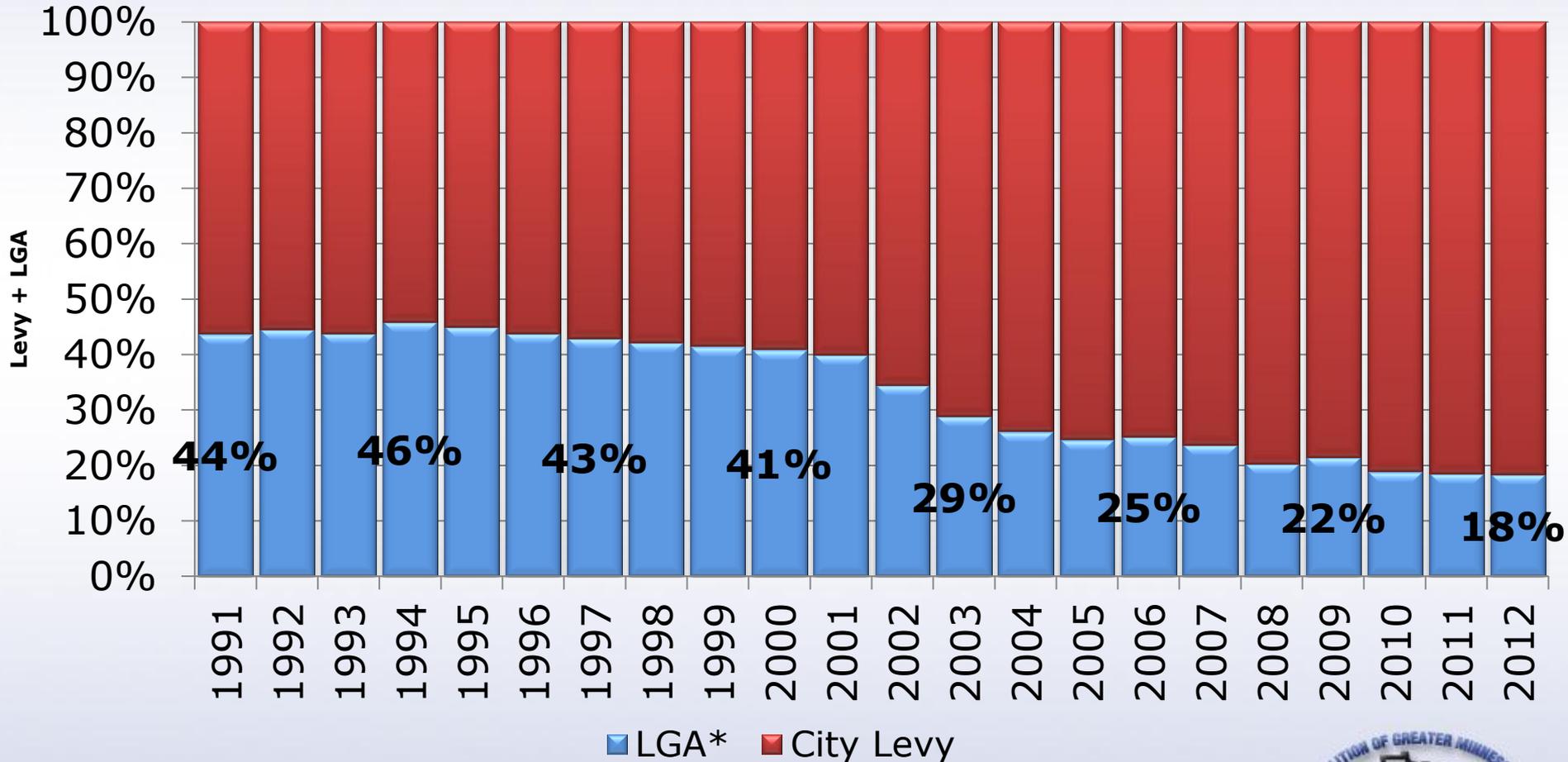
* All data used in the formula has been updated for 2014 with one exception: 2013 TnT levies rather than certified levies are used.

LGA Payment History



Restoring Funding

LGA has decreased as a Percentage of Levy + LGA



Restore Funding

Declining LGA has lead to Higher City Levies

