

# WEEKLY MEMO

**Date:** April 12, 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:**

*Regular Council Meeting – April 16, 2013 – 5:00 PM – Council Chambers*

*Work Session – April 23, 2013 – 5:00 PM – Training Room*

*Regular Council Meeting – May 7, 2013 – 5:00 PM – Council Chambers*

*Work Session – May 14, 2013 – 5:00 PM Training Room*

## **WEEKLY UPDATE:**

### **Fire fighters to manage Catfish Days**

As widely reported this week the East Grand Forks Local 3423 of the International Association of Fire Fighters (IAFF) has agreed to administer Catfish Days beginning this summer. The event suffered from a high water cancellation in 2011, and competing tournaments have made recruitment more difficult. The Grand Forks-East Grand Forks Chamber of Commerce had contemplated ending its participation for the past several years. Therefore, the fire fighters stepped forward to make Catfish Days a “true east side event.”

### **Legislative Update**

A couple of new items affecting cities have appeared before the House and Senate Tax Committees this week. Senator Skoe (DFL-Clearbrook) and Rep. Davnie (DFL-Minneapolis) have each introduced bills that would repeal the current tax notification process commonly known as “Truth in Taxation” (TNT) statements and hearings. In its place, the proposals would require all cities to hold two levy and budget hearings – one before the preliminary levy is approved, and one before the final levy is approved. Anecdotally, I have seen most cities oppose these proposals based on what we know currently. The bills would require Cities to hold the first hearing prior to September 1. This would add an additional hearing to the process. Further, it would expand an already long and protracted budget process for cities that currently must file preliminary levies by September 15. Supporters have claimed that the new proposal would reduce costs associated with TNT hearings by one third. Most cities have struggled to determine where the costs of TNT hearings derive, much less any hypothetical savings.

The legislature also began debating measures that would exempt cities from paying sales tax on purchases. Cities and counties have been required to pay sales tax since 1992, when the state and cities

agreed to the compromise in exchange for maintaining Local Government Aid (LGA) funding. Since then, the state has cut LGA funding several times. The current Senate proposal would exempt cities from sales tax, and it also would reimpose levy limits if local property levies statewide do not decrease by at least 75 percent of the projected sales tax savings.

### **Labor Negotiations**

The City has three more negotiation sessions tentatively scheduled in the next two weeks. Most of the parties agree that significant progress has been made in the discussions, and the remaining items are down to one or two outstanding issues in each contract.

## **DEPARTMENT REPORTS:**

### **Library, Charlotte Helgeson**

Next week beginning April 15 the Campbell Library will celebrate National Library Week. The library will host several events including the Spring Art Exhibit opening, the volunteer recognition program, and several events for children and adults. The schedule of events for the week is attached to this memo.

### **Parks and Recreation, Dave Aker**

#### **GETTING READY for the FLOOD**

So far this week we have taken the hot water heaters out of the bathrooms and bath house in the campground. We took signs and benches out that could be affected by the flood. We have a 1,000 sandbags available for the flood which our guys did. We have been taking snow off Stauss Park with the snow blower and the parking lot.

#### **CAMPGROUND**

Monday, Catherine and I went to Bemidji to pick up the truck and State passes. We also picked up two of the panels that go on the kiosk down in the State Park. We are taking applications for the campground until Monday and then we have interviews for the positions that are available.

### **Police Department, Chief Mike Hedlund**

#### **Bike Patrol**

Thanks to a number of generous donations from businesses within our community the EGFPD will soon have a bicycle patrol in place to help us effectively respond to crime problems and to enhance our community relations. Sgt. Michelle Manias, an avid biker, has been selected to coordinate the team and four additional officers have been selected for the team. Equipment and uniforms have been ordered and the bike patrol officers will be attending training in the near future. The bike patrol officers will spend time on patrol throughout the city with an emphasis on the bike paths and park areas. Bike patrol officers will also be used during special events such as the 4<sup>th</sup> of July festivities.

## **Agenda Items:**

Item 5 considers approving the recruitment and hiring of two Parks Maintenance Workers. The additional workers will be funded by reorganizing the functions of one vacant Arena Manager position and multiple seasonal arena operator positions into two full time positions. The Parks and Recreation reorganization will benefit the community in several ways without additional cost. First, the city arenas will have full-time staffing on at least five days a week, including weekends, for all business hours, including evenings. Also, summer full-time staffing will increase from one Parks Foreman to the Parks Foreman plus three full-time parks maintenance workers. Both the city parks and indoor facilities will receive much more attention for the same cost.

Item 7 considers a resolution to support the City's project application to the state Corridor Investment Management Strategy (CIMS) program. The City's application would target Highway 220 (Central Avenue) to include upgrades to traffic signaling, bike and pedestrian trail expansions, one lane expansion, and various street scaping. The city match on the estimated \$2.1 million project would be 10 percent, or approximately \$210,000.

Items 8 and 9 both relate to the City's adult use ordinance. The first ordinance repeals the City's existing definitions of an adult use. And, the second ordinance issues a moratorium on adult uses for six months. The moratorium allows the City to study the issue and to consider a new ordinance that more clearly defines "adult use."

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# CELEBRATE NATIONAL LIBRARY WEEK

atyourlibrary.org



CAROLINE KENNEDY,  
HONORARY CHAIR



## April 15

### **Opening of Campbell's Spring Exhibit, 6:30 pm**

Featuring artist Tanner Preuss, UND graduate student, Musicians Craig & Samuel Silvernagel, and local author R.A. Hudson ("I Want You to Know")

## April 16

### **Ereader Computer Class: 3:00-4:30 pm**

**Dial-a-Story 218-399-3435.** Every day!

## April 17

**Story Time:** Story & Craft for preschool-elementary students, **10:00 am**

**Campbell Corner:** Library Director Charlotte will co-host "Northern Thunder" on Pioneer Radio 90.1, **2:00-4:00 pm**

**Coffee & Cookies: 3:30-5:30 pm.** Join us for a visit.

**Readers Theatre: 4:30 pm**

**Free Library Cards!** For all non-resident students: **4:00-7:00 pm**

**Ereader Computer Class: 6:00-7:30 pm**

## April 18

**Author William Durbin.** Presentations for EGF 6th grade students.

**Campbell Writers (Senior High): 4:00-5:00 pm**

**Story Time:** Story & Craft for preschool-elementary students, **7:00 pm**

## April 19

**Library Volunteer Recognition: 5:00-6:30 pm**

## April 20

**"Fancy Nancy" Tea Parties: 10:30-11:30 am and 2:00-3:00 pm**

Sponsored by the Campbell Library & the Red Hot Cha-Cha-Cha's.

Dress-up tea party for 4-8 year olds.

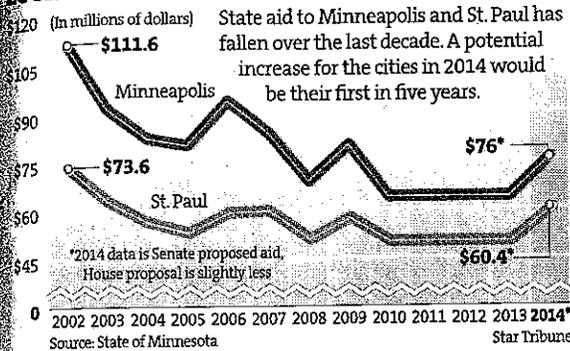
Registration required...Limited Space...No Fee

*Celebrate with EGF Campbell Library!*

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## New aid plan has big benefits

### LOCAL GOVERNMENT AID



### « WE MADE IT MAKE MORE SENSE. »

Rep. Jim Davnie, DFL-Minneapolis, who chairs the House committee focused on property and local taxes

• After rare accord between metro and rural cities, Minneapolis and St. Paul are set to receive the first increase in five years.

By ERIC ROPER and KEVIN DUCHSCHERE  
Star Tribune staff writers

Minneapolis and St. Paul are set to get their first pay raises in five years as a long-awaited plan to retool local government funding nears a vote at the State Capitol.

Legislators in the House and Senate are pushing bills that would make the first major change in a decade to how state funds are distributed to cities, while also increasing the total aid amount by \$60 million or \$80 million, respectively, to around \$500 million.

The extra money will have a significant impact on local budgets across the state,

which have endured years of aid cuts as legislators grappled with perennial deficit. The program, known as local government aid (LGA), helps to pay for everything from public safety to road improvements in cities large and small.

The state's cuts have fallen disproportionately on metro-area government which now take only about 30 percent of the funds. The new bill would give Twin Cities suburbs a larger slice of the pie starting in 2014, partly by factoring midcentury housing stock to determine a city's need. The new formula has just seven variables, down

Funding continues on B5 ►



state grant to fund the project. It's estimated that the plan may cost \$300 million over the next 50 years, most of it with state and federal funds. Ganje said the plan is conceptual rather than concrete, in terms of the facilities and attractions described in it. But it does offer several interesting ideas for riverfront projects.

drawn some criticism. One is the Watergate marina, an unsightly river landmark that the city has wanted to improve for years. To do just that — and to draw state funding for it — the plan contemplates locating an environmental education center at the marina, a project costing between \$20 million and \$30 million.

But the site also is prone to flooding. "They can get more interest at the State Capitol to spruce up the marina if they roll it into an environmental learning center," she said. Ganje affirmed that was the strategy, but said the area hadn't flooded in years. The master plan also proposes to renovate Island Station, a vacant power plant on the river that the National Park

is planning for placement on the National Register of Historic Places, eliminating hopes for redevelopment tax credits. But interest remains high in reusing Island Station. "If we had a nickel for every idea for Island Station, we'd be rich," said Tonya Nicholie, president of the West 7th/Fort Road Federation district council and a member of the advisory board. "It's a compelling struc-

ture that nothing is set in stone. But she underscored the importance of using the river to improve the lives of residents and visitors. "You go all over the world, and people may not know where Minnesota is or St. Paul, but if you tell them you live on the Mississippi, they know. That's a huge thing," she said. Kevin Duchscherer • 651-925-5035

## Big cities getting LGA help

### ◀ FUNDING FROM B1

from a list of 17 that included, for example, the number of car accidents in a city.

"We made it make more sense," said Rep. Jim Davnie, DFL-Minneapolis, who chairs the House committee focused on property and local taxes. "And it actually is a better measure of need, mathematically, than the existing formula."

Groups representing cities across the state have reached a rare accord on the new structure for doling out the LGA funds. Patricia Nauman, with Metro Cities, said it was the first such agreement since the early 1990s. Cloquet Mayor Bruce Ahlgren, president of the Coalition of Greater Minnesota Cities, called the new LGA formula "a great compromise, probably one of the few times that metro and rural cities have agreed on a formula about just about anything."

The share of LGA targeted for rural cities will decrease under the formula, which is why the coalition wants the full \$80 million increase in the Senate bill. Anything less, Ahlgren said, would fail to provide needed property tax relief.

### Bank on the money?

No cities would see a 2014 aid reduction under the bills, although about 90 cities eventually would get a cut.

Both Minneapolis and St. Paul have endured flat LGA funding since 2010, but they could see 19 and 20 percent increases next year. Under the Senate bill, their total payments would grow to \$76 million and \$60.4 million, respectively.

Minneapolis Mayor R.T. Rybak, who has made annual trips to the Capitol to protest LGA cuts, said his top priority for the funds will be to "take pressure off property taxes" while providing core services. As recently as 2011, Rybak laid off 10 firefighters because the state promised more aid than it delivered. City Council President Barb Johnson said she would embrace trying to lower the city's total tax levy if the funds come.

Despite years of the state setting and then cutting LGA payments, Rybak will count on the extra money in his next budget. "I believe we have a governor whose word is good," he said. "Unlike, frankly, the previous governor [Tim Pawlenty], who said one thing

and then changed it after we already budgeted."

A number of suburbs stand to receive their first LGA payments in years under the new formula, including Burnsville, Bloomington, Golden Valley, Maplewood and Roseville. But several city officials said that, after years of LGA volatility, they weren't yet banking on the money.

Roseville City Manager Bill Malinen said that the funding, potentially about \$225,000, likely would go toward infrastructure. "It's better used for unmet needs in the capital plan, so that if in fact another change occurs we wouldn't be adjusting our operating budget," he said.

Bloomington likely will spend its potential \$404,000 allotment on road improvements, said chief financial officer Lori Economy-Scholler, who doesn't expect it to go to the city's general fund. "There's always concern what the state might do the second year or the third year," she said.

In 2002, St. Paul's LGA represented 41.9 percent of the city's budgets for the general fund and libraries, and property taxes 24.4 percent. This

year, those figures are practically reversed: LGA makes up 21.2 of the budget, while property taxes pay for 36.4 percent. In Minneapolis, the general fund covered by property taxes jumped from 29 to 45 percent between 2003 and 2013, as LGA payments fell.

"Our No. 1 legislative priority is making sure this gets fixed," said Joe Campbell, St. Paul Mayor Chris Coleman's spokesman. "I think we're all in agreement that when the cities are strong, the state is strong."

### 'Autopilot'

Campbell added that it's important LGA once again be indexed to inflation, as it was before 2003.

But Rep. Paul Torkelson, the lead Republican on Davnie's committee who thinks the new formula makes LGA more stable and predictable, objects to a provision that raises payments by between 2.5 and 5 percent annually based on inflation and population changes.

"Putting this on autopilot to increase year after year is not something I can support," said Torkelson, R-Hanska. "It's fine as long as the economy's growing and we have more revenue, but we don't always have that as people learned in the last few years."

That same provision proved to be one of the most contentious facets of the bill at a Senate hearing Tuesday. "I think that the inflation adjustment is at risk of not surviving the process," said Sen. Rod Skoe, DFL-Clearbrook, who chairs the Senate tax committee.

Davnie said that provision is a benefit because it allows local governments to depend on the money in their budgets. "You can make prudent, rational decisions on the local level, and not have to come down here and fight about it every two years," Davnie said. He said the Legislature can revise the increase in a bad economy.

Despite broad agreement on the new formula, Rybak would still like to see more fundamental reform to the 40-year-old LGA system. He frequently says Minneapolis sends much more to the state in sales and other taxes than it receives in LGA, a gap of more than \$300 million.

"Having regional centers like Minneapolis control more of the resources we generate, I think, is part of a longer-term discussion we should have," he said.

Eric Roper • 612-673-1732

Kevin Duchscherer • 651-222-2732