

WEEKLY MEMO

Date: October 8, 2010

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

From: Scott Huizenga

RE: Weekly Update

UPCOMING MEETINGS:

October 11, 2010 – 12:00 pm – State Aid Task Force Meeting

October 12, 2010 – 5:00 pm Work Session

October 13, 2010 – 5:00 pm Budget Meeting

October 14, 2010 – 7:00 pm Public Hearing – 2040 Comprehensive Plan – Council Chambers

October 19, 2010 – 5:00 pm City Council Meeting

WEEKLY UPDATE:

State Aid Task Force

The State Aid Task Force will reconvene on Monday, October 18 as requested by the City Council at the last work session. The Task Force will look at options to potentially reduce the proposed financial impacts and to further refine the proposed assessment process.

River Road speed limit

The City Council passed Resolution 10-05-62 requesting that the Minnesota Department of Transportation perform a speed study with the intent to raise the speed limit from 35 miles per hour to 40 miles per hour. I received the following response from MnDOT after inquiring about the status of the study.

“The field study was performed late this summer but the data has yet to be compiled. I would say another month or two we will have the data compiled and the results back to the City. I appreciate your patience as we have a number of studies we are completing at this point and with the weather holding up, we want to get as much field work completed as possible.”

14th Avenue SE

Council Member DeMers organized a meeting with residents along 14th Avenue SE, where the City recently received a petition for paving via special assessment. The Council deferred action on the petition because adjacent land is outside City limits and, as such, could not be assessed. The residents who attended the meeting preferred some kind of street improvement, even if only half the street could be paved. Staff will present alternatives based on this meeting including a half-street proposal, full-street proposal, and a half concrete, half asphalt proposal.

MyMNBudget.com

You may have seen in yesterday's CGMC in Brief that the Coalition of Minnesota Cities released its final analysis of citizen budget submittals on www.MyMNBudget.com. Overall, the results were somewhat bipartisan, and most submittals included a mix of spending cuts and revenues increases to balances the state budget.

Department Reports

Library, Charlotte Helgeson

Kay Stone from the Manitoba Storytellers Guild will present a workshop for the public Monday evening 4 pm at the library. On Tuesday, she'll work with 6th graders from the public school, Sacred Heart, Riverside Christian and home schools. These activities are sponsored by the Art & Cultural Heritage Grant from NW MN Arts Council.

The library carpets will be cleaned by Thur-o-Clean Thursday evening. Our windows were washed by four UND volunteers on Saturday.

Police Department, Chief Mike Hedlund

"Safe at Home" – On Wednesday October 6, 2010 the Supervisors of the East Grand Forks Police Department met with Dianna Stair who works out of Secretary of State Mark Ritchie's office. Stair is the coordinator of a program called "Safe at Home". This program is an address confidentiality program for victims of stalking, domestic abuse or other situations in which victims have a legitimate need to keep their address confidential. The program is designed for people who have recently moved or are going to be able to move in the near future. They are provided a variety of methods that assist them in keeping their address truly confidential. This can be very important for people who have been victims of these types of crimes.

School parking enforcement – The EGFPD is conducting parking enforcement in the fire lanes (especially the circles) at New Heights and South Point Elementary Schools and at Central Middle School. These areas can become quickly jammed if parents actually park and go into the school rather than just dropping their child off and leaving the school. The congestion can result in unsafe driving and is very dangerous for the children at the schools. Help keep all of the children safe by obeying all parking and traffic regulations around our schools!

EGFPD at Full Strength – The East Grand Forks Police Department will be at full strength effective October 8, 2010. The two officers that were hired during this past year will both have completed their field training programs and are now formally assigned to shifts.

Fire Department, Chief Randy Gust

The Fire Department had its open house on the 4th of Oct. and had very good turn out with approximately 125 people coming thru the door.

The department has put the new 1ton pick-up into service. It is a great addition.

We want to thank the council again for permitting us to start the hiring process. We will coordinate the hiring with the Civil Service Board. We will have to test again due to the length of time between hiring the last firefighter.

AGENDA ITEMS:

The Work Session contains two detailed proposals.

1. The City Council tabled action on the proposed LaFave trail reconstruction project at the last regular Council meeting. The Council will discuss a proposed alternate that would reduce the scope of the reconstruction but still would provide a connection from the LaFave area to existing facilities along the greenway. I have arranged a conference call for Monday with the Minnesota Department of Natural Resources (DNR) to determine whether or not the DNR would authorize a scope change.
2. Chief Hedlund will present a parking ordinance proposal that would enforce year-round calendar parking. The current calendar parking system restricts parking for all residents on at least three days per week during winter months. And, residents cannot easily distinguish the days on which calendar parking is in effect for each street. The new proposal would restrict parking just one day per week in each maintenance district. And, each maintenance districts would have clearly-defined boundaries similar to street sweeping and refuse collection. The snow emergency ordinance would change to a tag system that allows 24-hours for a vehicle to be removed from the street for snow clearing.

MyMNBudget.com: Summary of User Submissions

ABOUT MYMNBUDGET.COM

MyMNBudget.com is an online budget balancing tool developed by the Coalition of Greater Minnesota Cities (CGMC) and Flaherty & Hood, P.A. With the click of the mouse, MyMNBudget.com users are able to cut spending on programs they feel are overfunded or increase spending for programs they value. Likewise, users can increase revenue in order to pay for their personal priorities. By reproducing the entire state general fund and providing the same revenue-generating options available to lawmakers, the tool aims to educate Minnesotans about the complexity and depth of the state's budget gap and the difficult choices that will need to be made by the next governor and legislature in order to balance it.

ABOUT THIS ANALYSIS

As of October 6, just over one month since the launch of MyMNBudget.com, over 3,600 unique users have visited the website and 602 balanced budgets have been submitted. This analysis is based on 490 budgets submitted on MyMNBudget.com through September 27 that raised taxes less than \$2.1 billion above the needed \$5.8 billion to balance the budget and/or reduced spending less than \$2.1 billion beyond the \$5.8 billion needed to balance the budget. In other words, no budget could increase revenue more than \$7.9 billion or cut spending more than \$7.9 billion from the forecast. This parameter was employed to eliminate submissions with low political viability, and consequently removed 87 budgets from the analysis.

Please note: This is not a scientific survey, but rather an analysis of users who submitted balanced budgets at MyMNBudget.com. No characterization of the general public should be made from this report.

THE AVERAGE BUDGET SUBMITTED AT MYMNBUDGET.COM

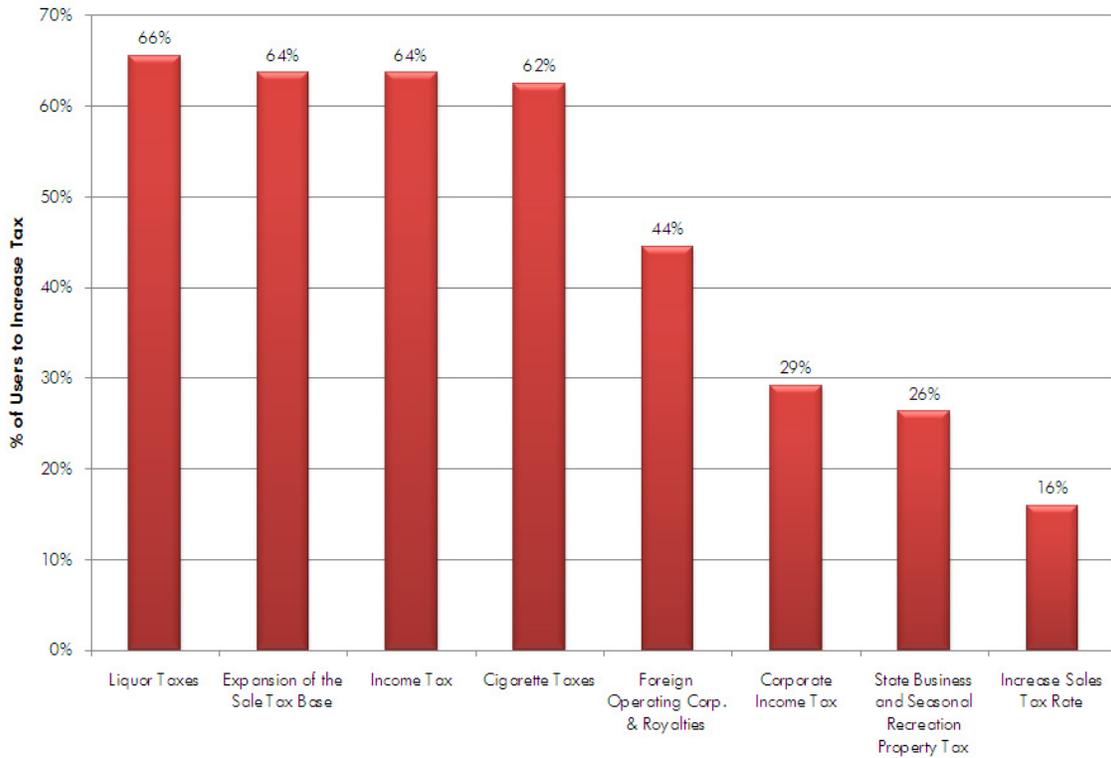
The majority of MyMNBudget.com users included both revenue increases and spending reductions to balance the state's \$5.8 billion projected budget shortfall. Eighty-eight percent of users raised some form of revenue, while 77 percent decreased some form of spending to balance the state's budget. The average user increased revenue \$3.9 billion and cut \$2.1 billion in spending leaving a budget surplus of \$304 million.

Majority of MyMNBudget.com users employ a balanced approach to budgeting



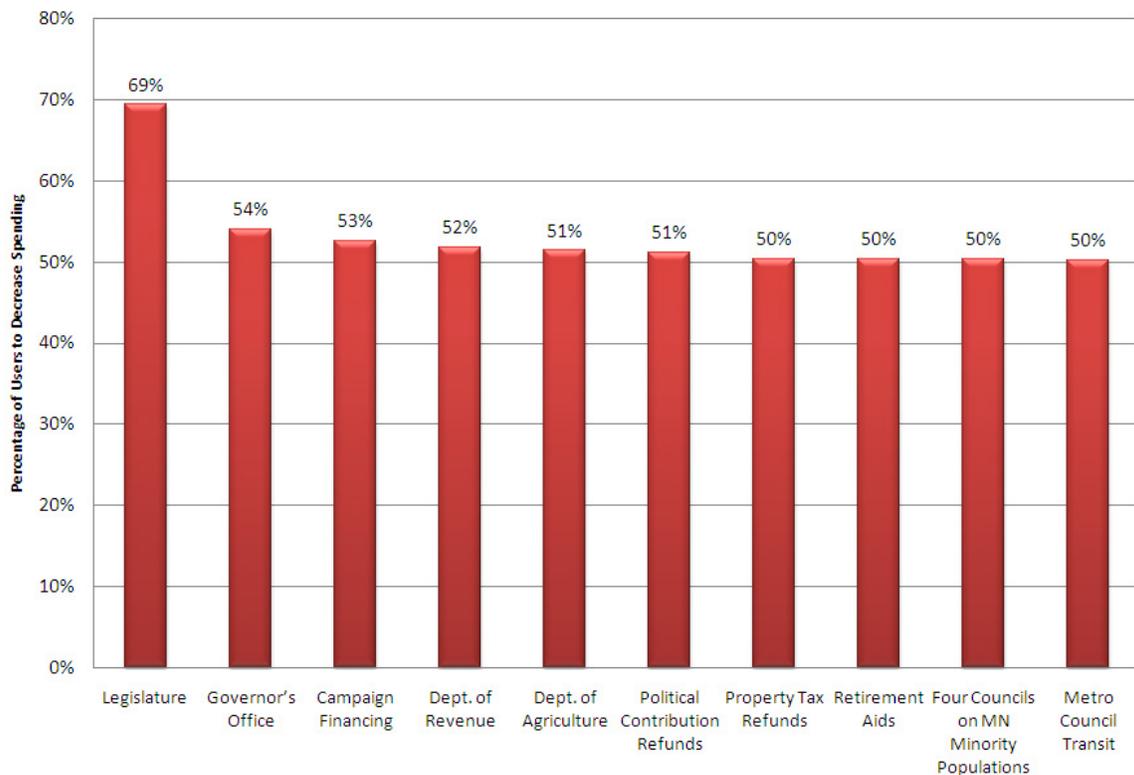
The most common taxes increased were those on liquor, income and cigarettes, with over 62 percent of users increasing one of those taxes. Expanding the sales tax base to include more taxable items and services was used by 64 percent of users.

Revenue choices made by MyMNBudget users



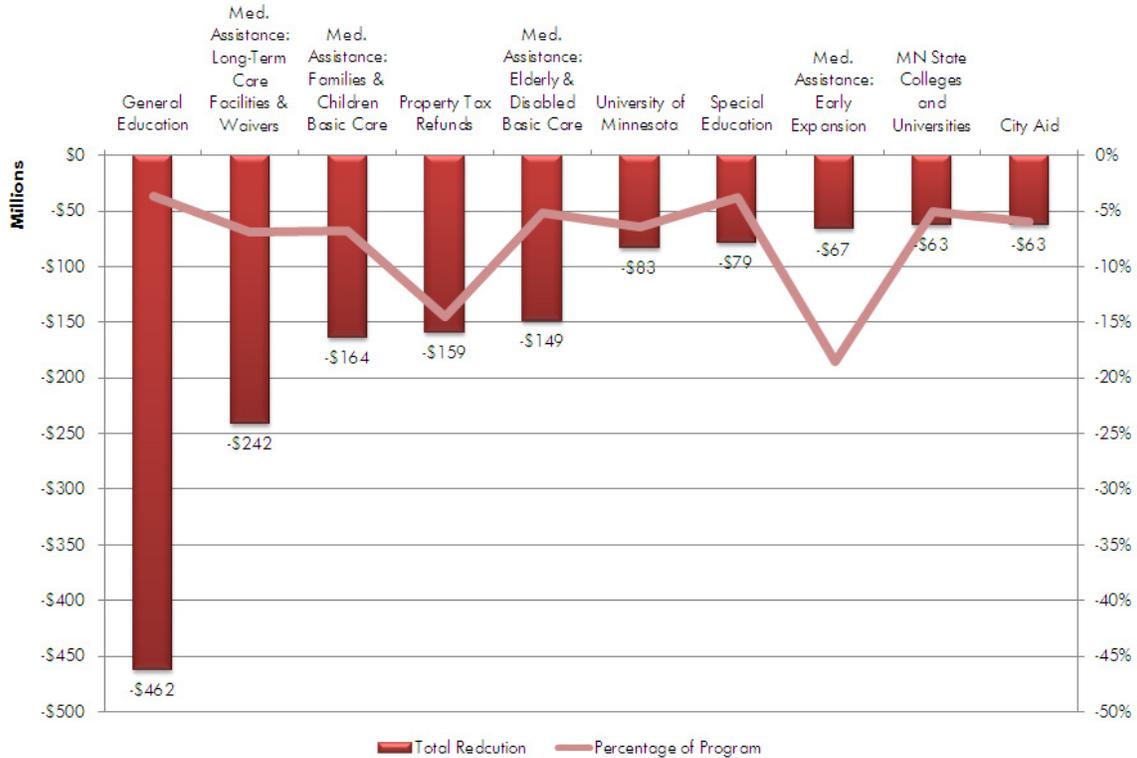
Programs most likely to be cut included many dealing directly with state lawmakers, with the budgets for the legislature and governor’s office being the most commonly reduced programs.

Top programs to receive a spending decrease



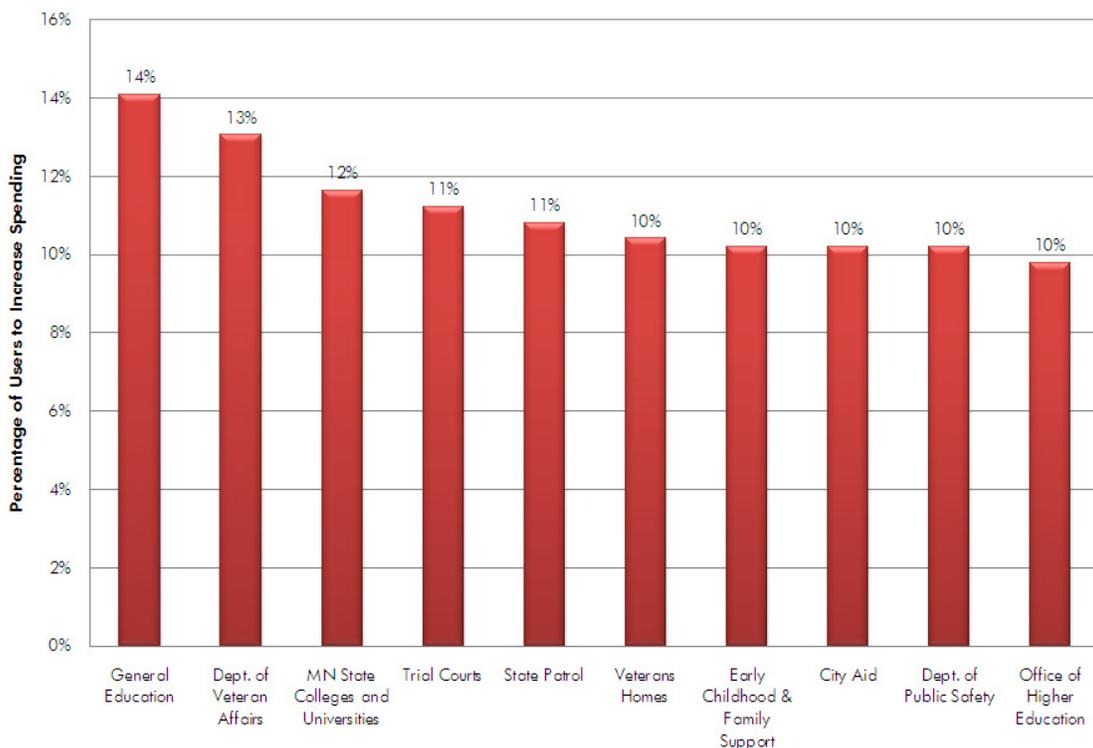
While state lawmakers were the most likely to be cut, core programs made up the largest total dollar amount of cuts, with General Education funding for K-12 taking the biggest hit at \$462 million. Medical Assistance to the elderly, the disabled and children accounted for three of the top five programs to receive spending reductions, while property tax refunds received the fourth largest budget cut.

Largest average spending reductions



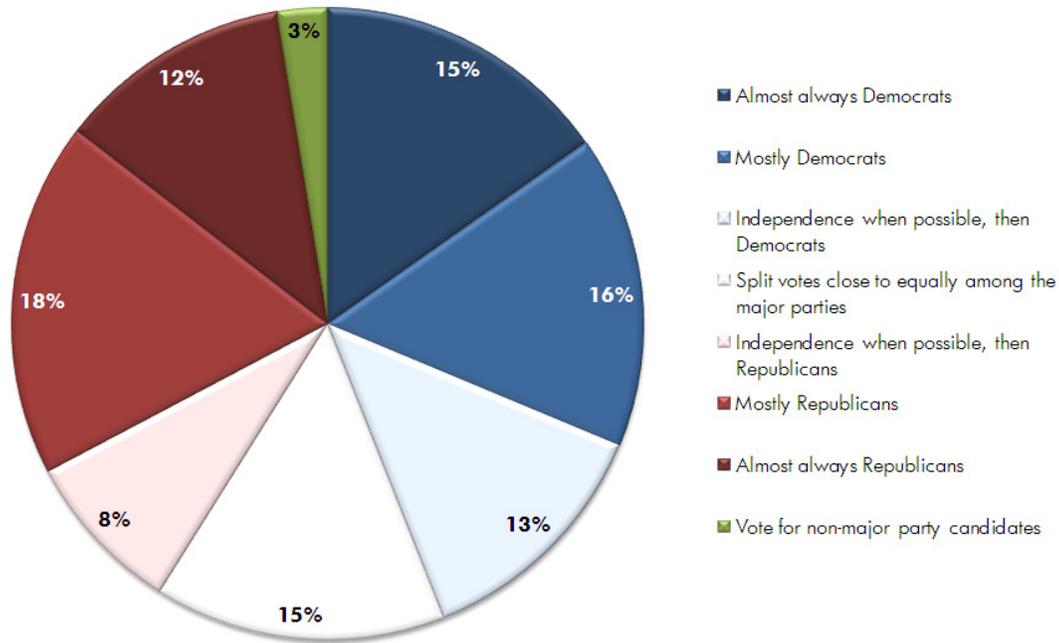
Not all users restricted themselves to reducing program spending; many increased spending on programs they felt needed more funding. The program most often to receive an increase in funding was General Education for K-12. General Education funding was increased by 14 percent of MyMNBudget.com users.

Top programs to receive a spending increase



POLITICAL AFFILIATION OF MYMNBUDGET.COM USERS

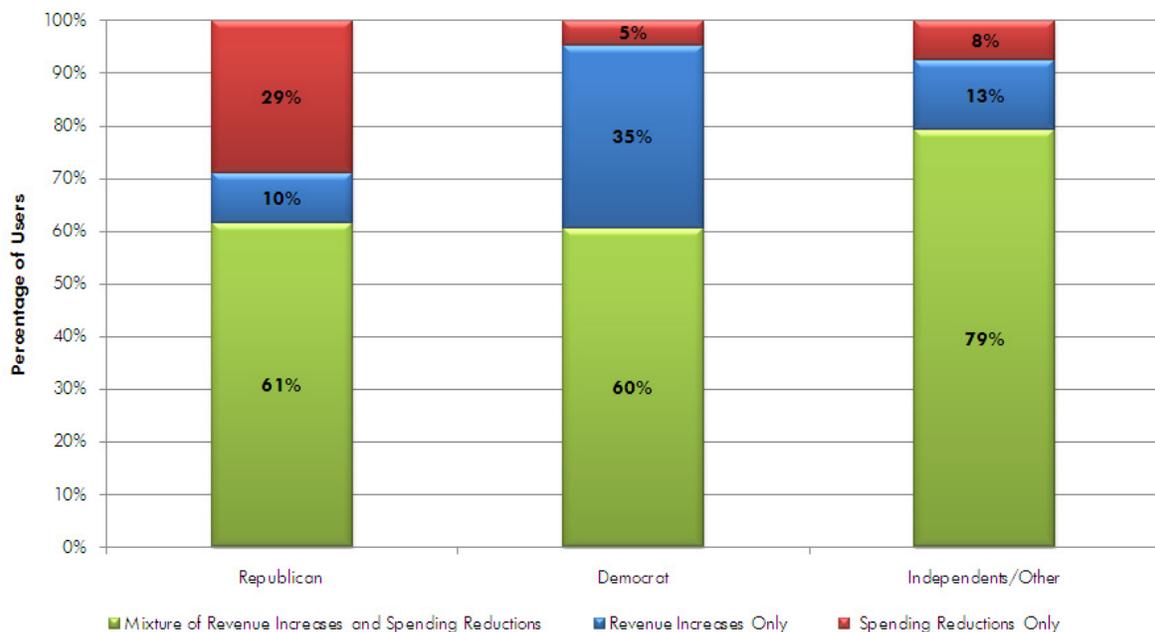
Users of MyMNBudget.com were asked to provide background information on their voting habits. Of the 490 budgets included in this analysis, 275 provided this information. Of the 275, 31 percent were considered Democratic voters, 30 percent Republican, and 39 percent Independent or non-major party voters. This user sample is similar to many scientific surveys of Minnesota voters.



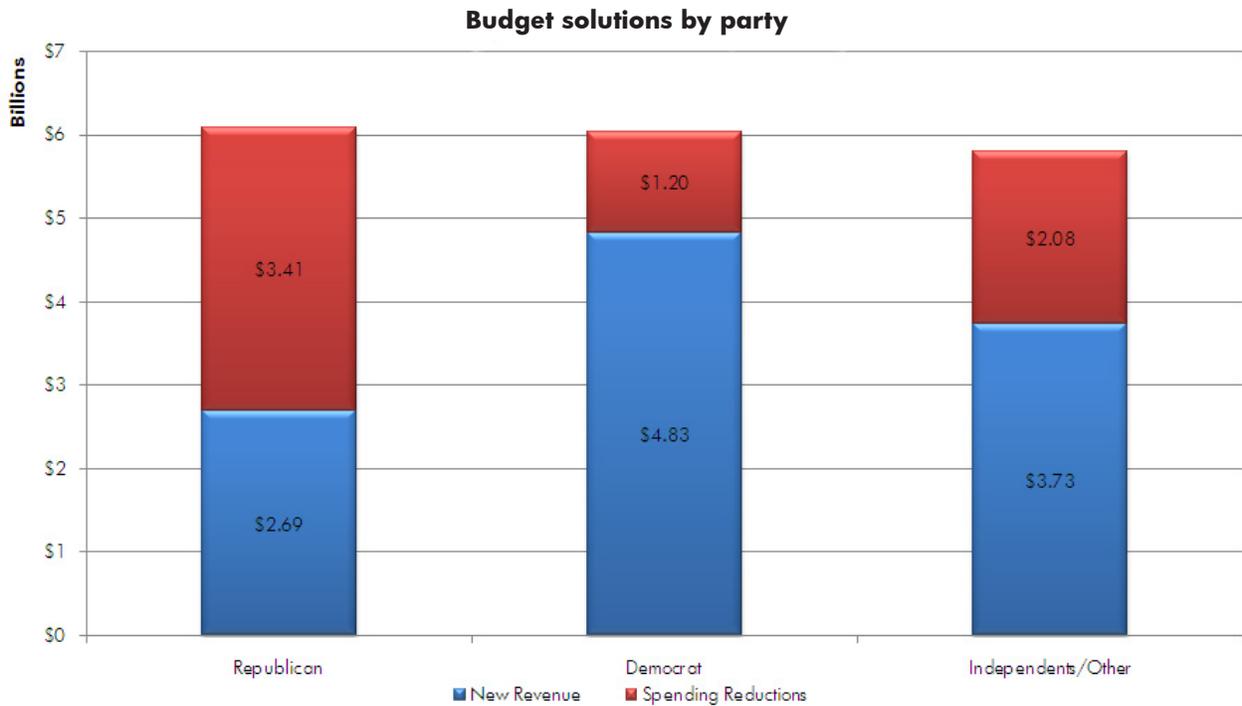
MYMNBUDGET.COM USER BUDGETS BY PARTY

Overall, the results of budgets broken down by party identification are not surprising. Democrats raised taxes most often, Republicans cut spending most often and Independents fell in the middle. What may be somewhat surprising is that, considering the call for leaner government operations from many conservative candidates, only 29 percent of Republicans solved the budget deficit with spending reductions alone. This is slightly less than the percentage of Democrats (35 percent) that used revenue increases alone. Not as surprising, Independents were by far the most likely group to use a mixture of revenue increases and spending reductions.

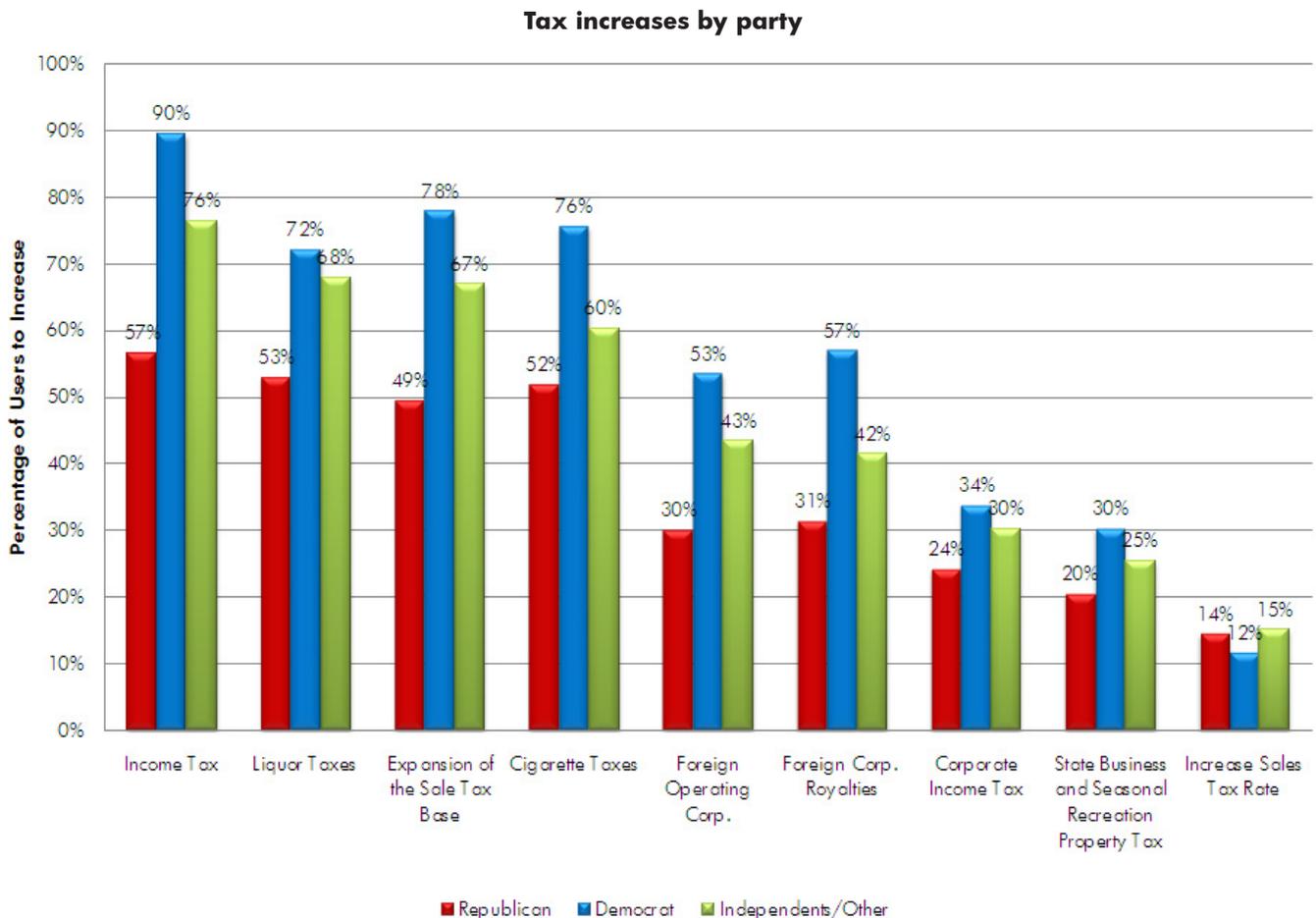
Independents most likely to submit a mixed solution



While the majority of Republican submissions did include tax increases, their increases were on average significantly less than Democratic and Independent tax increases.



Democrats were more likely to include most tax options in their budgets compared to Republicans and Independents. One exception is the sales tax. Republicans were more likely than Democrats to increase the sale tax rate, with Independents being even more likely than Republicans.



Compared to revenue raising options, of which how much to raise was a bigger question than which tax to increase, choosing spending reduction options produced considerable differences among the parties. Only Veterans Affairs was one of the top ten spending programs to most likely receive a funding increase in budgets submitted by all three political parties. Independents and Republicans were both more likely to increase public safety and other veterans programs, while Independents and Democrats were both more likely to increase funding for General Education and MN State Colleges and Universities.

Percent frequency of program spending increases by party

	REPUBLICAN		DEMOCRAT		INDEPENDENTS/OTHER	
1	State Patrol	12%	Metro Council Transit	17%	Dept. of Veterans Affairs	22%
2	Early Childhood & Family Support	10%	MN State Colleges and Universities	16%	Dept. of Public Safety	16%
3	City Aid	10%	Dept. of Transportation	16%	Veterans Homes	16%
4	Trial Courts	10%	University of Minnesota	15%	Veteran Services	15%
5	Dept. of Public Safety	10%	City Aid	15%	GI Bill	15%
6	Dept. of Veterans Affairs	10%	Choice Programs	14%	Trial Courts	14%
7	Corrections Institutions, Services, & Support	8%	Dept. of Veterans Affairs	14%	General Education	13%
8	Veterans Homes	8%	Board of Public Defense	13%	State Patrol	13%
9	Veteran Services	8%	General Education	12%	MN State Colleges and Universities	11%
10	GI Bill	8%	Med. Assistance: Long-Term Care Facilities & Waivers	12%	Dept. of Employment & Economic Development	11%

■ Program cut by Republicans & Independents ■ Program cut by Democrats & Independents ■ Program cut by all parties

Regardless of political party, MyMNBudget.com users cut the legislature's budget more often than any other program. Also in the top ten for program funding likely to be reduced across all party lines are Campaign Financing and Political Contributions. Interestingly, the governor's office was a top ten program likely to be reduced for Democrats and Independents, but not for Republicans.

Percent frequency of program spending reductions by party

	REPUBLICAN		DEMOCRAT		INDEPENDENTS/OTHER	
1	Legislature	78%	Legislature	58%	Legislature	82%
2	Campaign Financing	70%	Governor's Office	56%	Campaign Financing	64%
3	Property Tax Refunds	67%	Corrections Institutions, Services & Support	45%	Political Contribution Refunds	63%
4	Political Contribution Refunds	67%	Dept. of Agriculture	44%	Dept. of Revenue	63%
5	Med. Assistance: Long-Term Care Facilities & Waivers	67%	Integration Programs	43%	Retirement Aids	63%
6	Metro Council Transit	67%	Other State Government Programs	43%	Governor's Office	63%
7	Retirement Aids	66%	Dept. of Revenue	42%	Special Education	62%
8	Dept. of Administration	65%	Campaign Financing	42%	University of Minnesota	62%
9	Arts Board	65%	Political Contribution Refunds	41%	Integration Programs	61%
10	Housing Finance Agency	64%	Nutrition Programs	40%	Metro Council Transit	61%

■ Program cut by Republicans & Independents ■ Program cut by Democrats & Independents ■ Program cut by all parties

Despite having very different percent frequency of program cuts within budgets, the average total dollar spending reductions among the parties produced remarkably similar lists. While the amount of reductions varied, eight of the top ten programs to receive spending reductions programs were the same among all the parties.

Average total dollar spending reductions by party

REPUBLICAN		DEMOCRAT		INDEPENDENTS/OTHER	
General Education	-899,547,706	General Education	-266,452,952	General Education	-505,834,243
Med. Assistance: Long-Term Care Facilities & Waivers	-374,503,621	Med. Assistance: Long-Term Care Facilities & Waivers	-109,809,547	Med. Assistance: Long-Term Care Facilities & Waivers	-214,586,067
Med. Assistance: Families & Children Basic Care	-261,229,606	Property Tax Refunds	-105,528,339	Med. Assistance: Families & Children Basic Care	-144,299,434
Med. Assistance: Elderly & Disabled Basic Care	-241,531,454	Special Education	-87,802,267	Med. Assistance: Elderly & Disabled Basic Care	-143,511,279
Property Tax Refunds	-213,377,338	Med. Assistance: Elderly & Disabled Basic Care	-62,295,553	Property Tax Refunds	-130,041,074
Med. Assistance: Early Expansion	-126,888,868	Med. Assistance: Families & Children Basic Care	-54,045,271	University of Minnesota	-87,422,662
University of Minnesota	-116,670,326	Corrections Institutions, Services, & Support	-48,644,463	City Aid	-67,885,986
MN State Colleges and Universities	-104,045,888	University of Minnesota	-41,814,484	Med. Assistance: Early Expansion	-57,972,616
City Aid	-100,100,684	Med. Assistance: Early Expansion	-29,810,779	Market Value Homestead Credit	-52,654,353
Special Education	-98,329,478	MN State Colleges and Universities	-29,172,058	MN State Colleges and Universities	-46,004,564

 Program cut by all parties

CONCLUSIONS

MyMNBudget.com users crafted hundreds of ways to balance the state's budget in extreme detail. While this project is not meant to be a scientific survey, it does show what people of different political persuasions – after learning about the complexity of the state budget – would do to solve the \$5.8 billion budget deficit. Among this group of users, a few points can be made:

- A balanced approach including revenue increases and spending reductions is the most favored method of balancing the budget across all party lines.
- While parties differ on which smaller programs to cut, on average they agree that in order to balance the budget, large spending programs such as General Education, Medical Assistance, Higher Education and property tax refunds will likely need to be cut to create a balanced solution.
- The users of MyMNBudget.com have demonstrated that creating a detailed balanced budget is possible. If everyday Minnesotans can take the time to create a complete dollar-for-dollar budget plan, candidates for governor should be able to provide the same level of concrete detail as well.