

WEEKLY MEMO

Date: October 15, 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 18, 2010 – 12:00 pm – State Aid Task Force
October 19, 2010 – 12:00 pm – Economic Development and Housing Authority (EDHA)
October 19, 2010 – 5:00 pm City Council Meeting
October 20, 2010 – 5:00 pm Budget Meeting
October 21, 2010 – 12:00 pm – Planning Commission
October 21, 2010 – 5:00 pm – Water and Light Commission
October 26, 2010 – 7:00 am – Library Board
October 26, 2010 – 5:00 pm Work Session
October 27, 2010 – GreenStep Cities - Crookston
October 27, 2010 – 5:00 pm Budget Meeting
November 10-12 – CGMC Fall Conference - Alexandria

WEEKLY UPDATE:

State Aid Task Force

There was an error in last week's Weekly Memo. The State Task Force is scheduled to meet this Monday, October 18 at noon in the Training Room.

"Spice" Update

The City recently received correspondence indicating that the Minnesota Board of Pharmacy is beginning the process of adding so-called synthetic cannabinoids, sometimes referred to as "Spice" among many monikers, to its list of Schedule I controlled substances. This would, in effect, make illegal the distribution of Spice. A [recent article in the Duluth News Tribune](#) discussed the Board's potential actions. The same article noted that a US District Judge recently ordered the City of Duluth not to enforce that city's recently-passed ordinance that banned Spice. No further court hearings have been scheduled.

Minnesota state revenues up slightly

The League of Minnesota Cities noted this week that state [revenues are up slightly](#) from the previous projections. The news is mixed, at best. Revenue projections increased from the last quarter by \$22 million. Most of the gains were in sales taxes and the corporate income tax. However, the overall current biennial shortfall is still \$77 million.

Minnesota 2020 Analysis: Emmer's Plan for LGA

This week's CGMC in Brief referenced an analysis of Representative Tom Emmer's budget plan [from the Minnesota 2020 think tank](#). The analysis indicated that total city and county aid programs would be cut by over 57 percent in Emmer's plan. For East Grand Forks, this translates into an average property tax increase of \$475 per year. Unfortunately, Minnesota 2020, which is generally regarded a liberal think tank, did not provide similar analyses for the budget plans put forth by the Dayton or Horner campaigns.

Polk County Meet the Candidates

I have attached a message from the [Grand Forks-East Grand Forks Chamber of Commerce](#) regarding a Polk County Meet the Candidates Forum in Crookston next week. The forum starts at 6:30 with Crookston school board and Crookston City Council. Candidates for county and state offices follow. The forum will be held on the University of Minnesota – Crookston campus.

Council Packets

You may notice that printed versions of the Council packets will have one or two attachments omitted. I have opted not to print large documents in an effort to "Go Green" and to save production costs. While small in the abstract, this move should save the City approximately \$1500 per year or more depending on the size of various Council items. The full agendas are available electronically, and we will provide to Council members full printed copies of contracts and agreements upon request. Most items will remain in the print edition. We will only restrict mass reproduction on long agreements that exceed 10 pages in length.

2040 Land Use Plan

City planning staff held a public input session on Thursday evening regarding the proposed [2040 Land Use Plan](#). The Planning Commission will consider the draft document next Thursday. Then, the City Council will hear the plan at a subsequent work session. Final adoption is scheduled for December.

Department Reports

Public Works Department, John Wachter

The public auction of surplus equipment finished up on October 6th. The auction was very successful bringing in \$32,000.

SANITATION

Residential fall clean-up was the week of October 4th -8th along with the Hazardous Waste/Electronics drop off. Totals will be in sometime in the next couple of weeks. This year's fall clean-up was, by far, the most successful in recent memory. Staff did an excellent job and completed each assignment ahead of schedule.

WASTEWATER

The new motors and impellers for sanitary lift station #16 have been installed by Electric Pump and the wastewater team. The pumps are running as expected and to date there have been no malfunctions or call outs of the SCADA system.

Upgrades and repairs to the SCADA system began this week. Integrated Process Solutions and the wastewater team will be doing the repairs. This work will take

approximately 6 months to complete. The work will also include modifications to some of the storm water components.

FLOOD CONTROL SYSTEM/STORMWATER

The work at both L8 (871 James Ave SE) and K1 (Valley Golf) storm lift stations has started. Additional pumps will be added to each lift station. Also, two gate shafts at the L8 storm lift station will be repaired. Construction on both projects is expected to be completed in November.

The road repair to James Avenue will begin next week, weather permitting. James Avenue was damaged during the levee stabilization project. This is part of the Army Corps of Engineers "loose ends."

Police Department, Chief Mike Hedlund

The East Grand Forks Police Department underwent an inspection of their Juvenile holding facilities, intake records, and policies and procedures by the Minnesota Department of Public Safety on Tuesday October 12, 2010. The inspection went very well; and while the formal report has not been received yet the inspector stated that the Department should be commended for the way the facility is being run.

East Grand Forks Police Officers assisted the East Grand Forks Public Schools with a seatbelt awareness campaign on the morning of Thursday October 14, 2010. Student volunteers passed out "Smarties" candies to those wearing seatbelts and "Dum Dum" suckers to those who were not. The officers provided information on Minnesota's seatbelt laws to the student drivers. This was part of a week-long safe driving campaign put on by Senior High.

AGENDA ITEMS:

The Consent Agenda includes a gambling permit and a special event permit for a temporary tent on the boardwalk. The Consent agenda also includes the following.

- The formal acceptance of a \$250,000 award from the Minnesota Department of Employment and Economic Development (DEED). This is the state funding portion of the industrial park infrastructure project.
- The Consent Agreement and Final Order to close the Water and Light Department's Risk Management Plan (RMP) update to the US Environmental Protection Agency
- A one-year extension to a lease with the Minnesota Department of Natural Resources (DNR) that allows the DNR to store campground equipment in City facilities.

11. The LaFave Multi-Use Trail resolution is listed under Old Business. The resolution accepts a \$95,000 grant agreement from DNR. The packet includes a memo from the City Attorney that indicates his concurrence with the use of Tax Increment Financing (TIF) for the required local match on the project.

12. The proposed calendar parking ordinance is on New Business for first reading. The ordinance would institute year-round maintenance districts in which the City would enforce restricted parking one day per week.

13. This resolution incorporates a Sick Leave Donation Policy into the City Personnel Policy Manual.



State Revenues Rebound Slightly

Economic recovery slows, creating possible consequences for the state budget.

(Published Oct 13, 2010)

On Oct. 11, the Department of Management and Budget released the October Economic Update. The report includes modest good news about the state budget for fiscal year (FY) 2010-2011, but also a somber warning about the pace of the state's economic recovery and possible bad news for the already staggering \$5.8 billion FY 2012-2013 budget deficit.

The update indicates that the state ended fiscal year 2010, the first year of the current biennial budget, with revenues roughly \$77 million below official projections (see table below). However, that figure is actually a \$22 million improvement over the initial \$99 million shortfall in collections estimated in the July Economic Update.

FY 2010 State Revenue Collections (in millions)

	Projected	Actual	Variance \$	Variance %
Income Tax	\$6,720	\$6,531	-\$189.1	-2.8%
Sales Tax	4,154.8	4,177.3	+22.5	+0.5%
Corporate Tax	631.3	663.5	+32.2	+5.1%
Motor Vehicle Sales Tax	73.5	74.1	+0.6	+0.8%
Other	2,668.4	2,725.5	+57.1	+2.1%
Total	\$14,248.1	\$14,171.5	-\$76.6	-0.5%

For the first quarter of fiscal year 2011 (July through September), state revenues exceeded official projections by \$55 million (see table below). The overall revenue improvement was largely due to increases in sales tax and corporate income tax collections. Collections for personal income tax almost exactly matched official projections.

First Quarter FY 2011 State Revenue Collections (in millions)

	Projected	Actual	Variance \$	Variance %
Income Tax	\$1,715.2	\$1,715.1	-\$0.8	-0.0%
Sales Tax	1,035.7	1,068.9	+33.2	+3.2%
Corporate Tax	239.0	254.8	+15.8	+6.6%
Motor Vehicle Sales Tax	8.2	7.8	-0.4	-4.9%
Other	359.2	365.5	+6.3	+1.8%
Total	\$3,357.3	\$3,412.1	+\$54.9	+1.6%

The "Great Recession"

The report confirms that the recession officially ended in June 2009. The recession lasted a total of 18 months, making it the longest recession since World War II. In addition, the recession was also the deepest recession, with real gross domestic product (GDP) falling by as much as 4.5 percent.

Nationwide, employment fell by 8.4 million between December 2007 and December 2009 while job growth since has grown only modestly since.

According to the state's economic forecasting firm, Global Insight, Inc. (GII), the economic recovery will be "long and slow." In the February state budget forecast, GII projected that GDP would grow by 3 percent in FY 2010 and then by 2.8 percent in FY 2011. The October Economic Update revises those GDP estimates to 2.6 percent in FY 2010 and 2.2 percent in FY 2011.

For the upcoming biennium, the GDP growth rates have also been adjusted downward. In the February forecast, GII was assuming 3.7 percent GDP growth in FY 2012 and 3.2 percent in 2013. The October Economic Update reduces those GDP growth estimates to 3 percent in FY 2012 and 2.7 percent in FY 2013.

These reductions in GDP growth could increase the state's projected 2012-2013 deficit of \$5.8 billion. The next full budget forecast will be released in early December.

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

Your LMC Resource

Contact Gary Carlson

IGR Director

(651) 281-1255 or (800) 925-1122

gcarlson@lmc.org (*Link to: <mailto:gcarlson@lmc.org>*)

Scott M. Huizenga

From: The Chamber Grand Forks - East Grand Forks [info@gochamber.org]
Sent: Thursday, October 14, 2010 4:23 PM
To: Scott M. Huizenga; Scott Huizenga
Subject: Meet the Candidates Forum
Attachments: header_TCGF.jpg

Message from Audrey Lind <info@gochamber.org>, The Chamber Grand Forks - East Grand Forks...



Serving Grand Forks, East Grand Forks and the Region.

Dear East Grand Forks Chamber Members:

You are invited to attend a “Meet the Candidates Forum” hosted by the Chamber’s Legislative Committee. Plans have been finalized for the “Meet the Candidates” Forum on Tuesday, October 19. The Forum will be held in UMC’s Kiehle Auditorium, beginning at 6:30 p.m. Each segment (School Board, City Council, County, and Legislative) will be conducted separately, with one group of candidates on the stage at a time. The School Board candidates will lead off at 6:35 p.m., followed by the City Council candidates at 7:10 p.m., then the County Candidates at 7:45 p.m., the Legislative candidates at 8:20 p.m., and ending with Senatorial Candidates. The Forum will conclude by 9:30 p.m., followed by an informal time for visiting over coffee and cookies.

Below is the Forum Schedule:

6:30 pm *Welcome – Andrew Svec, UMC*
Pledge of Allegiance
Outline of Forum
**Explain Questions Process & Timing*

6:35 pm *School Board Candidates*
- Ross Matlack, Moderator

Keith Bakken
Tim Dufault
Art Nash
Victoria Ramirez

Adrienne Winger

Opening Statements (Two Minutes)

6:45 pm School Board Q & A (One Minute Response)

7:00 pm Closing Statements (One Minute)

*7:10 pm City Council Candidates
- Don Cavalier, Moderator*

Ward 1 – Tom Jorgens

Ward 2 – Dana Johnson

Ward 4 – Wayne Melbye

Ward 6 – Tom Vedbraaten

At Large – Jay Amiot, Trent Brekken and Bob Quanrud

Mayor – Dave Genereux and ESPO

Opening Statements (Two Minutes)

7:30 pm Council Q & A (One Minute Response)

7:45 pm Closing Statements (One Minute)

*7:55 pm County Candidates
- Shawn Friedland, Moderator*

Warren Affeldt

Bruce Haaven

Warren Strandell

Barb Erdman

Jim Juve

Opening Statements (Two Minutes)

8:05 pm County Q & A (One Minute)

8:20 pm Closing Statements (One Minute)

*8:30 pm MN House District 1B Candidates
- Andrew Svec, Moderator*

Bernie Lieder

Deb Kiel

MN Senate Candidates

***Leroy Stumpf
Russel Walker***

Opening Statements (Two Minutes)

8:40 pm Legislative Q & A (One Minute)

9:00 pm Closing Statements (One Minute)

9:05 pm Final Comments, End Forum

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