

**City of Moorhead
Committee of the Whole
Meeting Minutes
June 07, 2010 at 5:30 PM
City Hall Council Chambers**

Pursuant to due call and notice thereof, a regular meeting of the Committee of the Whole was held in the City Hall Council Chambers, on June 07, 2010, at 5:30 PM.

Roll call of the members was made as follows:

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|--------------------------|---------------------|---------|
| 1st Ward Council Member: | Luther Stueland | Present |
| 1st Ward Council Member: | Nancy Otto | Present |
| 2nd Ward Council Member: | Diane Wray Williams | Present |
| 2nd Ward Council Member: | Mark Altenburg | Present |
| 3rd Ward Council Member: | Dan Hunt | Present |
| 3rd Ward Council Member: | Brenda Elmer | Present |
| 4th Ward Council Member: | Mark Hintermeyer | Present |
| 4th Ward Council Member: | Greg Lemke | Absent |
| Mayor: | Mark Voxland | Present |

Committee of the Whole Meeting

Minutes: Mayor Voxland called the meeting to order.

1. **[Coalition of Greater Minnesota Cities Annual Presentation](#)**

Minutes: Tim Flaherty, Flaherty & Hood P.A., representing the Coalition of Greater Minnesota Cities (CGMC), provided a presentation regarding the 2010 Minnesota Legislative Session. Flaherty also provided a handout entitled, "Coalition of Greater Minnesota Cities Legislative Session Report."

In addition to the presentation slides, Flaherty stated the following:

- Greater Minnesota cities should plan their budget to the current Local Government Aid (LGA) allocation, but are encouraged to have contingency plans in place in the event that local aid is reduced during the 2011 legislative session.
- Strong bi-partisan support exists in the Legislature to support the LGA Program, and it appears to be the preferred policy over the Market Value Homestead Credit (MVHC) Program.
- CGMC will host candidate forums this summer and fall and will ask candidates to clarify their position on LGA.
- The primary goal of the CGMC is to build stability and support for the LGA program. To do so it is critical to maintain a strong and active membership.
- The City of Winona held departmental presentations over several special City Council meetings in an effort to proactively communicate to residents the state of their city following LGA cuts, current services provided, and reasons for service cuts and tax increases in the case

of further reduction in LGA.

In response to Mayor and Council questions, Flaherty stated the following:

- LGA was created to assist greater Minnesota cities in providing equitable services at reasonable property tax rates.
- The current formula used to calculate the allocation of LGA was reformed in 2003 following an exhaustive study by the Minnesota Department of Revenue and the Minnesota Legislature. CGMC supports the current formula, however it is often misunderstood. CGMC believes there needs to be a more concerted effort to explain the rational basis for the formula to legislators and citizens.
- A property tax system is based on the value of the property. The property value in suburban communities is significantly greater. A 1% property tax rate increase in a suburban community can garner more than double a return in revenue compared to cities like Moorhead. If LGA is cut, this disparity would grow even larger.
- CGMC does not support local sales taxes as a means of replacement for LGA. Local sales tax capacity across Minnesota is considered to be more disparate than the property tax base.
- CGMC advocates finding a solution to the current state deficit by advocating for a fair solution that works for cities, counties, and school districts.
- Transit funding for greater Minnesota and transit funding for the Twin Cities metro area are represented by two different agencies. This has created some confusion at the Legislature.
- Cities have been asked to evaluate their performance levels. The state should be asked to rate their performance as well.

The Mayor and Council Members stated support for providing opportunities for City of Moorhead departmental presentations to the public.

2. [2011 Operating and Capital Budget Discussion](#)

Minutes: Michael Redlinger, City Manager, provided a presentation entitled, "2011 Operating & Capital Budget Planning Update."

The Mayor and Council Members noted that there will be challenges in the development of the 2011 Operating & Capital Budget.

3. Executive Session: Labor Negotiations and Pending Litigation

4. [City Manager Reports](#)

Minutes: Redlinger announced the following:

- The City of Moorhead's Finance Department received another "Distinguished Budget Presentation Award" for the 2010 Operating & Capital Budget.

- There will be a groundbreaking ceremony for "Miracle Field" on Thursday, June 10th. This is a joint project between the FM Rotary Foundation and City of Moorhead Parks and Recreation Department. It was noted that Holly Heitkamp, Recreation Division Manager, played a crucial role in the development of this field.
- A copy of the comprehensive financial report was disseminated to the Mayor and Council Members for their review prior to the June 21, 2010 City Council meeting.

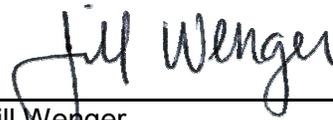
Meeting adjourned into executive session at 7:02 pm.

APPROVED BY:

ATTEST:



Mark Voxland
Mayor



Jill Wenger
City Clerk

The proceedings of this meeting are digitally recorded and are available for public review.

Respectfully submitted by:
Jill Wenger, City Clerk