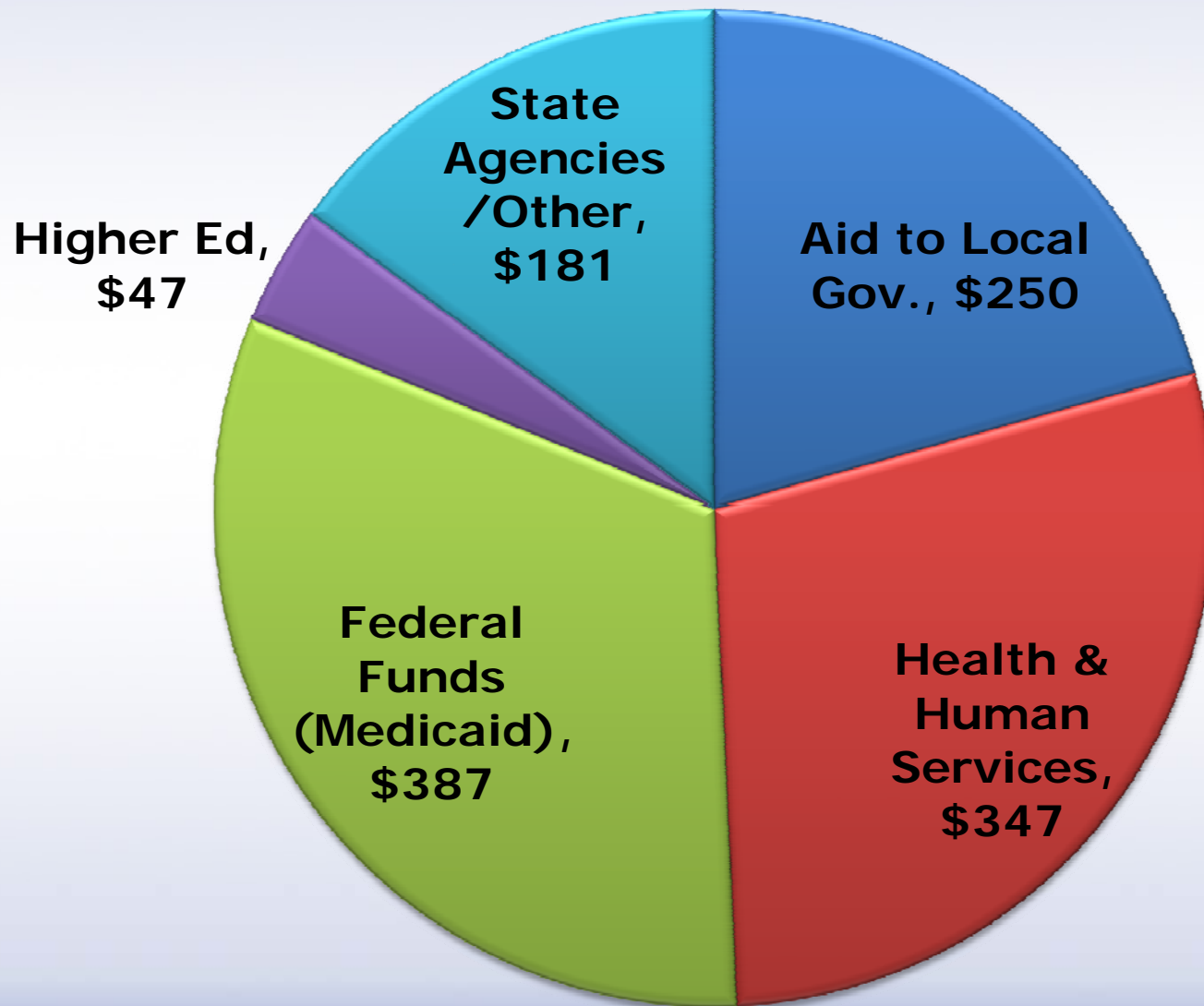
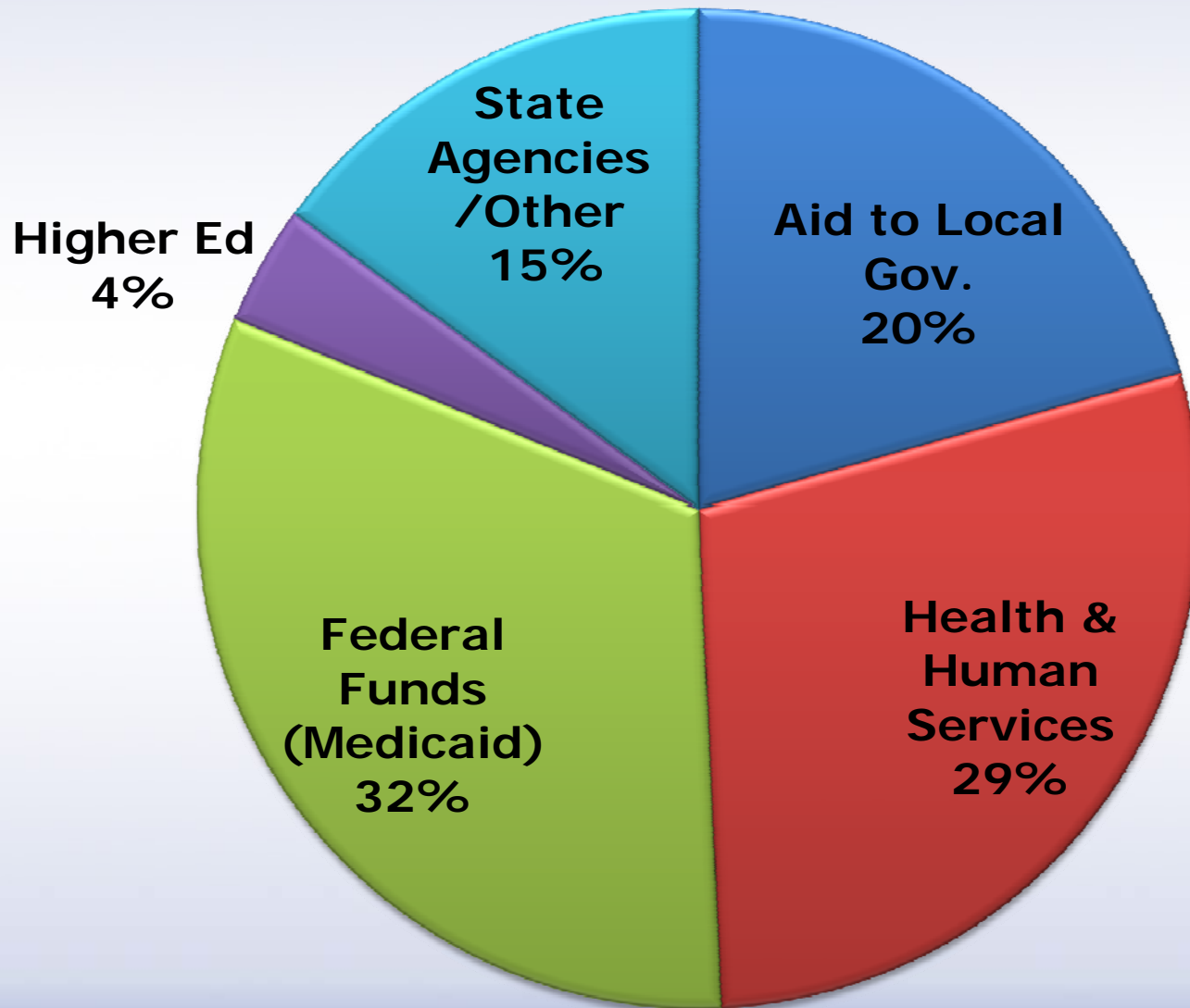


# Gov's Supplemental Budget



# Gov's Supplemental Budget



# LGA Cuts

|                            | Total LGA Cut     | % of LGA   | Max. % of Levy plus Aid |
|----------------------------|-------------------|------------|-------------------------|
| <b>LGA 2008 &amp; 2009</b> |                   |            |                         |
| <b>2008 Unallotment</b>    | <b>53,509,805</b> | <b>11%</b> | <b>4.08%</b>            |
| <b>2009 Unallotment</b>    | <b>44,619,614</b> | <b>8%</b>  | <b>3.31%</b>            |
| <b>2-Year Total</b>        | <b>98,129,419</b> | <b>10%</b> |                         |

## LGA 2010

|                                   |                    |            |              |
|-----------------------------------|--------------------|------------|--------------|
| <b>2010 Unallotment</b>           | <b>102,384,067</b> | <b>19%</b> | <b>7.64%</b> |
| <b>Proposed Budget Reductions</b> | <b>118,113,535</b> | <b>22%</b> | <b>8.16%</b> |
| <b>2010 Total Reduction</b>       | <b>220,497,602</b> | <b>41%</b> |              |

|  |                    |            |  |
|--|--------------------|------------|--|
| <b>3-Year Total Reduction under Gov's Budget</b> | <b>318,627,021</b> | <b>21%</b> |  |
|--|--------------------|------------|--|



# 2010 LGA Comparison

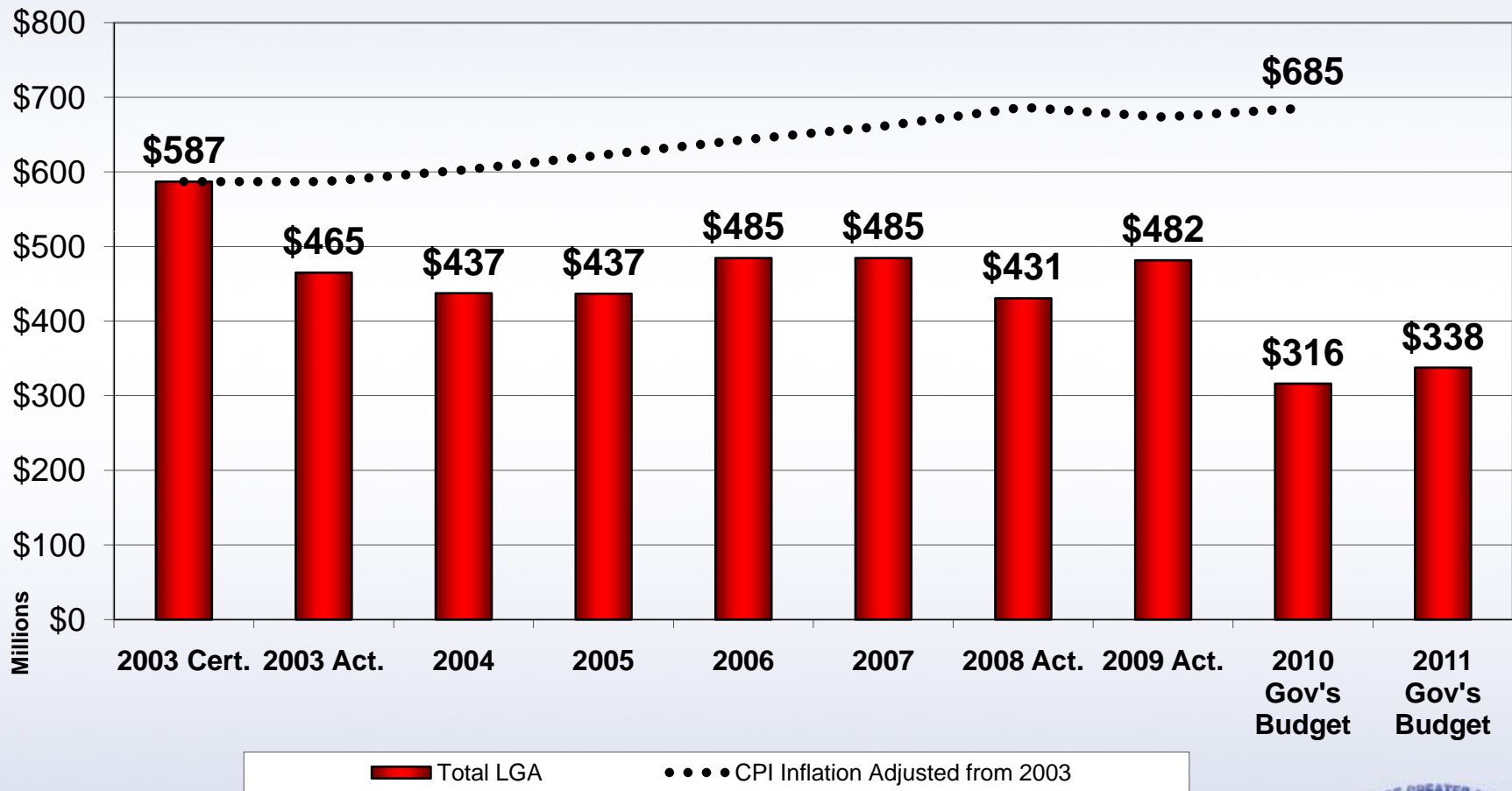
|                                | <b>Less than 2003 Certified</b> |            |
|--------------------------------|---------------------------------|------------|
|                                | <b>\$</b>                       | <b>%</b>   |
| <b>Current 2010 LGA (Feb)</b>  | <b>152,561,560</b>              | <b>26%</b> |
| <b>2010 under Gov's budget</b> | <b>270,675,016</b>              | <b>46%</b> |

|                                | <b>Less than 2003 Certified plus CPI Inflation</b> |                    |
|--------------------------------|--|--------------------|
|                                | <b>Current 2010 LGA (Feb)</b>                      | <b>250,973,897</b> |
| <b>2010 under Gov's budget</b> | <b>369,087,352</b>                                 | <b>63%</b>         |

|                                | <b>Less than Paid 2004</b>    |                  |
|--------------------------------|-------------------------------|------------------|
|                                | <b>Current 2010 LGA (Feb)</b> | <b>3,179,071</b> |
| <b>2010 under Gov's budget</b> | <b>121,292,527</b>            | <b>28%</b>       |



# LGA History



Total Cumulative loss of LGA Since  
Certified 2003 through 2010  
Unallotment

**\$1,040,093,650**



# CGMC Response from LGA Cuts



- 77% of CGMC responded to the survey



# Expenditures Reductions

- 2% average expenditure reduction
- 69% delayed capital equipment purchases
- 66% delayed capital improvement projects



# Service Reductions

- 65% street maintenance
- 48% park and recreation programs
- 40% public safety
- 39% pool hours
- 30% snow removal
- 27% library hours



# Reduce Workforce

- 69% of cities reduced their workforce
  - Over 188 positions
  - 42 in public safety
  - Average 3.25 positions per city
- 55% wage freeze for non-union
- 66% have or are attempting to negotiate wage freezes with union



# Increase Revenue

- 5% average increase in levy
  - 18% above 10% levy increase
- 60% increased or imposed new fees
  - 17% sewer and water
  - 5% new street light utility

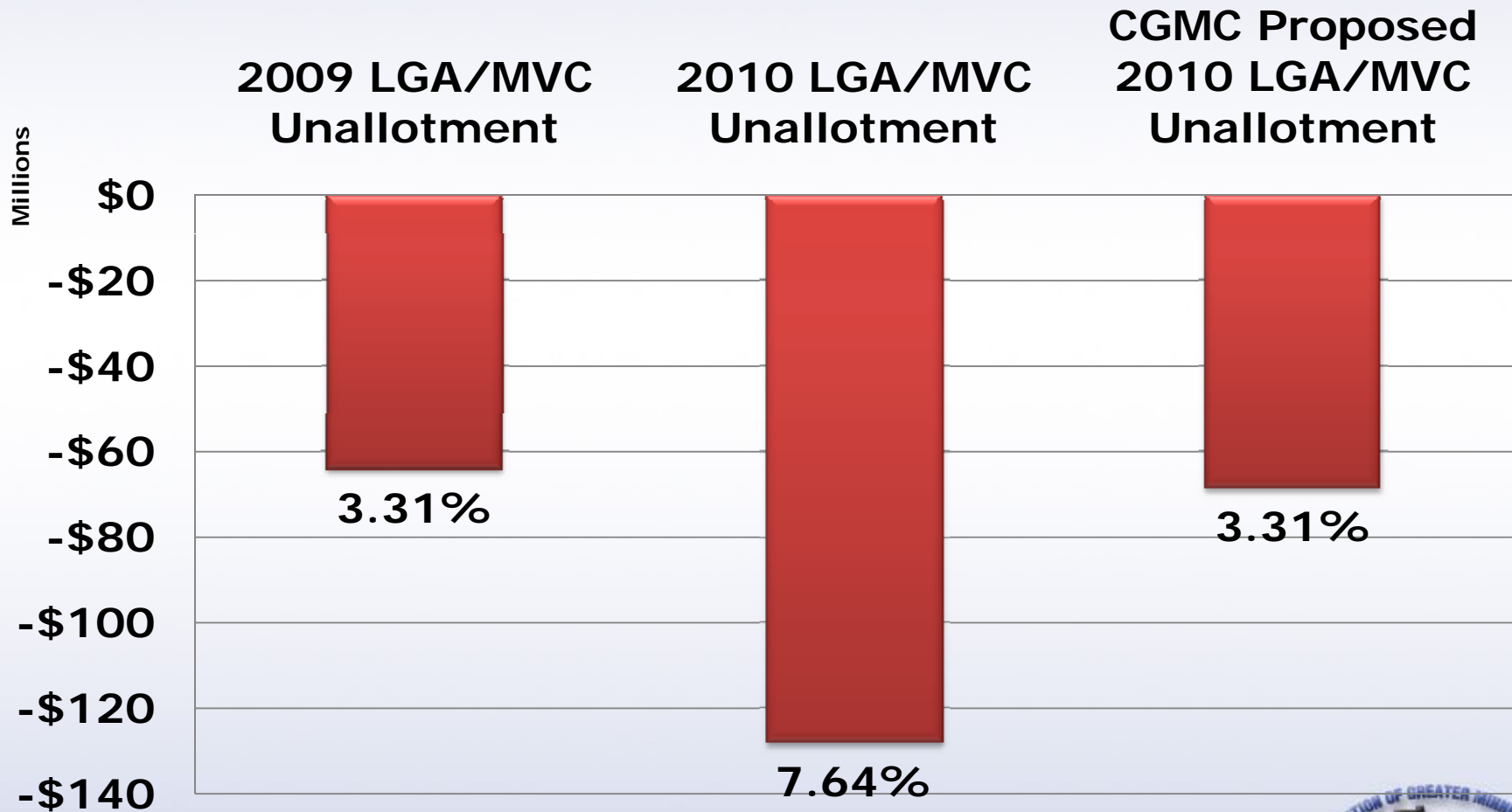


# Reduced Reserves

- 74% reduced reserves
- 9% inadequate cash flow for 2010
- 3.5% have short-term borrowed



# Minnesota Community Stabilization Act



# Larger Aid Cuts = Larger Levy Increases

Levy Increases in 2010

