

## Describe how your city has dealt with the 2003 LGA cut and current economic crisis

A lot of eyes will be focused on LGA this year as a source of revenue for other hard-hit programs, and CGMC won't be able to protect it without a lot of help from all of our member cities. Most legislators have heard about the problems faced by cities in general terms, but that will no longer carry the day. It will take detailed stories of what is happening in each of your cities to protect and retain the LGA increases promised in law. We are asking each of you to write a summary, or bullet points, to use when talking with legislators. The points you make might focus on hardships, but they can also point to good cost-control measures that have helped your city to stay solvent.

Once your summary is done, share it with the rest of your staff or council and then make an appointment to meet with your legislator. You can use your summary as a guide during the meeting and also use it when writing legislators. Please send a copy to the Flaherty & Hood office as well, so we can use your stories as examples when we meet with legislators.

*Your story  
will make a  
difference.*

Using the suggestions below as a guide, tell legislators in your own words how the current economic crisis, combined with the 2003 LGA cuts, has affected your city:

- Greater scrutinization, or delay, of capital purchases
- Elimination of departments or positions
- Imposing a hiring freeze or pause; going to a four day work week
- Reductions in expenditures or services
- Delay of capital expenditures
- Raising or adding fees
- Depletion of reserve funds
- Employee wage freeze or cuts; changes to employee benefits
- More cooperation between city departments/and or other units of government
- Reorganizations to bring about organizational efficiencies
- Energy conservation program
- More partnerships

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*Sartell*  
Patti Gartland

The City of Sartell, population 14,000, has had long-standing orderly annexation agreements with a neighboring township, but it can no longer afford to bail out developed areas within the township. In the past, the city helped homeowners with failing septic systems by bringing them into the city, correcting the problem and stopping further environmental degradation, but unless there is a change in revenue stream, that will no longer happen. Because approximately 50% of the cost to retrofit developed parts of the township with municipal utility service is not assessable to the benefiting property owners, City taxpayers have historically carried half of the cost to fix a problem they had no part in creating. Additionally, Sartell has also decided not to fill two positions this year and is unlikely to next year either—one in the maintenance department and one in the police department. The city will probably have to back off on some street maintenance next year despite the fact that it is dedicating all its share of LGA toward repairing and maintaining streets. If LGA is cut, those funds will be depleted, shortening the life-span of the streets and leading to higher infrastructure costs in the future.

*Melrose*  
Brian Beeman

Melrose city officials have followed the governor's wishes by cutting staff, services and even one department in order to keep their citizen's tax rates down in the years following the 2003 LGA cuts. During this time, they used much of their budget reserves, once healthy but now almost depleted, and are facing a quarter million dollar capital outlay deficit every year. Delayed projects have been stacked up for so long that the city auditor has told the council that unless something is done, the city will face a financial train wreck by 2014. These delays have raised the costs of repair significantly. For example, delays in seal coating one city street now means that it has to be torn out, dug down to the base, and completely rebuilt, tripling the cost of the project. Melrose, population 3,500, is typical of many small cities in that LGA makes up about half of its revenue base. They are not sure how they are going to survive now, so any further cuts in LGA would be devastating.

*Mankato*  
Pat Hentges

Spending reductions, across-the-board budget cuts and the use of budget reserves are all tactics used by the Mankato City Council to stay within the levy limitations imposed by the Legislature last session. They are also offering incentives—such as three years of paid medical insurance—in early retirement packages, since the state of the economy has made people reluctant to retire. Most of those positions will remain open for at least two years, allowing the city to make use of the savings, while essential positions will be filled by people hired at a lower pay scale than their predecessors. One of the issues the council is struggling with is what to do about the public projects within the city's capital improvement plan, since eliminating them would have such a negative affect on local construction companies and workers, further tamping down the economy of this city of 35,500 people.