

CITY OF BLOOMINGTON
2215 WEST OLD SHAKOPEE ROAD
HENNEPIN COUNTY, MINNESOTA 55431

CITY COUNCIL MEETING

Approved Minutes
Meeting w/ Legislative Delegation
Meeting #12

7:30 a.m.
April 11, 2003
LMC Bldg., St. Paul

Call to Order Mayor Gene Winstead called the meeting to order at 7:37 a.m.

Roll Call

Council Present: Mayor Winstead, Councilmembers D. Abrams, S. Elkins, H. Harden, and S. Peterson.

Council Absent: M. Fossum and V. Wilcox.

Legislators Present: Senators William Belanger, Geoff Michel, Jane Ranum and Representatives Dan Larson, Ann Lenczewski, and Alice Seagren.

Staff Present: Mark Bernhardson, Dave Ornstein, Larry Lee, Charlie Honchell, Lori Economy, Jim Truax, Jack Pasternacki, Kim Engberg, and Karen Kraemer.

Public Comment Period Public Comment Period is not open during special meetings.

Key Legislative Issues

Mark Bernhardson, City Manager, referenced the State budget deficit and indicated the issues in the Governor's proposal that the City is concerned about (LGA, Market Value Credit, Levy Limits, Reverse Referendums, Wage/Benefit Bonding Limitations, and LRT Operational Funding), inquired as to Legislative expectations regarding "Racino" and other casino legislation and the cigarette tax increase, and the issue regarding limitations on being able to issue debt in addition to the 2001 property tax reform that took away the City's homestead credit. He commented on the current LGA formula that creates a disparity in what people pay on a monthly basis across the state. He stated that one's income might be a better way to measure the ability to pay rather than just the value of their home.

Belanger stated that LGA cannot be fixed, as Swiggum's budget formula gives all of the new money he put into LGA to rural Minnesota. He stated that the State's budget deficit is getting worse with no recovery on the horizon with income and sales tax down in March, an increased loss of jobs, and increased claims. There has been no supplemental forecast by the Governor. He commented on an amendment to the Governor's bill that would have a sliding scale on the levy limits that would allow communities that do not receive any kind of aid from the State to levy if they so desired and that would eliminate the wage freeze for cities, towns, and counties.

Lenczewski added that Bloomington legislators are trying to get the message out that if the fiscal disparities pool is going to be forever taken from Bloomington, it should be used for things that would benefit Bloomington, i.e. light rail. She stated that the legislators are well aware of all the bills out there, have introduced many of them or fought against them, and that there is no money out there and that the rural legislators are working with the Minneapolis and St. Paul legislators to take it from the southwest suburbs. She added that there will be another \$1-2 billion deficit, as Minnesota is tracking further behind the national economy and its recovery. She suggested that a special session be held in September to deal with a brand new deficit.

Larson applauded Lenczewski's efforts regarding using fiscal disparities to fund LRT, as it should be used to benefit the region. He stated that he has submitted fiscal disparities as a program that should be reviewed by the Legislative Auditor in Program Evaluation so that a third party could review the program to determine if it's doing what it was intended to do 30 years ago. He agreed that the situation is going to get worse.

Regarding the issue of funding LRT operations, Bernhardson stated that legally the City understands that the contract previously signed that specified Bloomington would not be funding LRT operations is not worth the paper it's written on, but that it's disappointing that the State is not living up to its moral obligation. He stated that the question was raised as to whether or not LRT funding could be rolled into an overall metro property tax for transit.

Winstead commented that the Legislature appears to be a body of legislators more concerned with themselves than using logic and public policy to do what's right.

Lenczewski agreed with Winstead that there has been incredibly poor behavior and poor process in both bodies of the Legislature like never seen before with a total disregard of the rules in order to get done what needs to get done.

Ranum stated that Bloomington understands what is at stake but many suburban communities do not adding that the Governor has taken away many of the tools that could be used to try and fix the budget problems.

Winstead inquired if the Legislators thought the Governor would support the "Racino" bill.

Belanger replied that the Governor has not said that he would veto it even though he said chances are that he would.

Larson stated that if the State gets into the casino business, it will not stay at Canterbury Park, especially if there is still a deficit. It'll be in Bloomington, Minneapolis, St. Paul, Anoka County, etc.

Lenczewski stated that she is carrying a bill in the House and that Belanger is carrying one in the Senate that would allow Bloomington to say "no" to a casino, as it's people who don't live in Bloomington that want one. She added that she may amend her bill on the House floor to take it to a vote of the residents of Bloomington rather than allow the City Council to pass it with four votes. According to the feedback she has received while door knocking in Bloomington, residents don't want it.

Winstead stated that according to a conversation he had with George Anderson two years ago, the number one casino site in the United States and probably the world, is the Mall of America.

Peterson stated that the problem he has with a casino is that it would involve a deal with the State and that Bloomington wouldn't have any way to ensure that it would reap the benefits of having it located here and would have to make sure that it would have the resources to deal with the drawbacks associated with it.

Abrams agreed with Peterson.

Harden reported that the Bloomington Convention & Visitors Bureau Board supports a casino in Bloomington as it would help the hospitality industry and that she, as a Board Member, would also support it.

Lenczewski agreed that it would absolutely help the hotels in Bloomington but that along with it would come narcotics, prostitution and the need for greater law enforcement and fire for which the residents of Bloomington would have to provide funding.

Winstead stated that it hasn't been proven that an isolated urban casino would necessarily result in the degree of problems that have resulted in Las Vegas. He stated he would support putting such a question to the voters and that a downside would be if the City weren't afforded the revenues to pay for the needed resources. It was stated that if "Racino" gets approved, a second wave of gambling would come, especially if George Anderson is involved.

Regarding conceal and carry, Lenczewski stated that legislators are divided on the issue and that a concern that was brought up in the Ways and Means Committee was that in its current form, city council chambers across the state could not post "No Guns" like a Target store could. She believes the bill will pass the House, as it does every year. She inquired as to Council's position on it.

Belanger doesn't think it will get to the floor of the Senate.

Seagren made the following comments regarding conceal and carry: Fairly high fee to get a permit good for five years and that it requires a background check every year, contains some school ground restrictions that don't go far enough, allows businesses to post without having to provide storage, requires a gun registry for which there will be a registry bank, a sheriff can issue and must be 21 years old to get a permit. She stated it would be better to leave the discretion up to the Police Chiefs, as they know the characters in their own communities better than others.

Bernhardson stated that the push by proponents of the conceal and carry legislation is in regard to the lack of uniformity among police chiefs regarding issuance. He suggested that the State should take over the issuance of permits and pick up the costs, as permits can be issued for carry statewide, just as driver's licenses are issued.

Abrams commented that the Council did pass a resolution that addressed specific issues it had with the proposed legislation at the time and that he would like the City to have the opportunity to post at city hall, at other City buildings, and on City properties (parks, Ice Garden, etc.).

Winstead commented on the importance of getting good background checks referencing an voicemail message on his Mayor line that was left by an individual of a rather threatening tone. He stated that the sheriff or the police chief at the first inkling of a problem should have the authority to change it from "shall" issue to "may" issue a permit in order to get a better background check.

Larson complimented Police Chief John Laux for immediately returning his call and for testifying against a proposed amendment to an omnibus bill that would have allowed an uncased rifle in a car. Laux testified to the unsafe situation it would create for metropolitan police officers if it were to pass.

Michel requested feedback from the City Council on the possibility that the Legislature may go to a special session and the potential uncertainty that may exist when the City begins preparation of its budget.

Bernhardson stated that the bonding issue is key for Bloomington as it relates to the Pavement Management Program and that not knowing the levy limit piece for next year would make it difficult to plan come July and August.

After Peterson explained how the City pays for its Pavement Management Program, Lenczewski suggested that perhaps a bill could be drafted for the Public Finance Bill in the House to get it off the floor that would separate the debt issues from the State's deficit issue to allow local governments to deal with their debt.

Honchell stated that the City is going to have to sell bonds now in order to get funding to construct the bridge that connects American Boulevard over I-35W, as the State won't be reimbursing the City until 2006.

Winstead stated that it would be helpful if the Legislators could craft some legislation that would allow for appropriate projects to be bonded without restrictions from the State.

Regarding transportation, Larson stated that a modest bonding package for \$1.2 billion over five years, statewide, is likely to be approved. He stated that there is little desire in the House to pass a gas tax increase, but he, Lenczewski, and Seagren have all signed onto it. He stated that he has received positive feedback from citizens regarding an increased gas tax in order to improve the roads.

Lenczewski thanked the Council for their feedback and to the staff for their assistance in helping her do the best possible job of representing Bloomington. She reported that thanks to Jane Ranum and Steve Peterson, the 800 MHz bill got passed for Bloomington.

Regarding late night bar closing, legislators said it still has life and might go somewhere. Council replied that if it does happen, Bloomington wants to stay competitive with Minneapolis and that the hours should be uniform throughout the metro area.

Winstead stated that with regard to the possible closing of suburban courthouses, such action would create a real hassle for Bloomington prosecutors if they have to go to downtown Minneapolis.

Ornstein stated that State law actually requires a south suburban courthouse location, as it was compromised when it was moved out of the Bloomington Council Chamber location over to Southdale years ago. He offered to provide additional information on the issue to Lenczewski including how moving the court downtown would have an adverse effect on the prosecutors, the victims, the witnesses, etc.

Abrams suggested that as Judge Burke is needing to make cuts somewhere, it might be helpful if Bloomington included some suggestions as to where additional funding might come from or where other cuts could be made as it tries to make an argument for keeping the south suburban courthouse at Southdale.

Winstead thanked the legislators for the opportunity to share information.

Adjourn Meeting

Mayor Winstead adjourned the meeting at 8:57 a.m.

Barbara Clawson
Council Secretary