

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING, 12:00 NOON, JULY 15, 2008**

The meeting was called to order at 12:15 p.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Aldermen present: Ten Haken, Wood, Petrich. Aldermen absent(excused): Woll, Kuhle.

Staff present: Gary Hoffman, Interim Administrator; Brian Kolander, Finance Director; Janice Oberloh, City Clerk.

Others: Joe Sullivan, Coalition of Greater Minnesota Cities (CGMC).

UPDATE FROM COALITION OF GREATER MINNESOTA CITIES

Joe Sullivan, CGMC, wanted to meet with Council to provide an update to them on some things the Coalition has been working on. Their goal is to improve Local Government Aid (LGA) and the LGA formula, and have moved two bills successfully through the Legislature. While there will be a \$42 million increase in LGA, levy limits were included in the final bill. Worthington will see an approximate increase of \$100,000 over 2008. Mr. Sullivan said the CGMC is concerned over the December LGA payment in light of the structural deficit of the State, and the outlook is just as bad for next year. Speculation is that the State is looking at a \$1 billion deficit, and, adding another billion for inflation, we're looking at possibly a \$2 billion deficit, and the State has depleted its reserves. LGA and education were the only programs to get bumped up this year, and LGA will probably see a cut the next year, in addition to levy limits being very strict. Mr. Sullivan said key members of the committee were opposed to levy limits but accepted them as part of a compromise. He also heard that if the State has to unallot, they will go first to cities with reserves. Alderman Ten Haken expressed his frustration that cities that demonstrate fiscal prudence could have it come back to bite them. Mr. Sullivan added that while the transportation bill needs approximately \$20 million next year, the new bill is only getting them about \$6 billion.

The CGMC is proposing major annexation reform next year to make it easier for cities to zone in the two miles outside city limits. The Governor's Climate Change Committee proposes to reduce greenhouse gasses by 80% by 2050; annexation can help with that. The Governor also has a very aggressive package for economic development. Mr. Sullivan also encourage Council to send a representative to the CGMC summer conference July 30th, and the fall conference that will be held after the November election.

Council thanked Mr. Sullivan for the update. The time and date for the next special meeting to discuss the hospital sale proceeds was set as 6:30 a.m. on Wednesday, July 30, 2008.

ADJOURNMENT

The motion was made by Alderman Wood, seconded by Alderman Petrich and unanimously carried to adjourn the meeting at 12:52 p.m.

Janice Oberloh
City Clerk