

Budget dominates leaders' discussion

Mankato, North Mankato city leaders to explore possibility of sharing equipment

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NORTH MANKATO —

Cuts in state aid to cities was just one of 11 items Mankato and North Mankato city leaders were to discuss this week, but looming budget problems made repeat appearances throughout the agenda.

Local mass transit? Looks like steep cuts are inevitable. City funding for a new senior center? Not possible in light of grim municipal finances.

Intercity Leadership Visit to Charlottesville, Va.?

Might be hard to justify with all the cuts that are coming.

Even the final item on the agenda, "Other," prompted budget talk: the possibility of sharing expensive equipment between the two cities rather than each buying identical rigs.

"The reality is this is probably going to be a trend that's not going to stop," said Mankato Councilman Mark Frost of the cuts in state aid to local governments.

Mankato Mayor Eric Anderson, North Mankato Mayor Mark Dehen, and North Mankato Councilman Bob Freyberg — the other members of the Intergovernmental Committee — had little more optimism.

Cuts in Local Government Aid and the Market Value Homestead Credit helped state lawmakers and Gov. Mark Dayton plug a \$5 billion budget shortfall at the Capitol, but that only shifted the hard choices, according to Dehen. "We're the ones who are going to have to be the bad guys because we're raising taxes," Dehen said.

Anderson thinks LGA, which makes up about 30 percent of Mankato's budget, might be preserved for many years for smaller cities in the state.

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But for regional centers like Mankato, the program's future is in doubt.

Frost agreed.

"It's a relatively easy cut for the Legislature to make because you're not taking away somebody's health care or food," Frost said.

Anderson, though, is hopeful that lawmakers will give regional centers some method to replace lost state aid if LGA is phased out.

He mentioned the South Dakota Legislature allowing Sioux Falls to institute a local sales tax to cover general government operations. A discussion of the future of the local public bus service also centered on a gloomy budget outlook.

Freyberg said the best case scenario for 2012 is that federal aid for local transit will be reduced by a third. State contributions may also be at risk of further reductions.

Trying to replace that revenue by increasing the fare paid by riders would push the average fare up to \$2.65, Freyberg said — almost \$2 more than the average fare paid by riders now.

The committee displayed little willingness to offer tax dollars to VINE Faith in Action's attempt to raise \$4.3 million to turn the Nichols Office Center into a senior center that will offer a wide variety of services to the region's aging population.

VINE has asked Mankato for \$500,000 and requests are expected to be made to North Mankato and Blue Earth County.

With North Mankato City Administrator Wendell Sande planning to recommend a 10 percent property tax increase to make up for lost state aid and Mankato looking at tax increases of as much as 8 percent, Freyberg said a \$500,000 contribution to the senior center project would generate taxpayer outrage.

"There may be a revolution ... a friendly revolution," he said.

All four city officials also had philosophical reservations about using taxpayer dollars for the project, saying some of the proposed services would compete with private businesses.

As for the Intercity Leadership Visit, both mayors were uncertain about making the November trip to Virginia in light of pending budget cuts. With three or four other Mankato council members planning to take the trip to Charlottesville, along with one or two staff, Anderson said he probably wouldn't go.

Dehen was uncertain if any North Mankato city officials would be going on the three-day trip, the third since 2005 organized by Greater Mankato Growth to explore a similar-sized city in another state. About 75 civic leaders from the public and private sectors are expected to take the trip, which aims to build rapport among local officials and expose them to the best ideas of other communities. The cost will be nearly \$1,700 for each participant from government and nonprofit organizations.

"I am going," Frost said.

"I've been to two of them in the past, and it's a worthwhile venture."

Frost also said North Mankato would be missed if no one from the city's government goes.

"There will be a lot of people asking, if there's no representation from North Mankato," he said.

As Wednesday's meeting approached its conclusion, Freyberg said he had one other question. Could the two cities compare planned capital expenditures for 2012 and beyond to see if there's any major equipment that could be shared across the Minnesota River? He mentioned a \$200,000 street sweeper on North Mankato's wish list.

"There's a lot of those things we can easily share," he said.

The committee agreed to compare lists at its Nov. 9 meeting.