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Editorial: Help Minnesota residents see what drives public cost increases

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Let's face it. Unless there's a big bump in proposed property taxes, "Truth in Taxation" meetings aren't typically a big draw.

At the last such session in Oakdale in December, no one from the local business community and few residential taxpayers attended.

Turnout is low, says Oakdale City Council Member Paul Reinke, not because such meetings don't affect people, but because citizens are convinced they can't influence budget decision-making and they're confused about how city finances work.

A bill in the Minnesota House requiring cities and counties to report additional budget information and do so in a way that helps citizens spot local spending trends - and understand better what's driving costs higher - could change those "why bother" attitudes.

Chief author Rep. Keith Downey of Edina told us Monday that the bill, now in committee, is included in the House Republicans' "Reform 2.0" agenda and is a priority for his caucus.

Traditionally, local government spending is reported by category, for example, for police, libraries, parks and public works.

Under the bill, local governments would further break their spending down within categories to such things as salaries and wages, health benefits, retirement benefits, supplies, capital costs, debt service and other factors. The reporting system goes by the name "object-code reporting."

"We need to understand the spending behind tax increases to understand what can be done," Downey said, describing the bill as a good-government measure that "adds transparency in reporting to the public."

It will give the public a more certain sense of what drives public-sector costs, he says, including labor and benefits.

The legislation wouldn't apply to communities of fewer than 2,500 residents.

Downey's community, Edina, already has the information in its financial reports, he says, but it's buried in an appendix that few people see. He anticipates that presenting it differently would require not much more than a few hours of staff time.

Reinke agrees. At the local level, he expects the costs of conversion to be minor.

It's not always easy for city officials to have their work analyzed or "picked apart," Reinke says. But without adequate information, what too often can result is an unproductive atmosphere of criticism and potshots. With good information, though, "citizens can plug in constructively and help us" serve the needs of the community.

Property taxes are an issue of deep concern for local businesses, and we appreciate the work done by the Minnesota chapter of the commercial real estate organization NAIOP (the National Association of Industrial and Office Properties) and the Minnesota Taxpayers Association.

The new approach, according to NAIOP materials, would enable taxpayers to more easily "identify critical issues, ask questions with confidence and better understand the financial challenges confronting local elected officials, now and in the years to come."

Power to the people.

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