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Groups seek transparency in local government

Author(s): Andrew Broman EDITOR **Date:** July 5, 2012 **Section:** News

Representatives with two business organizations say they want the city of Litchfield to participate in a demonstration project aimed at creating more **transparency** in **local government**. The project would model proposed legislation requiring all Minnesota municipalities to better explain how they are spending taxpayer dollars.

The legislation had been included as part of two tax bills passed by the Minnesota House and Senate earlier this year but vetoed by Gov. Mark Dayton.

Despite the setback, a Minnesota real estate association, called NAIOP, continues to advocate for the legislation's passage, and is trying to recruit a handful of municipalities to provide financial data detailing how they spend tax dollars, according to Kaye Rakow, director of public policy for NAIOP.

Many municipal officials have resisted the legislation, Rakow said, because they are afraid the legislation will turn into a "gotcha exercise." "That is not what we're intending to do," she said.

Rakow said her group picked Litchfield to participate in the demonstration project after Litchfield Chamber of Commerce Executive Director Dee Schutte expressed an interest. " (Schutte) was one of the first ones to say, 'I think this is something we need to explore,'" Rakow said.

Along with Litchfield, NAIOP is looking to do demonstration projects in St.

Paul, Duluth and Faribault, Minn.

Several area business leaders met June 28 at Meeker Cooperative Light & Power Association in Litchfield to learn more about the project.

Schutte said she is hoping to receive the city's cooperation and believes the project will show Litchfield spends taxpayer dollars wisely.

"What better way to demonstrate that Litchfield and Meeker County are great places to do business," Schutte said.

Schutte said she invited Litchfield Mayor Keith Johnson to attend the meeting, but he could not appear because of a schedule conflict.

Contacted by telephone, Johnson said he would need to learn more about the project before he could offer support.

He noted the city's finances were recently audited and said "all our (budget) records are public at City Hall." Johnson invited NAIOP and the Litchfield Chamber of Commerce to make a presentation to the City Council.

State Rep. Dean Urdahl, RActon Township, and his DFL opponent in November's election, Nancy Larson, did attend the June 28 meeting.

Urdahl said he voted for the legislation as part of the business tax reform bill vetoed by Dayton. "I'm supportive of it and will continue to be," he said.

Larson said she wanted to hear from the legislation's opposition before deciding whether to back it.

"There's a chance I could (support it)," she said. "I have to hear more." The legislation and demonstration project would allow people to see how municipalities spend money across eight categories: employee costs, purchased services, supplies, central services, capital projects, debt service, miscellaneous and money transfers.

The "employee costs" category would be broken out further into five categories: salaries and wages, pension, Social Security, health benefits and other benefits.

Rakow said municipal budgets do a poor job of presenting expenses in a way that's meaningful to citizens, leading to frustration with the property tax system.

The demonstration projects are meant to "give people the opportunity to ask questions with a little more confidence," she said. "Instead of blaming the property tax system, let's understand it a little better." The Minnesota Taxpayers Association also would participate in the demonstration project. The group's role would be to assist in organizing financial data into the eight expenditure categories, Rakow said.

In addition, the project would involve the creation of a citizens budget committee consisting of community volunteers.

These volunteers would work with the Minnesota Taxpayers Association to sort through the data and figure out the most relevant information, Rakow said.

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