



Request for City Council Committee Action from the Departments of Finance & Intergovernmental Relations

Date: November 6, 2008
To: Committee of the Whole
Referral to: None

Subject: Report on Current Economic Conditions

Recommendation: Receive & File report on Economic Conditions

Previous Directives: None

Prepared by: Heather Johnston, Director, Management & Budget (612) 673-2918
Approved by: Steven Bosacker, City Coordinator and Patrick Born, CFO
Presenters in Committee: Dr. Tom Stinson

Reviews

- Permanent Review Committee (PRC): Approval ___ Date _____
- Civil Rights Approval Approval ___ Date _____
- Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

- No financial impact
- Action requires an appropriation increase to the ___ Capital Budget or ___ Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- Action requires a change to the Business Plan
- Other financial impact
- Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

Supporting Information

Recent economic conditions have worsened, leading to many questions about the impacts of a recession on the local economy. Although the October 2008, *Economic Update* produced by the State of Minnesota indicated revenues for 2008-09 exceeded earlier forecasts, questions remain as to the long-term prospects for the economy and how long a recession may last. (The *Economic Update* can be found on the Minnesota Management & Budget website at <http://www.finance.state.mn.us/ffeu/index.html>.) The State Economist, Dr. Tom Stinson, agreed to present an overview to the City Council of the current economy and answer questions.

Dr. Tom Stinson has been the State Economist since 1987. Dr. Stinson received his Ph.D. from the University of Minnesota in 1973 and is an expert in public finance and regional economic development. His current research includes evaluations of alternative strategies for non-metropolitan development and estimates of the impact of taxes on individual decisions.