

**CITY OF NORTH ST. PAUL
CITY COUNCIL
WORKSHOP AGENDA
JUNE 19, 2018
5:00 PM**

North St. Paul City Hall – Sandberg Room
2400 Margaret Street

I. CALL TO ORDER

II. ROLL CALL

Council Member Furlong
Council Member Petersen
Council Member Walczak
Council Member Sonnek
Mayor Kuehn

III. ADOPT AGENDA

IV. TOPIC(S)

A. 5:00 p.m. - 2019 Budget

B. 6:20 p.m. - Closed session

“The meeting will be closed as permitted by section 13D.03 to discuss the City’s labor negotiation strategy related to the City’s negotiations with the AFSCME union”

V. OTHER BUSINESS

VI. ADJOURNMENT

Agenda Information Memorandum
North St. Paul City Council Workshop
June 19, 2018

FROM THE OFFICE OF THE FINANCE DEPARTMENT

Subject: 2019 Budget Initiatives

To the Honorable Mayor and City Council:

Preparation of the 2019 Budget is underway. Departments have been looking at 2018 activity, 2019 goals and initiatives, and are preparing their draft budgets to present to the City Manager on June 22. The City Manager and Finance Director will meet individually with each department to review budget requests along with their goals and initiatives as well as related revenue analytics.

This workshop is intended for Council to express their goals and initiatives for 2019 as well as expectations for the overall budget, levy, and financial impacts.

Council has already approved items 2018 that will have financial impacts on the initial 2019 budget. These include hiring of police staff in 2018, the 2018 budget reflected a partial year for those positions. This will need to be made whole for the 2019 budget. Hiring a Park Coordinator position and providing a promotion for supervision of the position and removing a Public Works Maintenance position in the process was also done in 2018 outside of the original budget. This generates changes in various 2019 budgets totaling \$82,429.27. With 73,841, or 2.22%, impacting the 2019 general operating levy.

Staff has received a preliminary calculation of Local Government Aid (LGA) distribution. The City is projected to receive \$39,619 less than this current year. We will need to discuss the shortfall and if the Council desires that to impact the General Fund budget or the distribution of LGA to the Street Maintenance Fund and or the Park Fund. If it is to be within the General Fund the levy impact would be 1.19%.

These two items create a \$113,460, or 3.417%, change to the potential 2019 levy. We would like to discuss the comfort level of a levy increase with Council to align with the financial impact of Council and department goals and initiatives.

There are four union contracts that will expire in December 2018 and will need to be negotiated, as well as completion of the existing union contract negotiations. We will also be looking for direction on the projected Cost of Living Adjustments (COLA) for non-represented employees as well as any benefit adjustments. As a basis for this discussion for each 1% increase would be an overall increase of \$54,742.64. With \$36,730, or 1.106%, effecting the general operating levy. We are also waiting for results of the Compensation Study that is being conducted before we project any adjustment impacts if necessary. We are currently estimating a 10% increase in benefits which would have a \$52,885 overall impact of the budgets. The general operating levy would be impacted by \$36,796, or 1.108%. We will be having our initial meeting with our insurance broker on July 13th which will give us a better perspective of what might be expected.

Public Works is seeking authorization to establish another position within the department to replace the position that was eliminated in the process of creating the Park Coordinator position. Total cost of \$73,811.95, with \$33,215, 1.0%, effecting the general operating levy. They have also reevaluated the

allocations of existing staff to align with actual duties. This will have a \$27,484, or 0.828%, on the general operating levy.

Some additional initiatives that have been discussed in the past that Staff would like direction on involve establishing financing for the Building Maintenance Fund. This will be necessary for current and future repairs. The financing for the Fiber Fund is a continual discussion point. Staff has indicated in the past that the City should consider paying this fund for the fiber that is being utilized by the City. Staff would like direction with regards to both these items before we begin looking at what the financial impact those changes could entail.

The garbage contract is set to expire in 2019. Staff is recommending that we budget the whole year as is under the existing contract and bring forward any changes that result from a new contract in the form of a budget adjustment in 2019.

A copy of the 2019 Budget Calendar is attached for easy reference.

Recommendation: It is recommended the City Council provide feedback on the above items and overall guidance to City Staff in preparation of the Draft 2019 Budget.

Attachments

2019 Budget Calendar

Respectfully submitted,

/s/ JD by mm

Jeanne Day
Finance Director

APPROVED FOR AGENDA ENCLOSURE:

/s/ CW by mm

Dr. Craig Waldron
City Manager

Agenda placement: Topic A

CITY OF NORTH ST. PAUL, MINNESOTA
2019 BUDGET CALENDAR

2018

May 7	Incode Budget Module available to department heads (Including 2019 personnel projections)
June 19	Council Budget Workshop before Council Meeting
June 22	Departments finalized budget requests due
June 25-29	Department head meetings with City Manager & Finance Director
July 10	Provide preliminary information to Council
July 17	Council Budget Workshop before Council Meeting
August 1	Department of Revenue to certify LGA amounts
August 14	Provide preliminary information to Council
August 21	Council Budget Workshop before Council Meeting
September 4	Preliminary Approval Budget presented to City Council
On or before August 15	Department of Revenue to certify levy limits (if levy limits)
On or before September 15	City Council adopts the proposed property tax and announces the time and place of a future city council meeting at which the budget and levy will be discussed and public input allowed, prior to final budget and levy determination
On or before September 30	Submit form PT280 to Minnesota Dept. of Revenue to let them know which special levies the city in intending to use (if levy limits)
On or before October 4	County auditor must certify to the city the proposed local tax rate.
After November 10 before November 24	County auditor must prepare and mail parcel specific notices of proposed property taxes to each property owner by this date.
November 13	Provide proposed final information to Council
November 20	Council Budget Workshop before Council Meeting
December 4	City council holds meeting to discuss the budget and property tax Levy, and, before a final determination, allows public input Approve Final Budgets & Levies
On or before December 28	City must certify its final adopted property tax levy to the County Auditor (five working days after Dec 20) (if December LGA cuts city may recertify January 15)
December 30	Payable 2019 Tax Levy Report due to the Department of Revenue

Agenda Information Memorandum
North St. Paul City Council Workshop
June 19, 2018

FROM THE OFFICE OF THE FINANCE DEPARTMENT

Subject: Closed Session

To the Honorable Mayor and City Council:

In 2017, several non-represented staff members began working with AFSCME to unionize. Staff have been working with legal counsel and AFSCME representatives to establish their initial contract. We would like to take this closed session to discuss the City's labor negotiation strategy related to the City's negotiations with the AFSCME union.

Attachments

None

Respectfully submitted,

/s/ JD by mm

Jeanne Day
Finance Director

APPROVED FOR AGENDA ENCLOSURE:

/s/ CW by mm

Dr. Craig Waldron
City Manager

Agenda placement: Topic B