

City of North Saint Paul
June 20, 2023
Approved City Council Workshop Meeting Minutes

I. CALL TO ORDER

Mayor Monge called the meeting to order at 5:01 p.m.

II. ROLL CALL

Present: Council Member Schweer
Council Member Nordby
Council Member Cole
Council Member Wong
Mayor Monge

Staff: City Manager Brian Frandle, Assistant to the City Manager Jennie Kloos, Finance
Director Dan Winek, Accountant Mary Kay Heinen, Communications
Coordinator Kari Erpenbach

III. ADOPT AGENDA

On motion by Council Member Wong, seconded by Council Member Nordby, with all present voting aye (5-0), motion carried to approve the agenda as amended.

IV. TOPICS

A. 2024 Budget

Finance Director Dan Winek presented this item and recommended direction on the levy amount. He described the 2023 budget, the accomplishments over the last two years and preparations for the 2024 budget. He stated the annual debt, EDA, and HRA levy have to be set and certified by September 1, 2023.

Mr. Winek presented the driving factors, reviewed the 2023 general fund highlights, detailed revenues composition and expenditures composition by category and department. He noted property taxes amounted to 74% of the revenue stream for 2023.

Mr. Winek showed the tax levy increases from 2021 to present and added if the City does not continue with this rate, it may impact how much fiscal disparities money the City could receive the following year, which in turn would increase taxes for residents. Mr. Winek provided a comparison chart showing the current public safety budget compared to other same size departments.

Council Member Wong requested more information on regional public safety departments and their use of sales tax. Council Member Nordby inquired about an additional sales tax. Mr. Winek stated he will bring that information back to the next budget meeting.

Mr. Winek presented the levy increases from 2009-2023 and described what the levy contains. He also detailed the driving factors for the 2024 budget.

Mr. Winek discussed the continued increase cost from Metro-Inet and stated that they are willing to work together with the City to reduce costs. Mayor Monge inquired about contract length and feasibility with Metro-Inet.

Mr. Winek discussed maintaining the City's infrastructure and bonds from the Public Works Department. He stated market values are continuing to increase and recommended in order to maintain the current infrastructure, City Council has to identify priorities and what impact that will have on the residents of North St. Paul.

Mr. Winek stated the current proposal for the EDA and HRA levy is to remain the same. He also added all preliminary budgets have been submitted by department heads and each department will present their requests and recommendations to City Council.

Mr. Winek recommended September 5th as the preliminary budget date and suggested adopting a maximum property tax levy and set a truth in taxation date which has previously been set for the 1st Tuesday in December.

Council Member Cole inquired about clarification regarding the 12.3% levy increase and if that includes every department's wish list. Mr. Winek confirmed and noted if everything stayed the same, it would be a base rate of 5.6% increase without adding each department's wishes. Mr. Winek stated after early conversations with other cities, the base tax levy increase is between 6% and 7%. Council Member Nordby inquired about the 2023 tax levy dollar amount as it relates to percentage. Mr. Winek stated the dollar amount from the overall levy was 6.5 million dollars.

Mr. Winek provided the City Council with a brainstorming session. The comments from the City Council are as follows:

- Review City's insurance
- Review large purchase needs
- Put all options on the table and vet them out.
- Police Department review as it relates to resident safety
- Department heads to justify their increase and how it has affected the City
- Contractors and consultants vs in house staff
- Various grant opportunities and what to do when grant money runs out
- Public Safety expenditures and review of public safety vehicle replacement cycle
- Sales tax
- CBD tax
- Creating North St. Paul as a cannabis distribution city to create more revenue
- Parking revenue

Mr. Winek requested the Council write down priorities for the City's 2024 budget. The priorities are as follows:

- Roads
- Completion of downtown improvement plan
- Adequate staffing
- Compensation plan for employees

- Community center
- Parks and Recreation master plan
- Transportation plan (roads and trails)
- Metro-Inet
- Keep costs low
- Public safety
- Limiting liability
- Business layout
- School safety

Mr. Winek suggested a starting point percentage for the levy. City Council agreed somewhere between 1-10% for 2024.

Mr. Winek inquired about additional information before the next budget meeting. The Council's ideas were as follows:

- Comparison with Maplewood, Oakdale and other similar size cities
- Meet with all department heads and come up with one common priority for the City
- Data reports on operations as they compare to various cities around the Metro

Mr. Winek stated he will get all requested information and suggested meetings outside of the scheduled workshop meetings for department heads to present their budget wish list for 2024. Mr. Winek stated the next budget meeting will discuss the Capital Improvement Plan and how it plays a role in the levy amount and the City's vision for the future.

V. ADJOURNMENT

On motion by Council Member Cole, seconded by Council Member Schweer, with all present voting aye (5-0), meeting is adjourned at 6:28 p.m.

/s/ John Monge, Mayor

Attest:

/s/ Brian Frandle, City Manager / Clerk