

City of North Saint Paul
June 2, 2020
Adopted City Council Workshop Meeting Minutes

The June 2, 2020 meeting was held via Zoom and complied with all requirements of Minnesota State Statute 13D.021.

I. CALL TO ORDER

Acting Mayor Walczak called the meeting to order at 5:00 p.m.

II. ROLL CALL

Present: Council Member Scott Thorsen
Council Member Candy Petersen
Council Member Tom Sonnek
Council Member Jan Walczak
Mayor Terry Furlong – arrived at 5:37 p.m.

Staff: City Manager Scott Duddeck, Deputy Clerk Mary Mills, Police Chief Tom Lauth, Fire Chief Jason Mallinger, Public Works Director Nick Fleischhacker, Public Works Superintendent Ron Ritchie, Finance Director Jason Zimmerman, Community and Administrative Services Director Debra Gustafson, Kari Erpenbach, City Attorney Soren Mattick.

IV. TOPIC(S)

A. Budget and Transparency Software discussion

Staff is seeking Council support in pursuing an agreement for Budgeting & Planning and Reporting & Transparency Platforms with Opengov.

Based on demonstrations from three Vendors City staff has determined OpenGov demonstrates the most comprehensive line of products and is the best option to provide Budgeting & Planning and Reporting & Transparency platforms. This platform can integrate with nearly all governmental ERP (Enterprise Resource Planning) software.

In addition to the requested Budgeting & Planning and Reporting & Transparency platforms, staff has also actively engaged OpenGov in discussion and demonstrations on the above mentioned Permitting, Licensing, & Code Enforcement and Financial products. This suite of products would potentially replace Incode. At this time staff is pursuing a deeper dive into these additional products.

Council gave its consensus that staff should continue to pursue conversations with Opengov.

B. Housing Improvement Fund discussion

The 2019 Management Report produced by the City's independent auditor noted that as of year-end 2019 the Housing Improvement Fund was operating with a negative cash balance and there was no formal plan to resolve the deficit.

Upon sale of the parcels located on the old City Hall site the cash balance in the fund will be a deficit of \$303,383. The book value of the land is projected to be \$475,483.

In an effort to resolve this management comment, staff is requesting Council consideration for moving funds and land (with the land sales related to the development of TIF 4-8 on the site formerly occupied by the old City Hall) to resolve the deficit in the Housing Improvement Fund.

The funds were presented and explained in detail by Mr. Zimmerman. Staff is recommending all of the aforementioned land be transferred to the Housing Redevelopment Authority and the Permanent Improvement Revolving Fund. All transfers will be less than assessed and book values.

Council gave its consensus to move forward with this fund transfer.

C. Gas Franchise Fee Rates discussion

Staff is seeking Council feedback and interest in adjusting the gas franchise fee structure.

At the February 18, 2020 City Council workshop staff reviewed recent trends related to gas franchise fees within the City of North St. Paul and budgetary considerations.

The City of North St. Paul's gas franchise agreement runs March 2019 through November 2038.

The city has three different account types for gas franchise fees:

- o Residential with approximately 3750 accounts.
- o Commercial Firm with approximately 300 accounts.
- o Commercial Large with approximately 15 accounts.

From 2003-2009 the average franchise fee revenue was \$141,839. From 2010-2019 the average franchise fee revenue was \$102,435.

Gas Franchise fees are consumption based which creates volatility for budgeting.

Residential accounts comprise 93% of the gas customers and 81% of the franchise fees.

Using the [Consumer Price Index](#), \$141,839 in December 2009 is worth \$168,401 in April 2020 when adjusted for inflation.

Staff presented three potential options for Council's consideration to establish the gas franchise fee based on set amounts.

Council supports the rate structure change. Staff will narrow down the scenarios per council discussion and put together a suggested gas franchise fee structure for future consideration.

V. OTHER BUSINESS

There was no other business.

VI. ADJOURNMENT

There being no further business, on motion by Council Member Walczak, seconded by Council Member Sonnek, with all present voting aye (5-0), Mayor Furlong adjourned the workshop meeting at 6:27 p.m.

/s/ Terrence J. Furlong, Mayor

Attest:

/s/ Scott A. Duddeck, City Manager/Clerk