City of North Saint Paul
May 18, 2021
Approved City Council Workshop Meeting Minutes

I. CALL TO ORDER

Mayor Furlong called the meeting to order at 5:00 p.m. The meeting was conducted at City Hall in the Council Chambers, and also via Zoom.

II. ROLL CALL

Present:	Council Member Scott Thorsen Council Member Candy Petersen Council Member Lisa Wong Council Member Tim Cole Mayor Terry Furlong
Staff:	City Manager Scott Duddeck, Deputy Clerk Jennie Kloos, Finance Director Jason Zimmerman, Communications Consultant Kari Erpenbach, Accountant Kyle Stasica, City Attorney Shana Conklin
Guests:	Victoria Reinhardt, Richard Holst, Trista Matascastillo

III. ADOPT AGENDA

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

IV. TOPIC(S)

A. <u>2022 Tax Levy and Budget Goal Setting</u>
Finance Director Jason Zimmerman reviewed information regarding the 2022 Tax Levy and Budget Goal Setting. After thoughtful consideration and reflection on the prior year's budgeting process, City Manager Duddeck has decided to pilot an approach that engages the City Council during the planning phase, in pursuit of direction, before active participation is required at the department head level. This process will initially focus on funds that are supported by Tax Dollars/Local Government Aid (This will exclude utility and internal service funds). Based on Council feedback, this approach may be used for the budgeting of all other funds. Many factors may impact the final budget, including legislative changes, state mandates, and the current public health emergency. As a conservative estimate on the preliminary levy, Mr. Zimmerman projected a 9.9% increase.

Council Member Thorsen pointed out that the assumption of losing $121,000 of LGA doesn't come into play, then it would change the projected tax levy amount. Mr. Thorsen also made comment on establishing a budget for the Equipment Fund clearly defining what will be funded as well as the same on other funds. He also felt that because of the government interjections, we have yet to see the full impact that the pandemic has caused and encouraging all to be mindful to not make the problem worse for people who are already struggling by increasing an additional tax burden to residents and businesses.

In regards to the Equipment Fund, Mr. Zimmerman commented that he has met with the individual departments regarding a 10-year replacement plan on their needs and vehicle replacement plan. He also recommended that once the projects and costs are identified for the City to consider a rate analysis from a professional consulting company to provide the confidence to go back to tax payers to look for an increased (or reduced) rate once those projects are identified.

B. Review of the North St. Paul Housing & Redevelopment Authority and Ramsey County's Request to Levy

Kyle Stasica presented information on the North St. Paul Housing & Redevelopment Authority on background and purpose. Through purchases and land swaps, the HRA currently owns sixteen parcels with a cost of $1,078,376 and an assessed value per the Ramsey County Assessor of $1,578,300. The sixteen parcels are to be used for the Student Built Home program, future land swaps, promote large scale development, and other housing development opportunities. In addition to our local North Saint Paul HRA, Ramsey County is seeking approval to levy North St. Paul property owners for a Ramsey County HRA Program. The County Levy would be in addition to our current HRA Levy.

Ramsey County is exploring a property tax levy for its Housing and Redevelopment Authority (HRA) to address the longstanding housing crisis that has been exacerbated due to the COVID-19 pandemic and the subsequent economic downturn. Ramsey County's HRA plans to begin levying in 2022. However, communities that had active HRA levy authorities prior to 1971 are statutorily required to pass a resolution to participate in Ramsey County's levy as well. This currently applies to the cities of St. Paul and North St. Paul.

Mayor Furlong suggested we consider what we are doing with the City of North St. Paul's HRA in comparison to the Ramsey County HRA. He questioned, if we are currently meeting our needs, would we need to participate in both?

Commissioner Reinhardt and County Representatives joined the meeting to answer any questions the Council may have. Commissioner Reinhardt commented that the need is great and that the County really wants to help with affordable housing and to be able to assist when needed.

City Manager asked if the funds would be specific for affordable housing or what could the funds be used for? Josh Olson, Deputy Director within the County's Community and Economic Development Department explained that the funds won't be available entirely to affordable house and that they would be providing a full suite available at multiple levels.

C. American Rescue Plan Act (ARPA)/ State and Local Recovery Funds (FRF)

Finance Director Jason Zimmerman mentioned that this is an update to the initial discussion that was held on April 6th. On Thursday, March 11th President Joe Biden signed into law the $1.9 trillion relief and stimulus package known as The American Rescue Plan Act (ARPA) after amendments were made by the Senate and subsequently passed by the House of Representatives. A portion of that is the $350 billion dollars that will be allocated to State and Local Governments. The preliminary distribution to the City of North St. Paul is approximately $1.5 million. The actual dollar amount should be identified by early next week. Once the dollars are deposited to the State of Minnesota, within 30 days those dollars will be released to local municipalities. With delays expected, the estimated date of deposit of the first half will be mid-

July. On May 10, 2021 the Treasury Department launched a webpage devoted to State and Local Fiscal Recovery Funds, including example uses and prohibited uses of the funds.

D. Amended Investment Policy

The current investment policy for the City of North St. Paul was approved by City Council in November 2012 and hasn't been updated since. As part of regular policy review, staff identified several outdated references to statutes, personnel, and processes. It is the policy that City funds be managed and invested with three primary objectives in order of priority: safety, liquidity and yield. The City shall maintain a cash management system that includes collection of accounts receivable, prudent investment of available cash, management of banking services and disbursement of payments in accordance with invoice terms, the City's Purchasing Policy, and State Statute.

Mayor Furlong commented that he feels the policy should be vetted. City Attorney Shana Conklin stated that they have not specifically reviewed the policy, but could do so as part of the process for approval.

E. Financial Transparency Reporting

Finance Director Zimmerman presented the item as an informational item for acknowledgement of reports being published. Reports are on OpenGov that can be linked through the Finance website. Information is regarding cash and investments, street projects, TIF projects, budget to actual and other financial information.

OTHER BUSINESS

City Manager Duddeck commented on the packet format difference and introduced Communications Consultant Kari Erpenback to review the CivicClerk software. Ms. Erpenbach stated that this was the first effort at using the new software. This is the first phase and the new format that will be used going forward on all City Council and Commission packets to help with bookmarks, and building attachments and agenda packets. It will allow for better meeting management.

VI. ADJOURNMENT

There being no further business, on motion by Council Member Thorsen, seconded by Council Member Cole, with all present voting aye (5-0), Mayor Furlong adjourned the workshop meeting at 6:14 p.m.

/s/ Terrence J. Furlong, Mayor

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