City of North Saint Paul
August 16, 2021
Approved Special City Council Budget 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 (via Zoom)
Council Member Tim Cole
Mayor Terry Furlong

Staff: Interim City Manager Brian Frandle, Deputy Clerk Jennie Kloos, Finance Director Dan Winek, Communications Consultant Kari Erpenbach.

III. TOPIC(S)

A. Budget Overview

Interim City Manager Brian Frandle gave credit to the Mayor and City Council on the development and approval of the 2021 budget during the unprecedented times of the Covid 19 pandemic. As the economy was slowing down and the unemployment rate rising, North St. Paul officials put the residents first and approved a zero percent levy increase.

Again, the 2022 budget presents the challenge of balancing the welfare of our residents with the short and long-term budget decisions and its impact. The 2022 budgeting approach is to engage City Council on direction during the planning phase to build a collaborative budget that will meet the needs of the residents.

In all, the City Manager seeks to present a budget that is a fiscally responsible plan that strikes a balance between the needs of the organization and the interest of the taxpayer. As we go through the budgeting process, the following budgetary principals will continue to guide in recommendations:

- Making budget decisions acknowledging both the short and long-term impacts
- Stabilizing revenues and expenditures, and eliminating unanticipated variances
- Funding operations at a level to provide quality services at a reasonable cost
- Maintaining structural balance and appropriate fund balance levels
- Considering additional investments when they help achieve City's goals and provide a significant return to the community
- Seeking to make a connection between resources and results

On May 18, 2021, the preliminary budget was presented and focused on funds that are supported by tax dollars/Local Government Aid (this excluded utility and internal service funds). At that time, the proposed tax levy was $6,033,847; a $542,401 or 9.9% increase from 2021. Based upon your recommendations to reduce the levy request, staff worked with department heads to reduce the budget.

Finance Director Dan Winek gave an overview where the budget is at currently, goals for the 2022 budget and discussions for future budget workshops. A series of meetings were held with department heads going through their budget making sure what had been presented in May were the correct numbers today and made the needed adjustments. The 2022 LGA will be funded fully at the same level as 2021. Adjustments were made with revenues and expenditures including adjustments to staffing. including the addition of police officers, a CSO and adding a Public Works Director.

Interim City Manager Frandle made the recommendation to reinstate the Public Works Director position and to appoint current Public Works Supervisor, Ron Ritchie to that position. Mr. Frandle is recommending Mr. Ritchie's promotion effective immediately. This would then open the current Supervisors position and would look to filling that position internally.

In addition, union negotiations will be starting soon for 2022 and as of this date there are still unknown numbers related to the tax impact on health and dental insurance increases for this budget cycle. Increases have been added to the budget, but final increases are unknow at this time.

Mr. Winek also reviewed the market values and proposed budget tax impact on taxpayers in North St. Paul. Currently, home values have continued to go up. The median value on a home in North St. Paul, payable in 2022 is $236,500. The median value increased 3.3%.

With the proposed budget, the overall tax levy increase is approximately 6.16% increase from 2021.

Council Member Wong inquired on the utilization of historical data. Asking if there was any information from the departments on projections for needed equipment or staffing levels to get a better grasp on where we are today and where we may need to be in the future.

Mr. Winek stated that in discussions with department heads (other than what has previously been discussed with the Police and Public Works). The current staffing levels need to be revisited as some of the redevelopment continues. In one of the upcoming workshops, we'll be looking at a Comprehensive Capital Improvement Plan.

Council Member Thorsen inquired on the 2021 CARES Act surplus funds and if those dollars could be used to offset expenses or new allocations. Mr. Winek stated that with Covid not being "over just yet", and the unforeseen future, the City should be cautious with the spending of those funds. Winek will look at potential options and recommendations to bring back to the next budget meeting.

The next workshop budget meeting will be Wednesday, September 8, 2021.

V. OTHER BUSINESS

There was no other business.

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 6:05 p.m.

/s/ Terrence J. Furlong, Mayor

Attest: /s/ Brian Frandle, Interim City Manager/Clerk