



CITY OF WEST ST. PAUL
1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118

OPEN COUNCIL WORK SESSION

MUNICIPAL CENTER LOBBY CONFERENCE ROOM
AUGUST 13, 2018
5:00 P.M.

1. Roll Call
2. Review and Approve the OCWS Agenda
3. Review the Regular Meeting Consent Agenda
4. Agenda Item(s)
 - A. Wentworth Avenue Reconstruction Project

Documents:

[OCWS COUNCIL REPORT - WENTWORTH AVE. PROJECT UPDATE.PDF](#)

- B. Mailand Management Security Services

Documents:

[MAILAND AUGUST 13 2018.PDF](#)
[MAILAND COUNCIL MEMO 062518.PDF](#)

- C. Tobacco 21

Documents:

[OCWS COUNCIL REPORT - TOBACCO ORDINANCE CHANGES.PDF](#)
[ORDINANCE TOBACCO - SECOND READING.PDF](#)

- D. 2019 - 2020 Budget

Documents:

[2019-2020 BUDGET INFORMATION.PDF](#)

5. Adjourn

*If you need an accommodation to participate in the meeting, please contact the ADA Coordinator at
651-552-4100, TDD 651-322-2323 at least 5 business days prior to the meeting
www.wspmn.gov EOE/AA*

To: **Mayor and City Council**
Through: **Ryan Schroeder, City Manager**
From: **Ross Beckwith, Public Works & Parks Director/City Engineer**
Date: **August 13, 2018**

Wentworth Ave. Reconstruction Project Update CP 17-7

BACKGROUND INFORMATION:

Dakota County is currently in the design phase to reconstruct Wentworth Ave. from Delaware Ave. to Humboldt Ave. in 2019. Three design alternatives were created for road/shoulder/boulevard width and pedestrian facilities. Based on existing conditions, county standards, cost and feedback from the open house the preferred alternative includes:

- 12-foot lane widths
- 6-foot shoulder widths (no on-street parking allowed)
- 5-foot boulevards
- 8-foot asphalt trail on north side from Delaware Ave. to Humboldt Ave.
- 8-foot asphalt trail along south side between Charlton St. and Humboldt Ave.

This typical section minimizes permanent impacts while still fulfilling state aid requirements and county standards. As previously discussed, a new parking lot will be constructed on the north end of Marthaler Park with the Wentworth Ave. project. Having trail on the south side of Wentworth Ave. would be a great pedestrian connection to Marthaler Park.

This project analyzed the feasibility of installing new sanitary sewer main to service properties currently on septic. Two runs have been studied which include from Humboldt Ave. to 1,675 feet west and from Smith Ave. to 740 feet west. Each run has its own set of challenges.

New sanitary sewer from Humboldt Ave. to the west would be rather deep to install due to the increased change in grade as it heads west. Plus, the average distance for a sewer service to these homes is 400 feet. Some of these properties would need to pump their sewage as they are lower than the mainline pipe elevation and can't use a gravity service. Besides the grade issue, wetlands and retaining walls will leave little room for a sanitary service to physically get from the house to the mainline. Driveways may be the only feasible path for a service lateral which makes their connection even more expensive to install.

From Smith Ave. to the west, there are a lot of challenges with existing underground utilities. There is a 30-inch and 8-inch watermain and a 6-way concrete duct bank which make installation difficult and expensive. It's unsure yet whether the sewer pipe could be installed by directional drilling (trenchless) or open trench. Property owners would still need to make the connection from their home to the property line, an average of 130 feet, but should all be able to have gravity services.

Another option is to leave all the existing homes on septic and install about 560 feet of sanitary sewer main west from Humboldt Ave. where it would be stubbed outside the road core at the west end of Marthaler Park. This way, there would be sanitary sewer to hook up to at a future date should any of these large lots ever redevelop.

FISCAL IMPACT:

Assessments to properties for the street reconstruction will follow the newly adopted Public Improvement and Special Assessment Policy and assess 25% of the city's street reconstruction cost. In addition, new sanitary sewer main would be assessed 100% to the adjacent property owners.

The sanitary mainline from Humboldt to the west is estimated at about \$19,000 per lot. The property owner would then have to incur significant costs to hook up an average of 400 feet from the main to their house; which may involve installing a grinder pump.

The sanitary mainline from Smith Ave. to the west is estimated cost at \$20,000-\$30,000 per lot. This cost is depending on whether the mainline could be installed via open cut or would need to go in trenchless. There would be an additional cost to hook up their service at the time their septic failed.

The option of installing sanitary sewer mainline to get to the west end of Marthaler Park would come at a cost of about \$70,000 to the city. Should the parcels ever be combined and redeveloped, they would have sanitary sewer to hook up to without disrupting the roadway. The cost of this sewer could be a deferred assessment to a future developer for the city to re-coop expenses.

The estimated total project cost is \$6M and the city's share of \$2.36M is programmed in the CIP. However, Dakota County recently adopted a new city/county cost sharing policy for reconstruction projects. Dakota County is willing to grandfather this project into their new funding policy which will save the city more than \$500k. A revised JPA will soon be brought to Council for approval.

STAFF RECOMMENDATION:

A presentation will be given to show project progress and get feedback from Council about aspects of the project including the sanitary sewer main.

To: **Mayor and City Council**
 From: **Ryan Schroeder, City Manager**
 Date: **August 13, 2018**

Mailand Management Security Requirement

BACKGROUND INFORMATION:

On June 25, 2018, Council discussed the request from Mailand Management to suspend the security requirement for rental properties with provisional licenses. Council deferred action on the request suggesting that the item be revisited in two weeks to a month. The item has been placed on the OCWS agenda to again request consideration of the request.

Enclosed is the cover memorandum that was placed in front of Council for the June 25, 2018 OCWS. Since that time, two members of Council have conducted a site visit of 1492 Charlton. Also, Mailand Management has contracted for improvements to their West St. Paul holdings to include new common area floor finishes, electrical/lighting upgrades and replacement of 16 kitchens and baths (cabinets/vanities, granite countertops and under cabinet sinks at 1492 Charlton. Moreover, public safety data has supported that those properties on provisional licensing have been and are meeting standards for conversion to regular licenses at their renewals. Further, Mailand Management had affirmed on June 25 that with suspension of the security requirement it is understood that the requirement may be reinstated should the City later determine causation.

FISCAL IMPACT:

		Amount
Fund:		
Department:		
Account:		

STAFF RECOMMENDATION:

Consideration of the request to suspend the security requirement for properties under provisional licensing operated by Mailand Management

To: **Mayor and City Council**
From: **Ryan Schroeder, City Manager**
Date: **June 25, 2018**

Request from Mailand Properties LP Regarding Security Requirements

BACKGROUND INFORMATION:

Mailand Properties, LP owns and operates nine residential rental properties with 356 units in West St. Paul. These properties, listed by license renewal date are as follows:

1530 Bellows	June	66 Units
105 Carmel	August	60 Units
100 Thompson	August	50 Units
110 Thompson	August	30 Units
120 Thompson	August	30 Units
1492 Charlton	November	30 Units
212 Thompson	November	30 Units
232 Thompson	November	30 Units
1266 Gorman	December	30 Units

The Mailand Management portfolio also includes a couple dozen other properties in Roseville, White Bear Lake and St. Paul.

Each of the above properties currently hold licenses in good standing but for 1530 Bellows, which is currently in the renewal process, 212 and 232 Thompson, and 1266 Gorman, which have had provisional licenses since September 25, 2017. On January 8, 2018 Council continued provisional status for these three properties at their renewals upon staff recommendation given the “relatively short period of time that has passed since the mitigation plans were put in place,...” 105 Carmel had also been made provisional on September 25 but has been converted to regular status as of January, 2018.

For the three properties on Provisional Licenses there are adopted Mitigation Plans for each. One of these is enclosed as an attachment to this item. Each of the three have the same requirements. I am informed by a representative of the Police Department that these properties are in full compliance with items 3, 4, and 5 of the Mitigation Plans. Rental Licensing has submitted that these properties comply with the other provisions (1, 2, and 6) of the Mitigation Plans. Additionally, the owner has installed security cameras at these three properties (technically not specifically denoted in the Mitigation resolution).

Mailand Management is seeking relief from the requirement for on-site security (item #3 within the plans). Please see the enclosed correspondence regarding this request. The request is made in that the properties have not had any chargeable incidents since the last review period (see enclosure provided by

the Police Department). Further, the property owner has represented the cost of ongoing security at \$16,000/month and that with a Council waiver of this requirement the ownership has a plan to put property improvements within their West St Paul portfolio exceeding this amount.

In reviewing the Mailand Management proposal, I note the following. An immediate upgrade to half of the 30 units and common area at 1492 Charlton at an estimated cost of \$75,000 has been committed. Immediate exterior improvements to 212/232 Thompson at an estimated cost of \$70,000 is offered as well. They note that an elevator upgrade at 110 Thompson at a \$96,000 cost estimate will also occur near term. Mailand Management also informs us that over \$700,000 has been spent recently on their various WSP properties in other elevator upgrades and new roofing and that additional property upgrades will be budgeted over the next 24 months in addition to these noted above.

The contract for security services has a 45-day termination clause so even with Council waiver of the requirement it is anticipated that security would be on-site for a period. Further, Mailand Management understands that should the City see the need to reinstate security at these properties that requirement likely will be considered in the future as a licensing requirement.

FISCAL IMPACT:

		Amount
Fund:		
Department:		
Account:		

STAFF RECOMMENDATION:

Provide direction regarding the Mailand Management request to amend 212/232 Thompson and 1266 Gorman Mitigation Plans.

To: **Mayor and City Council**
Through: **Ryan Schroeder, City Manager**
From: **Manila Shaver, Chief of Police**
Date: **August 13, 2018**

OCWS – Proposed Tobacco Changes, Confirmation

BACKGROUND INFORMATION:

The First Reading for the proposed tobacco ordinance changes occurred at the Council's July 9, 2018 meeting. Since then, tobacco advocates have continued to lobby individual Council members and residents for additional language changes. In addition, the Council posed a couple of questions that need to be answered before the Second Reading, which is scheduled to occur on August 27, 2018. Those questions were:

1. Can the City be more restrictive than state law for both the sale of tobacco and the use/possession for those persons who are between the ages of 18-20?
2. Can the City restrict the display of all tobacco products so that they are all behind the counter?

While the Council may make ordinance revisions at any time during this process, staff would like to present a proposed ordinance for the Second Reading that meets all or most of the Council's desired changes. Attached is the proposed tobacco ordinance changes from the First Reading. Unless this proposal is deficient, this will be the version presented for the Second Reading.

In addition to the above questions, there continues to be some discussion on the following:

Should there be any type of purchase-use-possession (PUP) provision? Our ordinance is silent to this issue, which means it is legal for those 18 to 20 years of age to possess and use tobacco. Moreover, with this same group of individuals being able to purchase, use and possess tobacco products as close as our neighboring sister cities, it may be an enforcement challenge for our police officers and a prosecution issue for our City Attorney. Should the State of Minnesota adopt a tobacco 21 law, it would be likely that purchase, use and possession for those under 21 would also be unlawful. Our proposed ordinance would blend well with any future state law change.

Are E-tobacco products included? It is the City Attorney's and my opinion that our current and proposed ordinance does not differentiate between traditional tobacco and tobacco products and e-cigarettes. No special changes are required, as our ordinance is written these are one in the same.

There has been an effort to get the Council to remove sections 113.07 (B), (C), and (D). For sections (B) and (C), it is a state law that minors may not use or possess tobacco products. The Council may not

create an ordinance that is less restrictive than state law. With regards to section (D), since stores will be required to visibly post signage of the increased restricted age sales, this section allows for enforcement (accountability) action for those customers who create an “issue” for our merchants only trying to comply with City Code.

Why no restriction on flavored tobacco products? Since those under 21 years of age are prohibited from purchasing tobacco, the flavor of tobacco products offered to those customers 21 years or older is a moot issue.

FISCAL IMPACT:

		Amount
Fund:		NA
Department:		
Account:		

STAFF RECOMMENDATION:

Again, staff is looking to correct any deficiencies and/or make any final adjustments to this proposed ordinance in order to make the discussion and possible adoption during the Second Reading easier.

**CITY OF WEST ST. PAUL
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

**AN ORDINANCE AMENDING SECTION 113.05 AND 113.07 OF THE WEST ST. PAUL
CITY CODE REGARDING TOBACCO SALES TO PERSONS UNDER THE AGE OF 21**

The City of West Saint Paul does ordain:

SECTION 1. West St. Paul City Code Section 113.05 relating to Prohibited Sales is hereby amended as follows:

113.05 PROHIBITED SALES

(A) It shall be unlawful for any person licensed under this chapter to allow the sale of tobacco, tobacco products or tobacco-related devices:

- (1) By the means of a vending machine;
- (2) By means of loosies as defined in § 113.02;
- (3) Containing opium, morphine, jimson weed, bella donna, strychnos, cocaine, marijuana or other deleterious, hallucinogenic, toxic or controlled substances except nicotine and other substances found naturally in tobacco or added as part of an otherwise lawful manufacturing process;
- (4) By any other means, to any other person, in any other manner or form prohibited by federal, state or local law, ordinance or other regulation;
- (5) From a movable place of business, such as, but not limited to, any motorized vehicle, a kiosk, a trailer, a transportable shelter or table or any other movable structure; or
- (6) From self-service merchandising.

(B) Sale or Distribution to Person Under 21 Years Old Prohibited.

(1) No person shall sell or distribute tobacco products to any person 21 years old.

(2) Any person found to have sold or distributed any tobacco product to a family member who is under 21 years old shall be deemed to be in violation of subsection B (1) of this section.

(3) It shall be unlawful for any person under the age of 21 years old to represent that he or she has attained the age of 21 years old for the purpose of purchasing, asking for in any way, or receiving tobacco products, except in cases authorized by law, including as authorized by the Department or law enforcement.

(4) It shall be unlawful for any person to give, lend, sell or otherwise provide any person under the age of 21 years old any falsified identification or identification of another person for the purpose of establishing the age of the individual as being 21 years old or older.

(5) Any person selling or distributing tobacco products shall require proof of age from the prospective purchaser or recipient is 21 years old or older.

(6) Notice of the legal sales age and the age verification requirement shall be posted at each location where tobacco-related products are offered for sale. The required signage, which will be provided to the licensee by the City, shall be posted in a manner so that it is clearly visible to anyone who is considering or making a purchase.

SECTION 2. West St. Paul City Code Section 113.07 relating to Illegal Acts is hereby amended as follows:

113.07 ILLEGAL ACTS.

Unless otherwise provided, the following acts shall be a violation of this chapter.

- (A) *Illegal sales.* It shall be unlawful for any person to sell or otherwise provide any tobacco, tobacco product or tobacco-related device to any ~~minor~~person under the age of 21.
- (B) *Illegal possession.* It shall be unlawful for any minor to possess any tobacco, tobacco product or tobacco-related device. This chapter shall not apply to minors lawfully involved in a compliance check.
- (C) *Illegal use.* It shall be unlawful for any minor to smoke, chew, sniff or otherwise use any tobacco, tobacco product, tobacco-related device or nicotine delivery device.
- (D) *Illegal purchase.* It shall be a violation of this section for any ~~minor~~person under the age of 21 to purchase or attempt to purchase or otherwise obtain any tobacco, tobacco product or tobacco-related device, and it shall be unlawful for any person to purchase, or otherwise obtain such items on behalf of ~~a minor~~such person. It shall further be a violation for any person to coerce or attempt to coerce a ~~minor~~person under the age of 21 to illegally purchase or otherwise obtain or use any tobacco, tobacco product or tobacco-related device.

(E) *Use of false identification.* It shall be unlawful for any minor to attempt to disguise ~~the~~ minor's person's true age by the use of a false form of identification, whether the identification is that of another person or one on which the age of the person has been modified or tampered with, to represent an age older than the actual age of the person.

(F) No ~~minor~~ person under the age of 21 may furnish, sell or attempt to sell tobacco, tobacco products or tobacco related devices unless written consent has been obtained from the minor's parents. Such written consent must include a statement of the potential penalties that can be imposed under this Section.

SECTION 3. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

The ordinance amendment prohibits the sale of tobacco to anyone under the age of 21.

SECTION 4. EFFECTIVE DATE. This Ordinance shall be in full force and effect on January 1, 2019.

Passed by the City Council of the City of West St. Paul, Minnesota, this _____ day of _____, 2018.

Ayes:

Nays:

Attest:

Jenny Halverson, Mayor

Shirley R. Buecksler, City Clerk



WEST ST. PAUL 2019-2020 BUDGET SUMMARY

Each year the City Departments, City Manager and Finance Director begin the annual budget process in May. The City Manager provides direction on personnel salaries, the City Assistant City Manager/HR Director provides direction on health insurance and expected payroll adjustments to the Finance Director. Preloads for utilities: Gas, Electric, Phone service as well as insurance premiums: Liability, Property and Auto as well as Workers Compensation are reviewed and budgeted by the Finance Director. The Department Directors provide direction on other significant operating expenses as well as adjustments to the CEP/CIP plan. The City Manager then reviews the entire city budget and makes recommendations to staff.

This process has begun, although changes have been made to the process. A two-year budget is presented this year. With the first year (2019) being adopted in December and the second year (2020) being adopted on a conceptual basis. This allows the financial impact of budgeting decisions to be evaluated over a two-year period vs. the one-year annual budgeting process used in the past.

Included in this packet of documents:

- a. Budget Summary-Narrative
- b. Levy calculation for 2019 and 2020.
- c. Preliminary Estimated Tax Impact for 2019 and 2020 budgets.
- d. Graphs

2019/2020 Budget Goals

The primary management goal of this two-year budget is to provide fiscal stability through all of the funds in order to create future levy stability. This budget does not completely accomplish this goal but forward movement is projected. For instance, in 2017 eleven funds experienced deficits. In 2018, it is projected that seven funds will experience deficits. Within the 2019/20, budget four and three funds run deficits respectively.

Additionally, debt incurred due to State Highway 952A construction but also ongoing street major maintenance programs and recent park development projects has created a significant constraint on operating budgets and created a draw on revenues that is a challenge to sustain. For instance, in 2017 the debt expense was 8% of total expenditures. That measure increased to 12% in 2018. By 2020, debt is projected to grow to 13% of total expenditures.

Because of the above, this budget allocates LGA and Franchise revenues almost entirely to project funds, debt reduction/mitigation, and equipment replacement. The impact of this change in budget philosophy will be an ability to reduce future debt issuance and an ability to take advantage of existing debt call dates in 2021 and 2024 thus reducing demand for taxpayer revenues in those years.

In order to create this future fiscal stability there will be short-term levy impacts absent additional reductions in discretionary expenditure lines or creation of additional revenues outside of the levy. Absent additional changes, for 2019 we are projecting a levy rate increase from the 2018 69.291% up to a range between 71% and 72%. For 2020, we are projecting a levy rate between 75% and 77%. Allocating future LGA or franchise revenues to Levy reduction would mitigate these levy rates, however,

longer term fiscal stability would be delayed absent corresponding reductions in capital projects or operating lines.

CASH

(Use)/Gain of Cash Reserves	12/31/2017-Cas	2018	2019	2020	Year End 2020 Cash	Goals	Funds Storage/Overage
General Fund/Innovation/Community	3,121,648	3,665,192			6,786,840	9,600,000.00	(2,813,160.00) Policy has 60% of next year
Debt Fund	5,066,841	(1,365,707)	490,363	235,822	4,427,321	5,000,000.00	(572,679.00) 100% of next years debt service payments
Debt Mitigation Fund	-	2,079,190	495,000	511,500	3,085,690	4,310,000.00	(1,224,310.00) building cash to redeem early 2021 and 2022
Vehicle Fund	1,330,762	(1,713)	(443,400)	43,500	929,149	2,000,000.00	(1,070,851.00) 2 years of average of capital needs
Sewer Fund	1,289,127	(203,827)	(220,235)	205,563	1,070,628 *	4,000,000.00	(2,929,372.00) 1 year of operations
PD/FD PERA-working to close this fund	58,789	(50,000)	-	-	8,789	-	-
Storm Water Fund	1,653,393	(313,837)	(219,740)	35,872	1,155,868 *	1,000,000.00	155,868.00 year of operations
Regional Athletic Center	1,491,797	-	117,626	116,660	1,726,083 *	3,000,000.00	(1,273,917.00) year of operations plus LT capital needs
Ice Arena	2,439	-	157,500	168,067	328,006 *	1,300,000.00	(971,994.00) year of operations plus LT capital needs
Golf Course	26,788	-	-	-	26,788	-	-
Pool	-	-	-	-	-	-	-
Street Maintenance	918,698	192,835	(147,500)	(177,500)	786,533	700,000.00	86,533.35 2 years of operations
TIF	418,633	-	127,977	127,977	674,587	-	-
Technology Replacement	131,200	-	45,000	12,000	188,200	300,000.00	(111,800.00) 2 year averal of capital needs
Parks Improvement	752,076	-	44,000	19,500	815,576	2,000,000.00	(1,901,924.00) 4 years of average of capital needs
Park redevelopment	-	-	217,500	500,000	717,500	-	-
Insurance	206,011	-	-	-	206,011	500,000.00	(293,989.00) 1 year of operations
EDA-2018 budget adj. for purchase-Maco	1,444,709	(1,126,394)	4,802	4,966	328,093	1,500,000.00	(1,171,906.33) 1 year of operations plus seed money for p
Government Facility Capital Project	242,058	271,614	-	(56,400)	457,272	5,000,000.00	(4,542,728.00) building cash to build a new facility-50% of ft
Thompson Oaks	-	-	-	-	-	-	-
River to River Trail	-	-	-	-	-	-	-
Total Projected Use/Saving of Cash	18,155,169	3,147,343	668,895	1,747,527	23,718,934	40,210,000	-18,636,230
							-18,878,631

*Added Depreciation Expense back in

-2018 includes the transfer of Excess General Fund fund balance to other Capital Project funds.

Key Points:

- LGA/Electric/Gas Franchise fees are to be allocated as outlined above to the various funds to accumulate cash to achieve the cash balance goal.
- The General Fund would follow the policy of 60% of the next year’s budget any remaining excess would be transferred to capital and debt funds as outlined in the plan. This will aid in getting the cash flow back on track.
- The Goal of \$40 million changes as goals are met.
 - Once the 2021 and 2024 bonds are called the decision to continue calling bonds early should be reviewed.
 - Once the cash is built up for the Government Facility (new city hall) this goal will be met and would not need to be continued.
 - The levy requirement for the RAC has been reduced as it has been determined that the life of the turf and the dome have been pushed out longer than originally thought. Turf had a 10-year life we have pushed this out to 15. This reduced the levy support by \$34,000 a year. The dome roof has a life of 17 years and this has been pushed to 25 years. This reduced the levy support by \$10,000 a year.
 - Once the cash goals are met, the allocation of the LGA/Electric/Gas revenues would then be allocated according to the CIP/CEP plan.

Below are the Revenue and Expenditure highlights

Highlights of the 2019-2020 Budget

REVENUES:

- Transferred the Electric Franchise fee out of the General fund and into various Capital Project Funds and the Debt Reduction Fund
- LGA funds are allocated into Capital Project Funds
- Included a separate Levy for the EDA \$300,000 for 2020; Maximum Statutory levy of .01813% or \$308,355-2019 value
- In 2020 a reduction for the Federal COPS grant that runs out in 2019

LGA allocation/Franchise fee	2019	2020
City Hall *	500,000	500,000
Parks Improvement	400,000	400,000
Street Maintenance	30,000	380,500
Technology replacement	100,000	105,000
Vehicle & Equipment	400,000	600,000
Debt Reduction **	495,000	111,000
Ice Arena	150,000	500,000
General Fund Levy Savings	500,000	-
TOTAL	\$2,575,000	\$2,596,500

**During 2017, Council approved use of fund balance and future LGA funding to begin a projected 3-year preservation program of the City Hall/Police/and Fire facility. The project includes replacement of all roofing and HVAC systems, replacement of windows and doors, reconstruction of the parking lot and exterior lighting/cameras and spot remodeling of police office areas. Through 2018, approximately \$1.1 million has been encumbered. An additional \$1 million is programmed to complete this project over 2019-2020. Beginning in 2021, we are anticipating allocation of LGA to create reserves for a future major remodel/expansion project.*

***The goal for the debt reduction allocation of LGA/Electric-Gas Franchise fee tax is to pay-off debt early in 2021 and in 2024 and future years.*

EXPENDITURES:

Personnel Costs: Increases of \$494,512-2019: \$442,847-2020

	2019	2020
Salary	196,853	222,193
PERA P& F Inc.	23,425	24,264
Merit Pay *	30,000	30,000
Health Insurance-12%	128,539	135,430

Reduction for position in Finance/IT	\$-40,015-2018 wages and benefits	-	
Police Administration Reorg.	\$-11,000-2018 wages	-	
Park Staffing (NEW)	\$30,000	\$33,000	
SMFD budget increases staffing by 2. This will increase the total FF staff to 40.			
Overall PERA/FICA Medicare Increase due to Increase in Wages	\$45,843	\$44,965	

**Merit pay has been a part of the annual budget for many years. Employees eligible for this program include Department Directors and Supervisors. The maximum any salaried employee can receive is 4% of their salary in any given year as a cash payment beyond any COLA payment the employee may have received. For 2017, the program expensed \$23,800.*

Charges for Services/Professional Services: \$516,271-2019 and \$295,081-2020

Description	2019	2020
Elections	-	39,675
IT Maintenance –New World	35,000	-
Tuition Reimbursement	12,000	-
Insurance-WC, General, Auto, Property	67,000	32,000
Increase for General Overall Crack Seal and Spray Patching Program	\$50,000	-
Increase for Televising/ Lining	\$60,000	\$5,000
Increase for Emergency Sewer Digs	\$35,000	\$5,000
Increase for MCES Charge	\$62,000	\$72,000
Increase for Manager recruitment	N/A	\$20,000
Fire Contract	\$105,178	\$131,597
Legal	\$8,000	\$5,000
Increase for Robert Street Maintenance (NEW)	\$60,000	\$60,000
Allocated Money towards Chair replacement (NEW)	3,000	\$2,000

Debt

- 2019 Debt payment increased by \$309,973
- 2020 Debt payment increased by \$689,742

Issuance of Debt

- 2019- Issuance of debt of \$5,110,557 for street
- 2019- Issuance of debt of \$2,250,000 for Lift Station and Force main- 1
- 2020- Issuance of debt of \$2,807,851 for street
- 2020-Issuance of debt of \$1,320,000 for Lift Station and Force main- 4

In the past when closing debt funds the excess cash was transferred to other debt service obligations. In the 2010A, series and the 2015A series cash of \$900,000 and \$663,000 respectively had been transferred into these funds from closed funds. The plan is to transfer this excess cash into a debt mitigation/reduction fund in 2018. This will be coming before Council in the near future.

In the future, when debt service funds are closed out any excess debt service funds will be transferred into the debt mitigation/reduction fund for refunding debt obligations early. This fund has been established in the adoption of the financial plan in June. I have projected the debt funds cash flows out to 2021 and 2024. The projections estimate an early pay off in 2021 for two debt issues with another payoff in 2024.

Call in 2021-2010 A-\$1,125,000 Interest savings of \$107,863

Call in 2021- 2013 A- \$635,000 Interest savings of \$21,845

Call in 2024-2014B \$2,550,000 Interest savings of \$249,088

Capital Projects:

These projects are funded by the LGA/Electric-Gas Utility Franchise fee, Issuance of Debt and Revenue generated by the Sewer, Storm, and Arena Funds as part of their operations.

Description	2019	2020
City Hall- Windows/Police space needs	\$ 502,000	\$558,400
Park Redevelopment	\$ 217,500	\$500,000-grant from Dakota Co
Parks- Warming House	-	\$340,000
Park Courts	\$ 6,500	\$ 12,000
Park Playground Equipment	\$ 70,000	\$ 72,500
Park-Sports Center Update	\$ 106,000	Project complete
Technology-annual laptops, Fiber, security cameras, wireless access point- NEW (2019): AR module for Finance 2020-Server Replacement	\$ 57,000	\$95,000

Vehicle and Equipment Replacement per schedule	\$ 863,400	\$576,500
Arena-2019-Dehumidification system, Lights, furnaces 2020-Parking Lot,	\$ 97,000	\$430,000
Arena-Electric Ice Edger, Water Heater and Bathroom Dividers, doors	\$ 33,600	-
Pool- 2019-LED lighting, Shower fixtures 2020-Floor coat, skimmer grates, strainer Housing	\$ 58,000	\$65,500
Street Improvements- 2019 Street project(Livingston); Our Share of Wentworth and Marie Oakdale Trail 2020 Street project () Our Share of Wentworth and Oakdale/Thompson Roundabout	\$7,566,519	\$3,672,850
Sewer- 2019 Lift Station 1 and Force main Replacement, vehicles 2020 Lift Station 4 and Force main Replacement I/I abatement	\$2,957,500	\$1,698,700
Storm- 19/20-Cherokee Heights storm water, Seidl's Lake and Pond cleaning	\$ 280,000	\$ 95,000
Police	\$ 7,450	\$ 7,450
RAC- Lacrosse Goals	\$ 2,400	
TOTAL	\$12,825,869	\$7,623,900

Cash Savings

Below is the cash savings that are projected to be achieved through the new allocation of the LGA and Franchise Utility fees revenues:

Fund	2019	2020	2021	2022	2023	2024
Parks Improvement	\$217,500	500,000	\$200,000	\$400,000	375,000	\$450,000
Technology	\$45,000	\$12,000		\$52,000	\$80,000	\$80,000

Vehicle & Equipment Replacement		\$43,500		\$185,000	\$444,300	\$594,000
Street Maintenance			\$203,000	\$80,500	\$80,500	\$80,500
Debt Reduction 2010A and 2013A	\$495,000	\$511,500	Retire debt early of \$1,760,000	\$345,000	\$345,000	\$345,000 Retire debt \$2,550,000
Arena	100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000

For Council’s consideration:

1. The Cash Flow/Savings Plan as presented above.
2. EDA separate Levy \$300,000-This has been included in the 2020 budget information as presented. According to Dakota Co., the maximum the EDA could tax would be \$308,000.
3. Service District-Robert Street would create \$48,000 in levy.
 - a. This could be set up to fund marketing of Robert Street, street maintenance of Robert Street or other.
4. Gas Franchise Fee (Included in this budget-\$150,000).
5. Swimming Pool –the future direction for these amenities is up for discussion. With the passing of the school referendum and the potential for a community, collaboration of pool needs the City is hesitant to spend a large amount of money on the current pool operations for the amenities that were identified in 2017. The City recognizes that some safety issues will need to be addressed in order to continue operations for the next couple of years. There is \$66,200 in the 2018 budget and \$58,000 and \$65,500 in the 2019 and 2020 preliminary budgets. It has been determined that \$40,000 would fix the immediate safety concerns. This would result in reducing the levy in 2019 and 2020 by \$58,000 and \$65,500 respectively.
6. Street Light Utility Fee-Implement a fee that would be collected on the water bill for streetlights. Current budget is \$142,000. Approximate number of households is 8,605. Simple math annual rates of \$20.00 would fund this budget. This would be collected on the utility bill.
7. Optional Sales Tax: This tax has not been factored into the budget for 2020. It is projected that the City could earn up to \$1.3 million dollars annually on sales in the city.
 - a. A use of 68% to offset the tax levy would result in an increase to the tax rate of 5.30%-with the remaining balance to increase budget for streets/alleys/walkways/bikeways....

Optional Sales Tax would fund:

Parks Improvement Fund	\$400,000
Street Maintenance Fund	\$380,500
 - b. A 50% reduction to offset tax levy would result in an increase to the tax rate of 6.76%-

CITY OF WEST ST. PAUL
2019 PROPERTY TAX LEVY BREAKDOWN

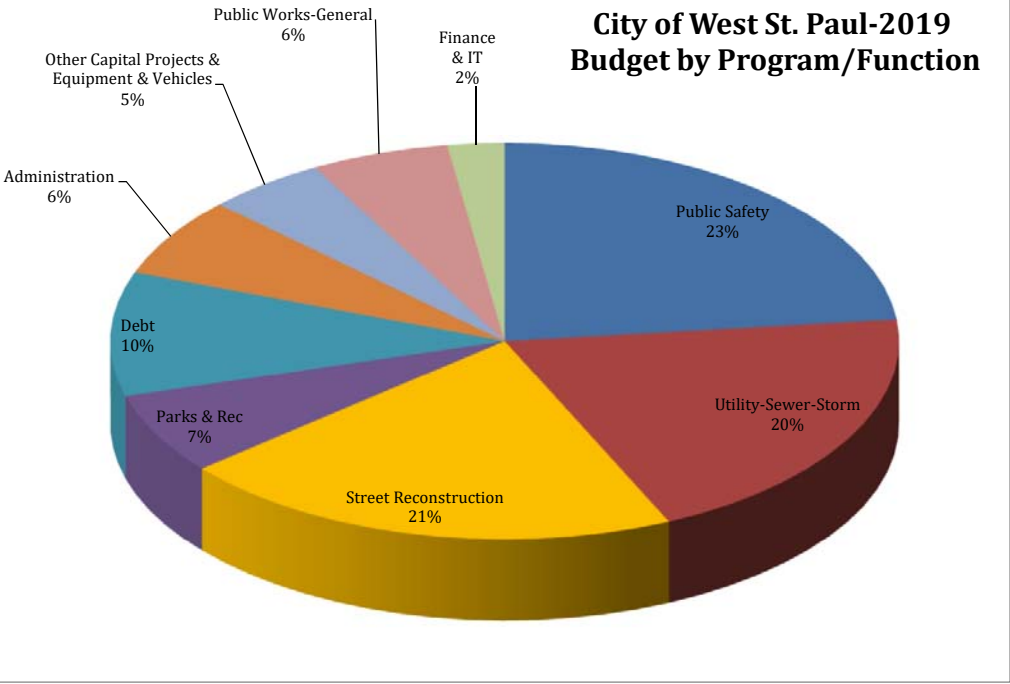
	2019 BUDGET EXPENDITURES	2019 BUDGET REVENUES	Bonds/ Issued Equip. Cert.	2019 INC/(DEC) Fund Balance	LGA/Franchise	2019 PROPOSED LEVY	Percentage Of Levy
SUMMARY by FUND							
<i>Levy Supported Budgets</i>							
GENERAL FUND	14,494,213	3,118,410	-	-	495,000	10,880,803	68.72%
COMMUNITY EVENTS	34,000	30,000	-	-	-	4,000	0.03%
ECONOMIC DEVELOPMENT	400,781	65,000	-	-	-	335,781	2.12%
INSURANCE FUND	508,800	42,500	-	-	-	466,300	2.95%
GOVERNMENT FACILITY CAPITAL PROJECT	503,000	3,000	-	-	500,000	-	
PARKS IMPROVEMENT FUND	400,000	44,000	-	44,000	400,000	-	
POLICE & FIRE PERA	-	-	-	-	-	-	
STREET IMPROVEMENT FUND	7,705,175	2,594,618	5,110,557	-	-	-	0.00%
STREET MAINTENANCE FUND	315,000	137,500	-	(147,500)	30,000	-	
TECHNOLOGY REPLACEMENT FUND	57,000	2,000	-	45,000	100,000	-	
VEHICLE & EQUIPMENT RESERVE	863,400	20,000	-	(443,400)	400,000	-	
Subtotal	25,281,369	6,057,028	5,110,557	(501,900)	1,925,000	11,686,884	
DEBT	3,760,292	-	-	490,365	495,000	3,755,657	23.72%
<i>Non Levy Supported Budgets</i>							
GOLF COURSE	9,850	9,850	-	-	-	-	0.00%
ICE ARENA	451,493	418,050	-	121,557	155,000	-	
REGIONAL ATHLETIC CENTER	860,194	719,500	-	91,126	-	231,820	1.46%
SEWER	7,046,240	4,369,005	2,250,000	(427,235)	-	-	
STORM SEWER	837,740	483,000	-	(354,740)	-	-	
SWIMMING POOL	159,404	1,000	-	-	-	158,404	1.00%
TIF District 1-2	184,523	203,000	-	18,477	-	-	
TIF District 1-3	50,000	159,500	-	109,500	-	-	
	9,599,444	6,362,905	2,250,000	(441,315)	650,000	390,224	
TOTAL CITY-Levy	38,641,105	12,419,933	7,360,557	(452,850)	2,575,000	15,832,765	
	-			2019 Levy	15,832,765		<u>Residential</u> <u>Commerical</u>
				2018 Levy	14,344,671		
				Increase-with out adjustment	1,488,094		
				% Increase	10.37%		\$ 151.00 \$ 274.00
				Levy decrease if pool capital was re	(58,000)	15,774,765	
						9.97%	\$ 145.00 \$ 265.00
				Levy decrease if Pool was closed	(100,404)	15,674,361	
				With Reduction for Pool		9.27%	\$ 136.00 \$ 248.00
				Cuts/Revenue Sources needed	(300,000.00)	15,532,765.00	\$112.00

CITY OF WEST ST. PAUL
2020 PROPERTY TAX LEVY BREAKDOWN

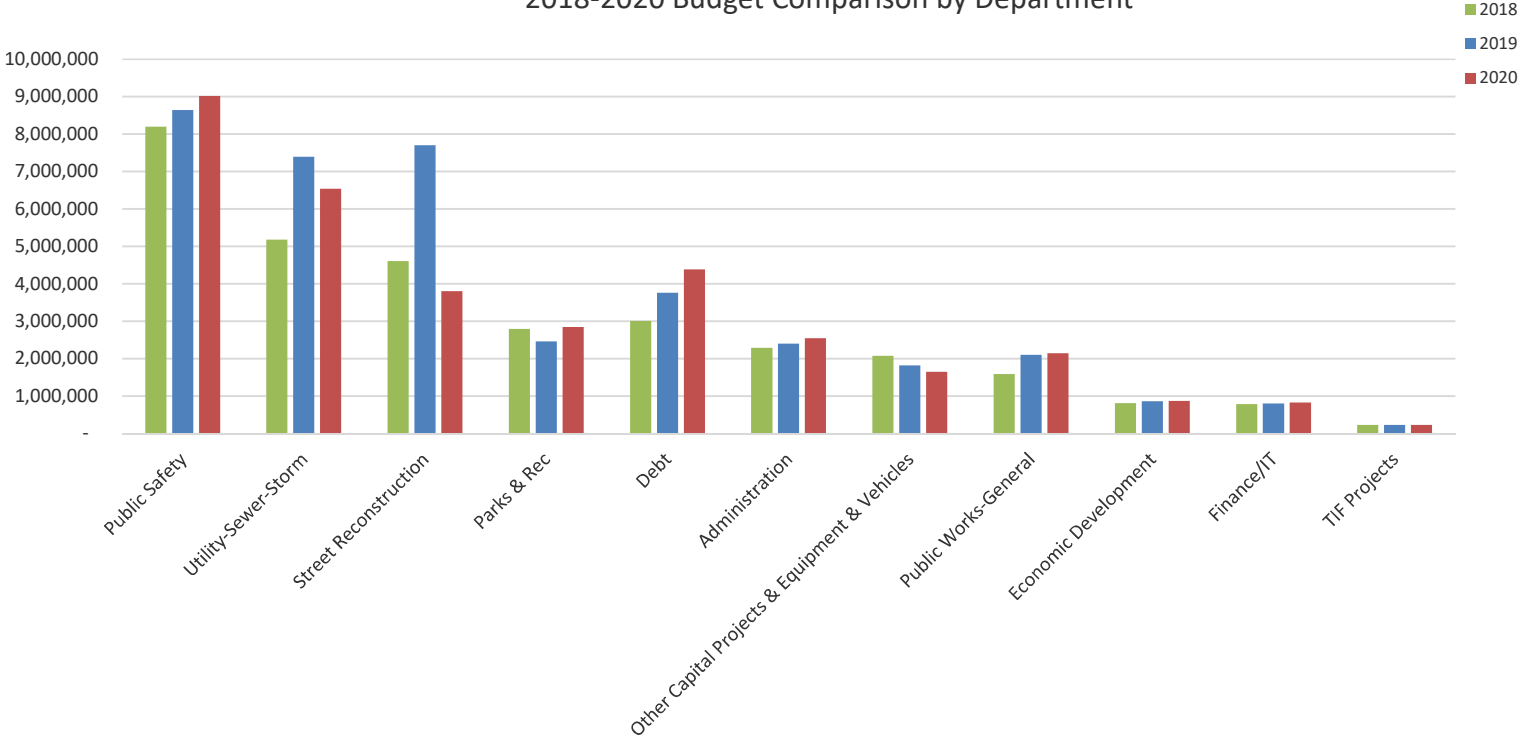
	2020 BUDGET EXPENDITURES	2020 BUDGET REVENUES	Bonds/ Issued Equip. Cert.	2020 INC/(DEC) Fund Balance	LGA/Franchise	2020 PROPOSED LEVY	Percentage Of Levy
SUMMARY by FUND							
<i>Levy Supported Budgets</i>							
GENERAL FUND	15,136,841	3,004,233	-	-	-	12,132,608	69.12%
COMMUNITY EVENTS	34,000	30,000	-	-	-	4,000	0.02%
ECONOMIC DEVELOPMENT	405,579	365,000	-	-	-	40,579	0.23%
INSURANCE FUND	542,280	42,500	-	-	-	499,780	2.85%
GOVERNMENT FACILITY CAPITAL PROJECT	558,400	2,000	-	(56,400)	500,000	-	
PARKS IMPROVEMENT FUND	424,500	44,000	-	19,500	400,000	-	
POLICE & FIRE PERA	-	-	-	-	-	-	
STREET IMPROVEMENT FUND	3,807,851	1,000,000	2,807,851	-	-	-	0.00%
STREET MAINTENANCE FUND	315,000	137,500	-	203,000	380,500	-	
TECHNOLOGY REPLACEMENT FUND	95,000	2,000	-	12,000	105,000	-	
VEHICLE & EQUIPMENT RESERVE	576,500	20,000	-	43,500	600,000	-	
Subtotal	21,895,951	4,647,233	2,807,851	221,600	1,985,500	12,676,967	
DEBT	4,383,577	174,500	-	347,322	111,000	4,445,399	25.33%
<i>Non Levy Supported Budgets</i>							
GOLF COURSE	10,283	10,283	-	-	-	-	0.00%
ICE ARENA	763,882	344,449	-	80,567	500,000	-	
REGIONAL ATHLETIC CENTER	861,160	719,500	-	90,160	-	231,820	1.32%
SEWER	5,890,410	4,595,973	1,320,000	25,563	-	-	
STORM SEWER	652,128	483,000	-	(169,128)	-	-	
SWIMMING POOL	199,979	1,000	-	-	-	198,979	1.13%
TIF District 1-2	184,523	203,000	-	18,477	-	-	
TIF District 1-3	50,000	159,500	-	109,500	-	-	
	8,612,365	6,516,705	1,320,000	155,139	611,000	430,799	
TOTAL CITY-Levy	34,891,893	11,338,438	4,127,851	724,061	2,596,500	17,553,165	17,553,165

		Residential	Commerical
Use of Cash in Debt Service Adjusted 2020 Levy			
2019 Unadjusted Levy	15,832,765		
2019 Adjusted Levy for D.S.			
Increase-with out adjustm	1,720,400		
% Increase	10.87%	\$ 85.00	\$ 153.00
Increase-with adjustment			
% Increase			
Levy dec if pool capital is c	(65,500)	17,487,665	\$ 81.00 \$ 146.00
		10.45%	
Levy decrease if Pool is clc	(155,254)	17,332,411	\$ 68.00 \$ 122.00
With Reduction for Pool		9.47%	
No change to Taxable MV.			
Sales Tax Option	68%	16,672,665	
		5.30%	
	50%	16,903,165	
		6.76%	

City of West St. Paul-2019 Budget by Program/Function



2018-2020 Budget Comparison by Department



Executive Budget Summary

Tax Rate:

Current Year-2018	2019 Preliminary	2020 Preliminary
69.291%	71.691%	76.995%
\$14,344,671-Levy	\$15,832,765-Levy	\$17,553,165-Levy
\$33,627,733-Total Budget	\$38,641,105-Total Budget	\$34,891,893-Total Budget

Tax Examples:

	Residential	Commercial
2018-\$170,187 Taxable MV	\$1,027.34	\$1,838.81
2019-Preliminary-\$184,575 Taxable MV	1,175.35	2,108.79
2020-Preliminary-\$184,575 Taxable MV	1,262.31	2,264.80