

**City of West St. Paul
Open Council Work Session Minutes
September 12, 2016**

1. Call to Order and Roll Call

Mayor David Meisinger called the work session to order at 4:50 p.m.

Present: Mayor David Meisinger and Councilmembers Pat Armon, Ed Iago, John Bellows, Dave Napier, Jenny Halverson and Dick Vitelli.

Others: City Manager Matt Fulton, Finance Director Joan Carlson, Assistant City Manager and HR Director Sherrie Le, Community Development Director Jim Hartshorn, Public Works Director Ross Beckwith, City Attorney Korine Land, Police Chief Manila Shaver, SMFD Chief Mike Pott, and City Clerk Chantal Doriott.

2. Review and Approve the Work Session Agenda

Council approved the OCWS agenda as presented.

3. Review and Approve the Regular Meeting Consent Agenda

Council approved the regular City Council meeting agenda with changes:

12.F. Consider legal service agreement at the next meeting. Clpn. Bellows would like to consider the attorney appointment on September 26. Manager Fulton will be at a conference on September 26. Manager Fulton said LeVander (Attorney Land) has already offered the city two options to consider for legal services. The Mayor could consider going for RFP for all attorney services. Clpn. Bellows said the civil side and institution memory is important.

13.A. Add: Consider Settlement for Robert Street Project, Parcel 100.

13.B. Add: Consider Minnesota County Data Services Agreement.

4. Agenda Item(s)

4.A. 2017 General Fund and Capital Budget

City Manager Matt Fulton said tonight's discussion will center on levy impacts to taxes. The general fund is to increase 13.6 million which is a 7.72% increase from last year. About 75% of this amount is for personnel and potential insurance increases. Other budgetary issues are water at the Harmon Park Splashpad and weekend maintenance on Harmon Park and throughout the city. The intent tonight is to give you an overview of all funds and use the next couple of months to be to an approvable levy amount which will be done in December. This is really a status quo

budget. Manager Fulton added information on the levy and how it relates to property values as well as capital. There are a lot of pressures on our budget.

Finance Director Joan Carlson said the primary goal tonight is to get to consensus on what we would like to get as a preliminary levy amount by the end of this month. In the two weeks since council received budget information staff will be updating any things we can bring down.

The proposed levy is \$13,193,542 or 8.46% increase; adopted levies from 2015 and 2016 and the proposed were reviewed. The revenue budge is approximately 80%, license and permits 4%, intergovernmental 4%, charges for services 5%, fees and forfeitures 1%, miscellaneous 1% and other financing sources 5%. The proposed expenditure budget was reviewed with public safety being the largest expense at 55%, public works 12%, economic development 3%, park and recreation a little more than 6.5% and general government the remaining balance.

2017 expenditures by department were reviewed. Some items discussed:

- Council travel – this budget reflects 2 councilmembers on a spring conference and a fall conference.
- Community survey – this was not done last year and it's helpful information to update strategic planning.
- Marketing and communication person and said program is not under the city manager department and is on its own. Clpn. Bellows asked what is the actual increase in the city manager/city clerk budget; it's about \$43,000 or 5.5%. Clpn. Iago asked what does marketing include: salary, benefits, newsletter, printing, publications and contractual services which include NDC4. The Mayor asked if we can move the survey into the marketing communication budget? Manager Fulton said that would be fine.
- Election costs are down in 2017 as there is no election. Legal remains the same as last year; this is a starting point. Recycling is increasing slightly as this is a new program. There is no change in IT. City Hall maintenance includes salaried person and maintenance costs. If there are costs to City Hall they would come out of another fund.
- We are asking to add two additional police officers which is why this line item increases. Police Chief Shaver offered information on the three-year salary range and we staggered the start times (April and June). The full cost for two officers is about \$185,000. We are waiting to hire them to reduce impacts on the budget. Staff has applied for grant funds. We did not budget with anticipation of the officer hire. In the next five years you are probably looking at three to four people retiring. Clpn. Iago asked what the contract with Walmart is. The contract is open-ended and goes Thursday through Sunday and pays hourly. They are our number 1 commercial stop. Council is in favor of hiring two new officers next year. The budget increase also includes money for clerical police duties.
- SMFD increased due to capital and 1.5 full time employees. South St. Paul does not have issues with the increase. The West St. Paul Council did not have issues.
- Other expenditures street signs, animal control, engineering 7.7% increase for extra contract work, streets are up less than 4% but street lighting increases because electricity increased and the new LED lights are more expensive (could be moved to capital); human resources increased 3.5%. Director Carlson explained why these expenses increased.

- Mayor Meisinger said cost drivers were listed individually and further explained. We are going out for bids on employee insurance and will have more information at the next meeting.

Comments:

- Clpn. Vitelli would like Director Beckwith to research how much it would cost to sweep the streets more often.
- Council was advised to send in budget questions to Director Carlson and Manager Fulton.

Capital Equipment Plan (CEP)

Director Joan Carlson gave an overview of the equipment plan.

- The IT department includes additional desk scanners and new electronic timesheet software. The software will be reviewed by Council at the regular meeting tonight for possible early purchase. Other IT expenses were reviewed.
- Park and recreation would like additional software to schedule programs and more. Slight concern about the cost.
- Vehicle and equipment review including comprehensive plan (started this year). Also reviewed were engineering, fire, police and government buildings. The comprehensive plan budget will be reviewed as there might be a discrepancy (\$90,000 needs to be budgeted over 3 years). Here is a thought – let’s see if we can share equipment such as a paver with South St. Paul or Mendota Heights. Director Beckwith will check on this.

Capital Improvement Plan (CIP)

Director Carlson said this is probably a plan that could have the most changes especially with legislature changes over the next few weeks. Director Carlson reviewed projects by funding source and department/division.

- Government building such as city hall, ice arena, and public works facility, etc.
- Streets, sewer, parks improvements,
- Discussion regarding LGA and capital projects.
- Special assessments – payments and a list of projects.
- Manager Fulton asked Council to consider the special assessed Edgewood – is this a new road or a reconstruction?

Manager Fulton said to Council – make sure you get your questions into Director Carlson and himself. Council should review what was presented and this will be reviewed at the next meeting and include any changes that are forwarded to staff. The next meeting we will have to approve an estimated levy budget.

Mayor Meisinger asked Attorney Land what it would entail to eliminate the electrical franchise fee. Attorney Land said there is an agreement with Xcel Energy. You are paying West St. Paul and you don’t get to write that off. Manager Fulton said no tax exempt properties pay a franchise fee and they don’t pay property tax. Mayor Meisinger would like to know what it entails to eliminate the franchise fee. Manager Fulton said your tax levy would increase about \$800,000.

Director Carlson said it can be very difficult to calculate and is about \$25.00 per year, per property.

5. Adjourn

Council adjourned the work session at 6:15 p.m.



David Meisinger
Mayor
City of West St. Paul