

CITY OF FALCON HEIGHTS
City Council Workshop
City Hall
2077 West Larpenteur Avenue

AGENDA
August 17, 2022
6:30 P.M.

- A. CALL TO ORDER: 6:32 p.m.
- B. ROLL CALL: ANDREWS ___ GUSTAFSON_X_ LEEHY___
MEYER_X_ WEHYEE_X_
- STAFF PRESENT: LINEHAN_X_ SORENSEN_X_ OLSEN_X_
- C. PRESENTATIONS:
- D. POLICY ITEMS:
 - 1. 2023 Proposed Budget
 - a. General Fund
 - b. Special Revenue
 - c. Enterprise Funds
 - d. Debt Service

Jack Linehan, The City Administrator, states tonight's objectives are to provide an overview of the proposed general fund, special revenue, enterprise funds, and debt service for 2023. Solicit feedback from the Mayor and Council on priority areas. Linehan states this proposed budget is a fluid document. The City Administrator, Finance Director, and staff provide recommendations for the first draft of the budget. City Staff then take Council feedback and refine the budget for future versions. Linehan states the highlights of the budget of 2022 general fund budget estimate. The general fund revenue is estimated to come in 1.25% over budget. Some key factors are the Lauderdale plowing contract and permit fees. The general fund expenditures are estimated to come in 2.45% under budget. Some key factors are legal fees and department expenses down.

Council Member Wehyee asks how come the legal fee is down.

Linehan states legal is billed hourly whenever we use legal, and the City has not had to use legal that much this year.

Linehan states the budget highlights for the 2023 proposed general fund budget. The general fund revenue ad valorem taxes/fiscal disparities are waiting for Ramsey County numbers, but the median estimated market value in Falcon Heights. The assumption is local tax capacity increases and city tax rate decreases. LGA is increasing by \$16,000. Also, the Lauderdale plowing contract/permit revenue increases with fee schedule incremental increases. The general fund expenditures are estimated to increase by 6.46% compared to the

2022 budget. Some key factors for this increase are the RCSO contract increasing 14.5%, the SPFD increasing 2.25%, proposing a 4% adjustment for COLA, moving part-time public works position to additional full-time maintenance worker #3, and police consultant costs. Some key factors decreasing the 2023 proposed budget are moving some public works salary allocations to Enterprise to reflect job requirements. Also, finding strategic areas to save funds or reduce costs and Metro INET contract for I.T. decreasing.

Linehan states an overview of legislative expenditures is 8% under budget in 2022 and will increase by 1% in 2023

Linehan states an overview of administrative expenditures is 3% over the budget in 2022 and will decrease by 8% in 2023.

Linehan states an overview of finance expenditures is 3% over budget in 2022 and will increase by 22% in 2023.

Linehan states an overview of legal expenditures is 43% under budget in 2022 and will decrease by 24% in 2023

Linehan states an overview of election expenditures is 1% over in 2022 and will decrease by 2% in 2023.

Linehan states an overview of communication expenditures are 13% under budget in 2022 and will decrease by 4% in 2023.

Linehan states an overview of planning and inspection expenditures is 14% under budget in 2022 and will decrease by 1% in 2023.

Linehan states an overview of emergency preparedness expenditures is 32% under budget in 2022 and will decrease by 33% in 2023.

Linehan states an overview of police expenditures is 0% under budget in 2022 and will increase 13.4% in 2023.

Linehan states an overview of prosecution expenditures is 3% under budget in 2022 and will not increase in 2023. Also, looking at bidding out the City's attorney to get an hourly other than a flat rate.

Linehan states an overview of fire services expenditures is 2.25% over budget in 2022 and will increase 4.5% in 2023.

Mayor Gustafson asks does St. Paul Fire bill the City once a year or monthly.

Linehan states St. Paul Fire bills the City once a year.

Linehan states the fire relief expenditure closed in 2021.

Linehan states an overview of city hall and ground expenditures is 8% over budget in 2022 and will decrease by 2% in 2023.

Linehan states an overview of street expenditures is 14% under budget in 2022 and will increase 2% in 2023.

Linehan states an overview of engineering expenditures are 47% under budget in 2022 and will decrease by 20% in 2023.

Linehan states an overview of the tree program expenditures is 9% under budget in 2022 and will decrease 9% in 2023.

Linehan states in 2023, and there will be a new environmental expenditure account. This new account is based on the Mayor's recommendations to reflect the City's commitment to the environment by showing costs associated with environmental initiatives. Community Development Coordinator salary re-allocated to 15% in this line. This expenditure is not a special revenue line, so it remains in the general fund.

Linehan states an overview of the park maintenance and administration expenditures is 11% over budget in 2022 and will increase 10% in 2023.

Council Member Meyer asks how much from a year to year increase from the Lauderdale contract.

Linehan states the contract would bring unanticipated revenue in 2022. The proposed starting fee for services will be \$24,300, with an annual increase of 2.5% or CPI, whichever is greater.

Linehan then moves on to the special revenue fund. Linehan states an overview of park program revenue is 18.8% over the budget in 2022 and will increase by 20% in 2023. The expenditures are 13.4% under budget in 2022 and will decrease by 2.3% in 2023.

Linehan states an overview of charitable gambling revenue is negligible because there have not been any 3% or 10% gambling events. For expenditures, there are no planned expenditures, but the fund balance of \$1,187 is available for those in need.

Council Member Wehyee states the City Council should bring this to a workshop to learn more about it and how to spend it.

Linehan states an overview of community garden revenue is 2.6% over budget in 2022 and is 0% for 2023. The expenditures are under budget by 50% in 2022 and will decrease by 50% in 2023.

Linehan states an overview of water revenue is 2.2% over the budget in 2022 and will increase 1.4% in 2023. The expenditures are 19.3% under budget in 2022 and will increase by 7.5% in 2023.

Linehan states an overview of recycling revenue is 5% over the budget in 2022 and will increase by 5.4% in 2023. The expenditures are 6.1% over the budget in 2022 and will increase 11.5% in 2023.

Mayor Gustafson states that they are raising their rates by 50%. I think we have to raise rates incrementally.

Council Member Meyer asks, in year three, and four would tennis rates still go up 50 cents?

Linehan states no, I believe it is 25 cents.

Linehan states an overview of community / economic development revenue is 4.4% under budget in 2022 and will decrease by 1.5% in 2023. The expenditures are 91.7% under budget in 2022 and will not increase in 2023.

Council Member Wehyee asks whether you can summarize what this budget is.

Linehan states the community / economic development fund was created to provide funding for the administration and other costs associated with community and economic development activities.

Council Member Wehyee states the CEC a couple of years ago wanted to create a business board so businesses could be more a part of our community.

Linehan states an overview of street lighting revenue is 0.1% under budget in 2022 and will increase 2.4% in 2023. The expenditures are 17.3% under budget in 2022 and will increase 75.3% in 2023.

Linehan states he recommends that the City replace the lights on Larpenteur Ave. / Snelling Ave.

Council Member Meyer asks how long the street lights last.

Linehan states around 30 years.

Linehan states an overview of community inclusion revenue is 48% under budget in 2022 and will increase 13,980% in 2023. The expenditures are 72.1% under budget in 2022 and will increase by 11.4% in 2023.

Linehan states the goal is to keep this fund balance at \$30,000.

Council Member Wehyee asks Linehan can you explain this fund and how would the City go about using this fund?

Linehan states this fund accounts for costs associated with community projects for inclusion efforts. Additionally, Linehan states this fund can be used for any community projects with inclusion efforts.

Linehan now moves to the enterprise fund. Linehan states an overview of sanitary sewer revenue is 1% under budget in 2022 and will increase 2% in 2023. The expenditures are 8% over the budget in 2022 and will increase 15% in 2023.

The Mayor states since the state fair and the U were running at minimal capacity, the sewer was way down, but now that they are running at full capacity again, the price has gone up.

Linehan states an overview of the storm drainage revenue is 0% under budget in 2022 and will increase 3% in 2023. However, the expenditures are 27% under budget in 2022 and will increase by 22% in 2023.

Linehan states an overview of 2021 G.O. improvement bond revenue is 0% under budget in 2022 and will decrease 2% in 2023. However, the expenditures are 0% under budget in 2022 and will increase 535% in 2023.

Linehan states an overview of 2023 G.O. improvement bond revenue starts in 2023, and the levy would begin in 2024. The expenditure interest/fees will start in 2024.

Linehan states an overview of the 2017 G.O. improvement bond revenue is 0% under budget in 2022 and will decrease 4% in 2023. Likewise, the expenditures are 0% under budget in 2022 and will not increase in 2023. Linehan then ends the presentation and asks for questions from the City Council.

The Mayor states it looks like we are in pretty decent shape. It looks like we are spending our money on what we prioritized.

Council Member Wehyee says I wonder if the city council would be interested in becoming a sister city. ~~Then, no cost would be associated with this program, just maintaining communications with that city.~~

We don't know whether whether a cost would be associated with the program and that the budget at least allows the city to consider becoming a sister city.
Council Member Meyer asks Linehan if we should be pitching ideas for initiatives within the next couple of months.

Linehan states that the Council will discuss it and then approve it to be put into the budget. If there is stuff of interest that the Council wants to put into the budget, now is the time to put it into the budget.

The Mayor asked if we could transfer ARPA through funds.

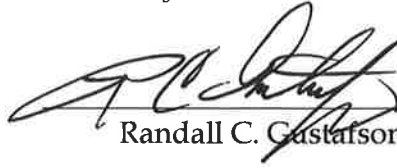
Linehan states there are only three areas we cannot spend the money on. The good use of ARPA funds is that the police contract doesn't budget that money and ends up with a surplus in the surplus and can use that money.

E. INFORMATION/ANNOUNCEMENTS:

F. ADJOURNMENT: 8:41 p.m.

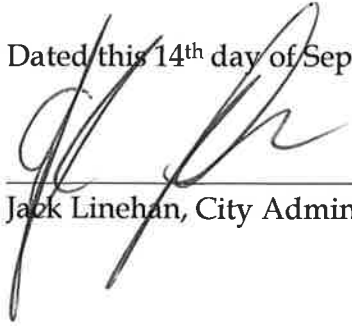
DISCLAIMER: City Council Workshops are held monthly as an opportunity for Council Members to

discuss policy topics in greater detail prior to a formal meeting where a public hearing may be held and/or action may be taken. Members of the public that would like to make a comment or ask questions about an item on the agenda for an upcoming workshop should send them to mail@falconheights.org prior to the meeting. Alternatively, time is regularly allotted for public comment during Regular City Council Meetings (typically 2nd and 4th Wednesdays) during the Community Forum.



Randall C. Gustafson, Mayor

Dated this 14th day of September, 2022



Jack Linehan, City Administrator