

**CITY OF FALCON HEIGHTS**  
City Council Special Budget Workshop #1  
City Hall  
2077 West Larpenteur Avenue

**MINUTES**  
August 9, 2023  
7:30 P.M.

- A. CALL TO ORDER: 7:32 P.M.
- B. ROLL CALL:           GUSTAFSON\_\_X\_\_ LEEHY\_\_X\_\_  
                          MEYER\_\_X\_\_ WASSENBERG\_\_X\_\_ WEHYEE\_\_X\_\_
- STAFF PRESENT:   LINEHAN\_\_X\_\_
- C. POLICY ITEMS:
1. 2024 Proposed Budget
    - a. 2024 Staffing Budget Proposal

City Administrator Linehan presented the 2024 proposed budget for staffing. He stated that staffing, second only to our policing contract, constitutes the largest portion of our budget. For 2024, the proposal includes a modest 1.4% increase in the staffing budget, attributable mainly to a 4% cost-of-living adjustment (COLA) and several position changes. This increase has been mitigated by salary savings, especially from the replacement of higher-earning senior employees with new hires.

**Highlights of the proposed 2024 staffing budget include:**

1. Departmental Updates

Administration:

- Promotion of Assistant to the City Administrator to Administrative Services Manager.
- Reduction in part-time intern hours.
- Step adjustments at six and 18 months for multiple employees.

Finance:

- Six-month and 18-month step adjustments for part-time accountant
- Performance-based increase for Finance Director in Q3 or Q4 2023.

Public Works / Parks:

- Continuation of 4.0 FTEs. The department currently has a budgeted unfilled full-time maintenance worker that is scheduled to be recruited this fall. The department has been operating on 3.5 FTEs with the full-time vacant maintenance worker being filled by a part-time seasonal laborer this summer.

- We may consider hiring a part-time seasonal snow plow driver rather than FT maintenance worker if candidates aren't satisfactory
  - 12-month increase for Public Works Director.
2. Cost-of-Living Adjustment

The second major proposal is a cost-of-living adjustment of 4%. In an analysis of other metro cities, it appears 3%-4% is standard across the board, with more communities skewing towards 3%. As we continue to consider revising our compensation schedule, it is important we stay competitive with COLA increases. The below chart shows the total financial impact of multiple cost-of-living adjustments:

COLA	0%	2%	3%	4%	5%
General Fund - Salary Only	\$586,281	\$596,848	\$602,131	<b>\$607,414</b>	\$612,697
<b>Total Compensation* - All Funds</b>	\$968,635	\$986,473	\$995,392	<b>\$1,004,312</b>	\$1,013,321
<b>Total Comp - Budget Increase - All Funds</b>		\$17,838	\$26,757	\$35,677	\$44,686

*\*Includes compensation of all employees, plus PERA + FICA contributions*

Mayor Gustafson stated that there is not a major difference between 3% and 5%, and that we have long noted that our staff are not compensated in-line with other municipalities in our region.

Council Member Leehy stated that she supports the 4% increase.

Council Member Meyer concurred.

Following the discussion on staffing, Linehan gave an overview of proposed changes to our benefit offerings. The City currently offers health insurance, with 75% of the premium paid by the employer for family, 100% for single, and the City compensates employees \$283.86 per month to opt-out. The City Council discussed the possibility of increasing the employer contribution for family plans to 80%.

The City's dental, disability and life insurance policies are offered as a rider to Ramsey County's employee plan. This summer, Ramsey County notified the communities that use their plans (Falcon Heights, Lauderdale and Shoreview) that they will no longer be offered these insurance plans in 2024. We are working on bringing in a broker to offer these insurances at a competitive rate to our employees. It is assumed by us that costs will increase as a result of the change.

City Administrator Linehan finished the presentation by stating that the proposed changes for 2024 are aligned with our commitment to maintaining quality services while remaining fiscally responsible. Although the short-term impacts on the budget are minimal, certain decisions may have a longer-term influence.

The City Council's insights and guidance on proceeding with these salary and benefit alterations are highly recommended.

D. ADJOURNMENT: 9:34 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](mailto: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 9<sup>th</sup> day of August, 2023



---

Jack Linclan, City Administrator