

INVER GROVE HEIGHTS CITY COUNCIL SPECIAL WORK SESSION
MONDAY, SEPTEMBER 12, 2022. 5:00 PM - 8150 BARBARA AVENUE

1. Call to Order: The City Council of Inver Grove Heights met in person for a Special Work Session on Monday, September 12, 2022. Mayor Bartholomew called the meeting to order at 5:00 p.m. The Pledge of Allegiance was recited.

2. Roll Call: Present In-Person: Mayor Bartholomew; Council Members; Piekarski Krech, Dietrich, Murphy; City Administrator Kris Wilson, City Attorney Bridget McCauley Nason, City Clerk Rebecca Kiernan, Finance Director Amy Hove, Parks and Recreation Director Adam Lares, Facilities, Operations, and Maintenance Supervisor Phil Stier, Police Chief Melissa Chiodo, & Fire Chief Judy Thill.
Present Via Zoom: Councilmember Gliva

3. Discussion Items:

A. Discussion of 2023 Preliminary Tax Levy & Budget

Finance Director Amy Hove discussed the 2023 Preliminary General Fund Budget & Tax Levy for the Parks and Recreation Department. This includes parks, recreation, and the community center.

General Fund: There is a parks department and a recreation department

Non-General Fund: Includes the Community Center and Golf Course

Overall structural changes within parks, recreation, and the community center:

- Closing the Recreation Fund making the Recreation Department a part of the General Fund.
 - Subgroup "activity centers" were created within the recreation department
- Adjusted employee allocations.
- New technology allocation.
- New account for division software.
- Shifted some Host Community Fund costs to more appropriate areas.
 - Parks: \$6,000 for Music in the Parks and Fireworks

Parks:

- 52% of the budget is spent on personnel.
- Supplies and services noted the greatest increase (most is programmed activity, offset by revenues).

Parks – Additional Requests:

- 2 additional full time park maintenance workers and seasonal resources.
- Requesting a full time Natural Resource Technician shared by parks and streets (50/50 cost split).

Recommendation: Provide resources for 1 additional FT Park Maintenance worker and additional seasonal staff wages.

- New capital equipment:
 - 2 additional trucks
 - Tool cat/ballfield groomer

Recreation:

- Internal allocations increased.
- Slight increase to supplies and services.

INVER GROVE HEIGHTS CITY COUNCIL SPECIAL WORK SESSION - Sept. 12, 2022

Recreation – Additional Requests:

- Staffing request to add 1 Recreation Rental Specialist (consideration in a future year).
- 2 position reclassifications:
 - Recreation Superintendent to Assistant Director of Parks & Recreation
 - Recreation Specialist to Recreation Coordinator

Recommendation: Provide resources to reclassify the Recreation Superintendent to a higher pay grade. Reclassify the Recreation Specialist to Recreation Coordinator.

Councilmember Murphy questioned the job description of the Rental Specialist and if it were full time. Finance Director Hove replied the position coordinates all rentals throughout the parks and recreation area including fields, ice, community center rooms. Staff believes it would be a full-time position.

Councilmember Murphy asked if it wasn't full time/8 hours if it would be allocated to other areas.

Parks and Recreation Director Adam Lares replied the position entails all rentals including ballfields, the ice arena, and facilities inside the community center. It's anticipated being full time; if not additional duties could be added and would do so inside of the VMCC to offset additional job duties. The position would help recruit facility usage/permits/rentals. It could also cross comparison other facilities fees and uses.

Councilmember Murphy asked how often city facilities are rented.

Parks and Recreation Director Lares replied it is seasonal. Ice rentals are typically booked out. Rich Valley is utilized 99% of the time. There are off season opportunities that have not been tapped into such as: residents, other city users, non-profits, and youth organizations. This would be the coordination of all things annually and year-round. It would provide better customer service.

Community Center – Operating Expenditures:

- 64% of the budget is personnel.
- Wage adjustment, health insurance. 3% increase included for seasonal pay.
- Internal allocations reflect technology.
- Supplies and services show a slight increase.

Community Center – Additional Requests:

- Seeking \$83,300 for non-benefitted employee budget. (Seasonal, temporary, part time).
 - \$35,000 for additional staff
 - Improved aquatics coverage, additional class offerings, expanded program hours
 - Anticipate the cost can be offset by additional revenues
 - \$48,300 for higher wages to remain competitive in the current labor market

Recommendation: Provide resources for this purpose. The net impact of the transfer needed from the Host Community Fund is \$48,300.

Community Center Operating Transfer Needed:

- In 2020: Significant difference between operating expenditures and operating revenues. (More than anticipated with 40.7%).
 - The difference is the percentage of expenditures covered by the transfer
- In 2021: Transfer is reduced. 29.3%.
- In 2022: Operating expenditures of \$3.6 million

INVER GROVE HEIGHTS CITY COUNCIL SPECIAL WORK SESSION - Sept. 12, 2022

Operating revenues at \$2.8 million

Difference of \$820,000 proposed for the operating transfer

- For 2023: Requested budget is \$3.8 million.

Operating revenues are at \$2.75 million

Difference is \$1 million dollars, providing 27.6% of what the transfer compared to operating expenditures would be

Councilmember Piekarski Krech asked if the transfer includes the request for staffing.

Finance Director Hove replied no.

- Per the audited financials, transferred over \$932,000, but transferred over \$947,000. The excess sits in the community center fund balance.

Councilmember Dietrich asked if this includes technology. She requested a figure as to where that fits into the percentage.

Finance Director Hove replied it includes the additional technology allocation and some of the employee shifts. She would have to check on the percentage.

Councilmember Gliva asked if the \$3.5 million- and \$3.8 million-dollar figure was what Councilmember Dietrich was referring to.

Finance Director Hove replied that some internal allocations are going to be the additional technology allocation. There are also allocations for central equipment. Personnel has the 3% wage adjustment, 9% assumed for health insurance, and employee allocation shifts. Also built in is a 3% increase to seasonal.

This is if they would be adding \$48,300 to the operating expense including additional seasonal costs. (Also includes \$35,000 to both revenues and expenditures).

- Percent needed for the operating transfer went from 27.6% to 28.6%.

Mayor Bartholomew questioned if this was contingent on variables that have not been discussed yet.

Finance Director Hove replied it is based on the Internal Service Funds.

Community Center - 2022-2026 Capital Requests:

- 2022 Budget: Capital is \$1.3 million dollars.
- 2023 request is for \$718,200.
- Between 2023 and 2026 the average capital is just under \$700,000.
- Specific requests include:
 - Mechanical, automation, condensing units: \$249,500
 - Card access, lockers, suit spinners: \$173,800

Community Center - New Capital:

- Staff has been discussing what the annual need may be for capital expenditures and if it would make sense to establish a capital fund for the community center.

INVER GROVE HEIGHTS CITY COUNCIL SPECIAL WORK SESSION - Sept. 12, 2022

- If knowing it could average about \$700,000, if it makes sense to establish an annual transfer of \$700,000 from the Host Community Fund into a new VMCC Capital Fund
- Allows Staff to manage capital repairs and replacements in an easier manner
- Still comes before the Council for approval

Councilmember Piekarski Krech asked how this works with what is already being taken out of the Host Community Fund.

City Administrator Kris Wilson replied the Host Community Fund is on the agenda for a week from tonight. Staff would be discussing how it's historically been spent, what they are currently allocating it for, and what it may look like for managing it out until 2030 when it's currently the revenue source.

Debt Levies: Debt Service Funds:

- Street-Related Debt
- Fire Station Debt

They levy for 105% of principal and interest to build cushion in the event there are delinquencies in tax payer payments. With the 2022 Budget it was determined there were sufficient funds within the Closed Bond Fund to support that levy. Funds were analyzed, Staff will continue to make the recommendation to continue to spend down the fund to help replace the debt levy until it's fully expired.

Mayor Bartholomew asked if unspent funds were being used from prior years.

Finance Director Hove replied in prior years they were not adjusting the schedule. The debt or levy schedule would be based on how the principal and interest is laid out. Since she was not here in 2016, she assumes the city analyzed the debt service over the life of all bonds. The city probably made an attempt to make the debt levy flat/stable.

Closed Bond Fund:

- Current cash balance as of August 31, 2022: \$1,876,384.
- If anticipating replacing all future debt levies for the 2020A Bonds: \$709,000.
- Estimated remaining balance: \$1,167,384.

Staff's recommendation is the continued use of the Closed Bond Fund to replace future debt levies for 2020A Bonds until they expire. In the future, consider the potential uses for the balance that remains in the fund.

Staff will be asking for approval on the debt levy and 2023 debt budgets.

- Debt levy for next year would be over \$2.5 million dollars.
- Other revenues come in such as assessment revenue and interest earnings.
- Total revenue would be \$2.9 million dollars.
- Principal interest and other would be just over \$2.7 million.

This will be brought before the Council for consideration on September 26th.

4. Adjourn:

Motion by Murphy to adjourn the meeting at 5:40 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Sheri Yourczek