

**INVER GROVE HEIGHTS CITY COUNCIL/BUDGET MEETING
MONDAY, JULY 31, 2023. 6:00 PM - 8150 BARBARA AVENUE**

1. Call to Order:

The City Council of Inver Grove Heights met in person on Monday, July 31, 2023. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. Roll Call:

Present in Person: Mayor Dietrich; Council Members, Gliva, Scales, T'Kach; City Administrator Kris Wilson, Community Development Support Specialist (Clerk) Stacy Bodsberg, Finance Director Amy Hove, Parks and Recreation Director Adam Lares, Public Works Director Brian Connolly, Police Chief Melissa Chiodo, Fire Chief Judy Thill

Absent: Councilmember Murphy

3. Discussion Items:

A. 2024 General Fund Budgets & Tax Levy - First Look

City Administrator Kris Wilson discussed the Council portion of the 2024 Budget process stating that In Minnesota, all city budgets are calendar year budgets. Statutory requirements need to be done to be able to meet the September 30th deadline for certification/adoption of a preliminary levy and budget. Discussion will be about the city's general fund which is a portion of the budget that is predominately supported by the property tax levy. Other portions of the budget will be discussed throughout the fall. No decisions or final direction from the Council is necessary after the discussion. That comes later in the process. The same items being discussed this evening, along with other aspects of the budget, will take place at the August 21st and September 5th, Work Sessions. A set of City Administrator recommendations will also be brought forward.

Finance Director Amy Hove presented on the 2024 General Fund Budget and Tax Levy:

Part 1: Background and Foundational Information:

Timelines & Statutory Requirements:

- September 30, 2023 is the statutory deadline to adopt a preliminary property tax levy for 2024
- September 11, 2023 City Council Meeting is the goal to adopt the IGH preliminary levy
- Once the preliminary levy is approved it can be reduced, it cannot be increased
- Nov. 11 - Nov. 24: Preliminary levy is certified to Dakota County. Proposed property tax notices are mailed out to property owners (includes city and county tax levy and proposed taxes)
- Nov. 25 - Dec. 28: City holds public meeting to discuss the budget and tax levy and receive public input (often referred to as the Truth-In-Taxation (TNT) Meeting)
 - Proposed date for the city is the December 4th Work Session
- December 28: Deadline for cities to adopt a final 2024 tax levy
 - Proposed date of the December 11th, City Council Meeting

2023 Expenditure Budgets = \$73,907,769

- General Fund makes up 42%
- Pavement Management = 20%
- Enterprise Funds = 20% (water, sewer, stormwater, golf course)
- Special Revenue Funds = 14% (community center, host community fund, EDA)

- Debt Service Funds = 4% (tax supported debt issued on behalf of the city, supported by a tax levy)

What is and is not funded in the General Fund:

What is included: The general fund includes things that residents think about first:

- Police, Fire, Community Development, Planning, Inspections
- Houses all administrative departments such as: Mayor/Council, Human Resources, City Clerk, Elections, Finance, Communications, Parks and Recreation, Public Works Departments
- Also includes transfers and tax abatement activity
- Operating departments such as Streets and Parks
- Capital Funds

What is not included:

- Community Center Funds, Golf Course, Pavement Management, EDA, Utilities, Debt Service Funds, Convention & Visitors Bureau, Host Community Fund

General Fund - Revenues & Expenditures:

- Expenditures:
 - 2023 Approved Budget: \$30,790,881
 - 2024 Draft Budget: \$33,254,046
 - Increase of \$2.46 million dollars
- Non-Tax Revenues:
 - 2023 Approved Budget: Licenses/Permits: \$1,723,300 (building permits, heating/cooling permits, alcohol licensing)
 - 2024 Draft Budget: \$1,578,080
- Grants & State Aid:
 - 2023 Approved Budget: \$1,991,270 (SAFER Grant, Police/Fire State Aid)
 - 2024 Draft Budget: Projecting a slight increase: \$2,054,571
- Charges for Services:
 - 2023 Approved Budget: \$1,468,500 (development driven; charges billed out for engineering time)
 - 2024 Draft Budget: \$1,357,410
- Other Revenues:
 - 2023 Approved Budget: \$718,500 (includes investment interest, miscellaneous, assessment information)
 - 2024 Draft Budget: \$820,950
- Remaining Amount: General Fund only (to be funded by the property tax levy):
 - 2023 Approved Budget: \$24,889,311
 - 2024 Draft Budget: \$27,443,035
 - Difference of \$2,553,724

Citywide Tax Levy - By Fund:

- General Fund: \$2.55 million dollar increase
- Pavement Management: Scheduled for a 5% increase
- Debt Service: Based on a repayment schedule. Principal and interest are fixed.
- Total Levy:
 - 2024 Draft Budget: \$33,030,446
 - \$2.7 million dollar increase over the 2023 tax levy

Finance Director Hove stated this was just a first look. It is not what is expected to be the final. Staff will continue to work on this as Council information is received.

Tax Levy - 5-year History (2019-2023):

- General Fund, 2019: \$19.4 million dollars
- Pavement Management, 2019: \$1.25 million
- Debt Service Funds: \$2.5 million
- Dollar change from prior year:
 - 2018-2019: \$2.3 million
 - General Fund: \$1.66 million
 - Pavement Management: 0
 - Debt Service Funds: \$602,897
 - Percentage of change: 10.8% increase
 - 2020: \$1.5 million dollars
 - General Fund: \$691,600
 - Pavement Management: \$500,000
 - Debt Service Funds: \$307,989
 - 2021: Showed the lowest increase of 5.6%
 - 2023: Dollar change was \$2.35 million dollars
 - General Fund: \$1,973,241
 - Pavement Management: \$350,000
 - Debt Service Funds: \$26,168 (Continued the use of closed bond funds to buy down one of the debt levies)

Tax Levy Recap (2019-2023):

- 5-year average dollar change: \$1,874,480. Percentage change: 7.7%

Looking ahead to 2024: What is 1% equivalent to:

- A 1% increase over last year's levy (2023): \$303,350
 - Union contracts are settled. Those assumptions are built in.
Forecasts for possible increase to health insurance
 - 2% to cover current commitments for wages/benefits
 - 1% needed for infrastructure
 - 0.66% for the SAFER Savings Plan
 - 0.50% needed for The Crossings Tax Abatement

Councilmember T'Kach asked if the \$73 million dollars is the total "all in" budget for the city and if it includes pavement and capital.

Finance Director Hove replied yes, budgets are adopted for the internal service funds. Those were pulled out of the total because they did not want to duplicate.

City Administrator Wilson discussed the city's tax base and market values:

- Last year was a big year for residential market value increases in Dakota County and around the metro and state
- Median increase on residential properties last year was 17%
- This year it is modest; the county is seeing a median of 3.93%
- Inver Grove Heights data is even smaller at 1.1%
- Apartments: 6.4% (typical for Dakota County)

- Commercial: 9.65%
- Industrial: 20.6%

2024 Tax Base & Market Values:

A vast majority of IGH's market value is in residential parcels.

- Residential: 76%
- Apartments 10%
- Commercial 6.3% and Industrial 4% make up approximately 10% of the total tax base
- Countywide there has been a 6.74% increase in market value
- 1.6% is due to new construction
- IGH market value of new construction is 2.23% of the total market value
- IGH is #3 in new construction value in Dakota County, behind Rosemount by a small amount and well behind Lakeville.
 - New properties coming on will share in paying for the costs of services the city provides.

Councilmember Gliva referenced the residential percentage of property being 76.6 and asked if that was higher than surrounding communities, for example Eagan and West St. Paul.

City Administrator Wilson did not know the percentages, the city is higher in residential than other neighboring communities. She said she could compile that information to share.

Finance Director Hove discussed Part 2: Assumptions, Challenges, and Priorities for the 2024 Budget:

2024 Budget Assumptions:

- Assuming all of the preapproved Union Agreements in place. Provides for a 3% general wage increase plus step increases for employees
- Anticipated 10% increase to health insurance (could be a low number, staff will continue to refine that information)
- \$200,000 increase for the Fire SAFER Savings Plan
- 5% increase to Pavement Management levy funding
 - Increase of \$145,000 for a total of \$3,045,000
- 5% increase to Parks Capital Replacement levy funding
 - Increase of \$15,000 for a total of \$315,000
- \$150,000 increase for The Crossings tax abatement
- 2024 is an election year, there are additional wages and other associated expenses. It is also a Presidential Election year (most expensive of the election years).
- Continue to utilize Closed Bond Funds in lieu of a levy for the 2020A Refunding Bonds, \$177,250. The final use would occur in 2026.
- Utilizing past years of Police savings within the Central Equipment Fund to cover 2024 outfitting costs on leased vehicles (there are sufficient savings to do this for several years).
- Using the Central Equipment Fund's balance to bridge funding gaps for equipment scheduled for replacement in 2024. (Discussion about this are ongoing, recommendations will come later).
- Utilize the City Facilities Fund balance for facility capital needs in 2024, \$188,500.
 - Staff is looking to revamp the allocation formula in 2025 to include a capital component

Assumptions - New Impact to Levy

- There is \$1.448 million dollars of an increase or 4.8% levy increase
 - Does not include other departmental needs, cost increases, or new staffing requests

City Administrator Wilson discussed Challenges:

This is the same information used last year. There are four primary challenges the city faces in putting together its budget. These are challenges that have built up over many years of decision making and will take multiple years to overcome/resolve.

- Staff levels in many departments that have not kept pace with the workload demands of a growing city
- Need to adjust part time/temp/seasonal wages to attract employees in the current job market
- Costs of goods and supplies have increased significantly
- City has deferred maintenance on both facilities and infrastructure

Council Priorities, adopted early in 2023:

- Expand, enhance, attract retail, restaurant, and consumer service offerings (EDA Budget)
- Modernize and review city ordinances (General Fund Budget, professional services, legal costs)
- Develop up to date cost recovery expectations for the VMCC (impacts VMCC and Host Community Fund Budgets)
- Looking to do a Needs Analysis and planning for an expanded/remodeled Maintenance Facility (money is set aside for this from the Host Community Fund)
- Determine direction on key NWA roadways such as Argenta & I-494 and the potential 65th Street extension
- Discuss community standards/blight prevention strategies (staff time issue)
- Clear, consistent, and proactive communication with residents and businesses
- Continued emphasis/investment in Pavement Management & NWA Parks. This impacts capital budgets and maintenance operations.
- Adequate funding for needed investments in utility systems (further discussion in October)

Mayor Dietrich referenced the northwest parks and pavement management and asked if that aligns with the assumption, the 5% increase to pavement management, and 5% to parks and recreation.

City Administrator Wilson replied it does. More detail will come on August 21st with regards to pavement management.

Councilmember T'Kach asked if the priorities were those set in February. She asked if senior housing fell off the list.

City Administrator Wilson replied they are from February. She apologized and said senior housing is missing. That priority was for the Council to receive education on. It would be a time and guest speaker item, not a direct budgetary line. She mentioned the city does not own/operate any housing; no budgets are associated with providing senior housing.

City Administrator Wilson discussed the General Fund Budget by Department:

- Public Safety 55%
- The top four (4):
 - Police 36%
 - Fire 19%
 - Streets Maintenance 10%
 - Parks Maintenance 8%

Most Minnesota metropolitan suburbs likely have a similar top four.

There are smaller percentages for engineering, recreation, administration, finance

Finance Director Hove discussed General Fund Expenditures 2024 Budget Requested:

- Personnel is the key driver, 61% (typical in most cities/counties)
- Supplies and Services 18%
- Internal Allocations 17%
- Transfers & SAFER Savings Plan 3%
- Capital Outlay requests for the General Fund 1%

2024 Budgeted Request:

- Personnel - \$20,299,945
- Internal Allocations and Supplies and Services - approximately \$5 million dollars each
- Capital Outlay - \$397,000
- Transfers & SAFER - \$1,048,965
 - Total: \$33,254,046

Councilmember Gliva referenced supplies and services and asked if this line was benefits.

Finance Director Hove replied personnel includes wages and benefits.

Councilmember Gliva asked for clarification on capital outlay and if they were cycles of planning or specific. She said it looked like a trend.

Finance Director Hove replied 2021 and 2022 were actual capital purchases. Capital needs are not always budgeted within the General Fund. A lot of the capital happens in the Central Equipment Fund. It is for vehicles and large pieces of equipment. These are improvements made in a department or area. She mentioned this is the year they are building a more comprehensive CIP. In past years they did not have that type of document.

Councilmember T'Kach asked if budgets trend toward actuals and where they were at between actuals and budgets. She questioned if there was a history and if they were significantly under when it comes to actuals.

Finance Director Hove responded that at the end of the year staff brings forward a list of carryover recommendations. This could include contracts that have not been completed, fully paid for, or a department need. They trend close to budget and request that departments do not go over. Sometimes there are unforeseen areas departments try to accommodate.

Finance Director Hove discussed Internal Service Funds & Allocations stating that four different internal service funds are used:

- Technology: Delivers IT support across the city, based on number of employees and devices.
 - Forecasting a slight decrease in this allocation for 2024.
 - This budget had been housed in the General Fund. Last year it was moved back to its own fund/own allocation. Software that was division specific was pulled out, those departments paid for it themselves.
- City Facilities: Planning for a 6% increase.
 - An allocation that staff needs to continue to do research on.

In past years this was more to handle City Hall and City Hall departments. There are a lot of needs in buildings/facilities across the city. There are plans to start looking at this allocation next

year to build a better capital component and to make sure all areas are paying into the city's facility fund appropriately.

- Central Equipment: Operational expenses are holding steady.
 - There is a slight increase to the cost of equipment that they are planning for.
 - The city authorized for new equipment, which has been added to the fleet.
- Risk Management: There are two allocations:
 - Property/Casualty Insurance: Planning on a slight decrease. The past two years the League has returned dividends to the city to help the cash balance in the fund.
 - Workers Compensation: Cost based on number of employees and how much they make. Slight increase for 2024.

Mayor Dietrich referenced City Facilities and asked if it was for maintenance and any anticipated new buildings or needs.

Finance Director Hove replied it would not be for a new building such as the Public Works Facility. It is for capital needs for existing, such as an HVAC Unit, water heater replacement.

Parks and Recreation Director Adam Lares presented the Parks Overview:

- 9 Full time employees (FTE's). 8 are field workers.
- 15-17 Temporary/Seasonal Employees
- 65 paved and natural trails throughout the parks system
- 1000+ acres of parkland the city manages and operates
- 32 parks within the system
 - 2 parks are currently under development (Argenta Hills Park, Overlook Ridge Park)

He mentioned that a question was asked regarding the northwest area (NWA) prioritization and if it is still an area they are trying to accomplish within the parks. He replied that it is. Currently, there is a fourth park the city is looking to develop in the NWA, with a focus to for one to develop 2024/2025.

- There are 18 Baseball/Softball Fields (mainly focused at the Rich Valley Athletic Complex)
- 20 Soccer/Lacrosse/Football Fields
- 23 Tennis/Pickleball/Volleyball/Basketball Courts

Parks:

- In 2023: \$1.3 million dollars in the personnel budget
- For 2024: \$1.35 million dollars requested. Includes wages and benefits
- Internal Allocations: 2024 requested \$577,000
- Supplies & Services: Costs are on the rise. \$713,000 is the 2024 requested
- Capital: 2024 requested is \$125,000 for a woodchipper. One is currently shared with streets and public works. Another is requested in order to be more responsive when it comes to fallen trees/storm damage
 - 50% of the budget is Personnel
 - 26% Supplies and Services
 - 21% Internal Allocations

Parks Noteworthy Items:

- \$50,000 was approved to address diseased trees
- In 2023 the budget was amended to take it from the EAB Fund (Emerald Ash Borer) and put it into operating.

- A Part Time Communications Specialist position was added to the 2023 Communications Budget. This will be shifting to the Parks and Recreation Budget in 2024.

Parks Additional Requests:

With bringing two new northwest area parks online, the redevelopment of South Valley Park, and the expansion of Heritage Village Park, there is a need for additional parks maintenance staff.

- New staffing requests:
 - 1 additional full time Park Maintenance worker
 - Additional OT and/or Seasonal support to cover tournaments
 - Additional hours for the part time Communications Specialist
 - Wanting to increase 5 more hours per week for a total of 25 hours in 2024. This would help the entire department, not just parks.
- New capital equipment
 - 1 additional truck (tied to the staffing request)
 - Service truck for operations. Sometimes they double up. This would help operate and provide services efficiently instead of having two per vehicle.
 - Additional wood chipper to share between multiple departments

Parks Capital Replacement (Fund 401):

- Funded by an annual transfer out from the tax levy
- 5% increase requested for 2024
- Pays for replacement/refurbishment of park amenities such as court resurfacing, replacing playground equipment

Councilmember T’Kach requested information regarding one person versus two people per truck. Parks and Recreation Director Lares replied there were several reasons for the additional truck. Sometimes park maintenance staff needs to go in multiple directions because they service all 32 parks and trails in the entire city. Having two in one truck only allows them to do so much. This would be used by full time staff. Seasonals are mixed in with full time staff during the summer. Staff would be able to cover/service more ground with more vehicles versus sharing two full time staff in one truck.

Councilmember T’Kach asked if the vehicles were leased.

Parks and Recreation Director Lares replied they are purchased.

Off camera it was mentioned that the only fleet leased is police squad cars, some are also owned.

Parks and Recreation Director Lares discussed the Recreation Overview:

- There are 3.5 full time employees (FTE’s)
- Program Offerings (indoor and outdoor)
 - Sports, theatre, trips, leagues, Infant/Mom classes, Active Older Adults
 - 3,000 people serviced annually within recreation programs
 - 400+ programs are offered a year
- Community Events:
 - There are over 30 community events offered per year
 - 3 food truck events (2 at Rich Valley, 1 at the VMCC)
 - Holiday themed events such as egg hunts
 - Service approximately 8,300+ annually
- Outdoor Athletic Field Rentals (8,500+ hours)

- Shelter Rentals (Average about 80-90 per year)
- Warming House (Average open 50 days, 2,500 attendees)

Recreation:

- Personnel: 63%
- 2024 Requested: \$485,300. Includes wages and benefits
- Internal Allocations 2024 requested: \$51,000
- Supplies & Services 2024 requested: \$229,035

Recreation Noteworthy Items:

- Additional expenses related to park grand openings
 - Anticipate 3-4 park openings in 2024: Argenta Hills Park, Overlook Ridge Park, South Valley Park
- Expansion of existing software for onsite check ins
- Training costs relating to staff development
- New to the recreation budget: setting aside \$7,500 for Inclusive Services (ADA Specialist/REACH Services)
- Part-time Communications Specialist position
- 20% of the VMCC Guest Services Supervisor position was allocated to the Recreation Budget to better align with their duties

Additional Request for Recreation:

- New staffing request for additional hours for the part time Communications Specialist
 - Going from 20 to 25 hours per week

Public Works Director Brian Connolly provided the following overview of the Public Works Department:

- 34 full time staff in three (3) divisions
 - Engineering Division - 9
 - Street Maintenance Division - 10 in streets, 4 in fleet
 - Utility Division - 11
- General Fund Activities
 - Engineering, Street Maintenance, Streetlights
- Through 2023 there was a separate budget line item for Public Works Proposing for 2024 to eliminate that budget item and allocate the costs to Engineering, Streets, and Utility Divisions

Engineering Division Overview:

- Plans design & construction oversight
 - Streets, sanitary and storm sewer, watermain
 - Have an Environmental Resources Technician who is responsible for working with staff in both streets and parks overseeing natural resource items (outlots, ponds, parks, natural areas, tree remediation).
- Development design review and approval (work with community development, city planners, and building inspectors)
- Right of Way (ROW) permitting
- Partner Agency Liaison (work with other communities around the city, MnDOT, Dakota County)

Engineering:

- Personnel

- Increase is not as significant as previous years. Changes have been made to reallocate where money is spent. For example: Engineering studies would be done in Capital Projects. If doing a study, making sure it is in the Capital Improvement Plan (CIP).
- Internal Allocations
- Supplies & Services
 - Decline between 2023 and 2024
 - Was higher in 2023 due to a Staff Augmentation Engineer helping out because of a vacancy mid-year
- Capital Outlay

Engineering Noteworthy Items:

- 1/3 of the Public Works Administration Budget would be distributed to Engineering for 2024:
 - 1/3 to streets
 - 1/3 to engineering
 - 1/3 is split between water/sewer utility
- Reduction in anticipated "Engineering Billed Time" revenue
 - 2023 Budget showed \$375,000 for revenue
 - Revenue engineering receives is some permitting, mostly through escrow accounts and development.
 - Tracking engineering bill time for all capital projects. Crediting the time specifically to that project.
 - Planning to reduce the number for 2024. Tracking for around \$250,000 in 2023.
 - \$260,000 budgeted revenue for 2024
 - Lower private development
 - This has been difficult to correlate from year to year
 - Focusing on the proper allocation to the PMI and other CIP Projects

Engineering Additional Requests:

- New Software: Cyclomedia Imaging Software
 - The County currently has a version and will provide access to the city for a 6-8-month trial
 - Provides high resolution imaging of every public and private street in Dakota County (done every five years).
 - Has the potential to be used instead of the pavement rating done manually
 - Uses AI to scan for cracks and give a pavement rating.
 - Could be done every 2-3 years instead of every 5 years
 - If wanting to purchase, the cost would be approximately \$15,000.
 - Contingent on other communities taking part
 - If no other community wants to do it, the city's cost could be higher
 - Staff is waiting to get the trial going to see how things work

Mayor Dietrich asked if the \$15,000 includes training staff to use it.

Public Works Director Connolly replied it is public/open, anyone can view the data. The question staff had was what needed to be done if they wanted to leverage the data. Staff is still working through this, there is a modest cost. If purchasing and moving forward, it would be in late 2024. If more costs are needed, staff could see what to budget moving forward.

Public Works Director Connolly discussed the Street Maintenance Division Overview:

- Maintains over 150 miles of public roadways and 65 miles of trails and sidewalks within the public right of way
- Traffic sign repair and replacement
- Grades gravel roads and alleys
- Street sweeping
- Mow boulevards
- Replace pavement markings
- Clean, maintain, and repair storm sewer
 - There is no stormwater utility division like there is for sewer and watermain
 - Falls on the street department
 - Work is done using street department funding
 - No allocation for which stormwater funds pay staff time for street staff to do this work
 - 113 miles of stormwater pipe (approximately 85% of the amount they have of watermain)
 - 6,700 storm sewer structures
 - 65 raingardens
 - 200 stormwater ponds

Councilmember T'Kach asked what the next couple of years would look like in terms of the mentioned four items. She asked if it was consistent.

Public Works Director Connolly replied the numbers will not go down. He was unsure of how many raingardens they would get. In most new developments, staff has been trying to push responsibility for rain gardens on the homeowner's associations and individual property owners. It has been/is a challenge. There is not the staff nor the capability to do it. They are fiscally unable to add this to pavement management projects partly because if not doing full recon/stormwater work, there is no money in the budget. Most of the raingardens in the past were done due to grant programs. He mentioned if asking the Environmental Resource Technician, he would like them all to go away. He said he agrees; they are a maintenance headache; they take a lot of time and money. Staff will not be pushing to put in more raingardens, they would be looking more for infiltration basins.

Councilmember Scales asked if all raingardens were city property and if the city is not maintaining the private ones.

Public Works Director Connolly replied the 65 are city ones in right of ways, or ones the city has agreed to maintain.

Councilmember Scales asked if the private ones were inspected.

Public Works Director Connolly replied sometimes they do them when complaints are received. It is not a proactive inspection program.

Public Works Director Connolly discussed Street Maintenance:

- Steady increases year over year in personnel and supplies and services
- Not as big of an increase in internal allocations

He mentioned this was good considering 1/3 of the public works budget is already included. He said it was a rough winter, they went through more salt than expected. There are increases for 2024 to get the supply back up and pavement patching has been higher than anticipated.

Street Maintenance Noteworthy Items:

- Shifting 1/3 of the Public Works Administrative Budget into Street Maintenance for 2024
- \$41,550 increase (9%) to supplies/maintenance (salt, chemical treatments, brine mixes, asphalt, gravels, commodities)
- No other significant changes over 2023 Budget

Street Maintenance Additional Requests:

- New staffing requests:
 - 1 Full Time Stormwater Maintenance Technician
 - Staff in streets also work in storm. There is no position specifically just for storm
 - Proposing 20% allocated to streets (General Fund) and 80% allocated to Stormwater (Utility Fund)
- Position classification review request: Street Lead Worker
 - Has the same request in for Utility Lead Worker. Looking at where they fall within positions and across the different departments.

Mayor Dietrich asked if the Stormwater Maintenance Technician would also be plowing snow.

Public Works Director Connolly replied they would assist on call if needed. When calling in for plowing, they call in utilities and parks staff, it is all hands-on deck.

Mayor Dietrich asked if the new person would need a vehicle or if there was one in the fleet.

Public Works Director Connolly replied that is still a discussion item. They may need another vehicle. There are several vehicles they are still waiting on that were backordered. They are checking to see if this person could use a vehicle they would not trade in and keep for a time.

Public Works Director Connolly discussed Street Lighting:

- Mostly electrical costs
- There is no streetlight utility
 - There have been discussions about how to address paying for street lights.
 - Per ordinance, a fee is collected for street lights in neighborhoods, particularly new ones.
 - For example, the entire northwest area. They have streetlights and must pay a fee. The fee is not enough to cover electrical services. This needs to be looked at.
- 85% of the \$199,000 is electricity fees
- 15% is repairing things like knocked down poles
 - Money for this is enough to do 2.5 per year
 - This is an area where there could be carryover costs
- No personnel, no internal allocations; all supplies and services
 - These types of issues involve staff time calling Xcel or running up invoices

Street Lighting Noteworthy Items and Additional Requests:

- No significant changes
- Analyze funding needs and revenue sources for the future
 - Staff would like to do this as priorities allow
 - Likely to be in late 2024 or 2025 before an effort can be initiated
 - Will have challenges as several of the contracts for street lighting, (for example: Cahill Avenue's decorative street lights), have maintenance agreements with Xcel that expire after 25 years. At that point the city becomes responsible for full replacement costs. 25 years is at the end of 2023. If broken, they are the city's responsibility. If there is no money, the lights would stay dark, broken, or not be replaced. Conversations will take place regarding this.

Councilmember T’Kach referenced pavement and stormwater work and asked if there was any way to account for extreme weather events such as a bad storm or heat. She asked if money could be put aside and how to start planning for extreme weather.

Public Works Director Connolly replied that most emergency response items are responded to with a combination of staff time (overtime built into the budget) and the time and effort into doing a repair. There is money set aside in various budgets. The money is recouped if there is a disaster declaration. He said there is not anything regarding contingency plans. There is a budget in other funds they can use such as the General Fund. Depending on the type of event, they can pull on those reserves. There are no streets only because a tornado can hit a park or city facility. It is a broader citywide discussion.

Mayor Dietrich suggested taking a brief recess at 7:35 p.m.

Council was back in session at 7:45 p.m.

Police Chief Melissa Chiodo discussed the Police Department:

- 47 full time sworn employees and 6 full time civilian staff
 - Chief (serves as the Emergency Manager and the Safety Committee Chair)
 - Administrative Division consisting of:
 - Commander, 1 Lieutenant, 1 Strategic Response Group (SRG) Sergeant, 2 SRG Officers, 1 School Resource Officer, 4 Investigators, 1 Support Services Supervisor, 1 Administrative Assistant, 4 Office Support
 - Patrol Division:
 - Commander, 1 Lieutenant, 6 Sergeants, 27 Patrol Officers, 1 K9 Officer
 - 2 part time non-sworn Cadets:
 - Not benefitted, work 20 hours per week
 - Handles animal control calls which average 15-20 calls per week, squad car upkeep, take them to get cleaned or repaired, check inventory, help do reports, go on ride alongs.
 - These are current college students going to school to become Police Officers.
 - 6 Police Reserves:
 - These are unpaid volunteers.
 - Use uniforms that are left from officers, the city pays for shirts.
 - Work at over 100 events every year in the city and other agencies in Dakota County.

Police:

- Personnel 69%
 - 2023 Budget: \$7.8 million dollars
- Supplies and Services:
 - Goes up every year
 - A lot of increase to the contracted cost every year
 - Includes the record management system
 - Dakota 911 Dispatching System (increases every year, based on call load)
 - Pays for the City Attorney for criminal cases, Paralegals

- Supplies such as the cost of manufacturing ammunition (purchasing less than they have ever purchased, but is costing more than they have ever paid)
- Uniforms, training

Police Noteworthy Items:

- Calls for service are increasing:
 - January through June 2022 = 13,400 calls for service
 - January through June 2023 = 16,353 calls for service
 - Every year it is noted that the call load goes up 6-9%
- \$72,000 increase to Police contracts for Dakota 911
- Squad cars are leased. They try to stay with the Ford Explorer. Ford has changed the model this year making small changes to the interior measurements. This results in the barrier between the front seat and back seat to not fit. They need to buy all new equipment or modify them.
 - Base price for every car increased \$5,000
 - Slated to get 8 new cars next year \$98,000
 - Staff tries to save money, from police radios in cars, sirens, and light bars, some are 10 years old. They are used until they cannot be used anymore or find parts to repair them.
 - Funded with Police Department savings balance in the Central Equipment Fund
- Strategic Response Group (SRG). New this year.
 - 1 Sergeant, 2 Police Officers; full time
 - Will take on tobacco compliance in 2024. (Previously done by the Dakota County Sheriff who will no longer be doing this).
 - 30 places in the city will need to have compliance checks.
 - Also do THC compliance checks. There are 12 businesses.
 - Will have to do compliance checks if there will be businesses selling marijuana.
 - This team currently does alcohol compliance checks once a year. There are 30 in the city.
 - Does inspections for massage businesses in the city.
 - Does all predatory offender checks quarterly. There are 40 offenders in the city.
 - Warrant sweeps for anyone in the city that might have a metro area warrant out.
 - One of the SRG Officers also does all mental health follow-ups. Manages 135 of them per quarter. With calls that come through, the Officer and Social Worker (on the phone or in person) follow up to see if there are other services people could use.
 - Falls under the Administrative Division, between Investigations and Patrol. Helps assist if Investigators have any search warrants done that do not require a full SWAT team, do their own investigations, fill in if Patrol Officers are out sick, help at events. Will be adding tobacco, THC, and eventually marijuana compliance.

Police Additional Requests:

- New staffing request:
 - 1 additional officer for the Strategic Response Group (SRG)
Original plan was to have 3 officers and 1 sergeant
- Other new requests:
 - Proactiva heart/physical wellness screenings for officers, \$45,825
 - Building the wellness program for mental health officers and social worker
 - Checkups for officers and civilian staff

- Heart health/physical health. There is no physical screening/health testing done once an officer is hired. Instances of heart attacks are great among those in public safety. Provicta does full scans of the employees and counsels them on what needs to be done for their health.
- Staffing and space study:
 - Have grown since the building was built, there is no more room to grow. They are out of lockers in the locker room, they are running out of space.
- \$152,000 for space and training room upgrades:
 - There is a large records room. Records are not kept on paper any more, staff has been scanning items in. The room has no windows and a floor track with file cabinets. This is space they can use; it is the last space available. They have requested the tracks and shelving be repurposed somewhere else and turning the space into two offices. Windows and doors would need to be added.
 - Technology upgrades are needed in the training room. The projector is original from when the space was added. The room is used for training, as an emergency operations center, and other groups in the city use it. The space needs updating.

Councilmember Gliva referenced the \$72,000 for Dakota 911 and asked if this receives an allocation from Dakota County.

Police Chief Chiodo replied that Dakota 911 splits up the costs of calls for service for all Police/Fire use in the city. As calls go up, costs go up.

Councilmember Gliva asked if it is based off last year's calls.

Police Chief Chiodo replied the 2024 budget is based off 2023 calls. 2023 calls are already up, they can anticipate another increase.

Councilmember Gliva inquired about other County 911 calls and if those counties fund them and not charge cities.

Police Chief Chiodo replied she was unsure what other counties do. When she worked in Minneapolis, they had their own call dispatch center doing both police and fire. It was paid for out of the city budget. She said she could check into that information and get back to the Council.

Councilmember T'Kach asked for more information on tobacco, THC, and if they do liquor compliance.

Police Chief Chiodo replied there are 30 liquor licenses in the city. They used to check them twice a year but are down to once a year because it takes a lot of staff time. They will do the exact same thing with tobacco next year. For THC there was an initial visit to each place that sells gummies and edibles and found 12 places selling it. Some are already selling things they should not be selling, are not approved, and not legal as the dose was too high. Compliance checks will need to be done. If there would be any places selling marijuana or drinks infused with anything, checks will need to be done on those. They are unsure what that entails yet. They also do regulations for city ordinances, massage licenses, and quarterly predatory offender checks (there are 40 registered).

Mayor Dietrich asked if there was any overlap with medical coverage, for example, an annual checkup that checks cholesterol.

Police Chief Chiodo replied most of the officers have at least single coverage and need to get a basic physical. Provicta goes in-depth in things specific to law enforcement. This is voluntary, it

helps foster a healthier environment. It helps with eating and sleeping habits, shift work, and stress levels. Statistics are not good for life after law enforcement.

Councilmember T'Kach mentioned that residents are concerned about traffic issues. She asked if there was a need for additional traffic patrol time and where the Police Chief sees things trending based on the survey results and real life.

Police Chief Chiodo replied when officers are not at work, they do a lot of proactive work such as going into a business and talking with business owners or visiting with kids in a park. This builds relationships. The other proactive is traffic. Officers do a lot of traffic, as much as they can. Their job is one where there is never going to be a shortage of anything to do. Officers are also very responsive to complaints such as speeding in a certain area.

Fire Chief Judy Thill provided background and information on the Fire Department:

- 3,000 calls for service, the highest ever
- 30-35 Paid on Call Firefighters. Includes the present recruit class that is still in training, (these are still not fully responding)
 - Of the 12 that started, 2 have been responding because they came trained, 6 others are still in training
- 12 full time shift personnel: 3 Captains and 9 SAFER hires that include 3 Lieutenants and 6 Firefighters
- 6 full time administrative staff
 - Chief, Deputy Chief, Fire Marshal/Assistant Chief, Fire Inspector, Operations Supervisor, Support Specialist
- 3 Fire Stations
 - Newest was built in 2019
 - The oldest is Station #3 on Upper 55th. Built in the 70's, added onto in the 80's
 - Station #1 was rebuilt in 1986
- Manage all apparatus
 - Each apparatus has several pieces of equipment
- Training, Public Education
 - Have their own inhouse training that is done on a weekly basis. Involves research, setting up, and conducting the training.
 - Host a recruit academy. If it was not hosted here, they would still be sending people off to train.
- Inspections, investigations, plan review and code enforcement
 - Done by the Fire Marshal and Fire Inspectors
 - The Fire Inspector has done inspections on over 200 existing facilities
 - Includes multifamily residential, commercial, retail, and industrial
 - Has found significant concerns

Fire:

- Personnel: 57%
- Internal Allocation: Increased a little due to facility allocations and central equipment/vehicles
- Supplies & Services: 2022-2023, some equipment did not arrive in time and was rolled over into 2023
- Capital and Transfers: 2023 Budget had the \$50,000 listed for the station alerting system

Fire Noteworthy Items:

- \$200,000 increase from 2023 to the SAFER Savings Plan
- \$2,500 increase involuntary contribution to the Relief Association Pension
 - Has been a written plan in place for 11 years with an agreed upon voluntary contribution. The voluntary contribution helps increase what is in the funds so they can increase the benefit level for paid on call firefighters.
 - \$94,975 total
- Costs for gear, equipment, and trucks continue to rise
- Number of paid on call firefighters continues to decrease

Fire Additional Requests:

- Mental Health screening/support for all firefighters: \$30,000
 - There has been training in the area along with other small programs
 - Personnel would receive one on one time with a mental health professional along with help as needed
- Station Location Study for Station #3: \$25,000
 - Being the oldest station, needs a lot of repairs
 - The best way forward is to determine if this is the best location due development and the current development in the northwest area
- New Staffing requests (based on the Citygate report)
 - Recommend a full time Assistant Chief
 - For example: The Assistant Fire Marshal used to be a Paid-on Call Battalion Chief. Duties as Paid on Call Battalion Chief went with as a full time Fire Marshal. This has nothing to do with being a full time Fire Marshal.
 - Would like to investigate the standard operating guidelines in more detail. They do not have the staffing capacity to be able to do this.
 - 3 full time Firefighters
 - When applying for the SAFER Grant, the application was only for the bare minimum number of people just to get an additional crew of 3 in the city.
 - Not a part of the SAFER Grant was having people available for backup. They either bring other full time in on overtime, leave the position open, or as the Assistant Chief is doing at the moment, someone else fills in.
 - Need to maintain a minimum of 3 people for the ISO (Insurance Services Office). There is a minimum of 2 at Station 2 when they should have 3 at each station.
- 6 new 800 MHz radios: \$36,600. These have encryption capability.
 - On September 20th, law enforcement communication channels will all go encrypted. Staff would need new to be able to receive updates.
 - A Grant was applied for to purchase all new radios. They have not purchased new radios other than a few since they switched to 800 MHz in 2007. Word has not been received yet on the Grant.
 - The 6 radios would be for 2 shift officers and chief officers.
- Outside cameras for Station #1: \$45,000
 - There is a crew on site 24/7. People sleep and park there. Cameras are wanted as a deterrent and to be able to review any events.
- Cameras for Station #2: \$75,000

- Several community/city meetings have been held at this location. A recommendation was brought forth to have a better camera system to hold team and Zoom meetings.
- Could also be used for fire department training meetings
- Place one (1) camera in the apparatus bay

Mayor Dietrich inquired about the staffing request total of 4 and what the practicality was to finding people in the current market.

Fire Chief Thill did not believe the problem would be in the current market. There are some internal they could potentially draw from but may have to go externally. There are a lot of other departments requesting full time, such as Bloomington and Lakeville. Several want to be full time firefighters. For the Assistant Chief position, there is always people that want to move up.

Finance Director Amy Hove discussed the SAFER Savings Plan:

The Fire Department applied for a SAFER Grant through the Federal Government.

- The city was awarded one in 2022 for the hiring of 9 new employees
- The Grant covers 3 years of their salaries and benefits

The question is what happens in year 4. Staff built a 6-year plan that has the city levying a certain amount each year.

- For the first 3 years the city expense would be fully covered by the grant.
- For the first 3 years they are incrementally increasing the levy amount and setting the money aside in a savings account in the General Fund. This would be used when there is no longer a grant to pay for these positions.

Levy Plan:

- In 2022, budgeted \$150,000 of what they knew they were not going to spend, to put into a savings account for this plan
 - Net impact is zero
- In 2023 the levy is increased by \$175,000, bringing the total levy amount to \$325,000
- At the end of this year that \$325,000 is sent to the savings balance
- In 2024, anticipating a \$200,000 increase to the levy for savings bringing the total to \$525,000
- At the end of 2024, \$1 million dollars will have been saved up
- The second three-year period will be spending down that savings balance and continuing to incrementally increase the levy
- In 2025, anticipating a cost of \$1.26 million. Will use some of the savings and continue to increase the levy
- In 2028 will be able to fully absorb this cost within the levy component
- The savings account will be spent down by 2027

The reason the SAFER Savings Plan is not noted in activity columns is because it is budgeted for but will not spend it. The budget makes sure it is there, so they are levying for it.

Councilmember T'Kach referenced the total personnel cost \$3.5 million for 2023 and asked if that includes the 9 officers.

Finance Director Hove replied yes.

City Administrator Wilson provided an overview of the Community Development Department and the Administration Department Budget Requests:

Community Development Department:

- Includes the following divisions/functions:
 - Community Development Admin (2 FTE)
 - Planning (2 FTE)
 - Building Inspections (8.5 FTE)
 - Code Enforcement (1 full time)
 - Environmental Planner
- Economic Development activities happen within the Community Development Department but are budgeted in the EDA Budget.

Community Development Summary:

- Personnel, 81%
- Supplies & Services (software and training)
- Internal Allocations

She discussed Internal Allocations stating that the reason they do these allocations is when looking at the budget for a specific department, it gives a comprehensive picture of what it costs to operate that department. The city allocates:

- Technology
- City facility funds
- Central equipment (vehicles and fleet)
- Insurance

Noteworthy Items in Community Development:

- Estimated revenues from planning and building inspections have been reduced for 2024 due to reduced levels of development activity

Additional Requests:

- Continuing to modernize, automate, and move online the permitting system through building inspections via software called CityView. Additional modules can be used.

Administration Department:

- Offices of:
 - City Administrator (1.5 full time), ½ time support clerk
 - City Clerk (3 full time)
 - Human Resources (1.65 full time)
 - Communications (2 full time)
- Technology Division with GIS (6 full time). Funded through the General Fund.

Administration Noteworthy Items:

- Funding for all legal costs with LeVander, Gillen, & Miller, are coming into the Mayor and Council Budget
 - The police budget pays for criminal prosecution; uses a different law firm
 - If there is legal activity relating to development, it is charged back to the developer
- 2024 is a Presidential Election year. Requires the largest elections budget of the 4-year cycle
 - Includes potential Joint Powers Agreement (JPA) costs with Dakota County
 - There have been discussions on having the county do more of the absentee voting work. Costs would be divided up among the different jurisdictions.
 - There is money in the preliminary ask.
 - Staff would know before adopting the final budget of the year. If not, it can be taken out.

- Approximately \$30,000

Additional Requests:

- \$40,000 for new business licensing software for the city clerk's office (first year cost, tapers off to an estimated \$9-\$10,000 after it is up and running).
 - Business licensing is done through Excel spreadsheets. Would like to modernize.
- Additional .5% FTE for Communications and/or funds for additional consultant hours

Finance Director Amy Hove discussed the Finance Department:

- 7.5 FTE's
- Responsibilities:
 - Accounts Payable
 - Utility Billing & Accounts Receivable
 - Payroll
 - Cash Management & Investments
 - Accounting & Reporting
 - Budget (Operating & CIP)
 - 1 position dedicated to Parks/Rec (involves activities relating to the golf course, community center, parks, and recreation)

2024 Budget Finance:

- Personnel, 74%
- Internal Allocations
- Supplies & Services

There was a jump between 2022 activity and 2023 budget. This is related to Division Software. It was shifted from IT to Finance.

Finance Additional Requests:

- \$40,000 added to Division Software for continued work in the finance system
 - An initial review of finance software in 2021 identified numerous areas for improvements
 - Further review was done with the software vendor this year. Several areas need improvement.
 - There are some challenges with the way payroll is done
 - Departmental requests
 - Staff cannot solve/problem solve with departments until the foundational issues with the software are solved
- Staffing request for a full time Finance Utility Coordinator
 - Staff is struggling to create backups for functions
 - The utility area needs help. There is one full time utility billing person. Customer service is spread throughout the team to try to fill the gap.
 - Looking for someone with a higher skillset that can help with utility modeling
 - There are ongoing rate studies that need to be looked at/managed
 - Rates proposed
 - Several larger utility related work

The city has one current tax abatement, this is an annual abatement. It is based on the new value the project brought to the city. For a certain period of time, the increase in taxes that is due to the new growth paced in the project is abated back to the developer up to a certain amount.

- 2023 was the 1st year. It was \$33,000 because only some of that value came online

- 2024 is estimated at \$182,880
 - These payments should stabilize and be the same every year
- Abatement runs 10 years or less
- Maximum abatement is \$1.6 million dollars
- Abatement is considered a separate levy each year

Finance Director Hove discussed the General Fund Transfers Out:

- Parks Capital Replacement Transfer (Funds replacement needs in parks)
- EDA: In 2023 budgeted for a position/consultant
 - Anticipated funding: ½ out of the EDA fund balance, ½ part of this transfer
 - In 2024 it would be fully funded out of the transfer/levy

Recap of Larger Requests: (\$708,600):

- \$125,000 for new software or the expansion of existing software
- \$50,000 for Emerald Ash Borer (EAB)
- \$25,000 for Fire Station #3 Study
- \$75,000 towards expansion of mental health/physical health support services for Police & Fire
- Capital Requests:
 - \$152,000 Police - training room/space upgrades
 - \$36,600 Fire - Radio replacements
 - \$120,000 Fire - Cameras for buildings
 - \$125,000 Parks - additional chipper for shared use
 - Total: \$433,600

She stated that these were the larger items. It does not mean they have to be fully funded with a levy request. Alternative funding sources are still under consideration.

General Fund Revenues and Expenditures:

- \$2.46 million dollars in expenditure increases, 8% increase
- Non-Tax Revenues:
 - Licenses/Permits, Grants & State Aid, Charges for Services, Other Revenues
- Remaining Amount to be funded by the Property Tax Levy: \$27.4 million dollars, 10.3% increase to just the General Fund

Citywide Tax Levy by Fund:

- Total Levy Draft (all in): \$33 million dollars, 8.9% increase

Councilmember T'Kach inquired about how capital is defined. She thinks of capital as 10- and 20-year pieces of equipment.

Finance Director Hove replied capital is typically \$5,000, something is going to be 5-10 years of age. Software has been included because it is a larger ticket item. Software is sometimes classified as subscriptions or maintenance. There is an official definition of capital and how it is defined as a budget planning process.

Finance Director Hove mentioned when departments brought their individual staffing requests forward, there is a summary that was not included in the numbers shown. These are items done with Council feedback and City Administrator recommendations. Staff is looking to prioritize the request. It is a look at what it would cost if funding every position, other reclassifications, extra hours, and seasonal support the departments have put forward:

- Part time Communications Specialist

- Finance Utility Coordinator
- Police, full time Officer
- Fire, 3 full time Firefighters
- Fire, Assistant Chief
- Stormwater Maintenance Worker
- Full time Parks Maintenance Worker
 - Total: \$941,000 (estimated staffing cost)
 - \$55,000 in position reclassifications
 - \$53,000 in OT, Seasonal, Temp; above 3% assumption
 - Estimated cost to the General Fund: \$1,049,000

Taking it back to \$300,000 for 1% is about a 3.5% increase above where things sit today with the draft. She mentioned this presentation would be available on the website with directions to the link.

Councilmember T'Kach asked when the versions/percentages and their impacts on the average and median price of homes and businesses in the city would be sent out.

Finance Director Hove replied staff could begin running scenarios by the next Council meeting.

Mayor Dietrich referenced mental wellness covered by both Public Safety entities and questioned if there was a rate from a provider that would service both. She stated that she is struggling with the assumption of 5% for Parks and Recreation and Pavement Management. She mentioned pavement management definitely needs it. She requested additional insight into the parks and recreation portion.

Finance Director Hove responded on August 21st, staff would be bringing forward the pavement management budget and plans for the next five years and provide insight into pavement management such as terms of funding level and what they are planning to accomplish.

Mayor Dietrich mentioned the Pandemic highlighted the need for parks and recreation with mental, physical, and spiritual well-being. Some of those items could possibly be provided through searches for grants. They are not fundamental like public safety, streets, and water.

Finance Director Hove replied staff could bring something back that shows how the CIP might fit with or without the increase.

Councilmember Scales was appreciative of all who presented. This helps him understand, being it was his first time through the process.

Councilmember T'Kach asked if there have been conversations surrounding how some of the available federal dollars/infrastructure bills and state dollars might impact the budget. She asked if there was a plan coming forward, or a conversation on working with other cities to hire a contractor as a Grants navigator or go on our own to try to leverage those dollars in 2024 or going forward.

Finance Director Hove replied the current plan has been to comprehend the money coming in such as opioid dollars, public safety, and ARPA. The strategy is to try to determine the existing dollars identified and if they could be used to offset any of the requests. She mentioned the league keeps them informed when new opportunities present. Suggestions are sent to the proper departments.

Councilmember Gliva referenced ARPA funds and the possibility of doing a one-time/full community type of benefit and asked if there is a top five that can be used in the budget this year.

Finance Director Hove replied they need to be committed by the end of 2024 and spent on those commitments by the end of 2026. They are waiting on word back regarding the water treatment plant project. A park in the northwest area was one of the items Council expressed interest in and possibly funding the water treatment plant rehab. Staff intends to bring the ARPA discussion back to Council. If qualifying for the loan program, it may solve some the decisions to be made, then they could have a different conversation about ARPA.

Finance Director Hove discussed Next Steps:

- Follow up on Council questions
- Finalize and present City Administrator recommendations
 - Prioritization of staffing requests
 - Review alternative funding sources
- Review other, non-General Fund Budgets

Timeline, Future Meetings:

- August 21st Work Session:
 - Budget Reviews:
 - Community Center
 - Host Community Fund
 - Pavement Management
 - EDA
 - Debt Service
 - Convention & Visitors Bureau
- September 5th Work Session:
 - General Fund and Tax Levy
- September 12th Council Meeting:
 - Adopt Preliminary Tax Levy
 - Adopt Preliminary Budgets
- October 2nd Work Session:
 - Budget Reviews:
 - Inver Wood Golf Course
 - Water, Sewer, Storm Water
 - Central Equipment - Equipment requests for 2024
- November:
 - Additional budget discussions scheduled as needed
- December 4th Work Session:
 - Public meeting to discuss budget and tax levy and receive public input
- December 11th Council Meeting:
 - Adopt final tax levies
 - Adopt final budgets

She asked if there were any questions, what the Council was comfortable with, if there were suggestions, a cost level, or any investing interest for this year.

Councilmember Scales shared that he would like time to look things over and get back to the Finance Director. He said it would be difficult because he did not notice any wish list items, they were practical requests.

Councilmember T'Kach mentioned there is a lot of things that need to be caught up on as a city. This is before looking at stormwater, water treatment, and sewer. She agreed with taking time to look things over. She said the five-year history helped.

Councilmember Gliva referenced the 8.9% and then adding staff which brings it to 12%. She felt there should be a mix. She did not believe 12% is doable for herself personally, and for the community. She believes they should be able to get better than that. She agreed there were no wild asks and that it will take a lot of work to determine where they can decrease. She agreed with the need to look things over more. She was interested in knowing how surrounding cities are getting through this process. She commented with inflation from last year and the cost of supplies, she does not see expenses going down anytime soon.

Councilmember T'Kach said with inflation and cost increases, this is big but not shocking.

Finance Director Hove shared that staff realizes not all of these would be funded next year. They believe it was important to hear all requests. Staff is aware that there is still work to do.

Councilmember T'Kach mentioned value; where residents and businesses see value in the money they are investing with the city. She was hopeful to receive feedback from residents in the near future.

4. Adjourn:

Motion by Scales, second by Gliva, to adjourn the meeting at 9:13 p.m.

Ayes: 4

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Sheri Yourczek