Inver Grove Heights City Council

Monday, August 5, 2024 at 6:00 PM

8150 Barbara Avenue, Inver Grove Heights, MN 55077

AGENDA

NOTICE TO RESIDENTS: Individuals may submit written public comments in advance of the meeting by emailing comments to Rebecca Kiernan (rkiernan@ighmn.gov). Comments received prior to 4:00 p.m. on Monday, August 5, 2024, will be provided to the Council at or before the August 5, 2024 meeting.

1. **Call to Order**
2. **Roll Call**
3. **Approval of Agenda**
4. **Discussion Items**
   - **A.** Informational Presentation on Proposed Police Department Drone Use
   - **B.** 2025 Budget - Non-General Fund Budgets
   - **C.** Follow-Up Information Requested During July 15 Budget Work Session
   - **D.** Dedicated & Specialized Revenues & Possible Uses Within 2025 Budget
5. **Adjourn**

This document is available upon a three (3) business day request in alternate formats such as braille, large print, audio recording, etc. Please contact Rebecca Kiernan, City Clerk, at 651.450.2513 or rkiernan@ighmn.gov.

Agenda Item 4.A.

Request for Council Action

SUBJECT: Informational Presentation on Proposed Police Department Drone Use

MEETING DATE: August 5, 2024
ITEM TYPE: Discussion Items
CONTACT: Melissa Chiodo, Police Chief, 651.450.2526

ACTION REQUESTED

The Council is asked to receive a presentation and then provide feedback and direction regarding the Police Department's proposal to acquire and utilize an Unmanned Aerial System (UAS), commonly referred to as a "drone", for public safety and law enforcement purposes.

BACKGROUND

Law enforcement agencies across the country are increasingly utilizing UAS's as a tool to gather information faster and with less risk to the life and safety of officers.

On several occasions, the IGH PD has requested mutual aid from other metro-area departments that currently have a UAS to assist at crime scenes, looking for missing persons, during investigations and while carrying out high risk search warrants. At this time, the Department is proposing to acquire its own UAS and therefore initiating the required steps under state law.

Minnesota Statute 626.19 governs the use of drones by Minnesota law enforcement agencies. The law requires that an agency develop written policies and procedures and provide an opportunity for public comment before it purchases or uses a drone.

At the August 5 Council work session, Police Department staff will present an overview of the proposed UAS program, draft policy language and possible next steps for Council's information and feedback. The intent would be to take public comment at a future meeting or through other means, such as online comments, emails, etc. The purpose of this initial presentation is primarily to introduce the Council to the topic.

FISCAL IMPACT

The approximate cost of the proposed drone is $10,000. The Police Department will be seeking Council approval, via a future agenda item, to utilize some of the City's one-time Public Safety Aid from the state to fund this purchase.

RECOMMENDATION

ATTACHMENTS

1. Police Department UAS presentation (Aug 5 2025 CC Work Session)

Proposed Unmanned Aerial System (UAS) Program

Melissa Chiodo, Chief of Police

Ryan Malcolm, Investigator

August 5, 2024 City Council Work Session

Steps to Develop a UAS Program

- Determine if there is a benefit to having a UAS
- Select a Program Coordinator
- Research & carry out implementation steps:
  - Written Policies & Procedures Required
  - Opportunity for Public Comment
- Order Drone(s) *(proposed to be purchased with one-time Public Safety Aid from the state)*
- Select a Team
- Train Team Members

MN Statute 626.19

Subd. 9. **Public comment.**

- A law enforcement agency must provide an opportunity for public comment before it purchases or uses a UAV. At a minimum, the agency must accept public comments submitted electronically or by mail. The governing body with jurisdiction over the budget of a local law enforcement agency must provide an opportunity for public comment at a regularly scheduled meeting.

Subd. 10. **Written policies and procedures required.**

- Prior to the operation of a UAV, the chief officer of every state and local law enforcement agency that uses or proposes to use a UAV must establish and enforce a written policy governing its use, including requests for use from government entities. In developing and adopting the policy, the law enforcement agency must provide for public comment and input as described in subdivision 9. The written policy must be posted on the agency's website, if the agency has a website.

About the UAS Program

<u>What UASs will be used for</u>

- Search and rescue
- Disaster relief
- Locating fleeing suspects
- Crime scene documentation
- Officer and public safety concerns

<u>What UASs will **NOT** be used for</u>

- Spying on citizens
- Conducting searches of private areas of property or residences without emergency circumstances, or a search warrant issued by a judge
- Equipped with weapons or munitions

The UASs

- DJI Matrice 30T
- $10,000
- Flies in rain, wind and extreme temps
- 41-minute flight time
- Zoom camera, wide camera, thermal camera

- DJI Mini 4k
- $240
- Will be used for training and indoor flights
- 30-minute flight time

Proposed Policy

PURPOSE AND SCOPE: The purpose of this policy is to establish guidelines for the use of an unmanned aerial system (UAS) and for the storage, retrieval, and dissemination of images and data captured by the UAS (Minn. Stat. § 626.19).

OVERALL POLICY: A UAS may be utilized to enhance the Department's mission of protecting lives and property when other means and resources are not available or are less effective. Any use of a UAS will be in strict accordance with constitutional and privacy rights and Federal Aviation Administration (FM) regulations.

Definition of UAS

Unmanned Aerial System (UAS) - An unmanned aircraft of any type that is capable of sustaining directed flight, whether preprogrammed or remotely controlled without the possibility of direct human intervention from within or on the aircraft (commonly referred to as an unmanned aerial vehicle (UAV)), and all of the supporting or attached systems designed for gathering information through imaging, recording, or any other means (Minn. Stat. § 626.19).

Privacy

- Absent a warrant or exigent circumstances, operators and observers shall adhere to FM altitude regulations and shall not intentionally record or transmit images of any location where a person would have a reasonable expectation of privacy (e.g., residence, yard, enclosure).
- Operators and observers shall take reasonable precautions to avoid inadvertently recording or transmitting images of areas where there is a reasonable expectation of privacy.
- Reasonable precautions can include, for example, deactivating or turning imaging devices away from such areas or persons during UAS operations.

Program Coordinator

The Chief of Police will appoint a program coordinator who will be responsible for the management of the UAS program.

The program coordinator will ensure that policies and procedures conform to current laws, regulations, and best practices.

Use of UAS

- Only by authorized operators who have completed the required training shall be permitted to operate the UAS.
- Use of vision enhancement technology (e.g., thermal and other imaging equipment not generally available to the public) is permissible *only*:
  - where there is no protectable privacy interest, or
  - when in compliance with a search warrant or court order. In all other instances, legal counsel should be consulted.
- UAS operations should only be conducted consistent with FM regulations.

Use of UAS *(continued)*

- Shall not be used without a search warrant, ***except***:
  - During or in the aftermath of an emergency situation or disaster that involves the risk of death or bodily harm to a person.
  - Over a public event where there is a heightened risk to the safety of participants or bystanders.
  - To counter the risk of a terrorist attack by a specific individual or organization if the agency determines that credible intelligence indicates a risk.
  - To prevent the loss of life or property in natural or man-made disasters and to facilitate operation planning, rescue, and recovery operations.
  - To conduct a threat assessment in anticipation of a specific event.
  - To collect information from a public area if there is reasonable suspicion of criminal activity.
  - To collect information for crash reconstruction purposes after a serious or deadly collision occurring on a public road.
  - Over a public area for officer training or public relations purposes.
  - For purposes unrelated to law enforcement at the request of a government entity, provided the request is in writing and specifies the reason for the request and a proposed period of use.

Documentation Required

Each use of a UAS should be properly documented by providing the following (Minn. Stat. § 626.19):

- A unique case number
- A factual basis for the use of a UAS
- The applicable exception, unless a warrant was obtained

Prohibited Uses

The UAS shall not be used:

- To conduct random surveillance activities.
- To target a person based solely on actual or perceived characteristics such as race, ethnicity, national origin, religion, sex, sexual orientation, gender identity or expression, economic status, age, cultural group, or disability.
- To harass, intimidate, or discriminate against any individual or group.
- To conduct personal business of any type.

- The UAS shall not be weaponized (Minn. Stat. § 626.19).

Additional Prohibitions

- Unless authorized by a warrant, a UAS shall not be deployed with facial recognition or biometric- matching technology (Minn. Stat. § 626.19).
- Unless authorized by a warrant or for purposes of a permitted use outlined in this policy, a UAS shall not be used to collect data on public protests or demonstrations (Minn. Stat. § 626.19).

Retention of UAS Data

- The Police Department's Support Services Supervisor shall ensure that data collected by the UAS is disclosed or deleted as required by Minn. Stat. § 626.19, including the deletion of collected data as soon as possible, and in no event later than seven days after collection, unless the data is part of an active criminal investigation (Minn. Stat. § 626.19).

Next Steps

- Direction from Mayor and Council
  - Continue to implement the program
  - Format for Public Comment
  - Questions from Mayor and Council

Questions?

Agenda Item 4.B.

CITY OF INVER GROVE HEIGHTS

Request for Council Action

SUBJECT: 2025 Budget - Non-General Fund Budgets

MEETING DATE: August 5, 2024
ITEM TYPE: Discussion Items
CONTACT: Kris Wilson, City Administrator, 651.450.2511
Amy Hove, Finance Director, 651.450.2521

ACTION REQUESTED

The Council is asked to continue its review and discussion of the City's proposed 2025 budget, with initial presentations on Special Revenue Fund budgets, Debt Service budgets and corresponding tax levies, Pavement Management Fund budgets, and Internal Service Fund budgets and provide any initial feedback or direction it wishes to.

BACKGROUND

At the July 15, 2024 work session, staff provided the Council with an overview of the City's budget components and timelines, summary assumptions utilized, and the challenges and priorities informing development of the 2025 budget. The Council also received a draft of the General Fund budget and levy as they currently stood at that time. This was the first of several budget discussions leading up to the adoption of a preliminary 2025 tax levy in mid-September.

This next budget work session focuses on the budgets for the City's special revenue funds, debt service funds, capital project funds, and internal service funds:

- Special Revenue Funds: Veteran's Memorial Community Center (VMCC), Economic Development Authority (EDA), Host Community Fund (HCF)
- Debt Service Funds: Debt budgets and tax levies for the City's four funds related to levy-supported debt on street projects and two funds related to levy-supported debt on Fire Station #2
- Capital Project Funds: Pavement Management - Local Streets and Pavement Management - Partnership Projects
- Internal Service Funds: Technology, City Facilities, Risk Management (Insurance), and Central Equipment

Individual presentations have been attached to the agenda item for ease of review. As was the case at the July work session, staff will be requesting input and feedback from the Council on these draft budgets.

Budget presentations on the City's remaining funds: Utility Funds, Golf Course Fund, and the Convention & Visitor's Bureau are scheduled for the October 7 work session.

FISCAL IMPACT

RECOMMENDATION

ATTACHMENTS

1. 2025 Budget-Debt Service Funds
2. 2025 Budget-Internal Service Funds
3. 2025 Budget-EDA Fund
4. 2025 Budget-Pavement Management Funds
5. 2025 Budget-Community Center (VMCC) Funds
6. 2025 Budget-Host Community Fund

Debt Levies

Amy Hove
Finance Director

DEBT SERVICE FUNDS

Street-Related Debt

- 2015A G.O. Improvement Bonds
- 2016A G.O. Improvement Bonds
- 2017B G.O. Improvement Bonds
- 2020A G.O. Improvement Bonds
  - Refinanced 2010 G.O. Bonds

Fire Station Debt

- 2018A G.O. Improvement Bonds
- 2019A G.O. Improvement Bonds

Debt Tax Levies

Bond Issuance	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Street-Related Debt				
2015A G.O. Bonds	635,669	637,301	633,210	634,055
2016A G.O. Bonds	695,874	718,134	718,292	723,227
2017B G.O. Bonds	263,211	263,125	262,882	267,731
2020A G.O. Bonds *	177,250	177,250	177,250	177,250
Use of Closed Bond Fund	-177,250	-177,250	-177,250	-177,250
Fire Station Debt				
2018A G.O. Bonds	737,977	739,289	739,552	733,514
2019A G.O. Bonds	186,585	187,635	188,475	189,105
Total	**$2,519,316**	**$2,545,484**	**$2,542,411**	**$2,547,632**

** Fund 394, the 2020A GO Bond Fund, will have almost enough funds to pay off the bond at its call date of February 1, 2025. Staff are recommending an additional transfer of $25,000 in 2025 to Fund 394 from the Closed Bond Fund to facilitate that payoff.*

2020A GO Bonds (Fund 394)

$ 535,332	Current Cash Balance – June 30, 2024
16,400	2024 Special Assessment Revenue* (last payment)
177,250	2025 Transfer from Closed Bond Fund (replace levy)
25,000	2025 Add'l Transfer from Closed Bond Fund
8,000	Add'l Interest Revenue 7/2024-2/2025
(761,670)	Principal/Interest Due at Call Date (2/1/2025)
$ 312	Estimated Cash on Hand – February 28, 2025

- Staff Recommendation: Transfer $202,250 from the Closed Bond Fund to Fund 394 to replace the 2025 levy and provide sufficient funds for an early call (payoff) of the bonds.

- Original plan had the Closed Bond Fund transferring another $177,250 in 2026.

Closed Bond Fund (Fund 399)

$ 1,285,706	Current Cash Balance – June 30, 2024
(177,250)	Replace 2025 Debt Levy for 2020A Bonds
(25,000)	Add'l transfer in 2025 to pay off 2020A Bonds
20,500	Add'l Interest Revenue 7/2024-2/2025
$ 1,103,956	Estimated Cash on Hand – February 28, 2025
(1,045,756)	2025 Sewer Debt Payments
$ 58,200	Estimated Cash on Hand – After Transfer

- Staff Recommendation: After the 2020A Bonds have been paid off, recommend Council transfer funds from the Closed Bond Fund to the Sewer Capital Fund to make cover the funds' 2025 debt payments.

2025 Debt Budgets

Bond Issuance	Debt Levy	Other Revenues	Total Revenues	Less: Principal + Interest, Other	Net
2015A G.O. Bonds	634,055	30,000	664,055	648,350	15,705
2016A G.O. Bonds	723,227	8,000	731,227	676,938	54,289
2017B G.O. Bonds	267,731	42,000	309,731	319,363	-9,632
2018A G.O. Bonds	733,514	3,000	736,514	694,460	42,054
2019A G.O. Bonds	189,105	750	189,855	177,800	12,055
2020A G.O. Bonds		212,250	212,250	759,030	-546,780
Total	**$2,547,632**	**$296,000**	**$2,843,632**	**$3,275,941**	**-$432,309**

Questions / Discussion

Proposed 2025 Budget
Internal Service Funds

City Council Work Session

August 5, 2024

CITY OF
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HEIGHTS

Internal Service Funds & Allocations

- Technology
- City Facilities
- Risk Management (Insurance)
- Central Equipment

Summary of Allocations

Allocation Type	2024 Budget	2025 Budget	Difference	% Change
Insurance (5450)	479,600	549,600	70,000	14.6%
Workers Comp (5084)	774,000	727,700	(46,300)	-6.0%
Technology (5445)	1,265,900	1,259,755	(6,145)	-0.5%
City Facilities (5455)	847,695	832,495	(15,200)	-1.8%
Central Equipment (5460)	3,208,400	3,790,900	582,500	18.2%
	6,575,595	7,160,450	584,855	8.9%

Central Equipment – large increase in allocation is primarily due to updated replacement costs for larger vehicles within the Fire Department; looking to decrease this allocation in future budget drafts to better phase in these increases.

Technology Fund

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Technology (Fund 606)

- During budget years 2020, 2021 & 2022, Technology was a department within the General Fund but did not include capital costs
- Transitioned back to separate fund for these activities in 2023
- The Technology Fund allocation covers:
  - Operating budget for IT Department
    - Phone stipends added
    - Copier & postage costs added
    - Department-specific division software removed
  - Hardware Replacements (based on a 5-7 year average)
  - A Department's allocation is based on # of FTE's and device counts (computers, laptops, tablets)

Technology (Fund 606)

- 2025 Budget – continued refinement of IT department budget, including assessment of capital needs and transition of appropriate costs to other departments
- 2025 Technology Allocation (5445) - $1,259,755
    - 2024 Technology Allocation = $1,265,900
    - 2023 Technology Allocation = $1,276,200

Technology (Fund 606) – 2025 Capital

- Capital included in departmental allocations ($99,000)
  - Camera System ($30,000)
  - Phone System ($60,000)
  - Audio/Visual ($9,000)

- Consider utilization of Fund Balance for Fire Station #2 camera upgrades (cost TBD)

Technology Fund – Budget Summary

	2024 Budget	2025 Requested Budget
Revenues By Type		
Departmental Allocations	$ 1,265,900	$ 1,259,755
Other Revenues	22,250	26,500
Total Revenues	**$ 1,288,150**	**$ 1,286,255**
Expenditures By Type		
Personnel	$ 793,600	$ 832,200
Supplies	47,950	62,250
Other Charges & Services	468,206	390,665
Capital Outlay – Machinery & Equip	102,400	99,000
Total Expenditures	**$ 1,412,156**	**$ 1,384,115**

2025 Budget Summary

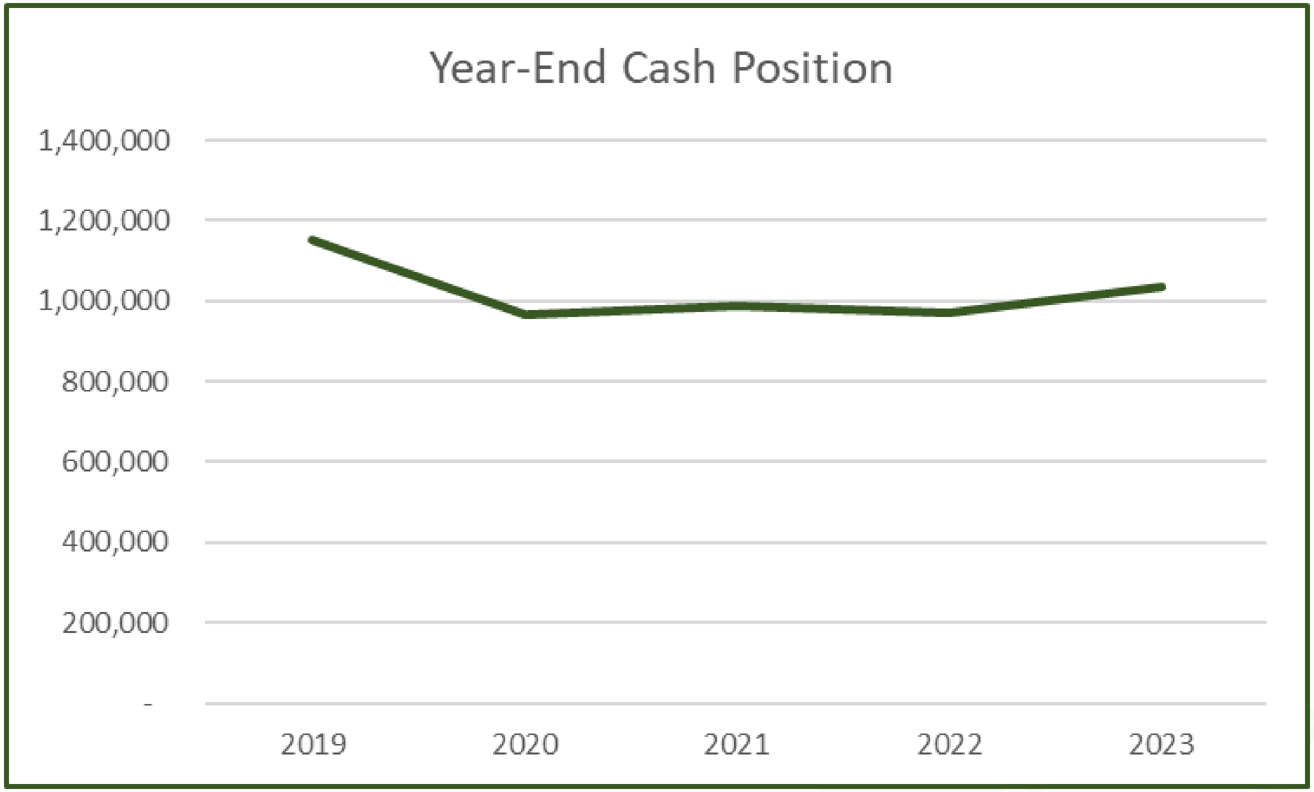
$	1,286,255	Revenues
-	1,384115	Expenditures
	($ 97,860)	Decrease to Fund Balance

** In 2025, considering use of fund balance for technology upgrades at Fire Station #2*

** 2024 assumed spend down of $123,806 in fund balance*

** 2023 assumed spend down of $104,310 in fund balance*

Technology Fund – Cash Balances



Average balance = $1,023,000

Questions?

City Facilities

Adam Lares, Parks & Recreation Director
Aaron Fitzloff, Facilities Superintendent

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City Facilities (Fund 605)

- Activities are funded by departmental allocations through expense code:
    - City Facilities Allocation (5455) $832,495 (1.8% decrease)
- Up until 2022, this fund covered facility costs solely related to the operation of City Hall; currently in a <u>transition</u> phase
- Current Allocation is based on historical FTE's and square footage by department; formula has not been updated for years.
    - And the allocation does not include a capital replacement component (like Central Equipment)
- Beginning in 2023, Solar Garden activities were added to this budget so $390,000 shows up as a revenue (solar credits) and expense (solar charges) – will need a few years of activity for comparison purposes

City Facilities – Budget Summary

	2024 Budget	2025 Requested Budget
Revenues By Type		
Departmental Allocations	$ 847,695	$ 832,495
Other Revenues	403,500	444,080
Total Revenues	**$1,251,195**	**$1,276,575**
Expenditures By Type		
Personnel	$ 303,100	$ 346,000
Supplies	66,200	42,200
Other Charges & Services	889,650	904,800
Operating Costs Subtotal	**$1,258,950**	**$1,293,000**
Capital Outlay – Buildings	266,041	293,500
Total Expenditures	**$1,524,991**	**$1,586,500**

City Facilities
Highlights & Additional Requests

- Central Equipment Allocation is new in this budget for 2025; starts a savings for future replacement of City Facilities vehicle (which was transferred from Parks Department) – this is reflected in current budget figures
- Position Reclass – not yet added to budgeted figures
- Consider utilization of fund balance for ongoing improvements in Police Department spaces (3-year plan beginning in 2024, currently in Police budget request)

2025 Budget Summary

$ 1,276,575	Revenues
- 1,586,500	Expenditures
($ 309,925)	Decrease to Fund Balance

** 2024 assumed spend down of $196,255 in fund balance (capital expenditures) – unlikely to fully happen as City Facilities Superintendent position was unfilled for 1st half of 2024 (some wage savings, plus delay in capital spending)*

** 2023 assumed spend down of $364,300 in fund balance (capital expenditures) – actual spend down was $95,000*

City Facilities – 5 Year Capital Plan

Division	2025 Request	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	Total
Fire Stations 1 & 3	81,000	12,000	170,000	40,000	175,000	478,000
Public Works	8,500	189,000	38,000	52,000		287,500
City Hall/Police	182,500		20,000	30,000		232,500
Water Trtmt Plant	25,000	13,000				38,000
Golf Course	5,000	5,000				10,000
Rich Valley	15,000					15,000
Total	**$317,000**	**$219,000**	**$228,000**	**$122,000**	**$175,000**	**$1,061,000**

2025-2029 Average Capital = $212,200

City Facilities – 2025 Capital Projects

Project	Amount
ADA Improvements	$ 25,000
Lighting Improvements	20,000
City Hall – Replace Data Closet Heat Pumps	14,000
City Hall – Install Data Closet Duct Work	8,500
City Hall - Build Offices	50,000
City Hall - Elevator Code Updates	105,000
Fire Station #1 – Boiler/Pumps	35,000
Fire Station #1 & 3 - Update Fire Alarm Panels	21,000
Public Works - Water Heater	3,500
Rich Valley Maintenance Building – Boiler	15,000
Water Treatment Plant- Roof Top Unit	20,000
Total Projects	**$ 317,000**

2025 Capital Funding

$	317,000	Total 2025 Capital Expenses
-	3,500	PW Capital from Central Equipment Fund*
-	20,000	Water Treatment Capital from Water Fund*
$	293,500	Capital Paid for out of City Facilities

** Exception will be for any ADA Improvements – these will be paid for from City Facilities as ADA funds set aside in previous years were transferred into the City Facilities Fund*

Cash Position & CIP Spending

In 2021, $572,000 was transferred in after wrapping up the Fire Station Project.

In 2022, staff recommendation is to close the Central Stores Fund and transfer those dollars, estimated at $600,000 to City Facilities.

5-Year Capital Plan anticipates $1,061,000 in capital spending of which $740,500 (70%) falls under general City Facility dollars.

Questions?

Risk Management (Insurance)

Amy Hove, Finance Director

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Risk Management (Fund 602)

Overview:

- League of MN Cities (LMCIT) insurance premiums
    - Property/Equipment/Liability/Auto/Bond
    - Workers Compensation
- Corporate charges for attorney representation in lawsuits
- Portion of finance personnel costs charged to fund
- Activities are funded by departmental allocations through expense codes:
    - Insurance Allocation (5450) - $549,600 (14.6% Increase)
    - Workers Compensation Allocation (5084) - $727,700 (6.0% Decrease)

Risk Management (Fund 602)

<u>Overview & NEW</u>:

- Covers deductible payments
  - Property/Casualty deductible has been $50,000 – with $1,000/claim after deductible has been met.
  - New in 2023 – added a $5,000 Workers Compensation deductible which resulted in premium savings; Workers Compensation premium went up considerably in 2023
- New in 2023 – City pays insurance agent fees directly to North Risk Partners (agent of record) rather than having those fees embedded within the property/casualty premium

Risk Management

Allocations

	2022	2023	2024	2025
Workers Compensation	$ 688,800	$ 723,200	774,000	727,700
Insurance	473,100	501,400	479,600	549,600
Total Allocations to Fund	$ 1,161,900	$ 1,224,600	$ 1,253,600	$ 1,277,300
% Change	4.0%	5.4%	2.4%	1.9%

Average cash balance = $1,032,852

2021 & 2022 Property/Casualty Dividends totaled = $167,611

Risk Management - Summary

	2024 Adopted Budget	2025 Requested Budget
Revenues By Type		
Departmental Allocations	$ 1,253,600	$ 1,277,300
Other Revenues	25,000	40,000
Total Revenues	**$ 1,278,600**	**$ 1,317,300**
Expenditures By Type		
Personnel	$ 32,000	$ 33,900
Legal & Contracted Services	21,000	23,326
Repair/Maintenance/Deductibles	80,000	80,200
Insurance Premiums	1,260,900	1,165,100
Total Expenditures	**$ 1,393,900**	**$ 1,302,526**

2025 Budget Summary

$ 1,317,300	Revenues
- 1,302,526	Expenditures
($ 14,774)	Decrease to Fund Balance

*- 2025 budget does not take into consideration any potential property/casualty dividends (additional revenue) returned by LMCIT **AND** budgets for the full $50,000 property/casualty deductible and $30,000 towards workers compensation deductibles (expense).*

Questions?

Central Equipment

Brian Connolly, Public Works Director
Barry Underdahl, Streets Superintendent
Amy Hove, Finance Director

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HEIGHTS

Central Equipment (Fund 603)

- Vehicle maintenance & replacement
- Activities are funded by departmental allocations through expense code:
  - Central Equipment Allocation (5460) - $3,790,900 (18.2% increase)
- The allocation is two-fold:
  - Operating – based on a three-year average of fuel usage and repair parts/hours
  - Capital – based on a vehicle replacement schedule, specific to each department

Central Equipment

Departmental Allocations

	2022	2023	2024	2025
Operations	1,628,600	1,611,700	1,560,600	1,499,050
Capital Replacements	1,540,600	1,552,000	1,647,800	2,211,842*
TOTAL	**$ 3,169,200**	**$ 3,163,700**	**$ 3,208,400**	**$ 3,790,900**

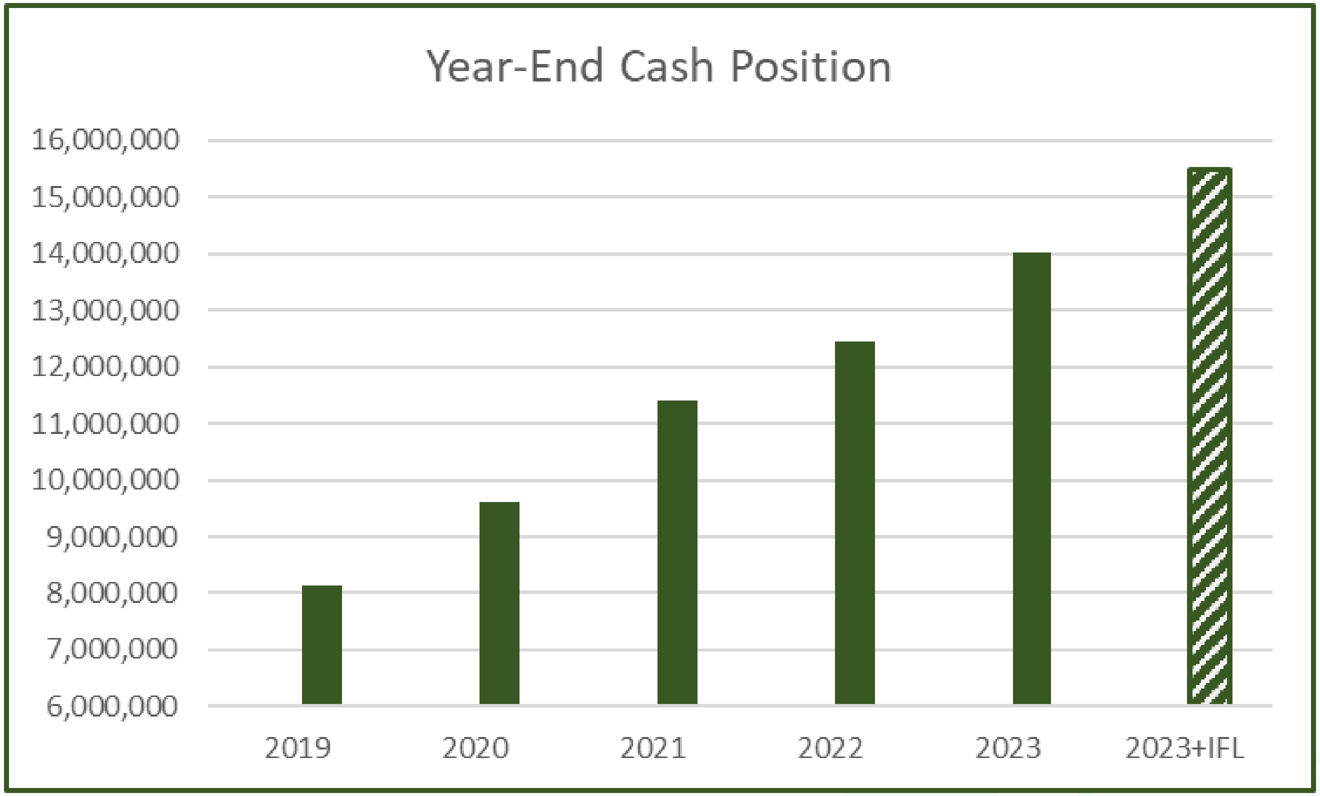
- Higher operational costs in 2022 and 2023 reflective of larger building repairs scheduled in those years
- Large increase to 2025 capital replacements allocation is due to updated replacement costs for some of the Fire Department's larger vehicles; staff intend to reduce this capital allocation in future budget drafts to better phase-in these costs (work in progress).

Central Equipment – Budget Summary

	2024 Budget	2025 Proposed Budget
Revenues By Type		
Departmental Allocations	$ 3,208,400	$ 3,790,900
Interest & Other Reimbursements	150,000	225,000
Total Revenues	**$ 3,358,400**	**$ 4,015,900**
Expenditures By Type		
Personnel	$ 606,700	$ 623,800
Supplies	517,150	485,150
Other Charges & Services	606,000	611,600
Total Expenditures – Before Capital	$ 1,729,850	$ 1,720,550
Capital Outlay – Vehicles & Equipment	1,481,996	1,196,170
Total Expenditures – After Capital	**$ 3,211,846**	**$ 2,916,720**

PD Squad Outfitting, Facility Improvements and estimate for vehicle and equip replacements

Central Equipment



Loans Receivable as of December 31, 2023*:

$ 1,092,107	Golf Course – 2016 Improvements
372,140	VMCC – 2018 Rink Improvements
$ 1,464,247	

Questions?

Economic Development Authority (EDA)

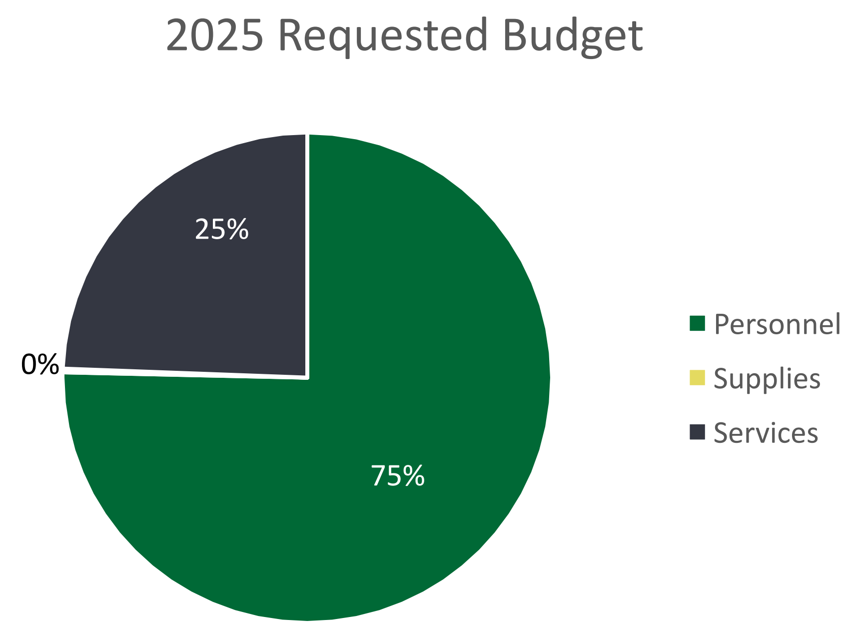
Submitted by:

Kris Wilson
City Administrator

ECONOMIC DEVELOPMENT AUTHORITY

- EDA 2025 Budget Request
- Consideration of fund balance

Economic Development Authority (EDA)



	2022 Activity	2023 Activity	2024 Budget	2025 Requested
Personnel	$20,136	$14,662	$148,000	$158,100
Supplies	0	330	0	500
Other Charges & Services	16,866	104,194	65,515	51,215
Total	**$37,003**	**$119,186**	**$213,515**	**$209,815**

EDA - Additional Consideration

- 2024 Budget contained funds for a staff person focused on economic development
  - Position funding planned to use some EDA Fund Balance
  - Council decided to extend consultant contract instead
  - Current contract comes up in September 2024
- Proposed 2025 Budget contains similar funds that may be used for a staff person or consultant

EDA - Funding Recommendation

- EDA Fund Balance December 31, 2023 = $304,867
  - 2024 assumed spending down $41,000 of fund balance which would leave $263,867 in the fund
  - Latest 2024 figures assume the balance will grow by $61,000+ in 2024 rather than spending down $41,000
  - This would leave ~$366,000 in the fund at the end of 2024

- Recommendation is to budget for the use of $50,000 in fund balance in 2025
  - Allows for staggering of levy increases related to the staff person / consultant; and
  - Recognizes that the funds set aside in 2024 will most likely not be fully utilized in 2024.

Questions / Discussion

Proposed 2025 Budget
Pavement Management

City Council Work Session, August 5, 2024

Brian Connolly, Public Works Director
Amy Hove, Finance Director

CITY OF INVER GROVE HEIGHTS

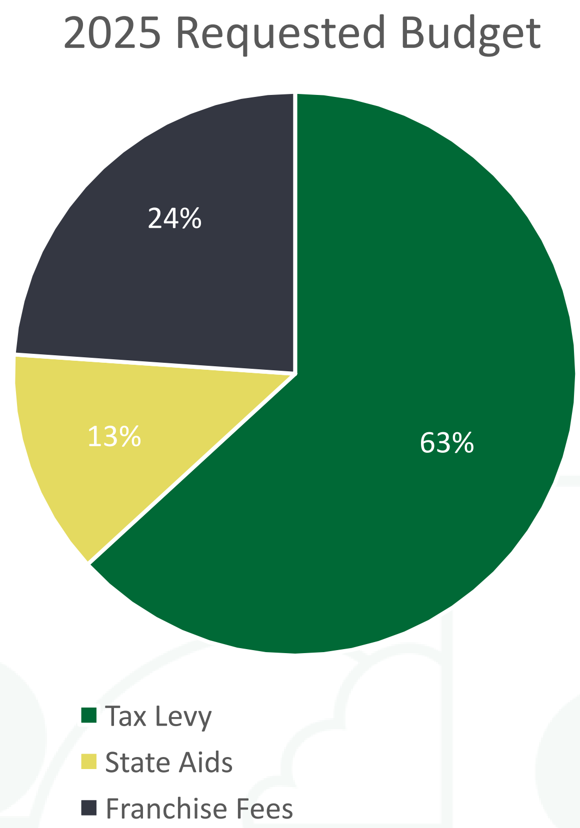
PAVING A BRIGHTER FUTURE

www.ighmn.gov

Pavement Management Fund

Proposed City-Dedicated Funding for 2025

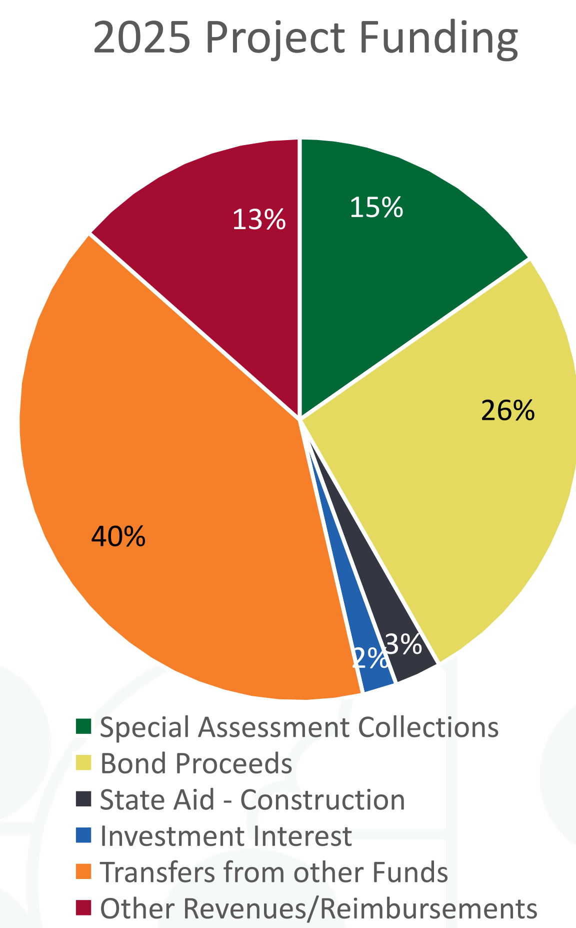
City Funding Source	2025 Requested
Tax Levy	$ 2,934,750
Franchise Fees	1,111,000
State Aid – Maintenance	500,000
NEW: Transportation Advancement Aid (TAA)	100,000
Transfers In – Host Community	0
TOTAL City PM Funding	**$ 4,645,750**



Pavement Management Fund

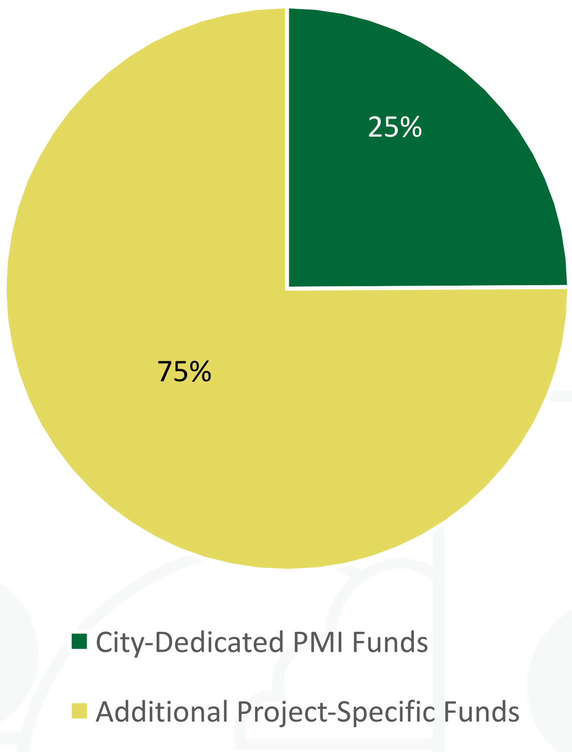
Additional Project-Specific Funding for 2025

City Funding Source	2025 Projected
Special Assessment Collections	$ 2,141,293
Bond Proceeds	3,707,099
State Aid – Construction	373,450
Investment Interest	275,000
Transfers In from Utility Funds	5,623,339
Reimbursements from Partner Agencies (Dakota County, City of Eagan, etc.)	1,885,994
TOTAL Project-Specific Funding	**$ 14,006,175**



Pavement Management Fund
Combined Funding for 2025

City Funding Source	2025 Requested
City-Dedicated PMI Fund (Requested)	$ 4,645,750
Additional Project-Specific Funds (Projected)	14,006,175
TOTAL PM Fund Revenue	**$ 18,651,925**



Pavement Management – Local Streets 2025 Projects

Project	Amount
Annual PMI Projects	$ 15,607,913*
Broad Area Patching	230,000
Crack Sealing & Pavement Rejuvenation	220,000
Traffic Calming & Safety Improvements	30,000
Cahill Ave. Traffic Study	95,000
South Grove Area Maintenance Overlay (UTBWC)	1,000,000
Total Projects	**$ 17,182,913**

91%

* All PMI costs include funding from multiple funding sources (Assessments, Utility Funds, MSA, etc.)

Pavement Management – Partnership Projects 2025 Projects

Project	Amount*
70th Street – TH 3 to Cahill Ave – Final Design	165,000
80th Street – Babcock Tr. to Bowman – Construction	400,000
80th Street – TH 3 to Babcock Trail Scoping Study	36,500
Argenta Trail/I-494 – Prelim Design	50,000
Babcock Trail Multiuse Trail Facility (Construction)	207,150
Argenta/Westcott/TH 149 Flashing Yellow Arrow	75,000
Total Projects	**$ 933,650**

* All cost amounts are City Share from Pavement Management Fund only.

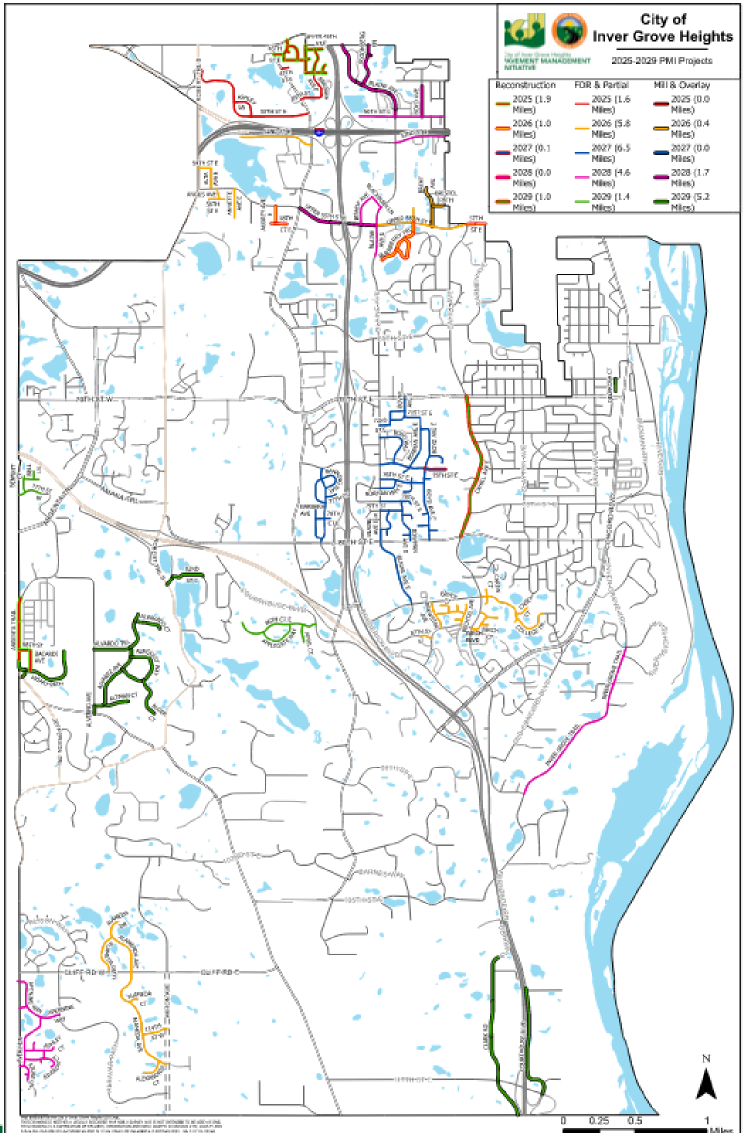
Pavement Management Fund

Expenditure Budget for 2025

- Project Costs - $17,182,913
- Transfers to Partnership Projects - $933,650
- Additional Operational Costs - $53,500
  - Division Software
  - ICON Pavement Ratings
  - Special Assessment Fees
  - Professional Services – support for financial modeling
- Total 2025 Expenditures: **$18,170,063**

- 2025 Revenues: $18,651,925
- Net Project Fund Proceeds (end of 2025): +$481,862

Pavement Management Initiative (PMI)



Year	Miles	Estimated Cost (Street Only) (Inflation-Adj.)
2025	3.6	$ 7,477,000
2026	7.3	$10,650,000
2027	6.6	$ 9,606,000
2028	6.2	$ 9,702,000
2029	8.2	$12,988,000
Total	**31.9**	**$50,423,000**

Assessment Budgeting:
A Moving Target

- Assessments Vary by Construction Type
  - Reconstruction, Reclamation, Overlay
  - 35% to 80% of pavement costs
  - Capped by special benefit received (see below)

- Special Assessment Payment Modifications
  - Assessment Payback period based on assessment cost Payback ranges from 5, 10, or 15 years
    - Modified in Updated Assessment Policy (January 2024)
    - Will apply to all 2025 PMI Projects

- Future Adjustment in Special Assessment Rates
  - Current Assessment Rates nearing limits of special benefit
    - Most Reconstruction Projects result in assessment caps
    - Result: Increased PM-Local Fund percentage

Capital Improvement Plan

Financing Models – FUTURE presentation

- To be discussed at a future work session
- Will include projects as outlined within the current Public Works CIP draft, and as included in project estimates presented today
- Separate models for each PMP Fund: Local Streets & Partnership Projects
- Will contain updated bonding recommendations based on annual cash balances in Local Streets fund

Questions / Discussion

Proposed 2025 Budget Veteran's Memorial Community Center (VMCC)

August 5, 2024

Adam Lares, Parks & Recreation Director
Amy Hove, Finance Director

CITY OF INVER GROVE HEIGHTS

Community Center Overview

- 153,000 sq. ft. plus facility
  - Aquatics Center
  - Fitness Center
  - Ice Arena/Senior Center/Community Rooms
  - National Guard Armory Gym
- Annual Hours of Operation
  - 5366 hours (avg. 15hr/day) Fitness, Aquatics, Gym
  - 5980 hours (avg. 16.5/day) Arena
- 3,475 - Members in 2023 (Increase of 13%)
- 165,499 - Admissions in 2023 (Increase 7%)
- Over 500,000 attendees annually (Arena, Sr. Center, Gym, etc.)

Community Center Overview

- 14 FTE’s
  - Operation & Maintenance = 5
  - Programming = 5
  - Guest Services = 2.75
  - Administrative = 1.25

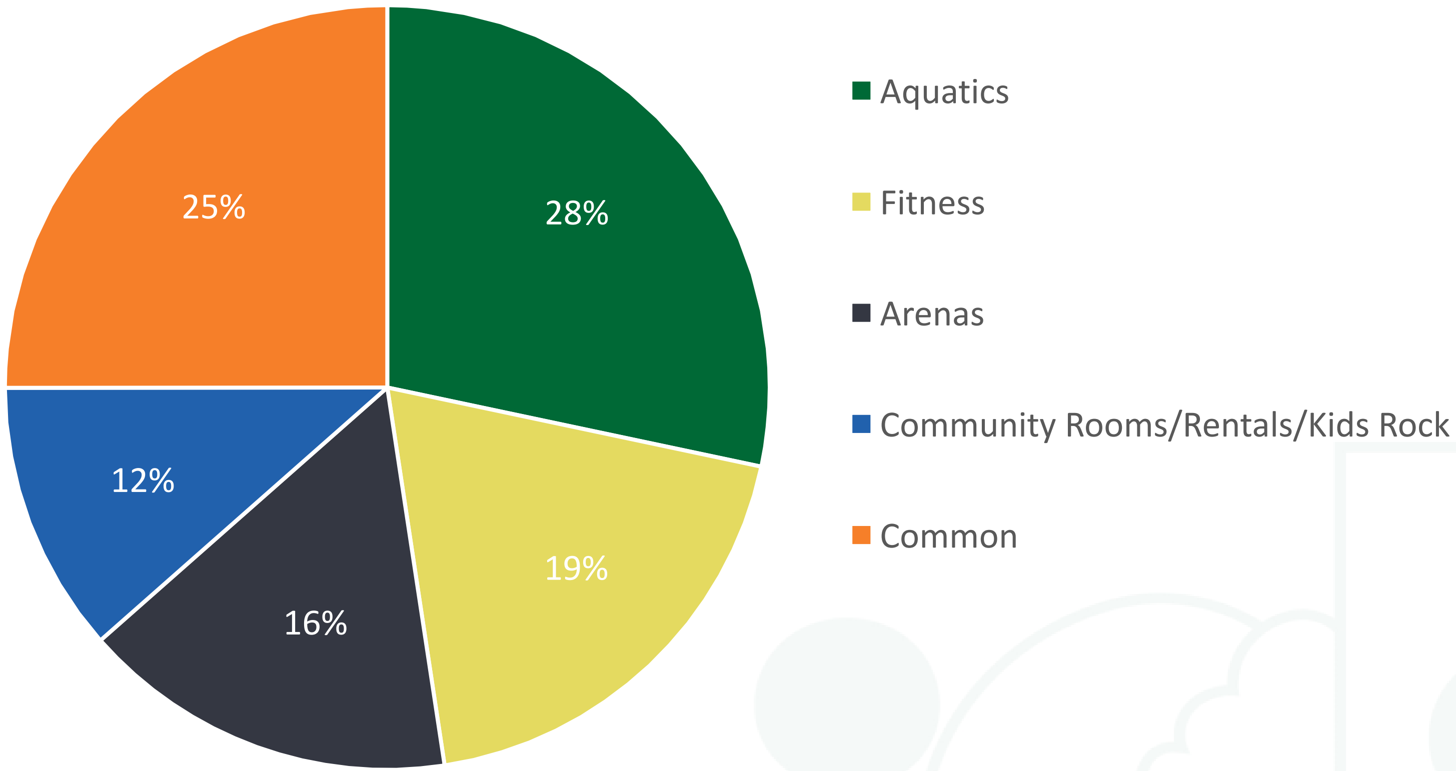
- 100-150 Part-time Non-benefited staff
  - Across all divisions

Operating Budget

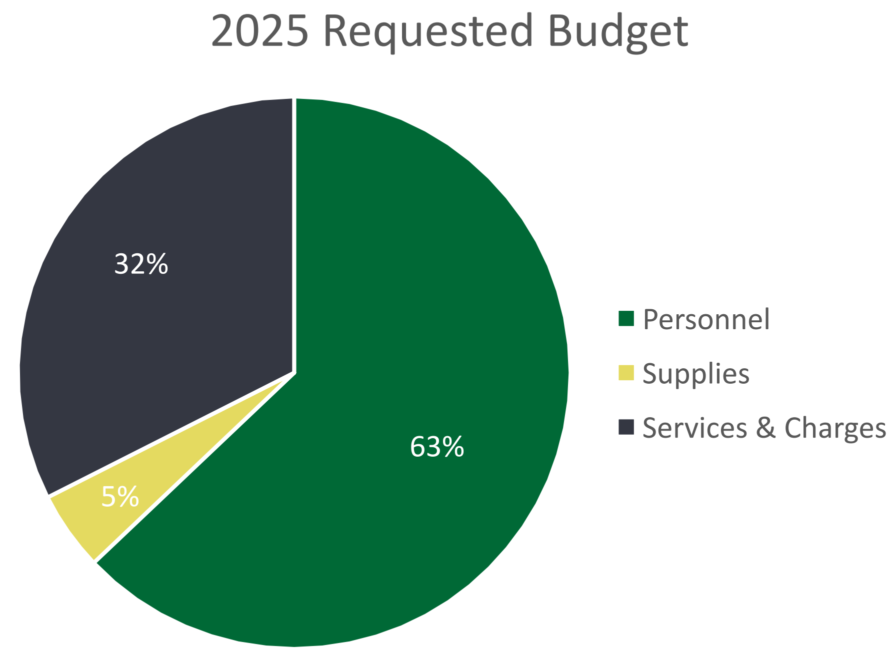
Community Center
New Divisions in 2024

- (4410) Common-Admin & General Operations
- (4420) Aquatics
- (4430) Fitness
- (4440) Arenas
- (4450) Community Rooms/Rentals/Kids Rock/Seniors

Community Center Divisions Expenditure Budgets



Community Center Operating Summary



	2022 Activity	2023 Activity	2024 Budget	2025 Requested
Personnel *	$2,148,402	$2,356,426	$2,575,200	$2,669,000
Supplies	189,826	163,165	199,820	196,752
Services & Charges	1,379,958	1,388,538	1,307,875	1,376,558
Total	**$3,718,186**	**$3,908,129**	**$4,082,895**	**$4,242,310**

* The above 2025 Personnel figures do not reflect additional staff requests

Community Center Operating Summary

	Common Dept 4410	Aquatics Dept 4420	Fitness Dept 4430	Arenas Dept 4440	Community Rooms/Rentals/ Kids Rock Dept 4450	Total
Revenues	$ 151,600	$ 895,758	$ 1,044,800	$ 815,317	$ 394,760	$ 3,302,235
Expenditures	1,060,975	1,201,290	818,160	674,390	487,495	4,242,310
Difference	**($909,375)**	**($305,532)**	**$ 226,640**	**$ 140,927**	**($92,735)**	**($940,075)**

General Membership Revenue split:
- 10% Common
- 15% Aquatics
- 75% Fitness

Work in Progress

General Admission Revenue split:
- 10% Common
- 60% Aquatics
- 30% Fitness

Community Center – Noteworthy Items

- Increased costs due to growing membership and admissions.
- Increased interest in fitness personal training.

Community Center – $96,385 in Additional Requests

- New staffing requests
  - Reclass Lead Customer Service Specialist to Membership Specialist, backfill with add'l guest service hours ($35,400)
  - Reclass Lead Worker ($8,400)
  - Staffing Adjustments ($52,585)
    - Additional swim lessons/birthday parties
    - Additional Silver Sneakers classes, specialty classes and personal training
    - Additional 3 hours of childcare/week & increase in guest services hours
    - Higher wages for part-time operations staff to remain competitive in current labor market
    - Partially offset by increases to revenue
    - Reductions to hours for PT maintenance workers

Revenue Projections

	2022 Activity	2023 Activity	2024 Budget	2025 Proposed
Total Operating Revenues	$ 2,701,883	$2,789,050	$2,895,790	$3,302,235
Increase from Previous Year	**$ 456,655**	**$ 87,167**	**$ 106,740**	**$ 406,445**

- Increase in membership
- Increase in admissions
- Increase in swim lessons and birthday party offerings
- Additional personal training offerings
- Overall increases in program offerings and participation

Community Center Operating Transfer Needed

	2022 Activity	2023 Activity	2024 Budget	2025 Requested
Total Operating Expenditures	$3,718,186	$3,898,700	$4,082,995	$4,242,310
Total Operating Revenues	$2,701,883	$3,196,020	$2,895,790	$3,302,235
Transfer Needed from Host Community Fund (per audited financials)	**$1,016,303**	**$702,680**	**$1,187,205**	**$940,075**
Operating Costs Not Covered by Revenue	**27.3%**	**18.0%**	**29.0%**	**22.2%**
Actual Transfer from Host Community Fund *	**$1,069,557**	**$725,621**		
Difference	**$53,254**	**$22,941**		

** Actual transfers are calculated prior to finalizing year-end payroll liabilities so transfers needed per audited financials will differ from actual transfers completed. These small differences either increase or decrease fund balance within the Community Center Fund.*

Capital Budget

Community Center Capital

- New fund created in 2023 to track Community Center capital expenditures (Fund 206)
- Funded by a transfer from the Host Community Fund
- Scheduled for $700,000/annually
  - Based on most recent 5-year CIP (2025-2029), leaving this transfer at $700,000 annually (no inflationary factor)
- Consistent funding should allow the city to manage capital repairs and replacements for varying years of high and low capital needs.
- Individual projects still require annual City Council approval

Community Center – Proposed 2025 Projects

Area	Project	Amount
Fitness	Equipment Replacements, Center Flooring	$105,000
Aquatics	Water Park Play Structures	80,000
Arena	Paint Team Rooms & Restrooms, Volleyball Poles/Stands, Card Reader for P & R Admin Office	32,000
Mechanical	Replace ADA Door Openers, HVAC (Daycare), Radiant Heat West Rink	132,500
Grove	Brightside Room Remodel, Benches, Birthday Party Room, Pool Deck, Rear Concrete Stairs	400,700
	Total Projects	$ 750,200

Community Center Capital Fund (Fund 206)

	2024 Budget*	2025 Proposed	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Beginning Balance	$299,899	$630,879	$600,679	$756,629	$1,271,629	-$565,371
Revenue In						
Transfer from Host Community Fund	700,000	700,000	700,000	700,000	700,000	700,000
Interest & Other Rev	32,610	20,000	20,000	25,000	40,000	0
Expenses Out						
VMCC Capital Projects (from 2025-2029 CIP)	(401,630)	(750,200)	(564,050)	(210,000)	(2,577,000)	(472,900)
Year-End Balance	**$630,879**	**$600,679**	**$756,629**	**$1,271,629**	**-$565,371**	**-$338,271**

- *2024 CIP Budget was revised (reduced) at the May 28, 2024 Council Meeting.*
- *2028 CIP contains a $2.5 project for replacement of East/West Rink Compressors*
  - *Potential cost-share agreement with the City of Rosemount*

Questions / Discussion

Proposed 2025 Host Community Fund Budget

Work Session, August 5, 2024

Kris Wilson, City Administrator
Amy Hove, Finance Director

CITY OF INVER GROVE HEIGHTS

Host Community Fund - Revenues

- Revenue comes from landfill host community fees
  - Tonnage Fee from Pine Bend
  - Fixed Fees from Pine Bend ($225,000 per year)
  - $25,000 from Frattalone (*through 2027*)

Host Community Fund – 2025 Budget

REVENUES	2022 Actual	2023 Actual	2024 Estimate	2025 Budget
Pine Bend - Tonnage Fees*	$2,826,661	$2,078,082	$2,500,000	$2,575,000
Pine Bend – Fixed Fees*	225,000	225,000	225,000	225,000
Frattalone Payment	25,000	25,000	25,000	25,000
Interest & Other	(195,501)	393,584	110,139	100,000
TOTAL	**$2,881,159**	**$2,721,666**	**$2,860,139**	**$2,925,000**

Host Community Fund - Uses

Council has broad discretion on how Fund is used

*“**8.02 Use of Fee.** The HCF shall be used by the City for public purposes. Such purposes may include, among others: general fund purposes; hosting the Landfill; the cost of providing firefighting services; environmental review and monitoring; and meeting and conferring with, among others, BFIWSNA, Dakota County, the MPCA, the United States Environmental Protection Agency, the Metropolitan Council, the Office of Environmental Assistance, and any other body having jurisdiction over the Landfill; the cost of sustainability projects and programs; the cost of "green initiatives"; the cost of GreenStep Cities Program; or other legal public purposes.”*

Host Community Fund

- 2023 identified “core uses” and “temporary uses”

- 2024 modified core uses to include Storm Water which included a plan to transition current PMP dollars to Storm Water ($100,000/year)

- 2025 seeks to accelerate that transition and affirm new financial priorities
  - Storm Water
  - Sewer

Host Community Fund
2025 Expenses & Uses

Expenses	- Staff & consultants for landfill monitoring - Legal costs associated with enforcing current Host Community Agreement - Transfer to cover funding gap in Recycling Program
Core Uses	- Transfer to VMCC Operations - Transfer to VMCC Capital - Cover Balance of Recycling Grant - Transfer to Storm Water - Transfer to Sewer Capital (beginning in 2026)
Proposed to be Discontinued	- Transfer to Pavement Management

Host Community Fund – 2025 Budget

EXPENDITURES	2024	2025	2026
Expenses	**$183,401**	**$155,300**	**$163,065**
“CORE” Uses			
Pavement Management	$500,000	**$0**	$0
VMCC Operations	$1,187,205	**$940,075**	$987,079
VMCC Capital	$700,000	**$700,000**	$700,000
Balance of Recycling Grant	$5,000	**$5,000**	$5,000
Storm Water (moved to core use)	$1,100,000	**$1,500,000**	$500,000
Sewer	$0	**$0**	$1,000,000
“Short-Term” Uses			
TKDA-65th St Small Area Plan	$12,068	**$0**	$0
TOTAL	**$3,687,674**	**$3,300,375**	**$3,355,144**

Host Community Fund
Fund Balance Modeling

HOST COMMUNITY FUND 270	Actual 2022	Actual 2023	Estimated 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
REVENUE									
Tonnage Fees from Pine Bend	2,826,661	2,078,082	2,500,000	2,575,000	2,652,250	2,731,818	2,813,772	2,898,185	2,985,131
Installment Payments from Pine Bend	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000
HC Agreement with Frattalone Demo	25,000	25,000	25,000	25,000	25,000	25,000	-	-	-
Interest	(195,501)	349,627	110,139	100,000	137,653	128,196	119,116	109,662	100,554
Miscellaneous	-	43,957	-	-	-	-	-	-	-
TOTAL REVENUE	2,881,159	2,721,666	2,860,139	2,925,000	3,039,903	3,110,013	3,157,888	3,232,847	3,310,685
EXPENSE									
Staff Allocation - 80% Environmental Specialist			(99,200)	(105,300)	(110,565)	(116,093)	(121,898)	(127,993)	(134,392)
Professional Services - Barr Engineering & Legal			(84,201)	(50,000)	(52,500)	(55,125)	(57,881)	(60,775)	(63,814)
HCF EXPENSES	(216,044)	(152,111)	(183,401)	(155,300)	(163,065)	(171,218)	(179,779)	(188,768)	(198,207)
Proposed "Core" Uses									
Transfers Out - Storm Water		(1,000,000)	(1,100,000)	(1,500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Transfers Out - Sewer				-	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Transfer Out - Cover Balance of Recycling Grant			(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Transfers Out - Community Center (For Operations)	(1,069,557)	(766,987)	(1,187,205)	(940,075)	(987,079)	(1,036,433)	(1,088,254)	(1,142,667)	(1,199,800)
Transfers Out - Community Center (For Capital)	(1,161,832)	(718,200)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
SUBTOTAL - CORE USES	(2,231,389)	(2,485,187)	(2,992,205)	(3,145,075)	(3,192,079)	(3,241,433)	(3,293,254)	(3,347,667)	(3,404,800)
Past Uses - Now Discontinued									
Broadband/Fiber Investment	(57,964)	(71,544)							
TKDA-65th Street Small Area Plan		(37,332)	(12,068)						
Transfers Out - Pavement Management Program	(500,000)	(600,000)	(500,000)	-	-	-	-	-	-
Transfers Out - Local Improvement Fund (PW Bldg)	(1,000,000)	(1,800,000)							
Transfers Out - Economic Development Fund	(25,000)	(25,000)							
SUBTOTAL - NON-CORE USES	(1,582,964)	(2,533,875)	(512,068)	-	-	-	-	-	-
TOTAL USES	(4,030,397)	(5,171,173)	(3,687,674)	(3,300,375)	(3,355,144)	(3,412,651)	(3,473,033)	(3,536,435)	(3,603,007)
1 **ENDING FUND BALANCE**	**8,240,844**	**5,791,336**	**4,963,801**	**4,588,426**	**4,273,185**	**3,970,548**	**3,655,403**	**3,351,815**	**3,059,493**
Less: Interfund Loan Receivable (EDA)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
ESTIMATED - CASH FUND BALANCE	**7,240,844**	**4,791,336**	**3,963,801**	**3,588,426**	**3,273,185**	**2,970,548**	**2,655,403**	**2,351,815**	**2,059,493**

Assumptions: 5% increase to VMCC Operating Transfer (2026-2030)
No increase to VMCC Capital Transfer - set at $700,000 annually (2025-2030)

Host Community Fund
2025 Fund Balance Estimate

	2024 – updated estimate	***2025***
Est. STARTING BALANCE	*$4,791,336*	*$3,963,801*
REVENUES	2,860,139	2,925,000
EXPENDITURES	3,687,674	3,300,375
Est. ENDING BALANCE	**$3,963,801**	**$3,588,426**

Estimated cash balance as of December 31, 2030 = $2,122,292

Questions / Discussion

Agenda Item 4.C.

Request for Council Action

SUBJECT: Follow-Up Information Requested During July 15 Budget Work Session

MEETING DATE: August 5, 2024
ITEM TYPE: Discussion Items
CONTACT: Kris Wilson, City Administrator, 651.450.2511
Amy Hove, Finance Director, 651.450.2521

ACTION REQUESTED

The Council is asked to receive and discuss responses to questions asked during the July 15 budget work session.

BACKGROUND

During the Council's July 15 budget work session, staff was asked to look into and report back on the following subjects:

1. History of Staffing Increases by Department
2. Service Impacts of New Staff Positions Requested in 2025 Budget
3. Comparison of Mayor & Council Salaries to other metro cities
4. History of City tax levy and tax rate

History of Staffing Changes by Department
Attachment A shows how the authorized staffing levels of each City department have changed over the past 6 years.

Service Impacts of New Staff Positions Requested in 2025 Budget
This will be provided to the Council via separate memo and presented at the work session.

Comparison of Mayor & Council Salaries to other metro cities
Comparison data for other Dakota County cities, as well as other metro cities that are part of the Municipal Legislative Commission, are attached. The City of Inver Grove Heights last adjusted the salaries for the position of Mayor and Council on January 1, 2015. The Council may elect to adjust these salary amounts at any time up to the November 5 General Election, to take effect after the election - on January 1, 2025.

History of Tax Levy & Rate
Please see the attached slides prepared by the Finance Director for this information.

FISCAL IMPACT

RECOMMENDATION

ATTACHMENTS

1. Attachment A - Staffing Changes by Department 2019 to 2024
2. Tax Levy & Tax Rate History
3. 2024 Elected Official Salary Data

PW

1 new staff in 2019 (Civil Engineer)
1.5 new staff in 2020 (0.5 Street Maint. & 1 Utilities Maint.)
0 new staff in 2021
1 in 2022 (Mechanic)
1 in 2023 (Street Maint. Worker)
1 new staff in 2024 (1 Maint. Worker - Stormwater)
5.5 new staff total

Fire

4 new staff in 2019 (3 FT Captains + 1 Inspector)
0 new staff in 2020
0 new staff in 2021
9 new staff in 2022 (3 Lts. + 6 FT FF - grant funded)
0 new staff in 2023
1 new staff in 2024 (Assistant Fire Chief - Operations)
14 new staff total

Police

minus 2 FTE in 2019 (1 officer, 1 support staff - reason unknown)
plus 1 FTE in 2020 (1 officer)
plus 1 FTE in 2021 (1 officer)
plus 4 FTE in 2022 (2 officers, 1 Sgt., 1 support staff)
plus 2 FTE in 2023 (2 officers)
0 new staff in 2024
net gain of 6 new staff total

Parks & Rec

1 new staff in 2019 (Operations & Maintenance Supervisor)
0.5 new staff in 2020 (0.5 Park Maint.)
0 new staff in 2021
1 new staff in 2022 (Facilities Maintenance Worker)
1 in 2023 (Parks Maintenance Worker) + 0.5 Coms Specialist placed here instead of Admin

Com Dev.

0 new staff in 2019
1 new staff in 2020 was transfer of Code Compliance Officer from P
1 new staff in 2021 (Inspections support staff grew by 1 FTE)
1 new staff in 2022 (4th Inspector added to budget)
0 new staff in 2023
2 new staff total + 1 transferred from another Dept.

Admin

1 new staff in 2019 (Communications Manager) plus transfer of PT
1 new staff in 2020 (Systems Administrator) + PT Coms staff made F
0 new staff in 2021
1 new staff in 2022 (Deputy City Clerk) + 1 FTE transferred from Fin
0.5 new FTE in 2023 budget (Communications Specialist) - then shif
3 new staff total + 1 transferred from another Dept. & some chang

Finance

0 new staff in 2019
0 new staff in 2020
0.4 FTE added in 2021 - brought a PT position to FT
0 net new staff in 2022 (Accountant position eliminated, Asst Direct
0.5 staff shifted from Admin to Finance in 2023
1.0 new staff in 2024 (Utility Billing Coordinator)
1.0 staff transferred back from Administration to Finance in 2024 (
1.4 new staff + 0.5 transferred from another Dept.

Department	7/27/2015	7/19/2016	6/22/2017	7/13/2018	7/8/2019	8/24/2020	7/8/2021	7/18/2022	7/21/2023	7/31/2024
Comm. Dev.	9	10	10	11.6	11.56	12.56	13.5	14.5	14.5	14.5
Finance	6.6	6.6	6.6	6.6	7.6	7.6	8	7	7.5	9.5
Admin.	9	10	9	9	10.75	12.35	12.6	14.6	14.1	13.1
Fire	4	5	5	5	9	9	9	18	18	19
Police	43	47	44	47	45	46	50	51	53	53
Public Works	30	30	30	30	31	33	33	34	35	36
P&R	30	30.75	32.75	34.5	33.25	33.75	33.75	34.74	36.34	37.34
Totals	131.6	139.35	137.35	143.7	148.16	154.26	159.85	173.84	178.44	182.44

2025 Budget
Updates & Additional Information

Kris Wilson, City Administrator

Amy Hove, Finance Director

August 5, 2024 Work Session

CITY OF
INVER GROVE
HEIGHTS

www.ighmn.gov

Citywide Tax Levy by Fund

Fund	2022	2023	2024	2025	
General Fund	$ 22,916,070	$ 24,856,311	$ 26,971,103	$ 28,566,191	
General Fund-Tax Abatement		33,000	182,880	183,300	
Pavement Management	2,550,000	2,900,000	3,045,000	2,934,750	*
Debt Service	2,519,316	2,545,484	2,542,411	2,547,632	
Total Levy	$ 27,985,386	$ 30,334,795	$ 32,741,394	$ 34,231,873	
% Change from Prior Year	7.1%	8.4%	7.9%	4.6%	

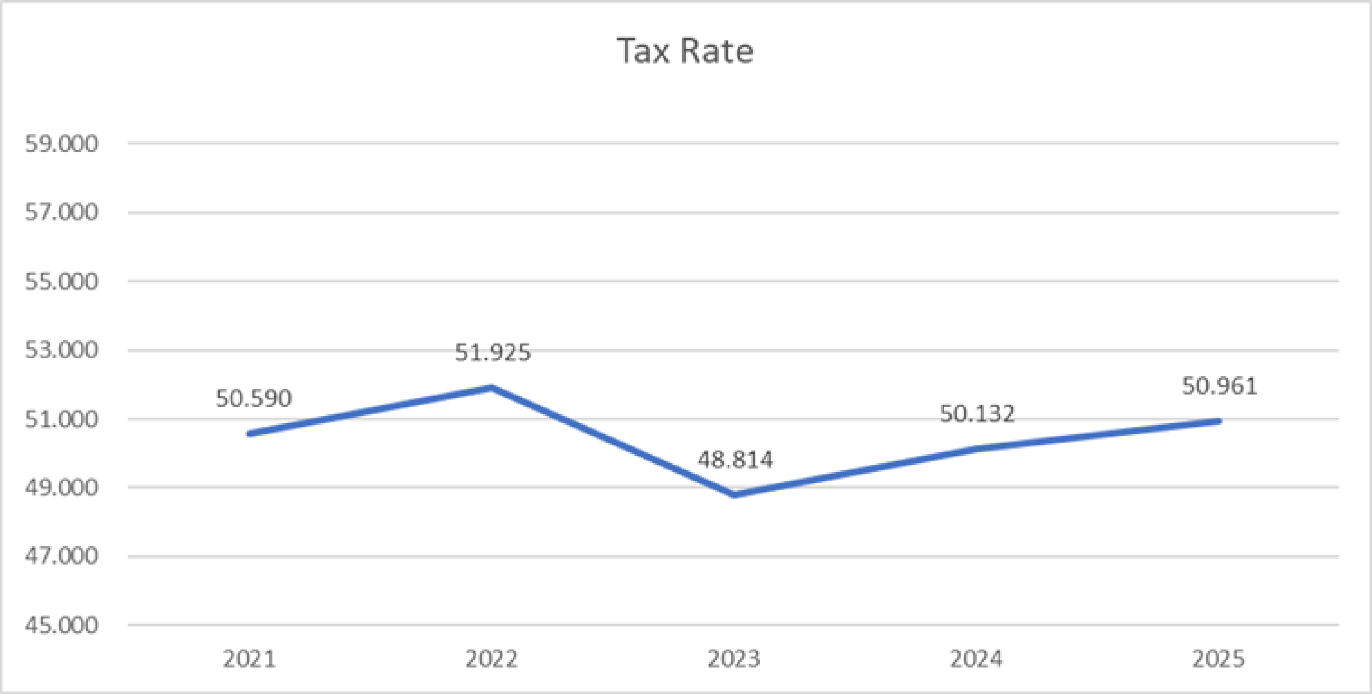
** In 2025, Parks parking lot & trail funding ($262,500) was moved from the Pavement Management Fund to the General Fund.*

Impact of 4.55% Citywide Tax Levy Increase on Median Valued Residential Property ($349,500)

Proposed Citywide 2025 Tax Levy	$ 34,231,873
Increase (%)	4.55%
Change in Tax Rate	1.65%
2025 Median Valued Property *	$ 349,500
Annual Change in City Taxes (for $349,500 median property)	$69.75

* In 2024, the median valued property was valued at $341,950

Impact of 4.55% Citywide Tax Levy Increase on City's Proposed Tax Rate



* 2025 is subject to change – depending on final values and fiscal disparities

General Fund Staffing Requests

Department	Position
Communications	Assistant Communications Manager
Police	3 Full-time Police Officers
Fire	3 Full-time Firefighters
Cost of New Staffing (est.)	$ 894,000
	+ 53,000 Position Reclasses/OT/Seasonal/Temp
Cost to General Fund (est.)	$ 947,000 *(would be an additional 2.9% levy increase)*

2024 Elected Official Salaries

Population	MLC Member Cities	Mayor's Salary
89,987	City of Bloomington	$26,400
53,776	City of Minnetonka	$23,500
81,026	City of Plymouth	$17,413
64,198	City of Eden Prairie	$17,245
75,102	City of Woodbury	$16,680
53,494	City of Edina	$15,965
64,317	City of Burnsville	$15,600
70,253	City of Maple Grove	$15,500
69,490	City of Lakeville	$15,000
43,698	City of Shakopee	$15,000
22,552	City of Golden Valley	$14,915
27,617	City of Prior Lake	$13,952
68,855	City of Eagan	$13,624
56,374	City of Apple Valley	$13,140
32,465	City of Savage	$11,771
35,791	City of Inver Grove Heights	$11,400
25,947	City of Chanhassen	$10,460
26,921	City of Shoreview	$10,440
25,650	City of Rosemount	$9,979

Population	MLC Member Cities	Council Salary
53,776	City of Minnetonka	$18,000
70,253	City of Maple Grove	$13,500
64,198	City of Eden Prairie	$13,351
53,494	City of Edina	$12,701
81,026	City of Plymouth	$12,615
89,987	City of Bloomington	$12,396
75,102	City of Woodbury	$12,006
64,317	City of Burnsville	$12,000
22,552	City of Golden Valley	$11,163
27,617	City of Prior Lake	$11,021
68,855	City of Eagan	$10,005
69,490	City of Lakeville	$10,000
56,374	City of Apple Valley	$9,408
43,698	City of Shakopee	$9,000
32,465	City of Savage	$8,958
35,791	City of Inver Grove Heights	$8,200
25,947	City of Chanhassen	$8,152
26,921	City of Shoreview	$7,752
25,650	City of Rosemount	$7,593

Population	Dakota County Cities	Mayor's Salary
69,490	City of Lakeville	$15,000
68,855	City of Eagan	$13,624
56,374	City of Apple Valley	$13,140
20,769	City of South St Paul	$12,300
64,317	City of Burnsville	$12,000
35,791	City of Inver Grove Heights	$11,400
22,152	City of Hastings	$10,200
25,650	City of Rosemount	$9,979
20,615	City of West St Paul	$9,878
23,632	City of Farmington	$8,040
11,744	City of Mendota Heights	$5,700

Population	Dakota County Cities	Council Salary
64,317	City of Burnsville	$12,000
68,855	City of Eagan	$10,005
69,490	City of Lakeville	$10,000
56,374	City of Apple Valley	$9,408
20,769	City of South St Paul	$8,700
35,791	City of Inver Grove Heights	$8,200
20,615	City of West St Paul	$8,165
22,152	City of Hastings	$7,700
25,650	City of Rosemount	$7,593
23,632	City of Farmington	$7,020
11,744	City of Mendota Heights	$4,200

Agenda Item 4.D.

Request for Council Action

SUBJECT: **Dedicated & Specialized Revenues & Possible Uses Within 2025 Budget**

MEETING DATE: August 5, 2024
ITEM TYPE: Discussion Items
CONTACT: Kris Wilson, City Administrator, 651.450.2511

ACTION REQUESTED

The Council is asked to receive an overview of various specialized revenues or dedicated funds and provide initial direction on the desirability of utilizing some or all of these resources within the City's 2025 budget.

BACKGROUND

The City currently has several specialized or dedicated funds with varying restrictions on their use. These funds include:

One-Time Public Safety Aid. As the name suggests, this is one-time funding from the State of Minnesota that was received in December of 2023 in the amount of $1,564,124. Because it is one-time money, a special fund was not established and it was instead deposited into the City's Public Safety Small Equipment Fund (Fund 102) for holding. To date, approximately $344,000 of the money has been spent or dedicated to needs of the Fire Department, as follows:

One-time Public Safety Aid - Fire Share	$344,107	Council Approval
Close gap in cost of new fire engine	-$243,750	6/26/2023
12 encrypted radios	-$64,613	10/9/20203
new boat motors	-$35,744	3/18/2024

It is proposed that the remaining funds be considered for several Police Department expenses and the phasing in of wage and benefit costs for the requested new police officers in the 2025 budget. More detail on this will be provided in the presentation at Monday's work session.

Fund 251: American Rescue Plan Act (ARPA) Fund. This fund originally contained $3.9 million in federal funding received by the City as a result of the COVID 19 pandemic. Of that, $2.5 million has been committed to the Water Treatment Plant Rehabilitation and the other $1.4 million remains. The Council may elect to utilize these funds on almost any public purpose, and has discussed devoting $1 million of the remaining funds to the acquisition of land in the NWA for a larger park space. The relocation of Old Town Hall and the historic school building to Heritage Village Park have also been mentioned as possible uses of these funds.

Fund 220: Affordable Housing Fund. This is a new fund that will hold the Local Affordable Housing Aid (LAHA) that the City will be receiving from the state. The first half aid payment for 2024 was received the week of July 22 in the amount of $100,221, and the second half is expected to be received prior to the end of the year. Funds must be committed within 3 years of receipt and spent within 4 years. This is ongoing aid that the City expects to receive annually into the future.

Fund 252: Opioid Settlement Fund. As its name suggests, this fund holds the City's share of a national settlement related to the manufacture and sale of prescription opioids. The City has not yet utilized any of these funds and it has a current balance $215,656. It is proposed that if ISD 199's referendum is successful this November, this fund might be drawn down over time to fund the City's share of a second School Resource Officer (SRO).

Fund 453: SE Quadrant TIF District. This fund contains money remaining after the closure of an old Tax Increment Financing (TIF) district in the southeast quadrant of the intersection of Hwy 52 and 494. It has a balance of approximately $1.4 million. There are two eligible uses of the money. It can be spent to support the construction of affordable housing anywhere in the City that serves households earning 50 to 60% of the Area Median Income (AMI). Or it can be returned to Dakota County to distribute to the various taxing jurisdictions (county, city, school district, etc.) in accordance with each jurisdiction's proportion of the total property tax. It is estimated that taking the second path would generate approximately $2.2 million to the City, which could then be spent on any public purpose directed by the Council.

Staff will provide additional detail and seek Council questions and direction regarding these funds during Monday's work session.

FISCAL IMPACT

RECOMMENDATION

ATTACHMENTS

None