

**JOINT CITY COUNCIL/FINANCE COMMISSION  
MEETING MINUTES  
SEPTEMBER 3, 2019**

Finance Commission members in attendance: Mike Bromelkamp, Luke Schlegel and Austin Raebel. Also in attendance: Mayor Jud Marshall, City Council members Richard Brainerd, Jeff Ledermann and Steve Wolgamot, City Administrator Scott Neilson, Finance Director Scott Schaefer, Public Works Director Bob Goebel, Fire Chief Terry Fischer, City Clerk Jerene Rogers and Accounting Clerk Amy La Belle.

**APPROVAL OF AGENDA**

Upon a motion by City Council member Brainerd, seconded by City Council member Ledermann, all members voting in favor, the agenda was adopted as presented.

**APPOINT CHAIR AND VICE CHAIR OF THE FINANCE COMMISSION**

Upon a motion by Finance Commission member Schlegel, seconded by Finance Commission Member Raebel, all members voting in favor, Finance Commission member Bromelkamp was appointed to Chair of the Finance Commission and Finance Commission member Schlegel was appointed to Vice Chair of the Finance Commission. The motion was unanimously approved.

**APPROVAL OF THE OCTOBER 16, 2018 JOINT CITY COUNCIL/FINANCE  
COMMISSION MEETING MINUTES**

Upon a motion by Finance Commission Vice Chair Schlegel, seconded by Council Member Wolgamot, all members voting in favor, the October 16, 2018 Joint City Council/Finance Commission meeting minutes were approved as presented.

**CLOSED BOND FUND**

Finance Director Schaefer gave an overview of the Closed Bond Fund policy, he stated the excess of reserve funds over \$500,000 may be used to finance City Council approved Capital Improvement projects, reduce next year's bond and interest tax levy or pay off bond fund deficits. The policy states the fund is to be reviewed annually by the Finance Commission before the budget process to determine what would be the best use of these funds.

There is no planned transfer of Closed Bonds Funds for 2020. The Closed Bond Fund balance as of December 31, 2018 is \$1,167,541 and the projected fund balance for December 31, 2019 is \$1,185,041.

## **REVIEW OF PROPOSED 2020 GENERAL FUND, PARK FUND, EQUIPMENT & BUILDING REPLACEMENT FUND BUDGETS**

City Administrator Scott Neilson said the proposed general fund budget for 2020 is \$6,259,198 compared to \$6,103,232 in 2019, which is an increase of 2.56%. He said the proposed General Fund Budget is based on a levy amount of \$4,828,786 compared to \$4,743,516 in 2019, which represents an increase of 1.8 %. He explained the proposed tax capacity rate for 2020 is 36.124% compared to 38.892% in 2019. Based on a home value of \$300,000 property taxes will be approximately \$1,046.87 compared to \$1,068.00 in 2019. This reflects a decrease of 7.1% in the tax capacity rate and taxable property values increasing 4.8% from 2019.

City Administrator Neilson reviewed the proposed 2020 General Fund Expenditure Budget. He stated that the overall, proposed General Fund Budget represents a 2.56% increase from the 2019 budget. The 2020 General Fund Budget represents the same service levels as 2019 and also includes the following:

- Mayor and Council: proposed to increase 3.5% due to Strategic Planning held every two years.
- Communications: proposed to increase from \$70,250 to \$73,500 due to an increase in Information Technology Services.
- Assessor: proposed to increase \$2,000 or 4.35%. The costs for assessing will be approximately \$14.18 per parcel. Costs for appeals are covered by Washington County.
- Engineering and Planning: proposed to increase by \$10,000 for each function.
- City Buildings: proposed to increase as a result of utility cost allocation increases.
- Police Services: the 2020 contract is estimated by Washington County to be \$576,145 which will be a 2.47% increase over the 2019 budget.
- Fire and Ambulance: Fire budget is proposed to increase by 11.97% and Ambulance budget is proposed to decrease by 10.24%. This is due to allocations for the two new full-time Firefighter/EMT's.
- Parks: proposed to increase \$47,000 or 9.87%. This includes \$10,000 for electric car charging stations in Veteran's Park, \$20,000 for park benches and equipment, and \$10,000 for the Emerald Ash Borer program. The transfer remains at \$150,000.

Administrator Neilson also reviewed the reserves and the current staffing totals.

Finance Director Schaefer reviewed the tax capacity rate and the formula used to derive said number.

Council member Brainerd asked for clarification regarding the electric car charging stations and the progress of that project. Council member Ledermann gave an update on the progress and an overview of the scope of the project.

Council member Ledermann requested that the Washington County Sheriff's office be invited to make a presentation at a future council meeting regarding the incidents that they may be encountering and any other pertinent information.

## REVIEW OF PROPOSED 2020 UTILITY FUNDS BUDGETS

Finance Director Schaefer reviewed the proposed 2020 Utility Funds Budgets and noted that the revenue budget in water reflects an increase of the water unit cost of 8% and the revenue budget in sewer reflects an increase of 3%. He noted that this is necessary to fund the operating and capital expenditures, debt service and to maintain adequate reserve levels. Director Schaefer added that the revenue budget in storm water reflects an increase of 10% in the unit cost. The expenditure operating budget reflects an increase of \$184,101 or 16.51%. It includes \$360,000 for Glenmar Area Drainage Diversion Project and \$380,000 for pond dredging and drainage projects.

Discussion was had regarding the increase in the utility rates and the necessity for continued future increases, particularly regarding storm water.

City Administrator Neilson thanked the departments in assisting with the preparation of the budget and the continued outstanding work of Finance Director Scott Schaefer. He stated that every year the budget gets more challenging and Scott does a great job of making it all work and the City continues to make significant infrastructure investments.

Upon a motion by Finance Commission Vice Chair Schlegel, seconded by Finance Commission member Raebel, all members voting in favor, the Finance Commission recommends the City Council approve the 2020 General Fund Levy, Special Revenue Fund, Utility Funds and Equipment and Building Replacement Fund Budgets as presented. The 2020 Preliminary General Fund Budget public hearing will be held at the September 17, 2019 City Council meeting.

## NEXT COMMISSION MEETING

The next regular meeting of the Mahtomedi Finance Commission will be a joint meeting with the City Council on Tuesday, October 15, 2019 at 5:15 p.m. This meeting will be to discuss the Capital Improvement Financing Plan for 2020-2024, and the 2020 Fee Schedule.

## ADJOURNMENT

Upon a motion by Finance Commission Chair Bromelkamp, seconded by Finance Commission Vice Chair Schlegel, all members voting in favor, the September 3, 2019 Joint City Council/Finance Commission meeting was adjourned at 6:44 p.m.

**ATTESTED:**

**APPROVED:**



AMY LABELLE, ACCOUNTING CLERK

MIKE BROMELKAMP, CHAIR