

AGENDA
MAPLEWOOD CITY COUNCIL
MANAGER WORKSHOP
5:15 P.M. Monday, November 26, 2012
Council Chambers, City Hall

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF AGENDA

D. UNFINISHED BUSINESS

1. City Clerk Swearing In of Council Member Rebecca Cave
2. Update on Labor Negotiations
 - a. Declaration of Intent to Close Meeting
3. Discussion on 4.5% Levy Increase/Budget Transfers
4. Update on Progress of City Council Goals

E. NEW BUSINESS

F. ADJOURNMENT

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AGENDA REPORT

TO: James Antonen, City Manager
FROM: Charles Ahl, Assistant City Manager
SUBJECT: **Discussion on Labor Negotiations Strategy**
 ■ Declaration of Intent to Close Meeting
DATE: **November 26, 2012**

INTRODUCTION

The City Council will continue to discuss strategy for bargaining with the seven bargaining groups regarding contracts for 2013 and 2014. All employee contracts expire at the end of 2012, so the Council will discuss parameters and strategy for the employee contracts. The seven groups are AFSCME, Police Officers, Police Sergeants, Fire Fighters, Fire Fighter Officers, Metro Supervisory Association; Metro Supervisory Association and Maplewood Supervisory and Confidential Association.

Because of the confidential nature of these negotiations, the staff and Labor Attorney will be recommending that the City Council close this session as allowed by state statute.

Recommended Action

The City Council should discuss the negotiations. No action is recommended.

AGENDA REPORT

TO: James Antonen, City Manager
FROM: Gayle Bauman, Finance Manager
 Chuck Ahl, Asst. City Manager
SUBJECT: Discussion on 4.5% Levy Increase and Proposed Budget Transfers
DATE: October 30, 2012 for November 26, 2013 workshop

INTRODUCTION

At the September 10th council meeting, a proposed property tax levy of \$18,656,930 was approved which is 4.5% more than the 2012 levy. The Council was provided with a proposed Operating Budget for 2013 prior to the September 10th meeting. That document included projections for the General Fund for the remainder of 2012. Staff now has financial information for the first 9 months of the year and would like to update the Council on where the city is at and discuss the 2013 levy.

DISCUSSION

To assist with budget preparation, re-estimates are calculated and continually updated to see if we are staying on track or not. Revenue estimates are based on an average of the past three years' activity, data provided by departments and year to date actuals. For expenditure estimates we typically assume that 98% of the budget will be spent – adjusted for carryovers and encumbrances. The current 2012 numbers for the General Fund show the following:

	<u>Original Budget</u>	<u>Re-Estimate</u>
Total Revenues	17,914,250	18,188,890
Total Expenditures	(18,331,600)	(17,951,440)
Operating Income	(417,350)	237,450
Other Revenues	55,900	55,120
Transfers	(74,500)	5,125
Change in Fund Balance	<u>(435,950)</u>	<u>297,695</u>

The \$18,331,600 figure for Total Expenditures is arrived at by taking the original budget and adding in the carryovers and encumbrances approved from 2011 funds. Based on the above information, the City has potential one-time funds of approximately \$750,000 calculated as follows:

Expenditures coming in under budget	\$380,160
Revenues coming in over budget	274,640
Recalculation of fund balance percentage	<u>95,200</u>
	<u>\$750,000</u>

This is mainly due to the following:

- Increased building permit fee revenues
- Vacancies in positions
- Not having any unforeseen occurrences that call for capital outlay
- Low snow fall amounts last winter
- Departments holding the line on spending

The final amount of these one-time funds is dependent on what happens during the balance of the year. The funds will be available for use only if we do not need them to cover expenses through the rest of the year and they are not expected to occur again next year. Because of this, they should not be used for continuing operations as this would not be consistent with our goal of financial sustainability.

Recommended General Fund Transfers (use of one-time money): With the limited resources available, the City has been deferring capital items in order to maintain operations. This ultimately results in additional maintenance costs and staff time because of the lack of resources and the deteriorated state of our assets. The Council's number one priority from the February 2011 retreat and a continued goal from the March 2012 retreat was Financial Sustainability: *"Continue to provide quality, efficient services to our citizens while equalizing expenditures and revenues every year. Make budgeting decisions that comport with the principals of sustainability."* Some practices that reflect this goal are:

- Having sufficient fund balance to maintain or improve our bond rating and provide for our cash flow needs
- Setting aside funds for replacement of equipment
- Setting aside funds for building improvements (roofs, boilers, parking lots, etc.)
- Ensuring there is sufficient workforce to handle the needed services

The City needs to be more proactive and establish reserve funds for items that are slowly depreciating in value. They will need to be replaced and we need to recognize this and start planning for it.

The State Auditor recommends that cities maintain unrestricted fund balances in their general fund of approximately 35 to 50 percent of fund operating revenues or no less than five months of operating expenditures. An adequate fund balance is needed to maintain our bond rating and provide a sufficient balance for our cash flow needs. Our fund balance policy states *'The City Council may consider appropriating (for authorized purposes) year-end fund balance in excess of the policy level or increasing the minimum fund balance. An example of preferred use of excess fund balance would be for one-time expenditures, such as capital expenditures, which do not result in recurring operating costs. Amounts that exceed 40% of annual general fund revenues may be transferred out to other funds.'*

The 2013 budget is set to maintain a fund balance level which is 40% of operating revenues. Staff is recommending that in the event the City exceeds the 40% level for 2012, excess, one-time money be transferred to other funds to help fund deferred items and alleviate deficits. This will allow the General Fund to retain a healthy fund balance within our fund balance policy requirements, and direct resources to other funds where there are funding challenges. Transfers or budget adjustments recommended would be as follows:

- \$16,570 to the MCC to cover the Trane facility audit conducted in 2012
- \$45,880 to the MCC to cover the lease of the chiller for 5 months
- \$250,000 to the MCC to cover the cost of a new chiller and controls (this will be combined with a \$200,000 equipment certificate to be issued in 2013 to cover the total cost of the new

- equipment)
- \$100,000 to the Ambulance Fund to refund an overcharge of the Administrative Charge from a previous year
- \$12,050 to the Community Development budget to cover increased part-time and temporary staff time due to increased construction activity
- \$50,000 to the IT Fund to help replenish fund balance which has been used to help balance the budget over the past few years
- \$62,000 to the Police budget to purchase two additional squad cars
- \$160,000 to the Debt Service Fund to help limit future levy increases and cover the MSAS shortage until funding becomes available
- \$50,000 to the Park Development Fund to help fund park equipment

Other transfers considered but not recommended due to lack of funding:

- \$75,000 for the Public Safety Expansion Fund to help reduce future debt levies
- \$50,000 for the Park Development Fund to assist with the Fish Creek purchase
- \$35,000 for the CIP Fund to help fund the replacement of equipment and furnishings
- \$35,000 for the Recreation Program Fund to help offset future fee increases
- Any money to help fund a new fire station at the 3M campus.

The final amounts are not yet known, but in no event would one of these transfers be completed to bring the General Fund fund balance below 40% of operating revenues.

Recommended use for additional levy dollars (from 3.5% to 4.5%): Based on Council input from the September 10th council meeting, staff has allocated the additional 1% levy increase approved by Council as follows:

- \$50,000 for additional Fire Department personnel as requested by Chief Lukin
- \$50,000 for the new Fire Station project to help reduce future anticipated debt
- \$78,530 for debt service to help limit future increases in the debt levy

RECOMMENDATION

No action is recommended on this item. This is a discussion issue. Thank you for your continued support of achieving a financially sustainable Maplewood.

AGENDA REPORT

TO: James Antonen, City Manager
FROM: Charles Ahl, Assistant City Manager
SUBJECT: **Report on Progress on City Council Goals**
 A. Public Safety
 B. Economic Development
 C. Financial Stability/Sustainability
 D. Parks and Recreation
 E. Consolidation of Services/Shared Services
DATE: November 26, 2012

INTRODUCTION

In March 2012, the City Council and staff met for a one-day session to discuss and establish goals for the City and operations for 2012 – 2014. This agenda item is intended to continue a discussion on that item, including updates from various staff members on the progress related to each item. No action is anticipated as part of this item.

Summary of Goals and Progress [Goals are listed in Ranked Order]

A. Public Safety

- a. Goal specifics: Complete the plan for rebuilding and relocating fire stations, from five to three, including securing the 3M site. Develop and commit to a plan for meeting the space needs of the police department.
- b. Assistant City Manager Ahl and Fire Chief Lukin will provide the Council with a status of current operations that are pursuing the expansion of the police department and construction of a fire station at 3M under separate plans. A plan for bonding in March-April 2012 was shelved due to a concern with a petition on the size of the bonding level and fire station concerns. The current plan provides for a Public Hearing on November 26, 2012 to consider the Police Department Expansion that will provide \$4.3 million to begin addressing the space needs after a study by an independent architect determined that the Police Department had only 45% of the space necessary for their operations. A second plan is being developed for construction of a fire station at the 3M site. That public hearing will be held in February or March 2013. If the current schedule is maintained and the City Council approves the bonding for these projects, both the Police Department Expansion Project and the 3M Fire Station Project will be completed and operational in mid- to late-2014.

B. Economic Development

- a. Goal specifics: Make a concerted effort to define and develop a plan (through the EDA) that will ensure new economic development in the city with a particular focus on re-development. Commit to re-development (including housing) for the City through prioritizing and updating the Master Plan. Determine staffing needs for this effort with adequate resources. Work with BEDC.

- b. Assistant City Manager Ahl will provide a report on the various tasks that have been undertaken within the Community Development Department to further economic development. Mike Martin has been designated our Economic Development Planner and is currently being assisted by Mike Ericson on a temporary basis. Mr. Martin and Mr. Erickson have been focusing much of their efforts on examining the Gladstone area and exploring the Master Plan and related issues. A presentation was made to the Council earlier this year on their findings, which included a recommendation to re-focus and re-brand the area and plan. A Market Analysis has been updated on Gladstone and will help define our further initiatives in that area. The major economic development focus is being led by a team of City Manager Antonen, Assistant City Manager Ahl and Finance Manager Bauman working with our partners at Springsted and Briggs-Morgan to develop the necessary Tax Increment Financing package to retain 700+ jobs on the 3M Campus that will include a new \$150-million plus research and development facility. That process is just starting, but will involve major leadership in economic development in 2013 to develop the necessary plan and will be the lead item for BEDC to work through during the next 4-8 months.

C. Financial Stability/Sustainability

- a. Goal Specifics: Continue to provide quality, efficient services to our citizens while equalizing expenditures and revenues every year. Make budgeting decisions that comport with the principals of sustainability.
- b. Finance Manager Gayle Bauman provide the following summary and will be available to add information on how the Financial Management Team of Gayle Bauman and Chuck Ahl implement this process:

The Council and Department Heads are updated monthly on the status of the City's General Fund, which is the main operating fund for the City. Having up-to-date information available assists greatly with the decision making process. The City's General Fund fund balance is being maintained at 40% of general fund revenues, which is well within the guidelines provided by the State Auditor and helps the City maintain its high bond rating. For the past few years, the City has been able to realize some one-time monies which were designated for deferred items and cash deficits. Not using one-time monies to fund operations helps achieve the goal of financial sustainability. The 2013-2017 CIP document was adopted earlier this past year with an emphasis on public safety facilities. The information from the CIP was then used for the 2013 budget process which began back in May. The proposed 2013 Budget continues to move the City forward to achieving the goal Financial Stability/Sustainability.

D. Parks and Recreation Department

- a. Goal Specifics: Continue to determine how to resolve the Community Center's funding and programming issues. Explore a possible joint venture with neighboring communities and a referendum on a sustainable Parks system. Develop a comprehensive plan about our parks.

- b. Parks and Recreation Director Dewey Konewko will provide updates on this goal and provided the following summary for discussion:

Staff continues to explore opportunities for additional revenue growth at the MCC and at the same time seek out efficiencies that are aimed at reducing expenditures. Staff was able to reduce the operating loss for the MCC substantially from 2011 and we are optimistic that this trend will continue in 2013 in-line with the five to seven year sustainable budget plan that was discussed with council. In 2013, the MCC will be focusing on increasing membership levels as well as retaining existing members, increased use of the banquet area for conferences and business use, and look at possible collaboration efforts with neighboring communities. Staff will also be developing a marketing strategy to better utilize the limited monies we have with a focus in these areas. In addition, staff will be looking at personnel changes within the MCC as we continue to manage expenditures and consolidate areas and programs for efficiencies. The recreation program is on target with regard to revenues and expenditures and we are looking at future trends and demographics to better assist us with programming efforts going forward. One of the goals the department has in 2013 is to provide resources and services to serve the needs of all members of the community. The Parks Department will begin developing a Park System Plan in 2013/2014 that will be forward looking and more importantly provide options with regard to funding for future discussions with council. Staff will be working directly with the Park Commission as well as residents and businesses in the city to ensure that all stakeholders have a voice in the process.

E. Consolidation of Services/Shared Services

- a. Goal Specifics: All departments will work collaboratively with other cities in an effort to provide more cost-effective services where possible. Consolidate or share city services where it makes sense from a sustainability standpoint.
- b. Assistant City Manager Ahl has compiled a list of dozens of joint efforts that are new and existing over the past few years. That list and a report from various areas that show the efforts that exist as well as efforts to provide joint services throughout Maplewood and surrounding agencies will be presented.

F. Other Areas:

a. INFRASTRUCTURE

- i. Goal Specifics: Complete Infrastructure Upgrades in an Environmentally Sustainable Process.
- ii. City Engineer Michael Thompson provided the following summary on progress within our Public Works Department on continuing our infrastructure upgrades:

Our mill and overlay project this year was successful. We now have new driving surfaces on Roselawn, Highwood, Linwood, Stillwater, Maryland, and Conway. Only the Southlawn Drive segment was delayed until 2013 due to the Metro Transit Park and Ride construction schedule delay.

Maplewood's first truly "Living Streets" project was successfully implemented this year and it looks great. The new street, sidewalks, gardens, and park equipment look great. We leveraged over \$900,000 from the watershed to help accomplish this project. The final draft of the Living Streets Policy is making its way back to boards and commissions. It will be brought to council for final ratification in early 2013. It should be noted that a large part of this project was investing back into the Park System (Gethsemane Park) through new equipment and play area. This investment back into parks and recreation is consistent with the council's 4th overall goal. Additionally, our public works crews did a superb job on the trail overlay projects to renew older deteriorating trails in our city parks and around Wicklander's Pond here on the city campus.

The first phase of the Gladstone Redevelopment Improvement is complete, and has transformed the Frost Avenue corridor! The Shores Senior Living project is nearly complete and has added substantially to the overall look and feel of this redevelopment corridor. This is a huge step toward promoting further economic development within the corridor which was a number one priority for the council. The engineering department again leveraged over \$265,000 through a watershed grant to help pay for the Gladstone Savanna Improvements recently completed and continue to be successful in our grant application efforts.

The Arkwright/Sunrise Neighborhood Project is planned to be shifted into a 2014 construction season from 2013 in order to balance bonding needs. The main focus for the engineering department in 2013 will be the successful implementation of the TH 36/English Street Interchange Project. Public outreach and working with our businesses during the construction is of the utmost importance. This winter and spring additional open-house and outreach meetings will be conducted focused on construction phasing and detours.

Maplewood continues to work with neighboring communities on joint projects and through existing Joint Power Agreements to seek efficiencies. In addition Public Works continues to improve its sustainable approach to operations and how we build infrastructure. The City of Maplewood was recently selected for the Environmental Stewardship Award by the American Public Works Association which reflects positively upon the entire City!

Recommended Action

The City Council should actively participate in the discussion and staff comments on the overall goal. Areas of progress should be noted, as well as areas where additional emphasis is needed should also be addressed. No action is anticipated on this item. Staff anticipates calling for a new Staff Council Retreat in early 2013

- Attachments
1. Council Goals

**SUMMARY OF GOALS AND ACTION ITEMS FROM
MAPLEWOOD CITY COUNCIL /STAFF RETREAT**

2012- 2014 GOALS

Ranked

Starting with input garnered from the pre-retreat survey, the mayor and council discussed their goals, consolidated where appropriate and then ranked them.

#1 – Public Safety

Complete the plan for rebuilding and relocating fire stations, from five to three, including securing the 3M site. Develop and commit to a plan for meeting the space needs of the police department.

#1 – Economic Development *(tie for first)*

Make a concerted effort to define and develop a plan (through the EDA) that will ensure new economic development in the city with a particular focus on re-development. Commit to a redevelopment (including housing) for the city through prioritizing and updating the master plan. Determine staffing needs for this effort with adequate resources. Work with BEDC.

#3 – Financial Stability/Sustainability

Continue to provide quality, efficient services to our citizens while equalizing expenditures and revenues every year. Make budgeting decisions that comport with the principals of sustainability.

#4 – Parks and Recreation

Continue to determine how to resolve the Community Center's funding and programming issues. Explore a possible joint venture with neighboring communities and a referendum on a sustainable Parks system. Develop a comprehensive plan about our parks.

#5 – Consolidation of Services/Shared Services

All departments will work collaborative with other cities to in an effort to provide more cost-effective services where possible. Consolidate or share city services where it makes sense from a sustainability standpoint (*Good Government*).

Department Head Presentations - Matters for City Council Consideration

(Summary of action items after presentations were made at retreat)

Police – Chief Thomalla:

Upcoming matters with City Council - for Police Department:

- ⇒ Approval of CIP bond for PD
- ⇒ Two additional staff with grant
- ⇒ Two Police Officers in Mall – taking out existing office there – and focusing on fraud
- ⇒ Outgrown PD facilities and need to take action

Fire – Chief Lukin:

Upcoming matters with City Council - for Fire Department:

- ⇒ #1 priority - 3M site moving along
- ⇒ #2 selling of stations and remodel

Public Works – Michael Thompson:

Upcoming matters with City Council - for Public Works Department:

- ⇒ Street Reconstruction
- ⇒ T.H. 36/English will be a challenge in terms of funding, closures and local neighborhood connections and communication
- ⇒ Rain gardens will be a big focus again in 2012
- ⇒ Partnerships are being worked in neighboring communities
- ⇒ Council Member Llanas: English/36
 - Big thing of radar for City Council
 - 2012 we will have a public hearing
 - Approval of project April 2012
 - 2013 – will have an assessment hearing

Parks and Recreation – Dewey Konewko:

Upcoming matters with City Council - for Parks and Recreation:

- ⇒ MCC – 5 year plan to sustainability
- ⇒ CIP – upgrade maintenance equipment
- ⇒ Indoor playground/daycare – continue looking at
- ⇒ #1 PAC piece – look for dedicated contribution to park

Finance – Gayle Bauman:

Upcoming matters with City Council - for Finance:

- ⇒ CIP end of March – bonds
- ⇒ Budget 2013

Citizen Services - Karen Guilfoile:

Upcoming matters with City Council - for Citizen Services:

- ⇒ City Council to decide future of “Taste of Maplewood”
 - Continue or not – cost \$6000
 - Move to 4th of July

IT Dept – Mychal Fowlds:

Upcoming matters with City Council - for Information Technology:

- ⇒ Logo - discuss and make a major change
- ⇒ Ask of City Council – adapt a more computer savvy approach to job

Community Development – Chuck Ahl:

Upcoming matters with City Council - for Community Development:

- ⇒ Transitioning from development to redevelopment, economic development
- ⇒ CC – 2012 – CIP ½ 1% of levy to EDA
- ⇒ Do we hire FT CD director?

Administration/Summary – Jim Antonen:

Upcoming matters with City Council - for Administration:

- ⇒ Staffing expenses - \$100-200K Health care and Wellness
- ⇒ Levy
- ⇒ City Council – re-affirmation of MCC: if not, how will we dispose of it?
- ⇒ Direction on funding

STRATEGIC TOPICS: ISSUES, PRIORITIES, AND DIRECTION

The council and staff discussed the following topics and issues. All of these represent priority areas for 2012. Although they are not ranked, they will be considered action items to be reported on and tracked throughout the year.

a) Parks and Recreation

- Explore referendum on a sustainable Parks system (K. Juenemann)
- Develop a comprehensive plan about our parks (J. Llanas)
 - Tell the story about our parks
 - Look at different financial options, integrate what other departments are doing too
- Look at more partnerships with MAA (Maplewood Athletic Association) (B. Cardinal)

b) Maplewood Community Center:

- Keep working plan to bring it down...
- Explore partnerships

c) Police Department

- “March on” - send options/solutions to City Council

d) Green Step City

- “Continue” -- now at stage 6 of 16 (criteria)

e) Infrastructure

- Maintain and look for partnerships e.g. watershed grant

f) Volunteer Programs

- Park and Recreation – Nature Center has hundreds of volunteers
- Make people more aware of how extensive our volunteer program is
- Explore additional volunteer recognition programs and celebrations
- “Good Citizenship Award” will driven by City Council

g) Redevelopment

- Look at staffing options: explore hiring an Economic Development/Community Development Staff person; at least part-time
- Consider a "point person" on redevelopment
- Create a list of places to avoid blight; identify deteriorating, empty or neglected properties. (B. Cardinal)
- Housing rehab is important - Be more proactive on housing rehab (K. Juenemann)
- Be concerned about slob and hoarders (W. Rossbach)

h) Fish Creek

- Hurray Dewey!
- 75% there – keep moving ahead for funding
- Goal =1 year to have it completed

i) Taste of Maplewood/Hazelwood - 4th of July

- Move TOM to 4th of July - Saturday in Hazelwood
- Coordinate with Maplewood Mall this year
- Will have a more detailed discussion with City Council

j) Fire Stations

- Continue implementing new staffing plan.
- Continue with station changes - relocate and rebuild, and 3M location
- Keep Fire District concept alive for long-term.

k) Financial Sustainability

- Explore levy limits
- Begin discussion in March 2012 → to June 2012

l) Shared Services

- Every department should have as a practice/consider - continue

m) Listening Forum

- Seems to be working; look at options

n) Council Relationships, Council /Staff Relationships

- Continue working well together

o) City Manager Evaluation

- Look at modifying to eliminate "ranking" system