

AGENDA
MAPLEWOOD CITY COUNCIL
MANAGER WORKSHOP
5:00 P.M. Monday, September 09, 2013
Council Chambers, City Hall

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF AGENDA

D. UNFINISHED BUSINESS

None

E. NEW BUSINESS

1. Instruction on CPR – Fire Department (No Report)
2. Commission Interview
 - a. Heritage Preservation Commission
3. 2014 Budget: Discussion of Capital Options for Levy

F. ADJOURNMENT

THIS PAGE IS INTENTIONALLY LEFT BLANK

MEMORANDUM

TO: City Council
FROM: Charles Ahl, Assistant City Manager
 Sarah Burlingame, Senior Administrative Assistant
DATE: September 4, 2013
SUBJECT: Commission Interview
 a. Heritage Preservation Commission

Introduction/Background

The City Council will be conducting an interview of a candidate for the Heritage Preservation Commission. The Commission has one opening due to a term expiring. Staff has advertised for this position and received one applicant.

Budget Impact

None.

Recommendation

Staff recommends that the Council interview the candidate as indicated in the schedule below. The suggested questions will be submitted under separate cover to the Council. During the interview process, Council Members should fill out their ballots. Once the Interviews have concluded, Council Members should submit their ballots to staff, which will be tallied with the results brought back to the Council during the following regular meeting with recommendations for appointment.

Time	Candidate	Commission
6:00	Question Selection	
6:05	Frank Gilbertson	Heritage Preservation Commission

Attachments

1. Candidate Applications in order of interview schedule



CITY OF MAPLEWOOD BOARDS AND COMMISSIONS APPLICANT INFORMATION FORM



Name: Frank C. Gilberston Date: 8/3/2013

Personal Information

Minnesota State Statute §13.601 states that once an individual is appointed to a public body, the following additional items of data are public:

- (1) residential address; and
- (2) either a telephone number or electronic mail address where the appointee can be reached, or both at the request of the appointee.

ADDRESS: _____ City _____ Zip _____

PHONE: Home _____ Work _____ Cell _____

EMAIL: _____

1. Please check which Board and/or Commission you are interested in serving?

- | | |
|--|--|
| <input type="checkbox"/> Housing & Economic Development Commission | <input type="checkbox"/> Human Rights Commission |
| <input type="checkbox"/> Business Representative <input type="checkbox"/> Resident | <input type="checkbox"/> Parks & Recreation Commission |
| <input type="checkbox"/> Community Design Review Board | <input type="checkbox"/> Planning Commission |
| <input type="checkbox"/> Environmental & Natural Resources Commission | <input type="checkbox"/> Police & Civil Service Commission |
| <input checked="" type="checkbox"/> Heritage Preservation Commission | |

2. How long have you lived in Maplewood? Over 25 years

3. Will other commitments make regular attendance at meetings difficult? Yes No

4. Please list specific reasons why you would like to serve on this Board or Commission?

I am interested in preserving the city for my childrens childrens.
I believe I know Maplewood, I've grown up a son of a 3M Engineer, and I've seen Maplewood grow and change from the 1960's to today. I want to make sure there is dialogue, coversation, and action to keep our cities history.

5. Do you have any specific areas of interest within the Board's or Commission's scope of responsibilities?

I'm interested in several of the buildings built in the 50's and 60's that provide a base for where we were but can help us also teach where we can evolve to. I'm interested in discussing preserving buildings where people can gather as a community and talk. I'm also interested in looking at some of the lakes and golf courses to see how we can teach and attract more people to learn their history.

6. List any community organizations or activities in which you have recently or are now an active participant.

I volunteer for the Little Brothers Little Sisters friends of the Elderly.
I volunteer for Meals on Wheels.

Please share any additional comments on why you should be selected by the City Council.

Kids, are now in college and I've got time and energy to devote to this committee.

You may attach a resume or other summary of your background and experience for appointment to this Commission

THE INFORMATION CONTAINED IN THIS APPLICATION SHALL BE CLASSIFIED AS PUBLIC EXCEPT FOR TELEPHONE NUMBERS, HOME ADDRESS AND E-MAIL ADDRESS.

Return or mail this application to: City of Maplewood, 1830 County Road B East, Maplewood, MN 55109

MEMORANDUM

TO: City Council
FROM: Charles Ahl, City Manager
Gayle Bauman, Finance Director
DATE: August 29, 2013
SUBJECT: 2014 Budget: Discussion of Capital Options for Levy

Introduction

This agenda item is intended to allocate time for the City Council to discuss options for the 2014 budget. At the August 12th Work Session, following a number of sessions where the Council heard presentations on the proposed budget and City Manager recommendation of a 0.0% levy increase, the Council requested additional information and time to debate some additional options for funding. Specifically, the Council requested time and information for a discussion on possible revisions to the Capital planning portion of the budget. The staff has prepared some options to facilitate this discussion. The Council will be setting a maximum levy as required by statute during the regular meeting. A State Department of Revenue interpretation of the recently passed state law on levy limits will allow for a further increase in the levy beyond the 0.0%. Any revisions to capital planning could also consider some adjustments within the allocations of the levy, as well as an increase in the maximum levy amount.

Background

Capital Options Discussion

During the past months, the City Manager's budget team presented the recommended budget and Capital Improvement Plan. In those recommendations, the staff proposed allocations into various funds as shown on the attachment called "Tax Levy for 2013-2014". The recent decision by the Department of Revenue on the levy limit terms imposed by the 2013 Minnesota Legislature, the Council's options involve moving allocations from within these funds as shown on the attachment or increasing the total levy amount in the various categories.

First, options for revisions to the Capital planning should be identified. From the Council discussion, these are not limited to the projects listed below, but suggested as follows, with a corresponding staff analysis of the potential impact:

1. Lakewood / Sterling Area Streets Projects to be moved to earlier than a planned 2016 construction project.
 - a. As background, this project was proposed to be constructed in 2014 as recently as last year within the 2013-2017 Capital Improvement Plan. However, due to concern expressed by the Council about the amount of the levy dedicated to debt service as well as the level of City debt, staff proposed within the 2014 – 2018 Capital Improvement Plan to delay this project to a 2016 construction time frame.
 - b. Due to the limited timeframe available and the priority to implement the current projects for street reconstruction within the Arkwright-Sunrise and Beebe Road areas, the earliest that this project could be implemented would be a 2015 construction. That would provide engineering planning beginning in 2014.
 - c. The cost of moving this project would be a one-time expense of \$200,000 to be incurred in 2014 for that engineering planning.

2014 BUDGET DISCUSSION
PAGE TWO

2. The addition of a Police Sub Station at the new Fire Station No. 1 at the 3M Campus.
 - a. This is a new item that has not been presented to the City Council previously. Chief Schnell is open to considering assigning staff and resources to enhance police service in the southern leg of Maplewood. These staff and corresponding squad cars would be housed at the new Fire Station.
 - b. The cost of adding these facilities to this project are estimated as a one-time expense of \$150,000.

3. The addition of funds to enhance Park improvements.
 - a. We currently levy \$30,000 that is added to the Park Dedication Fund that can only be used for new improvements or upgrades in our parks or open space system. In addition, within the \$180,000 that is levied for the CIP Fund, \$100,000 is allocated to the upgrades and repairs of our existing Park facilities.
 - b. It is a debatable item, but staff would suggest that in the short term, a higher priority exists to add additional funds into the CIP Fund for replacement items, rather than expanding new facilities.
 - c. The cost of this allocation could be done in increments of \$50,000 or \$75,000 or an additional \$100,000 amount.

4. The addition of funds to help replace equipment at Maplewood Community Center.
 - a. The proposed subsidy for the MCC is proposed to increase in 2014 from \$460,000 to \$525,000.
 - b. This amount is necessary due to the aging of equipment and needs for upgrades. New funds could accelerate the improvements at MCC and help reduce / eliminate the negative fund balances in the MCC that have the potential to impact our overall bond rating.
 - c. An allocation of \$50,000 to \$100,000 would assist with Fund Balance or could be used to upgrade equipment at MCC.

5. The addition of funds to assist with Economic Development
 - a. The proposed subsidy for the Economic Development Authority is proposed to have no increase in 2014 from the \$89,270 amount.
 - b. An increase could provide for additional support to expand support for new and enhanced business activity.
 - c. An allocation of \$50,000 to \$100,000 would allow further enhancement of the fund necessary to move projects such as Gladstone's redevelopment and other redevelopment efforts toward implementation.

Discussion on Debt Service

In a report prepared by Finance Director Gayle Bauman, dated May 29, 2013 for the June 10, 2013 Work Session as part of Capital Improvement Planning, the analysis of the City debt indicated that a majority of the new revenue from Local Government Aid should be used to hold down the levy increase for 2014 by applying the new LGA Funds to debt service for the next 3-5 years. The City's Budget is a very complex balancing of revenues, expenditures, dedicated funding of the previous year's un-used funds and maintaining an adequate fund balance. The attached chart on debt service indicates the reason for this allocation, as well as shows the short-term program whereby the fund balance is being reduced in the Debt Service Fund. While acceptable on a short-term basis [into 2019], this should not be extended.

2014 BUDGET DISCUSSION
PAGE THREE

Budget Impact

The Council should discuss the various proposals and options for additional funding. The Council must establish the maximum levy on September 9th, but does not necessarily need to establish the exact programs that those additional funds would be applied toward. The following are options for the Council to consider:

Option 1: Keep Maximum Levy at No increase +0.0%.

This approach proposes to keep the levy at no increase and **proposes that all the above capital projects to remain unfunded**. There is a possibility that the City could end 2013 with some excess funds, as has occurred in 2011 and 2012. We believe that there will be some funds available at the end of 2013, probably in the amount of \$150,000 to \$250,000, but this is much too early in the year to speculate or plan on that amount. The staff has recommended that the Council apply some of these funds to the new Fire Station Project at 3M. If the Council were to prioritize the projects above, any excess funds would be used as funds become available.

Option 2: Levy to be increased by +0.50%

This approach would apply approximately \$90,000 toward the proposed projects. Staff would recommend the following priorities:

1. **South Police Substation:** \$90,000; with the remainder [\$60,000] to be funded either with excess funds from the General Fund at the conclusion of 2013, or with the additional allocation in 2015 from the CIP Fund or this increased levy amount.
2. **No other projects from the list would be funded.**

Option 3: increase levy by +1.00%

This approach would apply the increased levy of \$185,000 as follows:

1. **South Police Substation: \$150,000;**
2. **Accelerate Lakewood / Sterling Area Streets: \$35,000; \$165,000** to be funded with any excess funds from 2013 and bonding revisions.
3. **No other projects would be funded.** .

Option 4: Levy increase of +2.00%

This approach would apply \$370,000 from the increased levy as follows:

1. **South Police Substation: \$150,000;**
2. **Accelerate Lakewood / Sterling Area Streets: \$200,000;**
3. **Parks Replacement Fund: \$20,000;** it is likely that \$100,000 could be identified to be funded with any excess funds from 2013 that are identified. This is one-time money, but could approach \$150,000 to \$250,000.

Option 5: Other ideas with a combination of projects from above.

This approach would prioritize other projects or ideas for the levy increase.

2014 BUDGET PROCESS
PAGE FOUR

Budget Discussion

The assumptions and information presented in this report will be reviewed in detail with the City Council during this Work Session. The only decision by the Council is the maximum levy amount, not which and how to fund projects. The most critical item to add at this time would be to indicate an interest in the South Police Sub-station idea, because that project is being designed at this time. That is due to the timing of the project. The additional projects could be delayed until later this fall or at the December Budget Hearing.

The information provided in the Finance Director Bauman's report on the maximum levy indicates that a majority of homeowners in Maplewood will likely see a decrease in City taxes, even if the levy is increased by 2.0%. Further discussion is certainly warranted, if desired by the City Council. An option of the Council that we have not explored is that the levy for individual Funds [and the corresponding priority that are within those Funds] could be changed. As an example, the Council could chose to reduce a levy for a Fund, like the Fire Truck Replacement Fund or Redevelopment Fund or Recreation Program Fund and those dollars could be re-allocated to other different priorities. Those further discussions could be scheduled for October and November.

Recommendation

It is recommended that the City Council review the preliminary assumptions for the 2014 Budget and provide input on the process for evaluation.

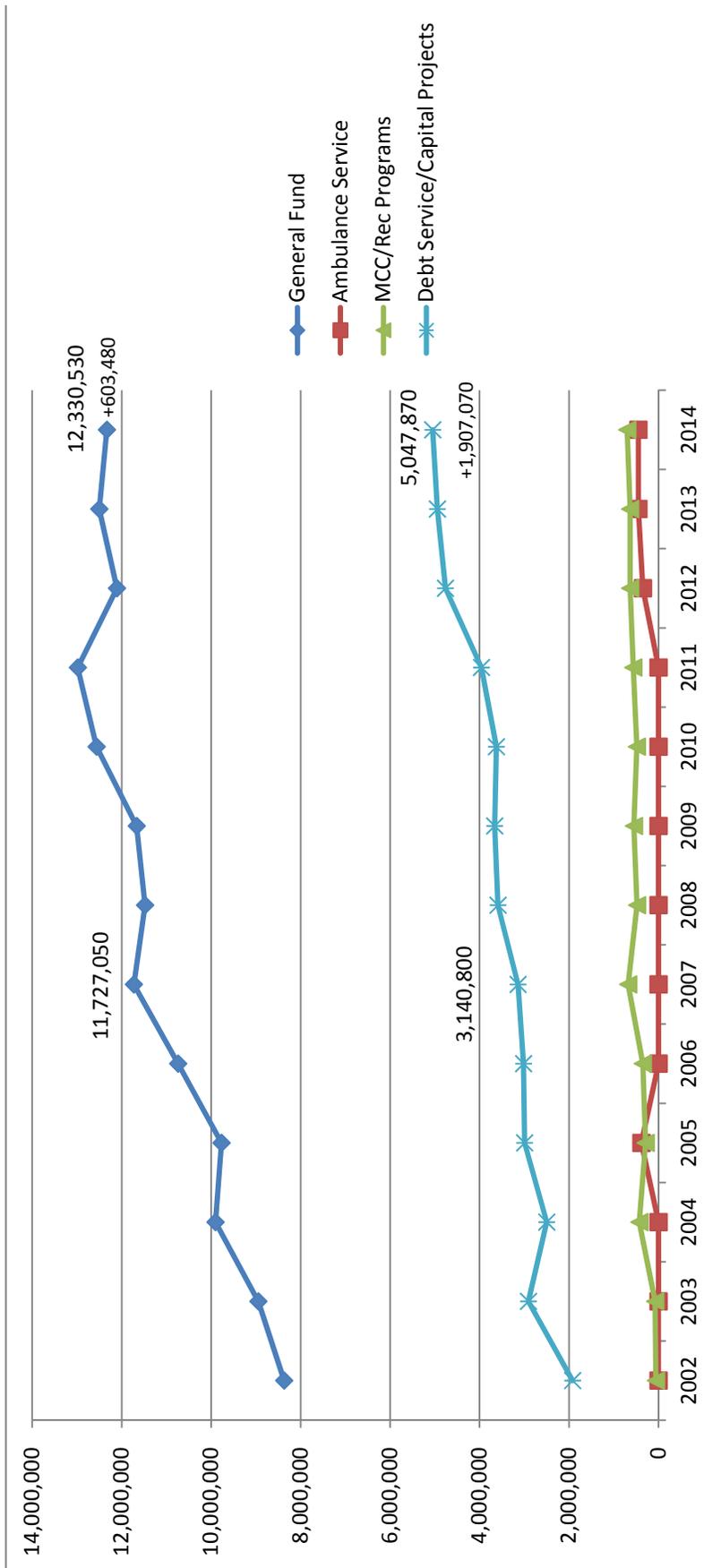
Attachments

1. Tax Levy for 2013-2014
2. Debt Service Charts

TAX LEVY FOR 2013-2014

	2013 <u>Levy</u>	Proposed 2014 <u>Levy</u>	<u>Change</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Operations:</u>				
General Fund	\$12,500,600	\$12,330,530	(\$170,070)	(1.4)%
Ambulance Service Fund	\$450,000	\$450,000	\$0	0.0%
Community Center Operations Fund	\$460,000	\$525,000	\$65,000	14.1%
Recreation Programs Fund	\$175,000	\$175,000	\$0	0.0%
Operations Total	\$13,585,600	\$13,480,530	(\$105,070)	(0.8)%
<u>Capital Improvements:</u>				
C.I.P. Fund	\$180,000	\$180,000	\$0	0.0%
Fire Truck Replacement Fund	\$50,000	\$50,000	\$0	0.0%
Park Development Fund	\$30,000	\$30,000	\$0	0.0%
Public Safety Expansion Fund	\$260,000	\$0	(\$260,000)	(100.0)%
Redevelopment Fund	\$20,000	\$40,000	\$20,000	100.0%
Capital Improvements Total	\$540,000	\$300,000	(\$240,000)	(38.1)%
<u>Debt Service:</u>				
Debt Service Fund	\$4,313,530	\$4,658,600	\$345,070	8.0%
<u>TOTALS-CITY</u>	\$18,439,130	\$18,439,130	\$0	0.0%
EDA Fund	\$89,270	\$89,270	\$0	0.0%
<u>TOTALS-ALL FUNDS</u>	\$18,528,400	\$18,528,400	\$0	0.0%

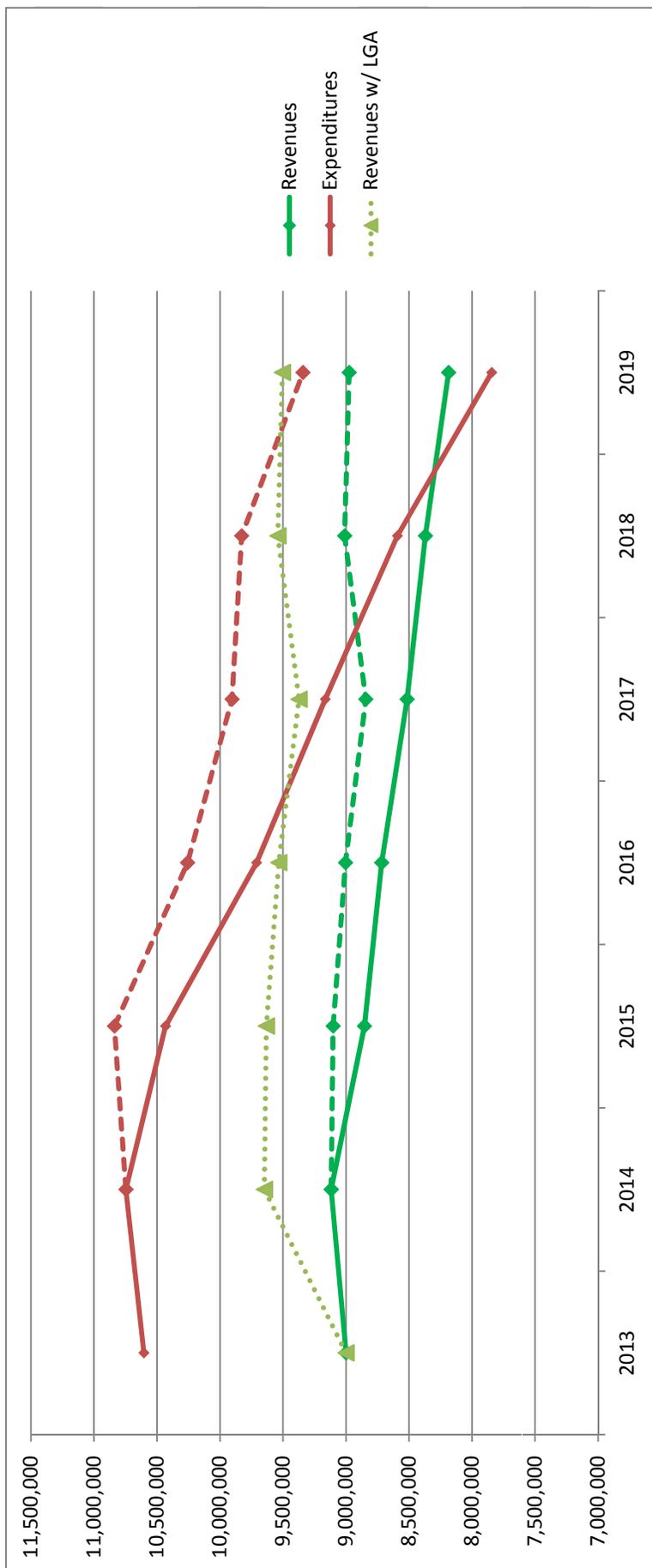
TAX LEVY HISTORY



The tax levy amounts have been adjusted to reflect years in which transfers were made from the General Fund to the Debt Service Funds. These are being shown above as a tax levy for Debt Service instead of General Fund.

The Debt Service/Capital levy has increased over three times as much as the General Fund levy during the period 2007 to 2014.

DEBT SERVICE FUNDS
Projected Revenues and Expenditures



All revenue scenarios keep the debt service levy at the 2014 amount.

The solid lines reflect projected revenues and expenditures based on bonds issued through 2013. It assumes no new bonds will be issued until after 2018.

The dashed lines reflect bonding included in the 2014-2018 CIP document. As stated above, there is no assumed increase in the debt levy.

The dotted line for revenue assumes the City will receive and apply \$530,000 of LGA to debt service from 2014 to 2019 and issue bonds included in the 2014-2018 CIP document.

As you can see in the first few years, expenditures are exceeding revenues by over \$1.5 million. Presentations made to the Council earlier this summer talked about this issue and utilizing fund balance instead of a significant levy increase to manage the situation. Even after we get to the point where revenues start to exceed expenditures, we will need to use those funds to build the fund balance back up to the level called for within our City policies.