

**Personnel/Budget Committee
Meeting Agenda
Fillmore Conference Room
August 8, 2022 - 4:30 p.m.**

1. Personnel Budget Committee August 8, 2022 4:30 p.m.
2. Review proposed Chatfield Center for the Arts Agreement
3. 2023 Budget Overview
 - A. Budget At A Glance
 - B. Departmental Goals

Members Present: Councilor Paul Novotny and Mike Urban.

Members Absent: None

Others Present: Rocky Burnett, Kay Wangen, Brian Burkholder & Joel Young.

Mayor / City Council Compensation: It was noted that city council compensation can only be increased if an ordinance is adopted prior to an election so that the increased compensation can be implemented in 2023.

Budget 2023 Review: The committee reviewed the first draft of the 2023 budget, which would create a 9.5% levy increase if adopted as is. The committee suggested that the debt service levies be adjusted downward. It was noted that the draft budget includes a 5.0% wage grid increase, an 8% increase in city council compensation, \$20,000 of unallocated expenses, \$25,000 for an incentive program sponsored by the Heritage Preservation Commission and \$50,000 for an additional full-time public works employee. Another review will take place at the August meeting.

CHATFIELD CENTER FOR THE ARTS AGREEMENT

This agreement, made this 1st day of September, 2022, by and between the **City of Chatfield, Minnesota** (City) and the **Economic Development Authority of the City of Chatfield, Minnesota**, a body corporate and politic, and a political subdivision of the State of Minnesota (“EDA”), WITNESSETH that:

WHEREAS, EDA is the owner of certain lands situated within the City of Chatfield, Minnesota, legally described as Block 19, Original Plat of the Town (now City) of Chatfield (“the property”); and,

WHEREAS, the property is the location of two physically connected historic structures, commonly known as the “Old High School” and “Potter Auditorium”, which structures are presently being used and maintained as a facility known as “The Chatfield Center for the Arts” (“the Facility”); and,

WHEREAS, the facility is a valuable resource for the citizens of the City of Chatfield and its environs because it provides facilities in which numerous individual, community, educational, cultural and entertainment events can be and are conducted or accommodated; and,

WHEREAS, the EDA has determined that the public interest would be best served by having the facilities managed by a suitable organization within the community; and,

WHEREAS, the EDA intends to enter into an agreement with the Chatfield Center for the Arts, Inc, (CCA) to operate the Facility, and

WHEREAS, the CCA has agreed to provide certain services to the EDA, including, in part,

1. The payment of operating expenses that have previously been paid by the City,
2. The presentation and production of cultural events,
3. The good faith maintenance of the Facility,
4. The use of the Facility, at no charge, whenever the EDA and City is in need of the Facility,
5. The solicitation of grants to assist with the operation and improvement of the Facility, and

WHEREAS, the EDA has agreed to provide certain services to the CCA, and

WHEREAS, the EDA is dependent on the City of Chatfield for the funding and other resources necessary to operate the EDA and support the efforts of the EDA, including the operation and maintenance of the Facility, and

WHEREAS, the City of Chatfield has determined that it is in the best interests of the residents of the City of Chatfield to support the EDA in its efforts to maximize the value of the Facility,

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Chatfield that the City will provide the following services to the EDA to support their pledge to the CCA, including;

1. The payment of \$24,000 per year,

2. The allocation of \$10,000 per year to be deposited in a Fund dedicated to capital repairs and improvements that will be necessary from time to time.
3. Adding the CCA as a “covered party” to the City’s insurance coverage, along with paying the premium of that coverage,
4. To contract for, pay and manage service contracts required for the maintenance of the elevator, fire monitoring, fire extinguishers, the maintenance and repair of the HVAC system, including inspections of boilers, replacement of air filters, etc., inspections of roofing systems,
5. Routine snow removal from the parking lot and sidewalks consistent with its removal of snow from other public places within the community,
6. Lawn mowing services, consistent with the mowing of parks and other public spaces within the community.

Agreed to between the parties hereto the date previously set forth above.

Economic Development Authority
of the City of Chatfield, Minnesota.

City of Chatfield

By _____

By _____

Its _____

Its Mayor _____

By _____

By _____

Its _____

Its City Clerk _____

	Total				Total		GENERAL FUND
	2022	2022	2023	2023	2023	2023	
	Oper/Trans	Revenues	Operations	Transfers	Oper/Trans	Revenues	
GENERAL FUND							GENERAL FUND
Ad Valorem	\$ -	\$ 1,698,522			\$ -	\$ 1,887,845	Ad Valorem
LGA / PERA Aid	\$ -	\$ 849,832			\$ -	\$ 871,793	LGA / PERA Aid
Interest Income		\$ 12,000				\$ 12,000	
General Services Transfer In		\$ 128,792				\$ 128,792	
Legislative Dept.	\$ 62,196		\$ 72,556		\$ 72,556		Legislative Dept.
Historical Society	\$ 900		\$ 900		\$ 900		Historical Society
Elections	\$ 5,300		\$ 6,450		\$ 6,450		Elections
Clerk/Finances	\$ 522,710	\$ 14,075	\$ 535,910	\$ 18,536	\$ 554,446	\$ 17,575	Clerk/Finances
Planning & Zoning	\$ 67,970	\$ 750	\$ 70,820		\$ 70,820	\$ 1,500	Planning & Zoning
Municipal Buildings	\$ 85,456	\$ 225	\$ 52,200	\$ 28,500	\$ 80,700	\$ 300	Municipal Buildings
Police Department	\$ 689,938	\$ 59,850	\$ 692,249	\$ 37,005	\$ 729,254	\$ 58,750	Police Department
Building Code	\$ 25,000	\$ 16,400	\$ 26,100		\$ 26,100	\$ 16,525	Building Code
Civil Defense	\$ 2,450		\$ 2,450		\$ 2,450		Civil Defense
Animal Control	\$ 750	\$ 1,300	\$ 750		\$ 750	\$ 1,300	Animal Control
Street Maintenance	\$ 488,502	\$ 7,900	\$ 308,723	\$ 202,250	\$ 510,973	\$ 6,700	Street Maintenance
Unallocated	\$ 20,000		\$ 20,000		\$ 20,000		Unallocated
Summer Recreation	\$ 4,200		\$ 4,300		\$ 4,300		Summer Recreation
Swimming Pool	\$ 160,637	\$ 79,600	\$ 167,722	\$ 2,500	\$ 170,222	\$ 80,200	Swimming Pool
Band	\$ 1,600		\$ 1,600		\$ 1,600		Band
Parks	\$ 203,008	\$ 1,400	\$ 158,262	\$ 45,000	\$ 203,262	\$ 1,950	Parks
Heritage Preservation	\$ 14,330	\$ 1,000	\$ 39,330		\$ 39,330	\$ 500	Heritage Preservation
Community Development	\$ 19,100	\$ 10,300	\$ 21,000	\$ 2,100	\$ 23,100	\$ 7,731	Community Development
Public Works Employee Net	\$ -		\$ 50,000		\$ 50,000		Public Works Employee Net Additional Cost
Transfer to Library Fund	\$ 187,509			\$ 193,401	\$ 193,401		Transfer to Library Fund
Transfer to Ambulance Fund	\$ 79,500			\$ 79,500	\$ 79,500		Transfer to Ambulance Fund
Transfer to EDA	\$ 74,000			\$ 76,230	\$ 76,230		Transfer to EDA
Transfer to Fire Dept.	\$ 70,390			\$ 70,117	\$ 70,117		Transfer to Fire Dept.
Transfer to WWTP Debt Service	\$ -			\$ -	\$ -		Transfer to WWTP Debt Service
Center for the Arts	\$ 80,000			\$ 90,000	\$ 90,000		Transfer to Center for the Arts
Transfer to CCTV	\$ 16,500			\$ 17,000	\$ 17,000		Transfer to CCTV
Transfers to Other Funds	\$ -			\$ -	\$ -		Transfers to Other Funds
Transfers to Capital Fund	\$ -			\$ -	\$ -		Transfers to Capital Fund
General Fund Balance Inc.	\$ -	\$ -			\$ -		General Fund Balance Inc.
TOTAL GENERAL FUND	\$ 2,881,946	\$ 2,881,946	\$ 2,231,322	\$ 862,139	\$ 3,093,461	\$ 1,205,616	TOTAL GENERAL FUND
		\$ 4,580,468				\$ 3,093,461	Total Revenues with Ad Valorem

Difference from First Draft:		2019	2020	2021	2022	2023	Proposed	Expenses:
(\$77,609) in Debt Service								Note: This levy includes:
\$4,500 Pool Chemicals	General Levy	\$ 1,449,036	\$ 1,514,941	\$ 1,604,439	\$ 1,698,522	\$ 1,887,845		1. 8.00% Mayor - City Council Pay Increase.
(\$10,000) Capital Goods								2. 5.00% Pay Grid Increase.
	Special Levy							3. Includes \$50,000 additional Public Works Emp
	2012A	\$ 31,000	\$ 20,601	\$ 19,000	\$ -	\$ -		4. Did not increase General Services Charge
	2014A	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 63,000		5. Includes \$20,000 Unallocated
	2016A	\$ 111,000	\$ 114,345	\$ 112,350	\$ 110,355	\$ 99,000		6. Includes \$25,000 HPC Initiative
	2017A	\$ 47,000	\$ 47,000	\$ 46,000	\$ 36,000	\$ 36,000		
	2018A	\$ 284,000	\$ 319,000	\$ 319,000	\$ 318,000	\$ 318,000		
	2019A	\$ -	\$ 35,801	\$ 37,000	\$ 38,000	\$ 38,000		
	2022A							
Difference from Preliminary:	Special Levy T	\$ 583,000	\$ 646,747	\$ 643,350	\$ 612,355	\$ 554,000		
	Total Levy	\$ 2,032,036	\$ 2,161,688	\$ 2,247,789	\$ 2,310,877	\$ 2,441,845		Total Tax Levy
	T.L. Change	\$ 390,340	\$ 129,652	\$ 86,101	\$ 63,088	\$ 130,968		Increase in Tax Levy
		23.780%	6.380%	3.983%	2.807%	5.667%		% increase in tax levy
Net Taxable Tax Capacity		\$ 1,813,195	\$ 2,040,768	\$ 2,143,126	\$ 2,281,405	\$ 2,281,405		Net Taxable Tax Capacity
			\$ 227,573	\$ 102,358	\$ 138,279	\$ -		Increase in Tax Capacity
			12.551%	5.016%	6.452%	0.000%		% increase in tax capacity
City Tax Rate		112%	106%	105%	101%	107%		City Tax Rate
		2019	2020	2021	2022	2023		07.18.22



Departmental Goals

2023 Departmental Goals

Ambulance Department

- Recruit new members
- Put a new ambulance in service
- Look to hire either a full-time person or a couple of part time people

City Clerk – Finance – IT - Administration

- Negotiate Mediacom Franchise Renewal
- Develop method to monitor and pursue strategic planning initiatives:
 - Students on Boards/Commissions
 - Infrastructure expansion cost/benefit study
 - Development standards/fee review
 - Communication plan development
- Review & update all financial and personnel policies

EDA

- Be a resource to existing and new businesses so that they can thrive in Chatfield
- Facilitate the completion/next steps of ongoing major projects (CCA Phase II, downtown apartments, hotel, and the like)
- Further the strategic goals assigned to the department including growing the city to the west and north and cultivating new developers for the community.
- Facilitate development. In particular, Enterprise Drive lots, housing development (both single and multi family projects), and redevelopment.
- Manage the portfolio of EDA programs and assist with new applications, ongoing management of existing programs/grants/loans, and reporting.
- Work with partner organizations and stakeholders to best position, communicate, and move projects forward.

Heritage Preservation

- Comprehensive Plan Update
- Haven Wall Accessibility Plan
- Develop a \$25,000 preservation grant program

Library Department

- We will acquire and circulate more nontraditional library items to meet the needs of community members.
- We will provide more programs in 2023 than we did in 2022 that re of interest to adults in our community to meet their educational, entertainment, and/or creative interests.
- We will invest in quality staff to specifically manage the care, cleanliness, health and beauty of the library’s landscaping.

Police Department

- Squad laptop replacement
- Squad replacement
- Taser replacement

Public Works Department

- 2023 Street Project (Grand, Prospect & Hawley Streets)
- Parks – Lawn application sprayer equipment
- Repair flusher (rather than trade)
- Landscape City Hall

Water Department

- Complete 2022 Water Project
- Help with 2023 Street Project
- Finish New Lead & Copper Regulations

Wastewater Department

- Keep operational costs down
- Continue upkeep of facility
- Sewer lining projects

2022 Cost Savings Realized – Due to either a planned or unplanned change

EDA

- \$1,000 total savings in “other professional” – No small cities blok grant admin fee needed for next year.

Library Department

- E 211-45500-404 Repairs/Maint Equipment: 2nd year of PC Lease is less than 1st year because software licenses need only be purchased the first year (MS Office and DeepFreeze)
- E 211-45500-438 Internet Expenses: Internet Expenses decreased because instead of paying monthly for hotspots to circulate to the public, we can now offer people free access to a long-term loan Chromebook with built-in internet service courtesy of the Rochester Public Library. (The got more than they need through a grant.)

Public Works Department

- Salt & Sand – mild winter – reduced salt order by 50 ton
- Snow Removal – mild winter – did more ourselves vs. contracted
- Sealcoating - trails

Wastewater Department

- 380 – Utility services. Reduced last year (2021) and looks like cost savings realized this year also – implemented operational efficiencies.

Cost Drivers Beyond Our Control

Ambulance Department

- Fuel Costs
- Marco IT Services

EDA

- Due to rising costs of providing service, 2023 CEDA staffing contract rates are anticipated to increase 5%, (~\$2,000). However, this particular line item will see an actual overall decrease of \$1,000 (from \$50k to \$49k) because no small cities block grant admin fees are needed in 2023, which were built into the 2022 budget.
- The stipend to the Chatfield Alliance is proposed to increase ~16% for a 3% COLA and new marketing initiatives. This is a total increase from \$23,000 to \$26,690

Library Department

- Worker's Compensation Insurance: It's just a stab in the dark. We're guessing \$1,000 for 2023.
- Health Insurance: \$1,065.55/mth x 2 (Monica & Christy) = \$25,573
- Property Insurance (doubled after value of library and holdings were reevaluated last year) Our guess is \$9,944 for 2023.
- Telephone: We are running about 3% over budget this year, so we're increasing next year's budget by 3%. We're guessing \$3,150 for 2023.
- Utilities: We are running about 5% over budget this year, so increased 5% for 2023. \$7,000
- Automated Operations: We are dependent on a SELCO formula for ILS Basic Services Fee and Overdrive Fees. We do not always know what our fee will be before our budget is due. We are hoping \$12,000 will cover it next year.

Police Department

- Vehicle operating
- Health insurance

Public Works Department

- Fuel Prices – equip, mowers, cutting blades (steel)
- Chip sealing & crackfilling – oil & labor

Water Department

- Fuel Costs

Wastewater Department

- 212 – Vehicle operating supplies. Fuel costs..