

Personnel/Budget Committee
Meeting Agenda
Fillmore Conference Room
December 12, 2022 - 4:30 p.m.

1. Personnel Budget Committee December 12, 2022 4:30 p.m.
2. 2023 Budget – Tax Levy
 - a. Review proposed Budget-At-A-Glance
 - b. Review Tax Levy Resolution.
3. Discuss acquisition of property and source of funding two years interest payments.
4. Discuss resolutions to appoint City Clerk and City Administrator and potential employment agreement.

Members Present: Councilor Mike Urban and Paul Novotny.

Members Absent: None.

Others Present: Joel Young.

Potential IT Services: The committee discussed data security and other services with representatives of VC3, which is a company that provides services to more municipalities than any other service. They provided information about their IT-In-A-Box solution and their S.A. solution, along with the cost of each. Staff will review the information in more detail.

RAEDI Representation: The committee discussed how the City will be represented on the board of directors of Rochester Area Economic Development, Inc., noting that the City Clerk has represented the City in the past. The committee didn't develop any alternatives to the Clerk but the mayor-elect will be consulted to see if he wants to represent the City.

City Administrator Implementation: The Committee reviewed potential job descriptions and pay equity classification points for the new positions of City Administrator and City Clerk. They also reviewed a potential change to the City's pay grid and recommended that the materials be forwarded to the City Council for consideration.

2023 Budget and Property Purchase: The committee reviewed the most current budget at a glance, where it was noted that funds had been reallocated from the proposed public works employee and unallocated lines to provide enough money to pay interest on the debt associated with the purchase of the Peoples Cooperative property. The committee asked staff to develop a two-year approach to funding the interest payments on this debt.

Potential sources of funds to CCA Project and Strategic Planning Discussion: There was not enough time to have a significant discussion about these issues, although staff was authorized to develop alternative dates for a strategic planning session.

MEMORANDUM

TO: PERSONNEL BUDGET COMMITTEE
FROM: JOEL YOUNG, CITY CLERK
SUBJECT: 2023 BUDGET & TAX LEVY
DATE: 12/12/2022
CC:

Budget Goals for Fiscal Year 2023

1. Maintain a steady, predictable, local tax rate, with a long term goal of reducing the tax rate over time.
2. Reduce the City's current debt per capita level to \$3,500 or lower, over a period of years.
3. Maintain positive reserves in the City's enterprise funds (sewer, water and garbage)
4. Develop a budget based on specified needs and goals.
5. Develop work plans based on specific outcomes; i.e. "chip-sealing all streets every seven years," in an effort to develop a result-based budget.
6. Maintain public safety and public works programming that reasonably assures the public of their personal safety, convenience, and maintenance of property value.
7. Develop and maintain technology, communication, and administrative services that allow all interested parties to be well informed, while protecting the City's critical data and operating systems.

We will pursue those principles by:

1. Maintaining an updated Capital Improvement Plan and Capital Goods Replacement Plan to guide spending on capital equipment and improvements.
2. Developing and evaluating short and long-term plans, goals and benchmarks to guide the development of the community, and the services provided by the City.
3. Investing in the personal and professional development of the City's elected officials and its regular employees.

The proposed budget for 2023 will provide services at a level similar to those provided in 2022, with two exceptions as described in the following paragraphs. The primary cost drivers are expected to be in the areas of marketing, equipment, technology, insurance, personnel, most of which is driven by inflation. Inflation is a serious consideration in its own right. A list of departmental goals for 2023 is attached.

An additional service that was proposed for 2023 was the establishment of a \$25,000 grant program that will be sponsored by the Heritage Preservation Commission. The goal of the program is to encourage reinvestment in the buildings situated in the city's historic downtown commercial district. The Commission intends to pursue this goal by making one significant grant each year. Since the preliminary tax levy was adopted, though, the City Council has decided to purchase a property to meet the needs of the Public Works Department. In order to maintain compliance with the City's Capital Financial Plan, it is necessary to use this \$25,000 to meet the interest payment obligation

associated with the purchase of the property. It is the intention to redirect this \$25,000 back to the HPC program in the 2024 budget.

A second service enhancement is the addition of a full-time public works employee, which will replace some part-time public works staff. This would result in a net increase of approximately \$50,000 in personnel cost if implemented on the first of January but should result in more dependable service than might be the case with new part time employees each year. Due to other staff changes within the department, though, this position will not be filled until May or June of this year. Because of that, \$20,000 of this amount will be used to meet the interest payment cost associated with the purchase of the property described above. This \$20,000 will be redirected to Public Works staffing in 2024.

The Local Tax Rate: The local tax rate will decrease significantly, primarily due to increasing values of residential properties in the city. In fact, the goal of getting the tax rate down to 90 will be achieved, a goal which was established after the swimming pool debt caused the rate to jump to 112 in 2017. Chatfield's tax rate reflects a full menu of general services that not all cities provide, including 24-hour police protection, a Class B ambulance service, library services, an art center, a local cable television service (CCTV-Channel 11), heritage preservation services, a modern city hall, modern swimming facilities and modern water and Class B wastewater treatment facilities.

Debt per Capita: Subsequent to issuing the bonds to pay for the swimming pool improvements, the City's debt per capita moved up to approximately \$4,600, which is considered Moderately High in the industry. Just as the city council adopted a goal to reduce the local tax rate, the city council also stated a goal to lessen the debt per capita to a point at or under \$3,500, which is considered Moderate in the industry. Based on the 2023 budget, it is expected that this goal has been substantially achieved as the debt per capita ratio is expected to be below \$3,500 at the end of this year.

A Budget Based on Needs, Goals & Outcomes, Maintaining Public Safety, Public Works and Public Services Programming: The 2023 budget has been developed based on a long-standing history of providing services to maintain the safety and convenience of the residents of the community. Services are embedded in this budget to ensure the continued maintenance of the streets, water system, sanitary sewer system and other aspects of the city's infrastructure along with the continued safety services provided through the police, ambulance, fire and building code departments. It should be noted that this budget will be slightly unbalanced, to reflect the desire to use a small amount of cash reserves to assist with the interest payments due on the 2022B bond issue. The budget will revert back to a balanced budget in 2024 as this is a one-time occurrence.

Data Security, Communications and Technology: The 2023 budget includes funding and services necessary to reasonably protect the City's data and to train the City's employees in that regard. The work plan within the budget also includes efforts to actively communicate with the general public in a way that facilitates a free flow of information and decision making.

Capital Improvements: The City is considering the purchase of property within the historical downtown area to provide storage for and otherwise house the Public Works Department, which is referenced in the paragraphs above. The long term vision is to construct a completely new facility for the Department at another location, however, the property in question would fit the needs of the department for the next several years. Acquisition of this property would be in lieu of constructing a building that the Capital Improvement Plan anticipated in 2024. As such, the cost associated with this purchase should be within the long term financial plan of the City and should not be detrimental to the tax rate / budget. To accomplish this, cash-on-hand will be used to make an interest-only payment on any debt

that might be issued, in years 2023 and 2024. When a facility is constructed for the Public Works Department at some point in the future, this property would be sold for development purposes.

Improvements to the Grand / Hawley Street area are planned for 2023. This project will include replacement of certain water and sanitary sewer main in the area, along with street reconstruction. A number of blocks of street overlay will also be installed during this project. This project is expected to cost approximately \$1.7 million and is part of the City's long term capital improvement program.

Streambank improvements will be installed in Mill Creek, through Groen Park. These improvements will stabilize the streambanks, reduce the erosion of parkland and improve trout habitat. This project will provide the opportunity to install a pedestrian bridge that will link the park property from one side of the creek to the other side. The improvements will be installed by a third party and, except for the cost of the bridge, the cost of the improvements will be covered by the State of Minnesota and other parties. The cost of the bridge will be funded in part by an Outdoor Recreation grant that has been awarded from the Department of Natural Resources.

Enterprise Fund Activity: Due to the high cost of constructing a new wastewater treatment facility, a water tower and booster station, some years ago, the Water and Sanitary Sewer Funds have been operating in a deficit. Over the years, user rates have been adjusted upwards in an incremental fashion while cash reserves were used to manage the deficit. It appears that the increase in user rates that went into effect in early 2019 has stabilized the Sanitary Sewer Fund so there are no increases in sewer user rates projected for the near future. It also appears that increases to water rates should be relatively small, except for any increase needed to support the 2022 Water Improvement Project. At this point, the preliminary recommendation would be to increase the sewer and water rates by 0.0% and 5.0% respectively. Garbage costs are not expected to increase beyond the \$2.00 increase that was put into effect in late 2022.

The City's utility bill includes charges for water, sanitary sewer, and garbage services, with water fees accounting for a rather minimal portion of the bill. As such, if there is no increase in fees for sewer or garbage services, and if the water fees are increased by 5%, the monthly utility bill will increase by less than 1.0%.

Construction Activity: Each year, construction activity provides additional tax capacity to the community, which softens the effects of an increase in the tax levy. Construction activity in 2022 has yielded 2 homes, adding approximately \$359,000 in residential value. 11 new homes constructed in 2021, 8 new homes in 2020, 7 new homes in 2019, and 20 new homes were constructed in 2018, all of which provide additional tax capacity to the City. According to Fillmore County, the City's tax capacity has grown by \$627,000, an increase of 27% over 2021.

The Lone Stone tax increment financing district obligations are almost met. At this time, it is expected that these obligations will be met sometime in 2023, which will result in the tax capacity of virtually all of those homes to be included in the general tax levy calculations in 2024 and thereafter. This will reduce the City's local property tax rate.

Debt Service Fund Analysis: A detailed analysis of the City's tax-levy-related debt service funds has been completed and each of the funds have been found to be financially healthy. In fact, based on that analysis, it is recommended that the City eliminate the subsidy that the General Fund makes to the debt service fund associated with the wastewater treatment plant. This will cause the 2023 tax levy to be \$78,000 less than it would have been otherwise.

An analysis of the debt service fund relating to the Enterprise Drive improvement project results in another recommendation to reduce the tax levy support to this Fund by \$10,000. This is made possible due to the receipt of \$53,000 in Small City Assistance from the State of Minnesota in 2021. Furthermore, the analysis indicates that it

might be possible to reduce the amount of money that the Water and Sanitary Sewer Funds contribute to the debt service funds, resulting in less need to increase water and sewer user rates.

Other Revenues: The City has received approximately \$150,000 from the federal government in 2021 and is scheduled to receive approximately \$180,000.00 in 2022, through the American Rescue Plan Act. The use of those funds is unknown at the time of writing this document.

The City has just collected the fifth installment of tax abatement revenues from Fillmore County and the Chatfield School District. To date, the City has collected a total of \$179,324 from this program. The benefit from this program is expected to grow noticeably each year for the next nine years. The 2023 tax levy will be \$38,250 less than it would have been otherwise, due to this program.

In an effort to keep sewer user rates from increasing any more than they would otherwise, the City's General Fund provided additional support of \$1,215,000 between 2011 and 2021. The City will have an opportunity to have these dollars repaid to the General Fund after the Sanitary Sewer Fund makes its final payment to the debt service fund in 2026. While there will be multiple alternatives for this to happen, one scenario would be for the Sanitary Sewer Fund to make an annual payment to the General Fund, or to a debt service fund that would otherwise be supported by tax payments, in the amount of \$100,000 for twenty-three years. In general, the City's financial position is strong and healthy.

Respectfully submitted,

Joel A. Young, City Clerk



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 block 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..

	Total				Total		
	2022	2022	2023	2023	2023	2023	
	Oper/Trans	Revenues	Operations	Transfers	Oper/Trans	Revenues	
GENERAL FUND							GENERAL FUND
Ad Valorem	\$ -	\$ 1,698,522			\$ -	\$ 1,890,756	Ad Valorem
LGA / PERA Aid	\$ -	\$ 849,832			\$ -	\$ 868,530	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	\$ 23,200	\$ 559,110	\$ 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	\$ 697,149	\$ 37,105	\$ 734,254	\$ 63,750	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		\$ -		\$ -		Unallocated
Summer Recreation	\$ 4,200		\$ 4,300		\$ 4,300		Summer Recreation
Swimming Pool	\$ 160,637	\$ 79,600	\$ 169,706	\$ 2,500	\$ 172,206	\$ 87,200	Swimming Pool
Band	\$ 1,600		\$ 1,600		\$ 1,600		Band
Parks	\$ 203,008	\$ 1,400	\$ 158,262	\$ 45,000	\$ 203,262	\$ 1,950	Parks
Property Purchase			\$ 65,000		\$ 65,000		Property Purchase
Heritage Preservation	\$ 14,330	\$ 1,000	\$ 14,330		\$ 14,330	\$ 500	Heritage Preservation
Community Development	\$ 19,100	\$ 10,300	\$ 21,000	\$ 2,100	\$ 23,100	\$ 7,731	Community Development
Public Works Employee Net	\$ -		\$ 30,000		\$ 30,000		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	\$ 2,238,206	\$ 866,903	\$ 3,105,109	\$ 1,214,353	TOTAL GENERAL FUND
		\$ 4,580,468				\$ 3,105,109	Total Revenues with Ad Valorem

Difference from First Draft:						Proposed	Expenses:
(\$77,609) in Debt Service		2019	2020	2021	2022	2023	Note: This levy includes:
\$4,500 Pool Chemicals	General Levy	\$ 1,449,036	\$ 1,514,941	\$ 1,604,439	\$ 1,698,522	\$ 1,890,756	1. 8.00% Mayor - City Council Pay Increase.
(\$10,000) Capital Goods							2. 5.00% Pay Grid Increase.
\$35,000 Property Purchase	Special Levy						3. Includes \$33,000 additional Public Works Emp
not to affect tax levy	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 \$-0- Unallocated
	2016A	\$ 111,000	\$ 114,345	\$ 112,350	\$ 110,355	\$ 99,000	6. Includes \$-0- HPC Initiative
	2017A	\$ 47,000	\$ 47,000	\$ 46,000	\$ 36,000	\$ 36,000	7. Includes funding for property purchase,
	2018A	\$ 284,000	\$ 319,000	\$ 319,000	\$ 318,000	\$ 318,000	which will allow reallocation of \$20,000 to
	2019A	\$ -	\$ 35,801	\$ 37,000	\$ 38,000	\$ 38,000	Public Works in 2024 and \$25,000 to HPC.
	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	\$ 2,444,756	Total Tax Levy
	T.L. Change	\$ 390,340	\$ 129,652	\$ 86,101	\$ 63,088	\$ 133,879	Increase in Tax Levy
		23.780%	6.380%	3.983%	2.807%	5.793%	% Increase in tax levy
Net Taxable Tax Capacity		\$ 1,813,195	\$ 2,040,768	\$ 2,143,126	\$ 2,281,405	\$ 2,722,943	Net Taxable Tax Capacity
			\$ 227,573	\$ 102,358	\$ 138,279	\$ 441,538	Increase in Tax Capacity
			12.551%	5.016%	6.452%	19.354%	% Increase in tax capacity
City Tax Rate		112%	106%	105%	101.292%	90%	City Tax Rate
		2019	2020	2021	2022	2023	12.07.22

Resolution Certifying the Property Tax Levy for Taxes Payable in 2023

WHEREAS, the City of Chatfield has prepared a budget for the operations of the City of Chatfield for the 2023 calendar year, and

WHEREAS, it has been determined that a property tax levy in the amount stated below is necessary to meet the needs outlined in the budget:

<u>Fund Name</u>	<u>2023</u>
General Fund	\$1,890,756
2012A Debt Service	\$ -0-
2014A Debt Service	\$ 63,000
2016A Debt Service	\$ 99,000
2017A Debt Service	\$ 36,000
2019A Debt Service	\$ 38,000
Total Non-Referendum Base Levy	\$2,126,756
2018A Referendum Based Levy	\$ 318,000
Total Tax Asking	\$2,444,756

And WHEREAS, the budget and proposed tax levy has been presented to the public at a regular meeting of the City Council in compliance with Truth In Taxation regulations,

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Chatfield, County of Fillmore, Minnesota, that the 2023 final budget and property tax levy be adopted,

BE IT FURTHER RESOLVED that the special levies established by prior resolutions hereby be amended to the above stated amounts.

AND BE IT YET FURTHER RESOLVED that the City Clerk is hereby instructed to transmit a certified copy of this resolution to the county auditor of Fillmore County, Minnesota.

MEMORANDUM

TO: PERSONNEL BUDGET COMMITTEE
FROM: JOEL YOUNG, CITY CLERK
SUBJECT: FINANCING RECOMMENDATIONS
DATE: 11/16/22
CC:

Action Requested:

1. Authorize the use of \$30,000 of cash on hand to deposit into a new debt service fund associated with the purchase of property for the public works department. The \$30,000 represents \$10,000 of unspent money that was in the 2021 budget and categorized as unallocated and \$20,000 of unspent money in the 2022 budget.
2. Authorize changes in the 2023 budget by moving \$20,000 from the unallocated status, \$20,000 from the proposed additional public works employee position, and \$25,000 from the proposed HPC grant program to be used to deposit into a new debt service fund associated with the purchase of property for the public works department.

Background Information: Because the City's Public Works Department has inadequate space to store its equipment, the City's Capital Financial Plan (CFP) has been anticipating the construction of a public works facility in 2024, at the cost of \$1,155,000. This improvement was timed to coincide with the expiration of current debt so as not to increase the City's tax levy.

Recently, Peoples Energy Cooperative determined that they no longer need their property on Twiford Street and, as such, has determined to sell the property. For the last several years, they have used the property as a truck station and to store materials for their business, which is how the City's public works department would use the property as well. While this property does not represent the long-term solution for the public works department, it is capable of serving the needs of that department until a more long term solution can be identified. At a purchase price of \$700,000, and with enough cash on hand to cover debt-related payments through 2024, this acquisition will be consistent with the Capital Financial Plan as described above.

Year	Amount to Deposit in Debt Service Fund	Source of Funds	Actual Payment of Principle/Interest	E.O.Y. Fund Balance
2022	\$30,000	2021 & 2022 Unallocated Budget	\$-0-	\$30,000
2023	\$20,000 \$20,000 \$25,000	2023 Unallocated 2023 Additional Staff 2023 HPC Allocation	\$26,500	\$68,500
2024	\$-0-	NA	\$45,000	\$23,500
2025	\$72,450	Debt Service Tax Levy	\$45,000	\$50,950
2026	\$73,038	Debt Service Tax Levy	\$68,000	\$55,988

Resolution to Appoint the City Administrator and City Clerk

Whereas, the City Charter has been amended such that the position of City Administrator has been added to the City's organizational chart, and

Whereas, the establishment of the City Administrator position requires a re-statement of the responsibilities of the City Clerk position, and

Whereas, the City Council has established job descriptions and pay equity classification points for the newly established positions, and

Whereas, Beth Carlson has earned recognition as a Master Municipal Clerk by the Minnesota Municipal Clerks and Finance Officers Association and the International Institute of City Clerks and has otherwise proven that she has the necessary knowledge, skills and abilities to serve as the Chatfield City Clerk,

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Chatfield that Beth Carlson be appointed to the position of City Clerk, effective January 24, 2023, and that her current level of pay and benefits be continued, and

Whereas, Joel Young has demonstrated the knowledge, skills and abilities to serve as the Chatfield City Administrator, and

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Chatfield to appoint Joel Young to the position of City Administrator, effective January 24, 2023, and that pay be Grade 12 Maximum Step.

Resolution to Appoint the City Administrator and City Clerk

Whereas, the City Charter has been amended such that the position of City Administrator has been added to the City's organizational chart, and

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NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Chatfield that Beth Carlson be appointed to the position of City Clerk, effective January 24, 2023, and that her current level of pay and benefits be continued, and

Whereas, Joel Young has demonstrated the knowledge, skills and abilities to serve as the Chatfield City Administrator, and

Whereas, the terms of employment for this position have been established in an Employment Agreement between Young and the City of Chatfield,

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Chatfield to appoint Joel Young to the position of City Administrator, along with the terms of employment stated in the Employment Agreement, effective January 24, 2023.

City Administrator Employment Agreement

City of Chatfield, MN - Joel A. Young

League models are thoughtfully developed by our staff for a city's consideration. Models should be customized as appropriate for an individual city's circumstances in consultation with the city's attorney. Helpful background information on this model may be found in "[Hiring a City Administrator or Manager Toolkit](#)"



This icon marks places where the city must customize the model. They offer additional provisions, optional language, or comments for your consideration. The icon, and language you do not wish to include, should be deleted from this model before use. Make other changes, as needed, to customize the model for your city.

City of Chatfield, Minnesota Employment Agreement

AGREEMENT made this _____ day of _____, 20_____, by and between the CITY OF CHATFIELD, a Minnesota municipal corporation ("Employer"), and Joel A. Young ("Employee").

The parties agree as follows:

1. **POSITION.** Employer agrees to employ Employee as its City Administrator. Employee agrees to serve as City Administrator in accordance with state statutes, City ordinances and the Code of Ethics of the International and Minnesota City/County Management Associations, and to perform such other legally permissible and proper duties and functions as the City Council shall from time-to-time assign.

2. **MOVING AND RELOCATION ALLOWANCE.** Employer shall reimburse Employee an amount not to exceed **\$0.00** for moving his/her household goods and an amount not to exceed **\$0.00** for house hunting expenses such as travel expenses, temporary lodging, and meals. Payment shall be made upon receipt by the City of documentation that the expenses have been incurred and deemed reasonable.

3. **PENSION PLAN.** Employer shall contribute to PERA as required by State law for Employee or an alternate pension plan, if selected by Employee, authorized by State law.

4. **SALARY.** Employer shall pay Employee a salary equal to Grade 12 Maximum Step per year starting **January 24, 2023**. Employer and Employee agree that an initial performance review will be conducted on Employee after six (6) months and annually thereafter. The Employer agrees to consider an increase in compensation to the Employee dependent upon the results of the performance evaluation.

5. **SENIORITY.** For purposes of employment benefits such as sick leave, vacation leave, and the like, Employee will be credited with having completed **32 years** of employment with the City upon his/her first day of employment.

6. **SICK LEAVE.** Effective upon Employee's first day of employment, Employee shall be credited with **960** hours (**I currently have 960 hours**) of accrued sick leave. In addition, Employee shall accrue sick leave in accordance with the City's personnel policies.

7. **VACATIONS.** Effective upon Employee's first day of employment, Employee shall be credited with **490** hours (**This would be 170 hours added to the 320 hours that I currently have accumulated, which is the maximum allowed by policy**) of accrued vacation leave. **In addition, Employee shall accrue vacation leave in accordance with the City's personnel policies but will forfeit any vacation time in excess of 500 hours at the end of any particular month.**

8. **HOLIDAYS.** Employer shall provide Employee the same holidays as enjoyed by other non-union employees.

9. **GENERAL INSURANCE.** Employer shall provide Employee the same group hospital, medical, dental, life and disability insurance benefits as provided to all other non-union employees.

10. **DUES AND SUBSCRIPTIONS.** Employer shall budget and pay the professional dues and subscriptions for Employee which are deemed reasonable and necessary for Employee's continued participation in national, regional, state and local associations necessary and desirable for Employee's continued professional participation, growth and advancement. **This will include the Minnesota City/County Managers' Association and the International City/County Managers' Association. Other related associations will be considered and approved by the Personnel-Budget Committee.**

11. **PROFESSIONAL DEVELOPMENT.** Employer shall budget and pay necessary and reasonable registration, travel and subsistence expenses of Employee for professional and official travel, meetings and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other committees thereof which Employee serves as a member. Employee shall use good judgment in his/her outside activities so he/she will not neglect his primary duties to the Employer. **This will include the Minnesota City/County Managers' Association and the International City/County Managers' Association, the League of Minnesota Cities, the Minnesota Association of Small Cities, the National League of Cities, the Southeast Minnesota Leadership Development Group and other opportunities as determined appropriate by the Personnel-Budget Committee. Furthermore, the employee will be**

eligible for Tuition Reimbursement for educational courses approved by the City Council in advance, according to Section 3.10.8 of the City's Personnel Policy.

12. **CIVIC CLUB MEMBERSHIP.** Employer recognizes the desirability of representation in and before local civic and other organizations. Employee is authorized to become a member of such civic clubs or organizations as deemed appropriate by Employee and Employer; and at Employer's expense.

13. **AUTOMOBILE.** Employee shall be paid a monthly allowance of **\$0.00** for use of his/her personal automobile for Employer business.

14. **GENERAL EXPENSES.** Employer shall reimburse Employee reasonable miscellaneous job related expenses which it is anticipated Employee will incur from time to time when provided appropriate documentation.

15. **HOURS OF WORK.** It is understood the position of City Administrator requires attendance at evening meetings and occasionally at weekend meetings. It is understood by Employee that additional compensation and compensatory time shall not be allowed for such additional expenditures of time. It is further understood that Employee may absent himself/herself from the office to a reasonable extent in consideration of extraordinary time expenditures for evening and weekend meetings at other than normal working hours.

16. **TERMINATION BENEFITS.** In the event Employee is terminated by the Employer during such time that Employee is willing and able to perform the duties of City Administrator, then in that event, Employer agrees to pay Employee at the time of receipt of his/her last paycheck a lump sum cash payment equal to **six (6)** months aggregate salary and to continue to provide and pay for the benefits set forth in paragraph 9 for a period of **six (6)** months following termination. However, in the event Employee is terminated because of his/her malfeasance in office, gross misconduct, conviction for a felony, or conviction for an illegal act involving personal gain to Employee, then Employer shall have no obligation to pay the termination benefits.

If Employer at any time during the employment term reduces the salary or other financial benefits of Employee in a greater percentage than across-the-board reduction for all non-union employees, or if Employer refuses, following written notice, to comply with any other provisions of this Agreement benefiting Employee or Employee resigns following a formal suggestion by Employer that he/she resign, then Employee may, at his option, be deemed to be "terminated" on the effective date of Employee's resignation and the Employee shall also be entitled to receive the termination benefits set forth above.

If Employee voluntarily resigns his/her position with Employer, Employee agrees to give the Employer **thirty (30) days** advance notice. If Employee voluntarily resigns his/her position with Employer, there shall be no termination pay due to Employee **other than what is allowed according to Section 6.4 of the City's Personnel Policy.**

17. **GENERAL CONDITIONS OF EMPLOYMENT.** Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employer to terminate the services of Employee at any time, for any reason, subject only to the provisions of this Agreement and statutory requirements. Furthermore, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his/her position with Employer, subject only to the provisions of this Agreement.

IN WITNESS WHEREOF, Employer has caused this Agreement to be signed and executed on its behalf by its Mayor and City Clerk, and Employee has signed this Agreement, in duplicate, the day and year first written above.

EMPLOYER:
CITY OF _____

EMPLOYEE:

BY: _____
Its Mayor

AND

Its