

**CITY OF ELKO NEW MARKET
CITY COUNCIL WORK SESSION AGENDA
CITY OF ELKO NEW MARKET
601 MAIN STREET
ELKO NEW MARKET, MINNESOTA
THURSDAY, JULY 26, 2018**

7:15 PM OR SOON THEREAFTER FOLLOWING THE EDA MEETING

REVISED

- 1. Call to Order**
- 2. Presentations**
- 3. Reports**
- 4. General Discussion**
 - a. Review Budget Priorities
- 5. Reports (Cont'd)**
 - a. Reports from the Business Agenda may be presented if time permits
- 6. Adjournment**



STAFF MEMORANDUM

SUBJECT:	2019 Budget Goals and Priorities
MEETING DATE:	July 26, 2018
PREPARED BY:	Thomas Terry, City Administrator
REQUESTED ACTION:	Direction to Staff

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND

The purpose of the workshop is to provide background information and discuss factors impacting the 2019 budget, seek Council input on goals and priorities within the 2019 budget, as well as provide direction on the maximum tax impact assumption for preparing the draft budget. These parameters will be used in preparing the draft 2019 Budget.

In preparation for the workshop, councilmembers should be prepared to answer the following key questions:

1. What goals would you like to accomplish within the 2019 budget? *Examples: increase financial flexibility, increase level of police service, increase recreational programming, purchase specific equipment, land acquisition or facility improvements, etc.*
2. How would you rank or prioritize your goals for the 2019 budget? *Examples: increased financial flexibility is more important than increasing the level of police service, hiring a police officer is more important than expanding recreational programming, etc.*
3. What is the acceptable maximum average estimated tax impact for the 2019 budget? *Examples: no more than 5% increase in tax impact, increase in tax impact should not exceed inflation, no increase in tax impact, 1% decrease in tax impact, etc.*

In November of last year, the City Council discussed key assumptions for the projected 2019-2020 Budgets. Those assumptions included the hire of a full-time Police Officer in July 2018 with a full year expense for the officer in 2019, a \$20,000 annual incremental increase for 318 Debt Service Fund, and a \$8,500 increase in Capital Outlay for 2019. Another assumption was increasing financial flexibility through stepped reduction in the use of LGA to support General Fund operations and redirection to the Capital Projects Fund or Economic Development Fund, as well as re-establishing contingency with the General Fund Budget. A summary of these key assumptions has been provided below. The tax impact calculation for the typical home is based on an assumption of \$16,000 being equal to a 1% increase.

Key Assumption	Levy Increase Amount	Levy Increase Percent	Tax Impact Percent
Police Officer	40,000	2.42%	2.50%
318 Fund	20,000	1.21%	1.25%
Capital Outlay	8,500	.48%	0.53%
Redirect to Capital/EDA	28,000	1.70%	1.75%
Re-establish Contingency	66,000	3.99%	4.13%
Total	162,500	9.80%	10.16%

As part of the goals and priorities discussion for the 2019 budget, City is asking the Council to consider budgeting for an Administrative Intern. The estimated annual expense is \$18,000. This expense would be offset by a reduction in Planning Consultant fees of \$10,000, resulting in a net General Fund expense of \$8,000 or 0.48% levy increase. As proposed, the

Administrative Intern position would be funded for an average of 20 hours per week for the entire year, but each internship should not exceed a 3-6 month period. It is anticipated that the intern would be recruited from one of several community development or public administration graduate and undergraduate programs in the state. The intern would provide support for administration with the majority of time spent on community development related activities. The duties and responsibilities of the intern would vary depending on the capabilities and tenure of the individual. However, it is expected that they would include, but not be limited to: research projects, building permit review and processing, responding to customers and data practices requests, records management projects, assisting with Comprehensive Plan, assisting with census, code enforcement, and administration of Planning Commission meetings (packets, minutes, etc.).

Again, the intent of this workshop is to initiate the discussion regarding the goals, priorities and tax impact parameters for the purpose of preparing the draft 2019 budget. This workshop is focused on providing background information and answering Council questions. It is intended to serve as the starting point for the discussion. Again, Council direction on goals, priorities and tax impact parameters are not final and used for the purpose of preparing a draft budget that will be reviewed by the City Council at a subsequent meeting.

Please contact the City Administrator with any questions regarding the matter in this memorandum (952-461-2777).