

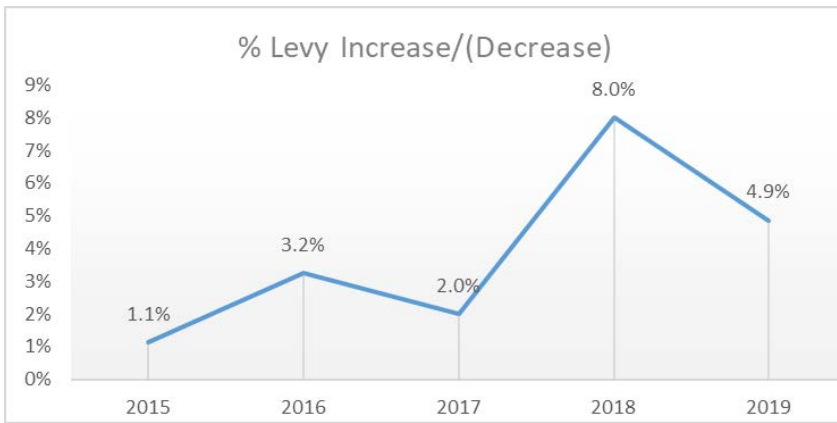
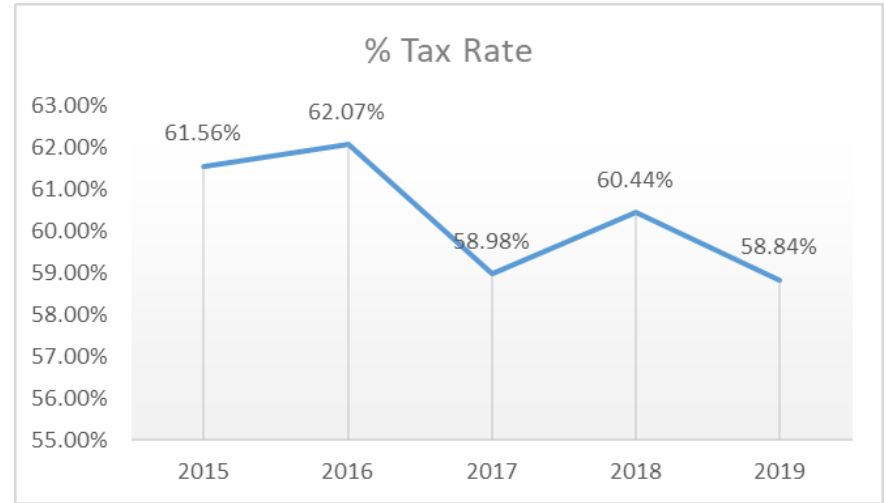
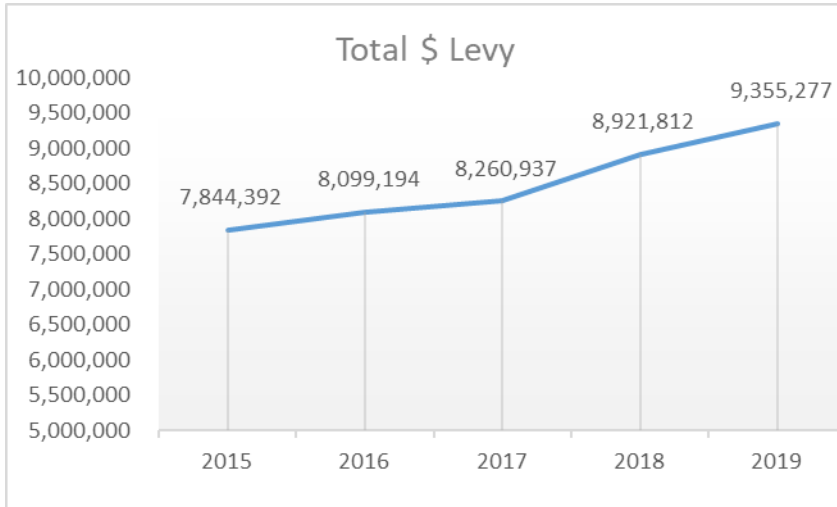


2019 Budget Update
October 9th, 2018

Agenda

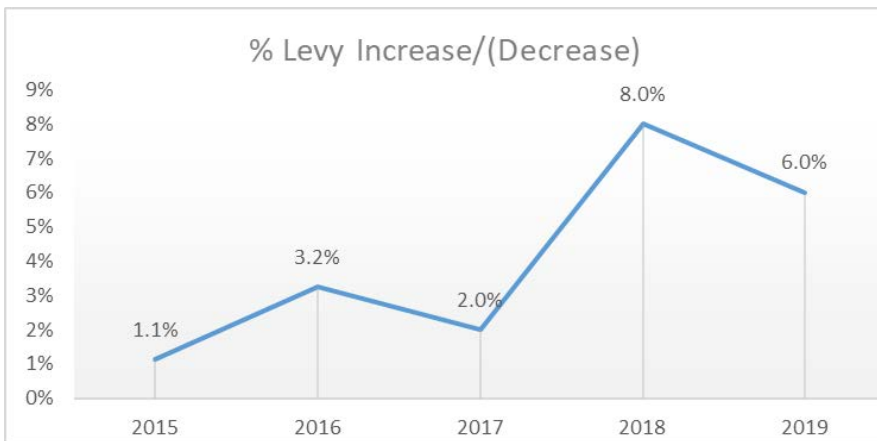
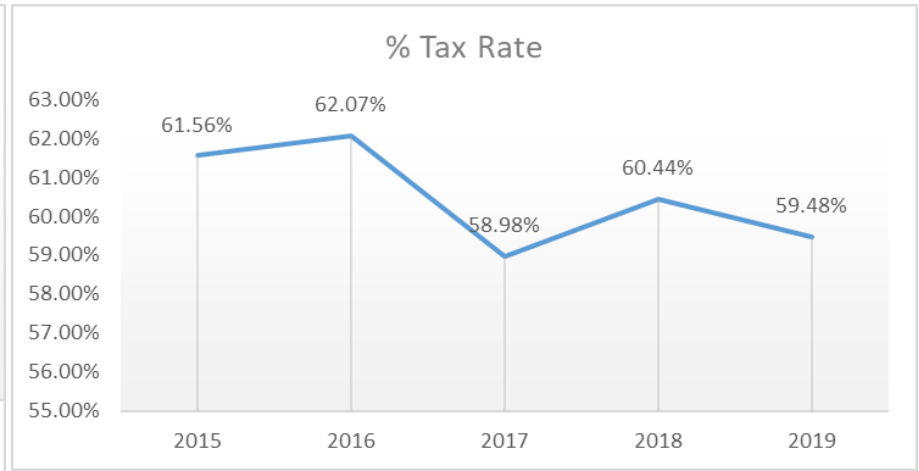
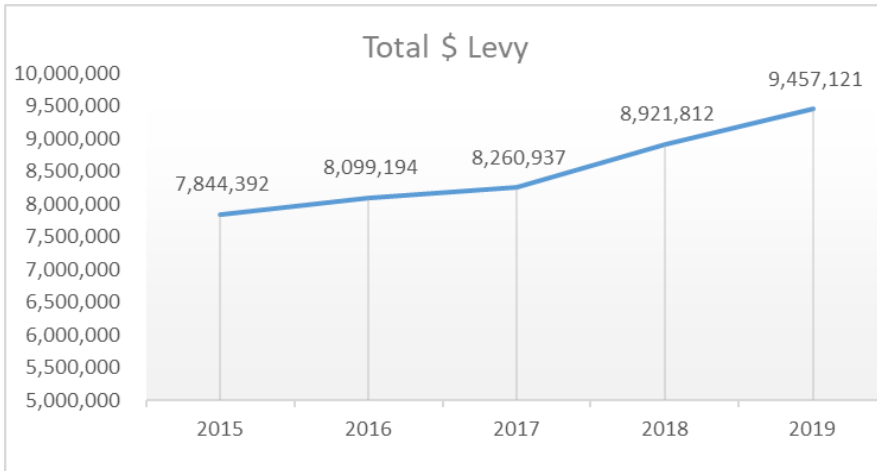
- 3 Levy Options
 - 4.9%
 - 6.0%
 - 7.0% (Preliminary approved levy)
 - Final levy can go down, but not up
- Additional Staffing Requests
- One-time Projects/Use of Reserves

4.9% Levy increase = 58.84% Tax Rate



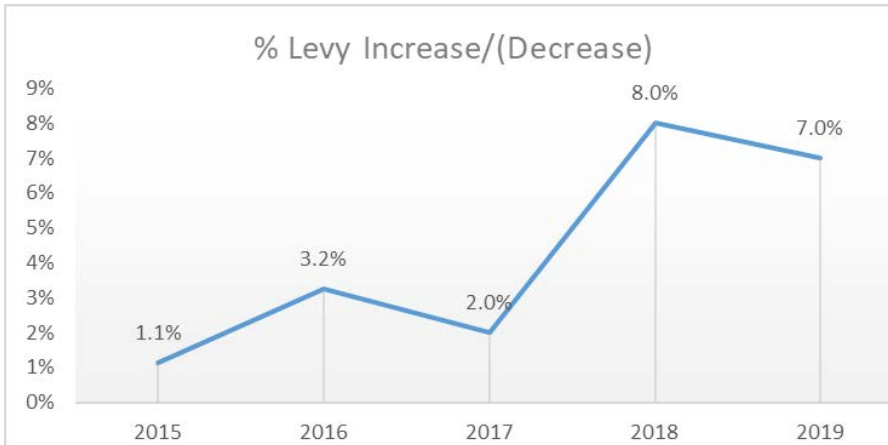
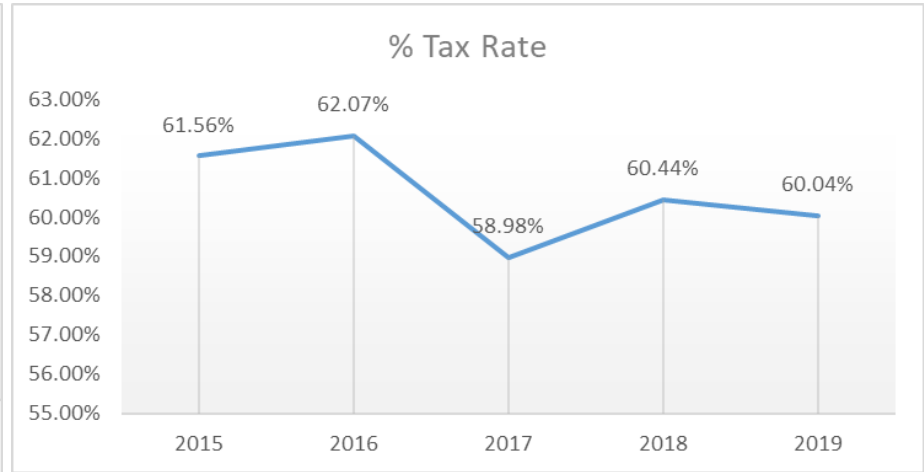
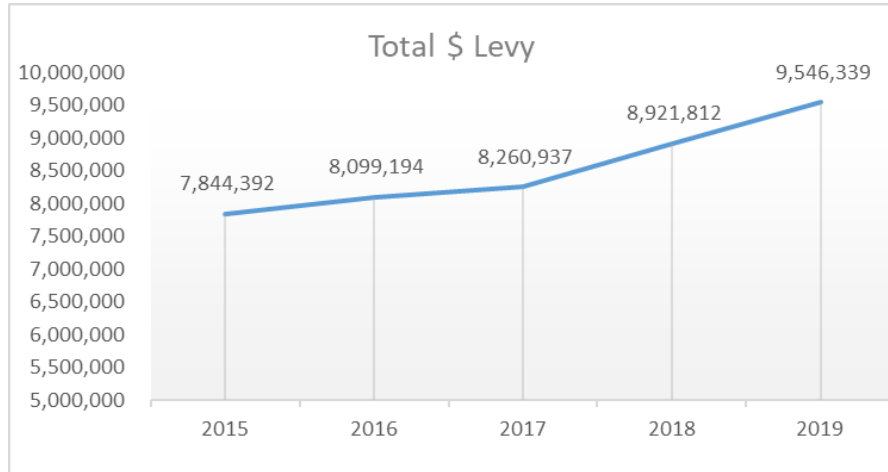
Homestead Residential Property - City Tax only						
2018	2019	2018	2019	2019v2018		
Value	Value	Tax Paid	Tax Paid	Annual Change	Monthly Change	% Change
\$150,000	\$150,000	\$763	\$743	-\$20	-\$2	-2.7%
\$150,000	\$159,900	\$763	\$807	\$43	\$4	5.7%
\$175,000	\$175,000	\$928	\$903	-\$25	-\$2	-2.7%
\$175,000	\$186,550	\$928	\$977	\$49	\$4	5.3%
\$200,000	\$200,000	\$1,093	\$1,064	-\$29	-\$2	-2.7%
\$200,000	\$213,200	\$1,093	\$1,148	\$55	\$5	5.0%
\$250,000	\$250,000	\$1,422	\$1,384	-\$38	\$6	-2.7%
\$250,000	\$266,500	\$1,422	\$1,490	\$68	\$6	4.7%
\$300,000	\$300,000	\$1,752	\$1,705	-\$47	-\$4	-2.7%
\$300,000	\$319,800	\$1,752	\$1,832	\$80	\$7	4.6%

6.0% Levy increase = 59.48% Tax Rate



Homestead Residential Property - City Tax only						
2018	2019	2018	2019	2019v2018		
Value	Value	Tax Paid	Tax Paid	Annual Change	Monthly Change	% Change
\$150,000	\$150,000	\$763	\$751	-\$12	-\$1	-1.6%
\$150,000	\$159,900	\$763	\$815	\$52	\$4	6.8%
\$175,000	\$175,000	\$928	\$913	-\$15	-\$1	-1.6%
\$175,000	\$186,550	\$928	\$988	\$60	\$5	6.4%
\$200,000	\$200,000	\$1,093	\$1,075	-\$17	-\$1	-1.6%
\$200,000	\$213,200	\$1,093	\$1,160	\$68	\$6	6.2%
\$250,000	\$250,000	\$1,422	\$1,400	-\$23	\$7	-1.6%
\$250,000	\$266,500	\$1,422	\$1,506	\$84	\$7	5.9%
\$300,000	\$300,000	\$1,752	\$1,724	-\$28	-\$2	-1.6%
\$300,000	\$319,800	\$1,752	\$1,852	\$100	\$8	5.7%

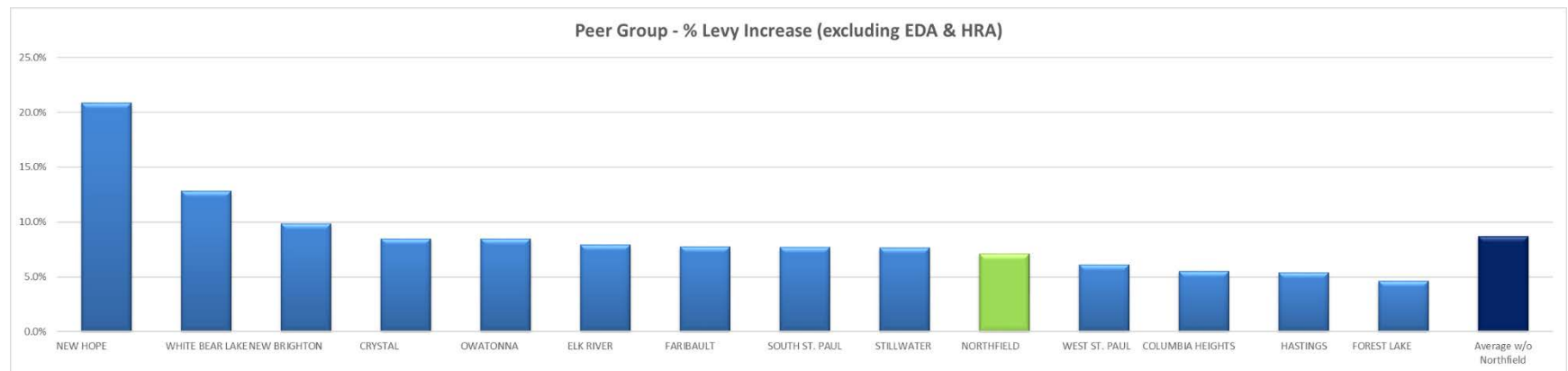
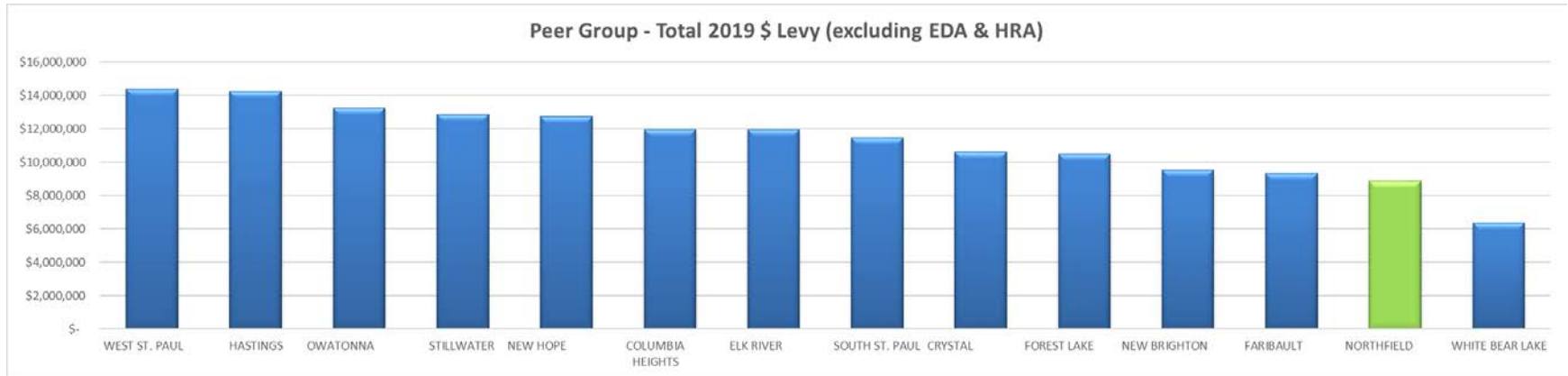
7.0% Levy increase = 60.04% Tax Rate



Homestead Residential Property - City Tax only						
2018	2019	2018	2019	2019v2018		
Value	Value	Tax Paid	Tax Paid	Annual Change	Monthly Change	% Change
\$150,000	\$150,000	\$763	\$758	-\$5	\$0	-0.7%
\$150,000	\$159,900	\$763	\$823	\$60	\$5	7.8%
\$175,000	\$175,000	\$928	\$922	-\$6	-\$1	-0.7%
\$175,000	\$186,550	\$928	\$997	\$69	\$6	7.5%
\$200,000	\$200,000	\$1,093	\$1,086	-\$7	-\$1	-0.7%
\$200,000	\$213,200	\$1,093	\$1,171	\$79	\$7	7.2%
\$250,000	\$250,000	\$1,422	\$1,413	-\$9	\$8	-0.7%
\$250,000	\$266,500	\$1,422	\$1,520	\$98	\$8	6.9%
\$300,000	\$300,000	\$1,752	\$1,740	-\$12	-\$1	-0.7%
\$300,000	\$319,800	\$1,752	\$1,869	\$117	\$10	6.7%

Levy Comparison

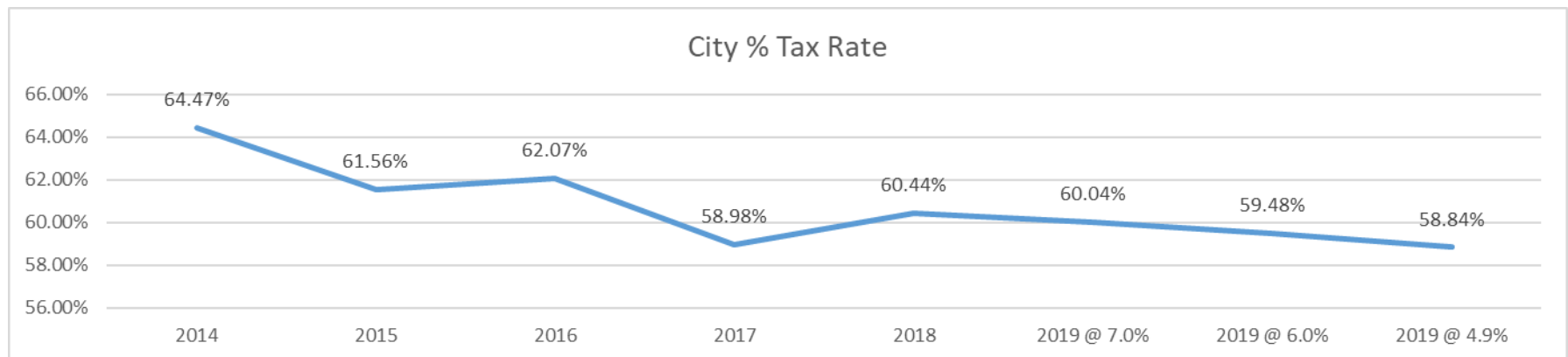
- Northfield's Preliminary 2019 levy is lower than most peers



- Based on 2019 Preliminary Levy Data from Peer Group Cities, Northfield included at 7.0% levy increase

Levy Options

- All levy increase options drive a tax rate that is lower than the 2018 tax rate
 - 2018 Levy of \$8,921,812 or 60.44% tax rate
 - 4.9% increase; 58.84% city tax rate (baseline budget)
 - \$6/month increase in tax on an average \$200K home
 - 6.0% increase; 59.48% city tax rate (+ 1 position)
 - Additional \$1/month increase in tax on an average \$200K home vs 4.9% baseline
 - 7.0% increase; 60.04% city tax rate (+ 2 positions)
 - Additional \$2/month increase in tax on an average \$200K home vs 4.9% baseline



Additional Staffing Budget Requests

- **Police Officers**
 - \$102,000 Investigator
 - \$121,956 Patrol Sergeant
- **Streets and Parks Operators**
 - \$180,700 for two
- **Communication Specialist PT to FT**
 - \$40,000 Benefits & additional hours
- **Building Permit Technician PT**
 - \$23,000
- **Library Outreach Coordinator (2020)**
 - \$26,000 Grant from Ames Foundation expires in 2019
- **Paid Parental Leave Policy**
 - \$12,500-\$25,000 (2-4 weeks)

To be funded from the
Communications Fund

To be funded by offset
of increased revenue

Police Staffing Increase

Number of Sworn Officers has not increased with the population or demands of the Community.

- 22 Sworn officers since 2000. Population has increased by about 3000, and nearly all measures of police activity have continued to climb.
 - *Calls for Service:* 2011 = 17,465 2017 = 21,254
 - *Investigative Caseload:* 2014 = 42 cases 2017 = 95
 - *Mental Health Calls:* 2013 = 48 cases 2017 = 147
- Since 2012, Overtime paid each year has averaged \$176,835; budgeted OT is \$110,000. Current staffing levels cannot absorb officer absences.
- POST mandated trainings (Implicit Bias, De-Escalation, Community engagement,) continue to increase.
- All other nearby, comparable departments have three or more Investigators.
- Currently gaps in supervisory coverage on Patrol

Police – Budget Increase Request

Investigator \$100,000/year = 1.12% Levy Increase

- Currently One full-time Investigator. All other area agencies of similar size have Three Investigators.
 - The number of reports of Elder and Child Neglect/Abuse and Mental Health reports is increasing. These are time-consuming calls/investigations.
 - Liquor and Tobacco License checks, U-Visa reviews, maintain Sex Offender files.
 - Technology has made nearly all investigations more complex and time consuming.
 - Investigators also provide critical support to:
 - Patrol
 - Drug Task Force
 - Crime Victims
 - Partner Agencies
 - Community Programming and Events
- 

Police – Budget Increase Request

Patrol Sergeant \$122,000/year = 1.37% Levy Increase

Currently three Patrol Sergeants: two on night shift, one on day shift. An additional Day Sergeant would provide better supervisor coverage and take over many administrative duties, including:

- Tracking and scheduling vehicle maintenance, equipment installs, etc.
 - Review, organize, and prepare for community events and programs.
 - Supervise the Emergency Management Director and organize EM preparedness, training, and equipment.
 - Supervise the Community Service Officer and oversee Animal Control issues.
 - Work with the Deputy Chief to oversee equipment purchases, maintenance and planning.
- 

Streets & Parks – Budget Increase Request

Streets & Parks Operator \$90,350/year = 1.01% Levy Increase

- Request for 2 Street & Park Operators
 - \$180,700/year for two – 2.02% levy increase
 - Street & Park Maintenance, Mowing, Trimming, Patching, and repairs falling behind.
 - In 2002 Northfield had 8 FTE Street & Park Operators now 5 FTE

Comparable

- Northfield Street & Parks – 5 Street & Parks Operators = 5 FTE
 - Faribault - Streets – 7 Street Operators & 5 Parks Maintenance = 12 FTE
 - Rosemount – Street – 5 Operators & 5 Parks Maintenance = 10 FTE
 - Owatonna – Street – 4 mechanics, 12 Operators & 6 Parks Maintenance =
- 

Communication – Personnel Budget

Increase Request .6 FTE to 1.0 FTE

- Results from “Northfield should place more emphasis on communication effort to improve public information on City services and activities” indicated strong agreement from participants of the Northfield Community Survey conducted as part of the 2017 Strategic Plan process.
- Requests for communications support and services demand more staff time.
 - City Website and App updates and maintenance.
 - Consistent social media posts and monitoring of social media pages.
 - Create/coordinate content for monthly City Employee Newsletter, Utility Bill Inserts, and monthly contributions to the Link Center newsletter.
 - Management of the City Administrator’s memo.
 - Development of Laserfiche digital forms.
 - Photography
 - Videography
 - Signage
 - Event planning and support (script writing, evites, venue arrangements, etc).
 - Support Strategic Plan priorities related to communications outreach and enhancement.

To be funded from the
Communications Fund

Communications Staffing Increase

Communications Staff has not increased to meet the demands of the Community.

- May 2013: New department! Before May 2013, Staff supported Human Resources and IT functions. IT functions shifted to the Library. Communications duties were added to provide centralized, specialized responsibilities.
 - 1.0 Communications & Human Resources Manager
 - 1.6 Human Resources Technician
- September 2016 - .6 Change from Human Resources Technician to .6 Administrative Assistant
- February 2018: Job Classification & Compensation Study approved by Northfield City Council.
 - 1.0 Communications & Human Resources Director
 - 1.0 Human Resources Specialist
 - .6 Communications Specialist

Proactive communications and monitoring of digital communications systems is limited.



Library – Budget Increase Request 2020

Library Outreach Coordinator to Full time \$26,000/year = no 2019 Levy Increase

2018 Accomplishments

- Spanish Language Programs & Outreach
 - Tuesdays in the Park (9 visits, 233 visitors)
 - Bookmobile Visits (ESL Classes- 3 visits, 27 visitors; St. Dominic Church- 2 visits, 71 visitors)
 - Spanish Storytimes – In Library and Greenvale Community School(14 storytimes, 96 attendees)
 - Hispanic Heritage Celebration Events (15 program scheduled September 15- November 3) --Kick-off Celebration September 15th – (approximately 400 attendees)
- Community Connections & Collaborations
 - City ID (27 program dates, 237 cards issued)
 - City of Northfield (East Canon River Trail Opening- 22 visitors, Night to Unite- 5 locations, 69 visitors)
 - Northfield Rotary (Bookmobile visit Rotary Lunch- 62 visitors)
 - Senior Living Facilities (Bookmobile visits scheduled for 6 locations in October)
 - Healthy Community Initiaves (HCI) (Northfield Promise Fair 73 visitors)
 - Northfield Schools (Safety Camp 15 visitors, Summer Blast Program – 4 programs, 56 attendees)
 - Dakota Prairie Adult Education (3 visits, 27 visitors, New ESL & Technology Class held at the library)





Dakota Prairie Adult Education

3 visits, 27 visitors,
New ESL & Technology Class held
at the library



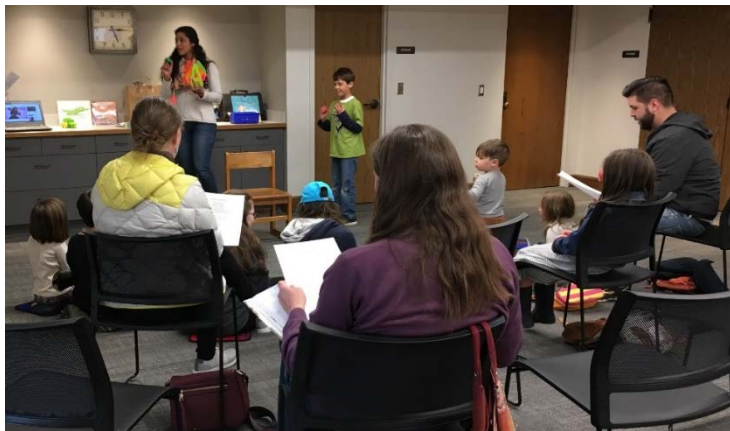
City ID-

27 program dates, 237 cards
issued



St. Dominic's Visit

2 visits, 71 Visitors



Spanish Storytime- 14 storytimes, 96
attendees



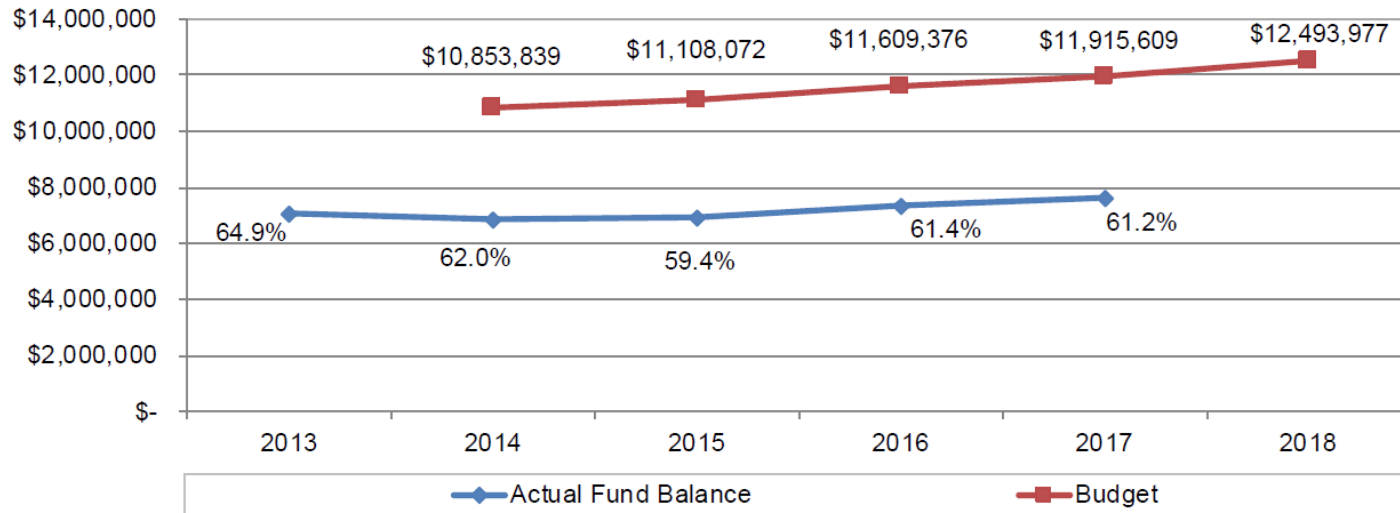
Tuesday's in the Park- 9 visits, 233 visitors

General Fund Balance

Year	Total General Fund Balance December 31	Budget Year	General Fund Budget	of Fund Balance to Budget
2013	\$ 7,040,453	2014	\$ 10,853,839	64.9 %
2014	6,890,491	2015	11,108,072	62.0
2015	6,900,596	2016	11,609,376	59.4
2016	7,315,431	2017	11,915,609	61.4
2017	7,648,180	2018	12,493,977	61.2

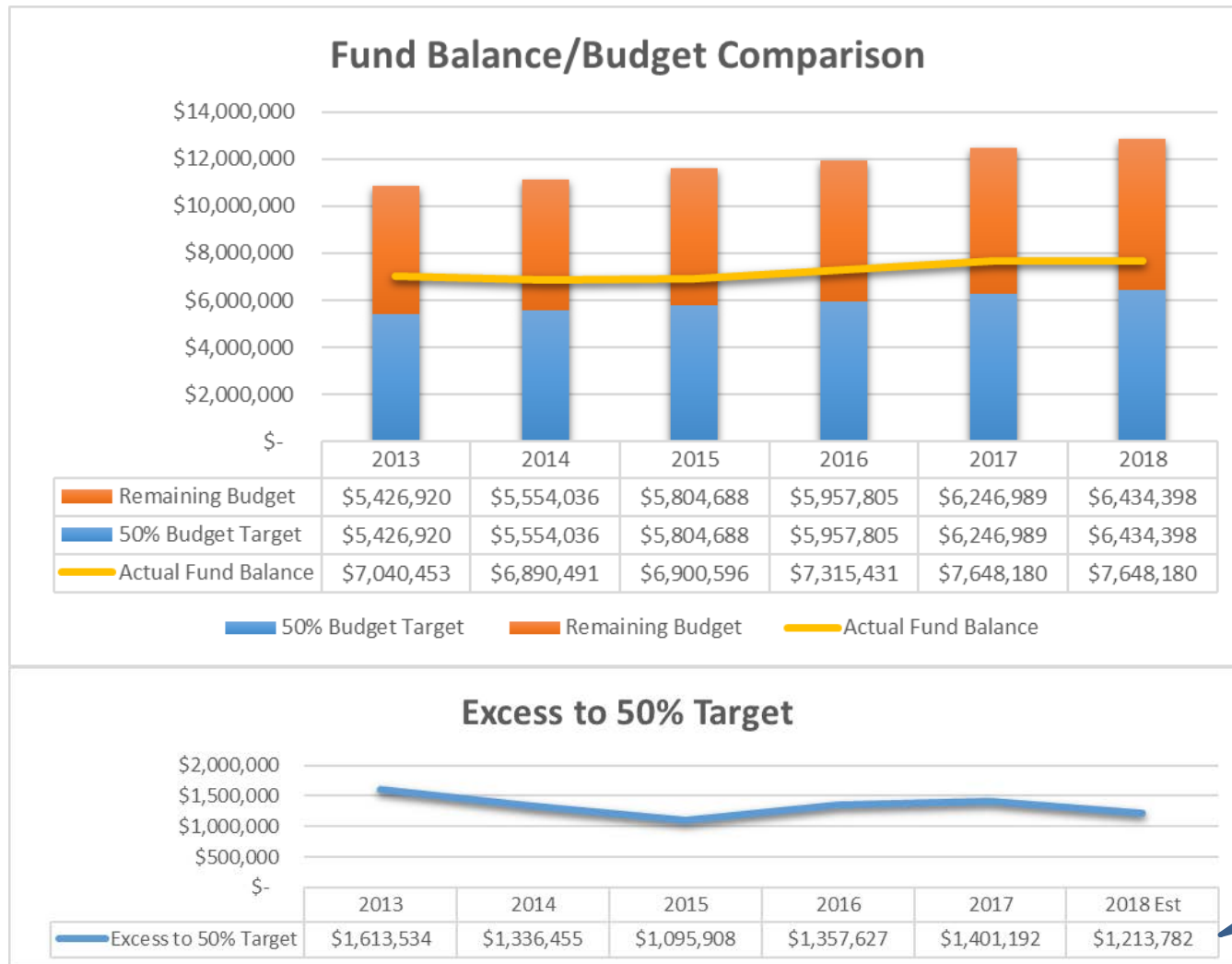
The following is an analysis of the General fund's fund balance for the past five years compared to the following year's budget:

Fund Balance/Budget Comparison



Source: Abdo, Eick & Meyers's 2017 Management Letter

General Fund Balance



Forecast
\$900K-\$1.2M
in 2020

Additional One-Time Expenditures to be utilized over 3 year time period (2018-2020)

\$435K	NAFRS Pumper Truck (2018 & 2019) (\$286,280 in 2018 proposed)
\$ 50K	Accounting Software Upgrade (2019)
\$200K	Temporary Project Manager - Strategic Initiatives (\$100K/year 2019 & 2020)
\$?	Emerald Ash Borer – \$135K/year program
\$ 0	City Shop Roof Repair – assume bonded
<u>\$ 0</u>	Transit Hub – assume bonded
\$685K	Total One-time expenditures

These items are not included in preliminary budget and levy % increase for 2019

- **Recommend utilization of general fund reserve amounts above policy targets (approximately \$900K available) for these items**

Recommendation

- 7.0% Recommended (vs 9.86% original request)
 - Authorize Police Investigator and Streets & Parks Operator in 2019
 - In 2020, authorize Police Sergeant and Streets and Parks Operator and Library Outreach FT
 - Communications position to be 50% funded from Communications Fund, will not impact levy
- \$7/month impact per average \$200K home
 - \$2/month more than the 4.9% option