

City Council Meeting Date: November 17, 2020

To: Mayor and City Council

From: Ben Martig, City Administrator

Action Requested:

Council consider a motion to approve the proposed Option [add option A, B, C, D, E or define some other here] budget and levy option for presentation at the December 1st Public Hearing.

Summary Report:

An updated budget presentation is attached. Discussion will focus on five budget/levy alternatives presented in the presentation. Council will determine an option to include at the December 1st Public Hearing for Council final approval.

Since the last discussion, updates have been made to the base and to reserve levels including Council feedback from earlier discussions and adjustments to personnel based on recent labor negotiations. Please see attached spreadsheet summarizing those options. That summary is also included in the revised budget presentation.

Note, the NAFRS expansion project came in approximately \$210K under budget and will have a cash balance at the time of project closeout. All options discussed would also include an adjustment between funds of a decrease to the NAFRS Debt Service Levy offset by an equal increase in the Vehicle and Equipment Fund Levy to partially fund the fire truck purchase scheduled for 2021

Body cameras are included in the Vehicle Equipment & Replacement Fund in the CEP. Funding proposed to come from the Insurance Fund. However, note there will be future Council action required in 2021, including a Public Hearing, before the body cameras can be purchased.

At this time, we are not recommending any additional climate items not already included in the base budget, as there is extra funding included in the proposed utility franchise fee ordinance discussion. Exploration of prioritization of those climate funds will begin in the new year.

Alternative Options:

Option A: Full use of available reserves \$260K (includes allocations to Police Wellness Equipment, Diversity Equity Inclusion, Riverfront Enhancement, Comprehensive Plan & Parks Consulting)

Option B: Reduce Option A by \$75K to \$185K (reducing Riverfront & Parks)

Option C: Use \$80K in reserves

Option D: Use \$80K in available reserves and reduce levy by \$54K

Option E: No use of available reserves and reduce levy by \$54K

Financial Impacts:

See presentation for alternative options.

If there is opposition to other items the motion could be amended to remove other items included in the budget. For example, if there is interest not to include body cameras as proposed the motion could be amended to remove that. Otherwise, all options include those baseline budget items including body cameras.

Tentative Timelines:

Public Hearing and Council approval of Final Levy and Budget at the December 1st Council Meeting.