

**Committee of the Whole
Monday, August 28, 2023
City Council Chambers**

1. Committee of the Whole **5:30 p.m.** Monday, August 28, 2023

2. Review preliminary 2024 Budget.
 - A. Budget At A Glance
 - B. Budget Message & Departmental Goals
 - C. Wage Resolutions
 - D. Preliminary Tax Levy and Date of Final Levy Hearing – December 11, 2023 – 7:00 p.m.

Committee of the Whole Meeting Notes

June 26, 2023

Council Members Present: Mayor John McBroom, Councilors Paul Novotny, Pam Bluhm, Mike Urban, Josh Broadwater and Dave Frank.

Members Absent: None.

Others Present: Beth Carlson, Brian Burkholder, Craig Britton, and Joel Young.

The Committee of the Whole met on Monday, June 26, 2023.

2022 Water Project Report: Most of the water improvements have been installed. The generators are on site and the SCADA system upgrade is due to be in production at this time. The storm water improvements at Bench Street have been installed and the storm water work in West Chatfield should begin within the next few weeks.

2023 Street Project: The contract has been issued to Griffin Construction, and they plan to begin within the next few weeks. Griffin is planning to work Monday – Friday but will work occasional Saturdays if they fall behind. The city council will consider authorizing the Saturday work to take place. Add a note to the website that the camp sites will be closed after July 31.

Future Projects: Britton reviewed infrastructure improvements that are planned to take place between now and 2029. One of the projected improvements is to replace the 1890 in-ground reservoir and the 100,000 gallon standpipe with a new structure capable of approximately 400,000 gallons, in 2028.

It was pointed out that the Burr Oak Extension should be added to the list of prospective improvements.

The meeting was adjourned at 6:22 p.m.

	Total				Total		
	2023	2023	2024	2024	2024	2024	
	Oper/Trans	Revenues	Operations	Transfers	Oper/Trans	Revenues	
GENERAL FUND							GENERAL FUND
Ad Valorem	\$ -	\$ 1,890,756			\$ -	\$ 1,899,325	Ad Valorem
LGA / PERA Aid	\$ -	\$ 868,530			\$ -	\$ 949,457	LGA / PERA Aid
Interest Income		\$ 12,000				\$ 14,000	
General Services Transfer In		\$ 128,792				\$ 128,792	
Legislative Dept.	\$ 72,556		\$ 70,836		\$ 70,836		Legislative Dept.
Historical Society	\$ 900		\$ 900		\$ 900		Historical Society
Elections	\$ 6,450		\$ 13,700		\$ 8,400		Elections
Clerk/Finances	\$ 559,110	\$ 17,575	\$ 539,021	\$ 20,900	\$ 559,921	\$ 15,675	Clerk/Finances
Planning & Zoning	\$ 70,820	\$ 1,500	\$ 73,450		\$ 73,450	\$ 1,505	Planning & Zoning
Municipal Buildings	\$ 80,700	\$ 300	\$ 55,700	\$ 29,500	\$ 85,200	\$ 1,100	Municipal Buildings
Police Department	\$ 734,254	\$ 63,750	\$ 717,606	\$ 38,225	\$ 755,831	\$ 63,850	Police Department
Building Code	\$ 26,100	\$ 16,525	\$ 26,200		\$ 26,200	\$ 16,525	Building Code
Civil Defense	\$ 2,450		\$ 450	\$ 2,000	\$ 2,450		Civil Defense
Animal Control	\$ 750	\$ 1,300	\$ 360		\$ 360	\$ 1,500	Animal Control
Street Maintenance	\$ 510,973	\$ 6,700	\$ 414,988	\$ 212,880	\$ 627,868	\$ 7,000	Street Maintenance
Unallocated	\$ -				\$ -		Unallocated
Summer Recreation	\$ 4,300		\$ 4,300		\$ 4,300		Summer Recreation
Swimming Pool	\$ 172,206	\$ 87,200	\$ 181,320	\$ 2,500	\$ 183,820	\$ 94,170	Swimming Pool
Band	\$ 1,600		\$ 1,600		\$ 1,600		Band
Parks	\$ 203,262	\$ 1,950	\$ 177,248	\$ 46,350	\$ 223,598	\$ 1,950	Parks
Property Purchase	\$ 65,000				\$ -		Property Purchase
Heritage Preservation	\$ 14,330	\$ 500	\$ 15,105	\$ 3,000	\$ 18,105	\$ 500	Heritage Preservation
Community Development	\$ 23,100	\$ 7,731	\$ 22,588	\$ 2,100	\$ 24,688	\$ 10,475	Community Development
Public Works Employee Net	\$ 30,000				\$ -		Public Works Employee Net Additional Cost
Transfer to Library Fund	\$ 193,401			\$ 204,880	\$ 204,880		Transfer to Library Fund
Transfer to Ambulance Fund	\$ 79,500			\$ 79,300	\$ 79,300		Transfer to Ambulance Fund
Transfer to EDA	\$ 76,230			\$ 78,517	\$ 78,517		Transfer to EDA
Transfer to Fire Dept.	\$ 70,117			\$ 70,000	\$ 70,000		Transfer to Fire Dept.
Transfer to WWTP Debt Service	\$ -				\$ -		Transfer to WWTP Debt Service
Center for the Arts	\$ 90,000			\$ 90,000	\$ 90,000		Transfer to Center for the Arts
Transfer to CCTV	\$ 17,000			\$ 15,600	\$ 15,600		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	\$ 3,105,109	\$ 3,105,109	\$ 2,315,372	\$ 895,752	\$ 3,205,824	\$ 1,306,499	TOTAL GENERAL FUND
		\$ 4,995,865				\$ 3,205,824	Total Revenues with Ad Valorem

Difference from First Draft:		2020	2021	2022	2023	Proposed 2024	Expenses:
General Levy	\$ 1,514,941	\$ 1,604,439	\$ 1,698,522	\$ 1,890,756	\$ 1,899,325	Note: This levy includes:	
Special Levy						1. 4.00% Pay Grid Increase.	
2012A	\$ 20,601	\$ 19,000	\$ -	\$ -		2. Includes additional Public Works Employee	
2014A	\$ 110,000	\$ 110,000	\$ 110,000	\$ 63,000	\$ 42,000	3. Did not increase General Services Charge	
2016A	\$ 114,345	\$ 112,350	\$ 110,355	\$ 99,000	\$ 102,000	4. 2014A DS reduced by \$21,000	
2017A	\$ 47,000	\$ 46,000	\$ 36,000	\$ 36,000	\$ -	5. 2017A DS reduced by \$35,000 due to SCA	
2018A	\$ 319,000	\$ 319,000	\$ 318,000	\$ 318,000	\$ 317,000		
2019A	\$ 35,801	\$ 37,000	\$ 38,000	\$ 38,000	\$ 38,000		
2022B						6. Includes \$-0- Unallocated	
2023A					\$ 190,000	7. Includes \$-0- HPC Initiative	
Difference from Preliminary:	Special Levy T	\$ 646,747	\$ 643,350	\$ 612,355	\$ 554,000	\$ 689,000	
Total Levy	\$ 2,161,688	\$ 2,247,789	\$ 2,310,877	\$ 2,444,756	\$ 2,588,325	Total Tax Levy	
T.L. Change	\$ 129,652	\$ 86,101	\$ 63,088	\$ 133,879	\$ 143,569	Increase in Tax Levy	
	6.380%	3.983%	2.807%	5.793%	5.873%	% increase in tax levy	
Net Taxable Tax Capacity	\$ 2,040,768	\$ 2,143,126	\$ 2,281,405	\$ 2,722,943	\$ (2,722,943)	Net Taxable Tax Capacity	
	\$ 227,573	\$ 102,358	\$ 138,279	\$ 441,538	\$ (2,722,943)	Increase in Tax Capacity	
	12.551%	5.016%	6.452%	19.354%	-100.000%	% increase in tax capacity	
City Tax Rate	106%	105%	101.292%	90%	#DIV/0!	City Tax Rate	
	2020	2021	2022	2023	2024	08.22.23	

Note #1 - Due to the increase in Market Value Exclusion rates, the City will lose Tax Capacity, which will result in an increase in the tax rate of some amount.

Note #2 - The decertification of the Lonestone and EZ Fabricating TIF Districts will add ~\$150,000 in tax capacity, which is = to ~ 6% increase in tax levy.

MEMORANDUM

TO: PERSONNEL BUDGET COMMITTEE
FROM: JOEL YOUNG, CITY ADMINISTRATOR
SUBJECT: 2024 BUDGET & TAX LEVY
DATE: 08/14/2023
CC:

Budget Goals for Fiscal Year 2024

1. Maintain a steady, predictable, local tax rate.
2. Maintain the City's debt per capita at \$3,500 or lower.
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 a Capital Financial Plan and a Capital Improvement Plan to guide spending on capital equipment and improvements.
2. Maintaining 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 employees.

The proposed budget for 2024 will provide services at a level similar to those provided in 2023, with the exceptions as described in the following paragraphs. The primary cost drivers are expected to be the new debt service for the 2023 street improvement project, equipment, the cost of an additional full-time public works employee, technology, insurance, and personnel, most of which is driven by inflation. Inflation is a serious consideration in its own right. A list of departmental goals for 2024 is attached.

One service enhancement embodied in this budget is the addition of a full-time public works employee, which will replace some part-time public works staff. This will result in a net increase of approximately \$50,000 in personnel cost but should result in more dependable service than might be the case with new part time employees each year. While the structural cost of the City will increase by the amount noted above, the impact on the 2024 tax levy is negligible, as these costs were embedded in the 2023 tax levy and used for other purposes.

The Local Tax Rate: The local tax rate has decreased significantly over the past several years, to the extent that the goal of reducing the tax rate down to 90 has essentially been. Relative to some other communities, though, Chatfield's tax rate continues to be relatively high but the City does provide a menu of services that is broader than some of those other communities. Some of those services include 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 drinking water facilities and a modern Class B wastewater treatment facility.

Note: Since the Minnesota Legislature adjusted the formula to calculate the market value exclusion, that adjustment will shift the tax burden from single-family residences to other classes of property. It will also increase the City's tax rate.

Debt per Capita: Just as the City was successful in reducing its tax rate over the past several years, it has also lessened the debt per capita to a point that it is near or under \$3,500, which is considered Moderate in the industry. Based on the City's financial plan, it should be possible to maintain this level of debt into the future.

A Budget Based on Needs, Goals & Outcomes, Maintaining Public Safety, Public Works and Public Services Programming: The 2024 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.

Data Security, Communications and Technology: The 2024 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 has recently purchased property within the historical downtown area to provide storage for and otherwise house the Public Works Department. The long-term vision is to construct a completely new facility for the Department at another location, however, the property in question will fit the needs of the department for the next several years. Acquisition of this property was in lieu of constructing a building that the Capital Improvement Plan anticipated in 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 are planned to be installed in Mill Creek, through Groen Park. These improvements will stabilize the streambanks, reduce the erosion of parkland and improve trout habitat. The improvements will be installed by a third party and the cost of the improvements will be covered by the State of Minnesota and other parties.

A pedestrian bridge will be installed in Groen Park, spanning Mill Creek to connect the two parcels of the park. 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 unless tipping fees increase at the transfer stations/landfill.

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 2023 has yielded four homes, adding approximately \$778,000 of residential value. 2022 produced 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.**

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.

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 \$35,000, eliminating tax levy support for this Fund. This is made possible due to the additional Small City Assistance from the State of Minnesota.

Other Revenues: The City has just collected the sixth installment of tax abatement revenues from Fillmore County and the Chatfield School District. To date, the City has collected a total of \$221,793 from this program. The benefit from this program is expected to grow noticeably each year for the next nine years. The 2024 tax levy will be \$42,469 less than it would have been otherwise, due to this program.

The Lone Stone tax increment financing district obligations will be met in 2023 and, as such, the captured tax capacity will be made available for general tax collections in 2024. This represents approximately \$125,000 of new tax capacity. The EZ Fabricating tax increment financing district obligations will also be met in 2023, which will add another \$11,000 of new tax capacity for taxes collected in 2024. This additional tax capacity will soften the impact of any increase to the tax levy in 2024, as this tax capacity represents an increase in the tax levy of approximately 5.5%.

Public Safety Aid: The Minnesota Legislature allocated \$131,715 of Public Safety Aid to the City in 2024. This is a one-time allocation of money that can be used for community violence prevention and intervention programs;

community engagement; mental health crisis responses; victim services; training programs; first responder wellness; equipment related to fire, rescue, and emergency services; or to pay other personnel or equipment costs.

Small City Assistance: The Minnesota Legislature allocated approximately \$61,000 to the City over the next two years. Although we don't know exactly how much will be received in 2024, we are estimating \$18,954 to the City in 2024. This money is to be used for roads/streets/transportation and the amount will increase over the course of the next few years as the program develops at the State level. The City Council dedicated these dollars to the Enterprise Drive Debt Service Fund until those obligations are met, which will reduce the tax levy by the same amount.

Long-term General Fund Revenue Opportunity: 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 Administrator

2024 Budgeting Cycle - Departmental Goals

Ambulance

- Recruitment & Retention of EMTs.
- Develop solutions to fill staffing gaps.
- Involve Desiree more deeply with Training Institute.

City Clerk

-

EDA Priorities

- Housing
- Hotel
- Support existing and prospective business development
- Enterprise Drive Lots

Finance & IT

- Server replacement proposal for 2023
- Update website
- Review & re-affirm all financial policies

Library

- We will support grounds maintenance to improve the appearance of landscaped features in order to build aesthetically pleasing extensions of our patrons' indoor experience into the outdoors. Grounds maintenance will boost curbside appeal to attract community interest, provide welcoming, free, inclusive physical spaces, and preserve pride in this historically significant property.
- We will continue to increase the number of programs and workshops we provide for adults to support lifelong learning. These events will help meet the cultural, recreational, and educational needs of the adults, as well as help establish our library as a community hub.
- We will acquire and circulate even more nontraditional library items to meet the needs of a variety of community members (e.g. Adventure Kits, STEAM Kits, etc.). These unique collections will help enrich and make library patrons' day-to-day lives easier by



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providing access to items that they might not be able to purchase due to financial reasons, space restrictions, or simple practicality.

- We will work to meet the goals generated through Library Strategic Planning scheduled to take place with SELCO's assistance in the Fall of 2023.

Are there any expense lines or programs where the department experienced costs savings due to either a planned or unplanned change? (i.e. Snow Removal Modification, Planning & Zoning Administration)

- E 211-45500-414 Automated Operations: SELCO pulled out basic tech fees to try to more closely figure out what it costs to serve each library and we came out owing \$1,000 less in ILS fees due to this!

Please identify the items in your budget that have cost drivers that are beyond our control and quantify that percent or amount if you are aware of the amount (i.e. Property / Casualty Insurance, Workers Compensation Insurance, Health Insurance, Managed IT)

- E 211-45500-136 Employer Paid H.S.A.: Christy will choose family coverage when she gets married. 33% increase needed
- E 211-45500-140 Unemployment Comp (GENERAL): Stab in the dark.
- E 211-45500-151 Worker's Comp Insurance Prem: we're guessing 5% increase of 3 year average, but really have no idea.
- E 211-45500-321 Telephone: Telephone use is necessary and almost everyone is long distance now that most have cell phones. We seem to always be running over budget, so increased about 4.8%.
- E 211-45500-360 Insurance (GENERAL): Cost in 2023 increased by 17.15% from 2022. Increased by 130.31% 2021 to 2022! According to online research: reasons property taxes are increasing: inflation, cost of materials and labor have increased, climate change (risk of catastrophic weather damage increased), Covid led to increased insurance claims, unsustainable loss ratios. Most online articles predict prices will continue to rise, perhaps by 25%. We decided we should budget about a 20% increase of what has already been charged this year
- E 211-45500-380 Utility Services (GENERAL): seem to be trending over budget this year, online sources predict that utility costs will continue to rise even if inflation decreases. We went with a 5% increase here.
- E 211-45500-401 Repairs/Maint Buildings: the age of our building is resulting in more repairs, maintenance, or upgrades required. We doubled the amount budgeted here from last year, but that is because we moved Elevator Maintenance (approx. \$2,000) to this budget line from the Equipment Maintenance budget line.

- E 211-45500-404 Repairs/Maint Equipment: Equipment is required to run the library and we don't have control of those costs, especially as equipment ages. We actually decreased this line by \$2,000 for next year, but that amount was simply moved to Repairs/Main. of Buildings, so is still in the total.

Parks

- 3 -4 campsites in Mill Creek Park)
- Installation of pedestrian bridge in Groen Park
- Replace John Deere WAM (\$33,000)

Pool

- Upgrades to zipline feature \$1,200.

Police Department

- Squad Laptops
- Possible Squad Replacement

Streets

- Complete 2023 Street Project
- Replace Street Sweeper and Snow Pusher

CCTV

- Continue to upgrade equipment/services
- Grow base of advertisers and offerings.

Thurber Building

Water Department

- 2023 Street/Water Project
- Pull Well #2
- Replace 3 Hydrants
- Complete Lead & Copper Compliance Inventory

Waste Water Department Priorities

- Continue electric and water conservation
- Start Reed Bed land application
- Inspect and camera more sewer mains

A Resolution to Set the Pay Grid of The City of Chatfield Effective January 1, 2024

Whereas, it is the practice of the City of Chatfield (City) to maintain a compensation system that fairly compensates its employees for services rendered, and

Whereas, the City of Chatfield maintains a compensation system that includes pay steps and pay grades (pay grid) for the various employee positions of the City, and

Whereas, the City of Chatfield intends for the pay grid to maintain its position in the marketplace, which means that adjustments to the pay grid must be made from time to time to recognize the effect of inflation on the pay grid, and

Whereas, the City has regularly consulted the Chained Consumer Price Index for All Urban Consumers (C-CPI-U), and has used that rate to adjust pay rates each year, for the fifteen years ending 2016, and

Whereas, salary surveys that were conducted over those fifteen years found that employee pay was substantially below the market rates of pay for those employees, resulting in larger than normal pay increases on two separate occasions, and

Whereas, the City Council's Personnel/Budget committee determined that a new method of calculating the annual pay adjustment was needed in order to avoid occasions on which a larger than normal pay increase is necessary, and

Whereas, that Committee has determined that it would be more appropriate to consider both the City's most recent experience of pay adjustments together with the current market conditions, including input from LELS Local 290, and

Whereas, the wage comparisons conducted by LELS indicate that the City's pay to patrol officers continues to be slightly below the average pay for similarly sized and similarly situated cities, and

Whereas, the nation's economy has experienced record high rates of inflation which threatens the standard of living for the City's employees just as it threatens all other people within the community, state and nation,

NOW THEREFORE BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF CHATFIELD that the City's pay grid, and the pay for part-time and seasonal employees, be adjusted upward by 4.00% effective January 1, 2024.

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:

<i>Fund Name</i>	<i>2023</i>	<i>2024</i>
General Fund	\$1,890,756	\$1,899,325
2012A Debt Service	\$ -0-	\$ -0-
2014A Debt Service	\$ 63,000	\$ 42,000
2016A Debt Service	\$ 99,000	\$ 102,000
2017A Debt Service	\$ 36,000	\$ -0-
2019A Debt Service	\$ 38,000	\$ 38,000
2022B	\$ -0-	\$ -0-
2023A	NA	\$ 190,000
Total Non-Referendum Base Levy	\$2,126,756	\$2,271,325
2018A Referendum Based Levy	\$ 318,000	\$ 317,000
Total Tax Asking	\$2,444,756	\$2,588,325

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

WHEREAS, the City Council would like to declare a date, time and place of that regular meeting at which public input will be invited,

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Chatfield, County of Fillmore, Minnesota, that the 2024 preliminary budget and property tax levy be adopted,

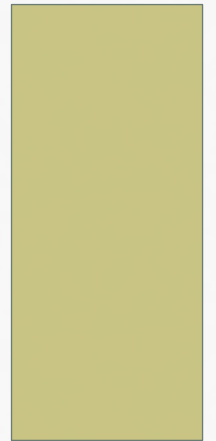
BE IT FURTHER RESOLVED that the special levies established by prior resolutions hereby be amended to the above stated amounts.

AND BE IT YET FURTHER RESOLVED that the proposed budget and tax levy will be discussed at 7:00 p.m. on Monday, December 11, 2023, during the regularly scheduled

meeting of the Chatfield City Council which will be held at the Thurber Community Building, at 21 Second Street SE.

CITY OF CHATFIELD

2024 TAX LEVY / OPERATIONAL BUDGET



GUIDING BUDGET PRINCIPLES

- **Maintain a steady, predictable, local tax rate.**
- **Reduce the City's current debt per capita to \$3,500 or less.**
- **Maintain positive reserves in the City's Enterprise Funds**
- **Budget is based on specified needs & goals.**
- **Work plans are based on specific outcomes for results-based budgeting.**
- **Maintain public safety and public works programming that reasonably assures the public of their personal safety, convenience, and maintenance of property value.**
- **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.**
- **Maintain the city's strong bond rating and financial position. (AA)**
 - The City's AA bond rating ranks Chatfield among the upper tier of cities in the State relative to its credit rating.

MEASURING PROGRESS

- **Maintain a steady, predictable, local tax rate.**

- **2019 = 112**
- **2020 = 106**
- **2021 = 105**
- **2022 = 101**
- **2023 = 84**
- **2024 =**

- **Local tax levy**

- **2019 = \$2,032,036**
- **2020 = \$2,161,688**
- **2021 = \$2,247,789**
- **2022 = \$2,310,877**
- **2023 = \$2,445,108**
- **2024 = \$2,589,475**

MEASURING PROGRESS

- **Reduce the City's current debt per capita to \$3,500 or less.**
 - **2018 = \$4,600**
 - **2019 = \$4,400**
 - **2020 = \$4,000**
 - **2021 = \$3,600**
 - **2022 = \$3,500**
 - **2023 =**
 - **2024 =**

2024 TAX LEVY PROPOSAL

PRELIMINARY

Tax Levy	2021	2022	2023 Levy	2024 Levy
General Levy		\$1,698,522	\$1,891,108	\$1,900,475
Special Levy				
2014A	\$19,000	\$110,000	\$63,000	\$42,000
2016A	\$110,000	\$110,355	\$99,000	\$102,000
2017A	\$112,350	\$36,000	\$36,000	\$-0-
2018A	\$46,000	\$318,000	\$318,000	\$317,000
2019A	\$319,000	\$38,000	\$38,000	\$38,000
2022B		NA	\$-0-	\$-0-
2023A		NA	NA	\$190,000
Special Total	\$643,350	\$612,355	\$554,000	\$689,000
Total Levy	\$2,247,789	\$2,310,877	\$2,445,108	\$2,589,475
	+3.983%	+2.807%	+5.809%	+5.920%

2024 TAX LEVY PROPOSAL

PRELIMINARY

Tax Levy	2022	2023 Levy	2024 Levy
General Levy	\$1,698,522	\$1,891,108	\$1,900,475
Special Levy			
2014A	\$110,000	\$63,000	\$42,000
2016A	\$110,355	\$99,000	\$102,000
2017A	\$36,000	\$36,000	\$-0-
2018A	\$318,000	\$318,000	\$317,000
2019A	\$38,000	\$38,000	\$38,000
2022B	NA	\$-0-	\$-0-
2023A	NA	NA	\$190,000
Special Total	\$612,355	\$554,000	\$689,000
Total Levy	\$2,310,877	\$2,445,108	\$2,589,475
	+2.807%	+5.809%	+5.920%

2024 COST DRIVERS

- Equipment Cost Escalation
- Technology Equipment / Security
- Insurance
- Inflation

2024 GOALS

- Ambulance Department
 - Recruit & Retain EMTs
 - Develop Solutions to Staffing Gaps
 - Involve Assistant Director more in Training Institute.

2024 GOALS

- Administration (City Clerk, Finance, IT, Administration):
 - Negotiate Medicom Franchise Renewal
 - Update all Capital Plans, Financial Policies and Personnel Policy
 - Strategic Plan Implementation
 - Build community survey / engagement program
 - Update website
 - Review & Update Financial Policies

2024 GOALS

- EDA:
 - Housing
 - Hotel
 - Support existing and prospective business development
 - Enterprise Drive Lots

2024 GOALS

- Library:
 - Grounds & Landscaping Maintenance.
 - Increase programming to adults.
 - Acquire & circulate more non-traditional materials.
 - Invest in staff to specifically manage the care, cleanliness, health and beauty of the library's landscaping.
 - Pursue strategic initiatives.

2024 GOALS

- Parks Department:
 - Streambank restoration in Groen Park
 - Upgrade zip-line feature
- Police Department:
 - Replace a squad car, squad laptop and tasers.

2024 GOALS

- CCTV:
 - Upgrade Equipment & Services
 - Increase sponsors & offerings.

2024 GOALS

- Street Department:
 - Complete 2023 Street Project.
 - Replace Sweeper and Snow Pusher.

2024 GOALS

- Water Department:
 - Replace three hydrants
 - Complete 2023 Street/Water Improvement Project
 - Pull Well #2
 - Complete lead & copper compliance inventory.

2024 GOALS

- Wastewater Department:
 - Continue manhole rehab / reconstruction
 - Plan reed bed cleaning & reed replacement options
 - Camera sewer pipes
 - Electric & water conservation

2024 TAX LEVY PROPOSAL

PRELIMINARY

Tax Levy	2021	2022	2023 Levy	2024 Levy
General Levy		\$1,698,522	\$1,891,108	\$1,900,475
Special Levy				
2014A	\$19,000	\$110,000	\$63,000	\$42,000
2016A	\$110,000	\$110,355	\$99,000	\$102,000
2017A	\$112,350	\$36,000	\$36,000	\$-0-
2018A	\$46,000	\$318,000	\$318,000	\$317,000
2019A	\$319,000	\$38,000	\$38,000	\$38,000
2022B		NA	\$-0-	\$-0-
2023A		NA	NA	\$190,000
Special Total	\$643,350	\$612,355	\$554,000	\$689,000
Total Levy	\$2,247,789	\$2,310,877	\$2,445,108	\$2,589,475
	+3.983%	+2.807%	+5.809%	+5.920%

COMMUNITY INVESTMENT BY OTHERS

- Mill Creek Streambank Improvements
 - Legacy Funding via State of Minnesota
- Tax Abatement Revenue
 - ~\$43,000 / \$225,000 to-date

GENERAL FUND ~ WWTP DEBT

- General Fund provided annual subsidies to the WWTP Debt Service Fund in the principal amount of \$1,215,000 from 2011 – 2021.
- The last payment from the Sanitary Sewer Fund to the WWTP Debt Service Fund will be in 2026.
- Beginning in 2027, the Sanitary Sewer Fund could repay the General Fund \$100,000 per year for 23 years.

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