

City of Excelsior
Notice of Work Session
of the Excelsior City Council

NOTICE IS HEREBY GIVEN that the City Council of the City of Excelsior will hold its work session on Monday, November 7, 2022 at 5:30 P.M. at the Excelsior City Council Chambers, 339 Third Street, Excelsior, MN 55331.

Members of the public may attend the work session either in person, at City Hall or by joining via Zoom either online or by telephone at:

Join Zoom Meeting

<https://us02web.zoom.us/j/84129271631>

Meeting ID: 841 2927 1631

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Meeting ID: 841 2927 1631

City of Excelsior
City Council Work Session

Agenda

Monday, November 7, 2022

5:30 P.M.

1. Call to Order/Roll Call
2. Agenda Approval
3. 2023 General Fund Budget
4. Adjournment

Note:

The purpose of a Work Session is for the Council to discuss matters informally and in greater detail than is allowed at formal Council meetings. All meetings of the Council including Work Sessions will be open to the public. While the privilege of participating in these discussions is generally limited to the Council, staff, and consultants, the Mayor may open a discussion from the floor.



MEMORANDUM

Re: Item 3-2023 General Fund Budget

Date: November 7, 2022

To: City Council

From: Jenny Palmer, Finance Director

Background

At the September 22nd, City Council meeting, the Council adopted a preliminary budget of \$2,517,278. This amount is a 15% levy increase and a 0.14% tax rate decrease over 2022. Since its adoption, some costs have been updated. Below are some items that could affect the amount the City chooses to levy.

- Revenues have been re-evaluated to add an additional \$20,490.
- WSB notified the City of a 6.2% increase in engineering fees for 2023 which increases the engineering budget by \$2,000.
- Additional expenses for Brad Peterson to set up new office space increased City Administration Professional Services by \$5,000.
- A proposal came in from the lobbyist for \$40,000, which is \$15,000 more than what was included in the preliminary levy
- There is \$25,000 for lifeguards that could be allocated to other staffing needs if the City chooses to not hire lifeguards or there are none available again in 2023.
- Removing crack sealing from the general fund levy and using capital funds for that project including the additional \$15,000 for the lobbyist would reduce the preliminary levy to a 13.96% increase over 2022 and decrease the tax rate by (0.42%) to 29.89%

2023 Project List	
	WISH LIST ITEMS
30,000	Artspace preliminary feasibility study—look for grant funds
700,000	Mill Street trail connection (project scheduled for 2024 or 2025)—other funding sources
	CAPITAL PROJECTS
100,000	Crack sealing—draw down capital fund
124,000	Minor projects/small equipment for Public Works—levy or draw down capital fund
175,000	St. Albans Bay Bridge—2024 possibly grant funding
350,667	One-third City share of MCES project—hold off until next year
	STAFFING
25,000	Grant consultant to help find and write grants
40,000	Lobbyist
79,090	New Planner position \$60,000 base + benefits—need more information
9,500	Staff Market Rate Adjustments
277,590	TOTAL PROJECT/STAFFING LIST

Below are the updated revenue projections for 2023

General Fund Revenues							
AccountDescr	2019 Actual	2020 Actual	2021 Actual	2022Budget	2022YTD Amt	2023	Incr/(Decr)
R 101-31040 Fiscal Disparities	\$ 37,584	\$ 38,431	\$ 53,198	\$34,000.00	\$39,544.20	\$38,000.00	\$4,000.00
R 101-31811 Franchise Fees Gas	\$ 70,176	\$ 70,397	\$ 70,415	\$70,750.00	\$52,916.45	\$70,750.00	\$0.00
R 101-31910 Penalties and Interest AdValTx	\$ 773	\$ 1,928	\$ -	\$780.00	\$2,185.36	\$1,500.00	\$720.00
R 101-32001 Tree Removal Permit	\$ -	\$ -	\$ -	\$0.00	\$1,400.00	\$1,000.00	\$1,000.00
R 101-32002 Tree Trimmer License	\$ -	\$ -	\$ -	\$0.00	\$400.00	\$350.00	\$350.00
R 101-32110 Alcoholic Beverages	\$ 103,260	\$ 67,993	\$ 95,000	\$95,000.00	\$2,250.00	\$105,200.00	\$10,200.00
R 101-32180 Cigarettes & Tobacco	\$ 975	\$ 1,138	\$ 980	\$980.00	\$975.00	\$980.00	\$0.00
R 101-32188 Garbage Haulers	\$ 6,950	\$ 1,175	\$ 5,338	\$2,500.00	\$300.00	\$600.00	(\$1,900.00)
R 101-32190 Sidewalk Café Permits	\$ 600	\$ -	\$ -	\$600.00	\$400.00	\$600.00	\$0.00
R 101-32192 Special Events	\$ 56,499	\$ 21,844	\$ 67,826	\$45,000.00	\$49,003.43	\$55,000.00	\$10,000.00
R 101-32194 Peddlers License	\$ 2,424	\$ 1,331	\$ 720	\$1,000.00	\$120.00	\$200.00	(\$800.00)
R 101-32195 Alarm System Permit	\$ 300	\$ 200	\$ -	\$200.00	\$0.00	\$0.00	(\$200.00)
R 101-32197 Refueling Permit	\$ 450	\$ -	\$ -	\$0.00	\$750.00	\$750.00	\$750.00
R 101-32198 Right of Way Registration Fee	\$ -	\$ 83	\$ 40	\$50.00	\$80.00	\$80.00	\$30.00
R 101-32201 Street Use/Dumpster Permit	\$ -	\$ -	\$ -	\$0.00	\$2,380.00	\$2,000.00	\$2,000.00
R 101-32202 FOOD TRUCK PERMIT	\$ -	\$ -	\$ -	\$0.00	\$2,050.00	\$1,950.00	\$1,950.00
R 101-32210 Building Permits	\$ 148,212	\$ 52,413	\$ 121,588	\$90,000.00	\$95,672.47	\$95,000.00	\$5,000.00
R 101-32211 Sign Permits	\$ 1,708	\$ 741	\$ 853	\$1,000.00	\$1,217.04	\$1,000.00	\$0.00
R 101-32212 VARIANCE	\$ -	\$ -	\$ -	\$0.00	\$1,300.00	\$1,300.00	\$1,300.00
R 101-32214 Mech Permit-Base & Unit Chrg	\$ 18,747	\$ 14,054	\$ 16,786	\$14,000.00	\$16,221.68	\$17,000.00	\$3,000.00
R 101-32230 Plumbing Permits	\$ 8,442	\$ 4,616	\$ 8,070	\$4,600.00	\$5,723.46	\$7,000.00	\$2,400.00
R 101-32235 Right of Way Permits	\$ 2,404	\$ 3,223	\$ 1,975	\$2,000.00	\$3,719.81	\$2,000.00	\$0.00
R 101-32240 Animal Licenses	\$ 375	\$ 275	\$ 420	\$300.00	\$695.00	\$600.00	\$300.00
R 101-32250 Parking Permits (Beach)	\$ 8,458	\$ 7,073	\$ 16,650	\$18,000.00	\$20,490.00	\$20,000.00	\$2,000.00
R 101-32260 Multiple Dwellings Lic/Permits	\$ 28,920	\$ 3,920	\$ 47,200	\$31,000.00	\$23,640.00	\$31,000.00	\$0.00
R 101-32270 Miscellaneous Permits	\$ 3,559	\$ 11,316	\$ 10,303	\$6,000.00	\$340.00	\$500.00	(\$5,500.00)
R 101-33123 Conditional Use Permit				\$0.00	\$500.00	\$1,000.00	\$1,000.00
R 101-33125 Site Alteration Permit				\$0.00	\$1,887.50	\$2,000.00	\$2,000.00
R 101-34103 Zoning and Subdivision Fees	\$ 5,050	\$ 7,128	\$ 800	\$3,000.00	\$2,475.00	\$3,000.00	\$0.00
R 101-34104 Plan Check Fee	\$ 83,353	\$ 33,953	\$ 44,117	\$40,000.00	\$54,314.52	\$50,000.00	\$10,000.00
R 101-34105 Application Process Fees	\$ 9,962	\$ 4,690	\$ 9,680	\$7,000.00	\$6,860.94	\$7,000.00	\$0.00
R 101-34107 Assessment Search Fees	\$ -	\$ -	\$ 50	\$2,000.00	\$25.00	\$50.00	(\$1,950.00)
R 101-34302 Parking Meters	\$ 321,619	\$ 245,299	\$ 400,226	\$350,000.00	\$378,442.54	\$350,000.00	\$0.00
R 101-34783 Garden Plots Rental	\$ 2,095	\$ 2,260	\$ 2,930	\$3,000.00	\$2,710.00	\$2,500.00	(\$500.00)
R 101-34784 Park Vendor Lease Agmt	\$ 10,629	\$ -	\$ 13,760	\$22,000.00	\$7,669.66	\$15,000.00	(\$7,000.00)
R 101-34940 Cemetery Lots	\$ 2,555	\$ -	\$ 19,400	\$2,000.00	\$13,400.00	\$2,000.00	\$0.00
R 101-34951 Greenwood Management Service				\$0.00	\$3,187.50	\$6,000.00	\$6,000.00
R 101-35000 Fines and Forfeits	\$ -	\$ 1,536	\$ 2,500	\$2,500.00	\$47,168.12	\$45,000.00	\$42,500.00
R 101-35101 Municipal Court Fines	\$ 84,785	\$ 62,507	\$ 56,735	\$77,000.00	\$0.00	\$0.00	(\$77,000.00)
R 101-36100 Miscellaneous Revenue	\$ 16,188	\$ 11,938	\$ 19,554	\$5,000.00	\$0.00	\$0.00	(\$5,000.00)
R 101-36200 Miscellaneous Revenues	\$ 16,188	\$ 11,938	\$ 19,554	\$0.00	\$1,897.00	\$0.00	\$0.00
R 101-36210 Interest Earnings	\$ 39,341	\$ 27,340	\$ 30,010	\$5,000.00	\$0.00	\$15,000.00	\$10,000.00
R 101-36221 Kayak Rental Revenue Sharing	\$ 4,569	\$ -	\$ -	\$0.00	\$492.00	\$1,000.00	\$1,000.00
R 101-36226 Rent-Water Tower Antennae	\$ 33,600	\$ 40,608	\$ 38,044	\$36,668.00	\$41,119.77	\$42,000.00	\$5,332.00
R 101-36228 Refunds & Reimbursements	\$ 32,316	\$ 4,130	\$ 14,239	\$14,000.00	\$0.00	\$0.00	(\$14,000.00)
R 101-36229 Insurance Dividend	\$ 1,509	\$ 3,552	\$ 10,178	\$5,000.00	\$0.00	\$5,000.00	\$0.00
R 101-36233 Concerts in the Park	\$ -	\$ -	\$ -	\$1,000.00	\$0.00	\$0.00	(\$1,000.00)
R 101-39203 Transfers In From Other Funds	\$ 100,000	\$ 100,000	\$ 100,000	\$ 200,000	\$ 200,000	\$200,000.00	\$0.00
	\$ 1,264,575	\$ 859,030	\$ 1,299,139	\$1,196,028.00	\$1,101,578.79	\$1,202,910.00	\$6,882.00

Below are the updated expenditures for 2023

CITY OF EXCELSIOR 2023 BUDGET General Fund Expenditures by Department								
	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	2022 YTD	2023 Budget	Dollar Change	Percent Change
GENERAL FUND								
COUNCIL								
Wages and Benefits	13,779	12,651	14,210	14,211	7,105	14,211	-	0%
Professional Services	5,699	21,370	1,970	1,000	600	1,000	-	0%
Education and Training	255	272	951	530	521	1,500	970	65%
Community Events and Support	6,560	6,900	8,049	5,000	4,700	4,950	(50)	-1%
Total Council	26,293	41,193	25,181	20,741	12,926	21,661	920	4%
CITY MANAGER/CITY CLERK								
Wages and Benefits	109,819	125,355	164,764	247,167	154,355	268,314	21,147	8%
Education and Training	4,964	2,298	3,938	7,100	3,780	6,600	(500)	-8%
Total City Manager/City Clerk	114,783	127,653	168,702	254,267	158,135	274,914	20,647	8%
ELECTIONS								
Election Judge Pay	-	2,000	-	3,000	1,137	-	(3,000)	0%
Operating Supplies	970	6,987	925	3,400	265	700	(2,700)	-386%
Repairs and Maintenance	-	-	994	600	74	300	(300)	-100%
Total Elections	970	8,987	1,920	7,000	1,476	1,000	(6,000)	-600%
FINANCE								
Wages and Benefits	74,513	46,905	84,067	71,212	45,251	75,990	4,778	11%
Professional Services	-	-	-	-	-	-	-	0%
Education and Training	1,005	358	1,325	1,460	1,128	2,660	1,200	106%
Total Finance	75,518	47,263	85,393	72,672	46,378	78,650	5,978	13%
PLANNING AND ZONING								
Wages and Benefits	79,014	83,867	72,592	93,668	61,938	99,259	5,591	6%
Professional Services	15,062	1,600	77,638	10,000	5,600	10,000	-	0%
Education and Training	1,134	340	12,255	3,700	195	3,700	-	0%
Meeting Expense (Taping Meetings)	730	146	68	900	-	900	-	0%
Total Planning and Zoning	95,940	85,953	162,553	108,268	67,732	113,859	5,591	5%
CITY ADMINISTRATION								
Operating Supplies	26,773	27,454	25,801	30,650	19,200	28,000	(2,650)	-9%
Professional Services	246,086	231,502	247,982	150,280	127,795	169,000	18,720	11%
Utilities	55,858	48,373	43,737	67,600	34,698	62,700	(4,900)	-8%
Repair and Maintenance	15,859	11,003	9,499	12,000	7,369	13,500	1,500	11%
Other Services and Charges	44,201	39,380	53,761	39,655	32,968	47,538	7,883	17%
Capital Outlay	4,577	1,935	3,429	3,000	1,749	3,000	-	0%
Total City Administration	393,354	361,426	384,209	303,185	223,780	323,738	20,553	6%
HERITAGE PRESERVATION								
Education and Training	10,782	17,145	9,143	2,800	15,201	2,800	-	0%
Total Heritage Preservation	10,782	17,145	9,143	2,800	15,201	2,800	-	0%
POLICE								
Contracted Services	717,825	725,344	752,048	803,678	669,646	852,693	49,015	6%
Debt Service	69,477	14,878	71,898	74,246	55,685	-	(74,246)	0%
Total Police	787,302	740,222	823,946	877,924	725,330	852,693	(25,231)	-3%
FIRE CONTRACT								
Contracted Services	153,835	138,486	253,228	171,264	134,842	278,640	107,376	39%
Debt Service	69,266	94,414	-	96,420	-	-	(96,420)	0%
Total Fire Contract	223,101	232,900	253,228	267,684	134,842	278,640	10,956	4%

**CITY OF EXCELSIOR
2023 BUDGET**

General Fund Expenditures by Department

	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	2022 YTD	2023 BUDGET	Dollar Change	Percent Change
BUILDING INSPECTION								
Professional Services	86,935	62,124	52,696	55,000	25,097	55,000	-	0%
ENGINEERING								
Professional Services	23,800	29,568	25,897	20,000	24,409	32,000	12,000	38%
STREETS								
Wages and Benefits	124,186	121,138	130,891	152,381	101,336	159,836	7,456	5%
Operating Supplies	45,991	64,953	40,519	48,800	30,510	54,700	5,900	11%
Professional Services	5,982	3,298	3,811	5,940	4,308	6,310	370	6%
Education and Training	436	335	342	600	569	1,000	400	40%
Utilities	6,676	11,094	16,338	12,900	22,922	13,500	600	4%
Repair and Maintenance	9,281	5,565	12,306	9,220	22,117	14,700	5,480	37%
Tree Care	19,930	17,167	13,405	20,000	6,205	20,000	-	0%
Capital Outlay					190	-		
Total Streets	212,482	223,550	217,611	249,841	188,157	270,046	20,206	7%
PARK MAINTENANCE								
Wages and Benefits	155,569	159,312	164,175	262,527	125,533	278,748	16,221	6%
Operating Supplies	26,901	27,902	17,791	19,300	16,402	25,900	6,600	25%
Professional Services	16,042	19,777	32,237	22,100	19,238	28,630	6,530	23%
Education and Training	1,232	505	286	500	338	500	-	0%
Utilities	10,528	12,148	12,506	10,600	10,758	12,600	2,000	16%
Repair and Maintenance	10,981	6,801	10,539	10,300	6,479	10,150	(150)	-1%
Tree Care	-	4,626	11,359	15,000	13,080	20,000	5,000	25%
Capital Outlay	15,286	-	-	-	-	-	-	
Total Park Maintenance	236,539	231,071	248,892	340,327	191,827	376,528	36,201	10%
RECREATION								
Lifeguards	24,123	-	-	20,000	-	25,000	5,000	20%
Concerts in the Park	8,937	385	363	1,000	390	1,000	-	0%
Concession Stand	-	-	-	-	-	-	-	
Total Recreation	33,060	385	363	21,000	390	26,000	5,000	19%
CEMETERY								
Wages and Benefits	20,797	20,360	22,387	27,911	18,104	32,070	4,159	15%
Operating Supplies	1,712	2,282	104	1,600	915	2,600	1,000	63%
Professional Services	-	-	-	500	980	1,800	1,300	260%
Capital Outlay	-	-	-	-	-	-	-	0%
Total Cemetery	22,509	22,642	22,490	30,011	19,999	36,470	6,459	22%
TOTAL GENERAL FUND	2,343,368	2,232,082	2,482,225	2,630,720	1,835,681	2,743,999	113,279	4.3%

Below are three levy scenarios for consideration.

- Scenario A is the preliminary budget as adopted which is a 15% increase over 2022 budget and a 0.14% decrease in tax rate over 2022.
- Scenario B is the removal of crack sealing from the project wish list (paid out of capital funds) and an additional \$15,000 added for the lobbyist proposal. This scenario is a 13.96% increase over 2022 and a 0.42% decrease in tax rate.
- Scenario C is a 10% increase in levy over 2022. The preliminary budget would have to cut \$109,447 to reach a 10% levy increase and a 1.48% decrease in tax rate.

Scenarios	Levy \$ (Includes Debt Levy)		2023		2022 Tax Rate	Tax Rate Increase/ Decrease over 2022	
A. Preliminary Budget	2,517,278		30.17%		30.311%	-0.14%	
B. Remove Crack seal and add Lobby increase 13.96% increase	2,494,564		29.89%		30.311%	-0.42%	
C. 10% levy increase	2,407,831		28.83%		30.311%	-1.48%	
Scenario A - Tax Rate Decrease of 0.14% - Levy Increase of 15.00%							
Est market value	\$ 250,000	\$ 375,000	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 1,500,000	
homestead exclusion	14,740	3,490	-	-	-	-	
taxable market value	235,260	371,510	500,000	750,000	1,000,000	1,500,000	
net tax capacity	2,353	3,750	5,000	8,125	11,250	17,500	
tax rate	30.17%	30.17%	30.17%	30.17%	30.17%	30.17%	
Net tax payable	710	1,132	1,509	2,452	3,395	5,281	
Scenario B - Tax Rate Decrease of 0.42% - Levy Increase of 13.96%							
est market value	\$ 250,000	\$ 375,000	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 1,500,000	
homestead exclusion	14,740	3,490	-	-	-	-	
taxable market value	235,260	371,510	500,000	750,000	1,000,000	1,500,000	
net tax capacity	2,353	3,750	5,000	8,125	11,250	17,500	
tax rate	29.89%	29.89%	29.89%	29.89%	29.89%	29.89%	
net tax payable	703	1,121	1,495	2,429	3,363	5,232	
Scenario C - Tax Rate Decrease of 1.48% - Levy Increase of 10.00%							
est market value	250,000	375,000	500,000	750,000	988,000	1,500,000	
homestead exclusion	14,740	3,490	-	-	-	-	
taxable market value	235,260	371,510	500,000	750,000	988,000	1,500,000	
net tax capacity	2,353	3,750	5,000	8,125	11,100	17,500	
tax rate	28.83%	28.83%	28.83%	28.83%	28.83%	28.83%	
net tax payable	678	1,081	1,441	2,342	3,200	5,045	
Incremental Tax Payable over Prior Year							
2022 taxes	713	1,137	1,516	2,463	3,410	5,304	
Est Market Value	\$ 250,000	\$ 375,000	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 1,500,000	
Scenario A - Tax Rate Decrease of 0.14% - Levy Increase of 15.00%	\$ (3)	\$ (5)	\$ (7)	\$ (11)	\$ (15)	\$ (24)	
Scenario B - Tax Rate Decrease of 0.42% - Levy Increase of 13.96%	\$ (10)	\$ (16)	\$ (21)	\$ (34)	\$ (47)	\$ (73)	
Scenario C - Tax Rate Decrease of 1.48% - Levy Increase of 10.00%	\$ (35)	\$ (56)	\$ (74)	\$ (121)	\$ (210)	\$ (260)	

Council Action: Review and comment prior to final budget adoption .