



**City Council Workshop Meeting
November 9, 2022 | Ash North and South Conference Rooms**

**Following City Council Meeting
Approximately 8:00 p.m.**

This City Council Workshop meeting is taking place virtually and at Woodbury City Hall in the Ash North and South Conference Room. Members of the public may attend the meeting in person and may also join the meeting using a PC, Mac, iPad, iPhone or Android device.

[Watch the Live Meeting](#)

Public comments will be accepted during the meeting both in person and by using the link to the virtual meeting to join the meeting and then submit your questions via the online Q&A feature within the meeting.

Questions regarding the meeting will be taken between the hours of 8:00 a.m. to 4:30 p.m. at 651-714-3524 or at council@woodburymn.gov. Questions received after 4:30 p.m. will be responded to in the next three to seven business days.

Please note that all agenda times are estimates.

Workshop Agenda

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|-----------|----|---|--------|
| 8:00 p.m. | 1. | 2023 Preliminary Property Tax Levy and Budget Update | 22-286 |
| 8:25 p.m. | 2. | Administrator Comments and Updates ¹ | |
| 8:30 p.m. | 3. | Mayor and City Council Comments and Commission Liaison Updates ¹ | |
| 8:35 p.m. | 4. | Adjournment | |

¹ Items under comments and updates are intended to be informational or of brief inquiry. More substantial discussion of matters under comments and updates should be scheduled for a future agenda.

The City of Woodbury is subject to Title II of the Americans with Disabilities Act which prohibits discrimination on the basis of disability by public entities. The City is committed to full implementation of the Act to our services, programs, and activities. Information regarding the provision of the Americans with Disabilities Act is available from the City Administrator's office at (651) 714-3523. Auxiliary aids for disabled persons are available upon request at least 72 hours in advance of an event. Please call the ADA Coordinator, Clinton P. Gridley, at (651) 714-3523 (TDD (651) 714-3568)) to make arrangements.

City of Woodbury, Minnesota
Office of City Administrator

Council Workshop Letter 22-286

November 9, 2022

To: The Honorable Mayor and Members of the City Council
From: Clinton P. Gridley, City Administrator
Subject: 2023 Preliminary Property Tax Levy and Budget Update

Summary

At the City Council meeting of September 28, 2022, the City Council adopted a 2023 proposed property tax levy for purposes of the required 2023 Truth in Taxation public meeting. The public meeting on the proposed tax levy and budget adoption is set for December 14, 2022. The Council has the option to decrease the tax levy but may not increase the tax levy above the amount adopted at the September 28th meeting. Ahead of the public meeting, this workshop item is to provide the City Council any updates on the 2023 budget, and hear any additional questions and/or receive direction heading into the budget and property tax levy adoption.

Recommendation

Staff recommends Council concur with the proposed changes and for presentation at the truth-in-taxation public meeting approving the property tax levy and budget. The 2023 budget proposed at the September 28th City Council meeting has been revised to reflect the summary of changes as described in the attached document.

Governance Mode

- Fiduciary - Stewardship of tangible assets, oversees operations and ensures efficient and appropriate use of resources, legal compliance and fiscal accountability.

Fiscal Implications

The following table illustrates the 2023 proposed property tax levy:

	<u>Sept. 14 2023 Budget Workshop</u>	<u>Sept. 28 Council Meeting</u>	<u>Nov. 9 Workshop</u>	<u>Sept 28 to Nov. 9 Proposed Changes</u>
Estimated Net Tax Capacity	\$141,626,857	\$141,626,857	\$141,626,857	\$ -
Total Dollar Levy (includes HRA Levy)	\$44,834,413	\$44,704,413	\$44,704,413	\$ -
Estimated City Tax Rate	28.598%	28.506%	28.506%	0.0%

	Sept. 14 2023 Budget Workshop	Sept. 28 Council Meeting	Nov. 9 Workshop	Sept 28 to Nov. 9 Proposed Changes
Percent Change in Total Dollar Levy 2022/2023	6.8%	6.5%	6.5%	0.0%
Impact on Median Value Home 2022/2023	\$85	\$82	\$82	\$ -
Percent Change in Total City of Woodbury Tax 2022/2023	7.5%	7.2%	7.2%	0.0%
Total Preliminary Budget	\$142,990,440	\$142,915,440	\$145,193,640	\$2,278,200

Policy

In accordance with the obligations set forth in Section 2-45 (a) (5) of the City of Woodbury Code of Ordinances, the city administrator shall prepare an annual fiscal budget and capital improvement plan for City Council and maintain financial guidelines for the city within the scope of the approved budget and capital program.

Public Process

The public budget process is as follows:

- City Council Workshop review of five-year Capital Improvement Plan – May 18
- City Council adoption of the 2023-2027 Capital Improvement Plan – June 15
- City Council Workshop review of budget parameters and financial projections – July 20
- City Council Budget Workshop – September 14
- City Council adoption of the preliminary tax levy, preliminary HRA tax levy, and set Truth-in-Taxation public meeting date – September 28
- City Council Budget Update Workshop – November 9
- Truth in Taxation Public Meeting – December 14
- City Council adoption of the property tax levies and budget – December 14

Background

The annual budget is both a guide and a policy plan as the major annual city policy document that establishes the operational plan to provide continuing quality and affordable services with the flexibility of Council action to adapt to changes and issues that arise during the fiscal year. The annual budget contains detailed financial information on the city’s numerous funds and sets forth a strategy for continued progress in meeting the city’s capital investment needs. The budget document also includes the most recently approved Capital Improvement Plan which includes several non-budgeted capital project funds which are brought to Council for approval on a project-by-project basis.

Written By: Lynn Haseleu, Budget Manager
 Approved through: Clinton P. Gridley, City Administrator
 Attachments: Summary of 2023 Proposed Budget Changes

City of Woodbury
Summary of 2023 Proposed Budget Changes
Period of September 14, 2022 - November 9, 2022

Revenues and Other Sources:

<u>2023 Proposed Budget Totals as presented at the September 14th Workshop</u>	\$ 142,990,440
General Fund: Decrease proposed Property Tax Levy	(130,000)
General Fund: Add Use of Fund Balance for Communication Division assessment/strategic plan	55,000
Street Lighting Utility Fund: Eliminate proposed Street Lighting rate increase	(76,500)
Street Lighting Utility Fund: Add Use of Fund Balance in Street Lighting Utility Fund	76,500
<u>2023 Proposed Budget as presented at the September 28th Truth-in-Taxation Meeting</u>	\$ 142,915,440
<u>Royal Oaks - Approved September 28th Council action authorizing preliminary report/ordering project</u>	
Street Reconstruction/Maintenance Fund: Decrease Special Assessments - New Projects	(409,700)
Street Reconstruction/Maintenance Fund: Decrease Transfer In - Parks & Trails Replacement Fund	(259,900)
Street Reconstruction/Maintenance Fund: Decrease Transfer In - Storm Water Utility Fund	(632,400)
Street Reconstruction/Maintenance Fund: Increase Transfer In - Water & Sewer Utility Fund	1,471,200
<u>Addition of Street Sweeping Program - South Washington Watershed District Agreement - Approved September 28th Council action</u>	
Storm Water Utility Fund: Increase Local Grants & Aids	300,000
Risk Management Fund - Increase Interfund Workers Compensation Insurance charges	3,700
<u>Increased health insurance and HSA reduction plus closing of funding gaps</u>	
Water & Sewer Utility Fund-Water Division: Increase MPCA Grant Revenue - labor reimbursement	2,100
Capital Improvement Fund: Eliminate Transfer In - General Fund	(500,000)
<u>Updated trends and forecasting</u>	
Sports Center Fund: Net increase - Operational Revenues	4,900
Sports Center Fund: Decrease Lease Revenues - revised Summit Orthopedic agreement	(28,451)
Eagle Valley Golf Course Fund: Add Credit Card Processing Fees	40,000
<u>Reallocation of property tax abatement levy - tax exemption status approved for three parcels</u>	
Tax Abatement Plan I-94 Region Fund: Decrease tax abatement levy - reallocate to General Fund	(38,364)
Tax Abatement Plan I-94 Region Fund: Decrease School District abatement levy revenues	(38,312)
General Fund: Increase levy - reallocated property tax abatement levy and miscellaneous adjustment	32,500
<u>Other resources</u>	
Park Dedication Fund: Add Transfer In - Valley Branch Trunk Storm Water-Turnberry Project	80,000
<u>2023 Proposed Budget as presented at the November 9th Workshop</u>	\$ 142,942,713

Expenditures/Expenses:

<u>2023 Proposed Budget Total as presented at the September 14th Workshop</u>	\$ 142,990,440
General Fund Fleet Division: Decrease Operating Supplies-Unleaded Fuel	(75,000)
<u>2023 Proposed Budget as presented at the September 28th Truth-in-Taxation Meeting</u>	\$ 142,915,440
<u>Royal Oaks - Approved September 28th Council action authorizing preliminary report/ordering project</u>	
Parks & Trails Replacement Fund: Decrease Transfer Out - Street Reconstruction/Maintenance Fund	(259,900)
Street Reconstruction/Maintenance Fund: Increase Roadway Rehabilitation Project	793,400
Water & Sewer Utility Fund: Increase Transfer Out - Street Reconstruction/Maintenance Fund	1,471,200
Storm Water Utility Fund: Decrease Transfer Out - Street Reconstruction/Maintenance Fund	(632,400)
<u>Addition of Street Sweeping Program - South Washington Watershed District Agreement - Approved September 28th Council action</u>	
General Fund - Streets: Add Public Service Worker- Street Sweeping Program	102,300
General Fund - Streets: Add Labor Reimbursement - Storm Water Utility Fund	(102,300)
Storm Water Utility Fund: Increase operational expenses	300,000
<u>Increased health insurance and HSA reduction plus closing of funding gaps</u>	
General Fund: Increase Health Insurance	825,000
General Fund: Eliminate Transfer Out - Capital Improvement Fund	(500,000)
General Fund: Reallocation of Contingency - cover divisional health insurance budgets	(115,000)
General Fund: Decrease HSA contributions	(156,000)
General Fund: Increase Streets Division Labor Reimbursement	(21,500)
General Fund: Unallocated Health Insurance Contingency	141,000
HRA Fund: Increase Labor Reimbursement	5,700
Park Dedication Fund: Increase Labor Reimbursement	1,200
Tax Abatement Plan I-94 Region Fund: Increase Labor Reimbursement	3,400
Sports Center Fund: Net increase - Health Insurance / HSA	9,400
Eagle Valley Golf Course Fund: Net increase - Health Insurance / HSA	10,100
Water & Sewer Utility Fund: Net increase - Health Insurance / HSA	55,000
Water & Sewer Utility Fund-Water Division: Increase Labor Reimbursement - MPCA grant	2,100
<u>Updated trends and forecasting</u>	
Sports Center Fund: Net increase due to utilization and trends	67,000
Sports Center Fund: Allocate portion of Admin. Assistant position to Eagle Valley Golf Course Fund	(24,400)
Eagle Valley Golf Course Fund: Allocated portion of Admin. Assist. position from Sports Center Fund	24,400
<u>Adjustments based on project agreements, current construction price index or buying environment</u>	
Park Dedication Fund: Increase Turnberry neighborhood project	20,000
Parks & Trails Replacement Fund: Increase project costs	278,000
Capital Improvement Fund: Increase project and machinery/rolling stock costs	116,100
MSA Roadway Construction Fund: Increase MSA projects	414,400
Tax Abatement Plan I-94 Region Fund: Decrease Gold Line project	(350,000)
<u>Updated Enterprise Resource Planning system (ERP)</u>	
Capital Improvement Fund: Decrease ERP system estimated project cost	(200,000)
Capital Improvement Fund: Decrease ERP system project cost - allocation to Water and Sewer Fund	(465,000)
Water & Sewer Utility Fund: Add ERP system project cost allocation	465,000
<u>2023 Proposed Budget as presented at the November 9th Workshop</u>	\$ 145,193,640
Total change to fund balances/reserves from September 28th Truth-in-Taxation Meeting	\$ (2,250,927)