



CITY OF CORCORAN
Council Work Session Agenda
August 24, 2023 – 5:30 pm

1. Call to Order / Roll Call
2. Draft 2024 Budget Discussion*
3. Unscheduled Items
4. Adjournment

HYBRID MEETING OPTION AVAILABLE
The public is invited to attend the regular Council meetings at City Hall.

Meeting Via Telephone/Other Electronic Means

Call-in Instructions:

+1 312 626 6799 US

Enter Meeting ID: 829 5554 0735

Press *9 to speak during the Public Comment Sections in the meeting.

Video Link and Instructions:

<https://us02web.zoom.us/j/82955540735>

visit <http://www.zoom.us> and enter

Meeting ID: 829 5554 0735

Participants can utilize the Raise Hand function to be recognized to speak during the Public Comment sections in the meeting. Participant video feeds will be muted. **In-person comments will be received first, with the hybrid electronic means option following.**

For more information on options to provide public comment visit:
www.corcoranmn.gov

***Includes Materials** - Materials relating to these agenda items can be found in the house agenda packet book located by the Council Chambers entrance, or online at the City's website at www.corcoranmn.gov.



CITY OF CORCORAN

8200 County Road 116 • Corcoran, MN 55340
763-420-2288 • www.corcoranmn.gov

MEMO

Meeting Date: August 24, 2023
To: City Council
From: Maggie Ung, Finance Manager
Re: Draft 2024 Budget

Staff brought the first draft of the 2024 budget for review by City Council on July 27, 2023. The main direction of the Council for the 2024 budget was as to find ways to reduce the tax levy to maintain or reduce tax rate.

Staff have refined budget to closer meet the goals of the Council. Staff is anticipating more information from Hennepin County on tax capacity prior to the Council work session and will provide the second draft budget upon receiving the information.

The following outlines some of the larger changes in expenditures in comparison to the first draft of 2024 budget. More changes may occur once numbers are retrieved from the County.

Staffing:

The following outlines the significant differences between from the first draft to the second draft of the 2023 budget for staffing related changes.

General Government

- Communications Assistant – Originally budgeted full-time for the full year; moved transition date to halfway through the year – decrease expenditure by \$11,832
- Intern – removed from budget – decrease expenditure by \$43,645
- IT Manager – start date moved to 3/1/2024 instead of beginning of year – decrease expenditure by \$22,300

Public Safety

- Medical Responder – removed from budget – decrease expenditure by \$108,600
- Police Technician – decreased from 1040 hours to 520 hours – decrease expenditure by \$15,500

Public Works

- Part-Time Public Works Maintenance Worker – decreased budget from 2082 hours to 1560 hours – decrease expenditure by \$16,400

Additional Changes

The following outlines the significant differences between from the first draft to the second draft of the 2023 budget.

Revenue Changes

- Building Permits: reallocate a portion of revenue to new line items for the purpose of transparency and accurate reporting: Gas Installation Permits, Plumbing Connection Permits, Mechanical Permits, Building Permit Plan Check Fee, Other Building Related Fees – increase revenue by \$3,500
- Municipal State Aid for Streets – Maintenance - Increased based on average of past 3 actual years – increase revenue by \$5,000
- Transfer from Other Fund – updated to capture expenditures being reimbursed by Water and Sewer Funds to selected Public Works item and 3.74 FTE employee – increase revenue by \$25,900

Expenditure Changes

General Government

- Central Services
 - Professional Services: moved \$23,000 to Software (new line item) and \$10,000 to Finance – Professional Services for financial management services – no impact
 - Dues and Membership: Increase Elm Creek Management fee – increase expenditure by \$1,300
 - Transfers: decrease CIP \$50,000; decrease Stormwater \$5,000; decrease Facility Fund \$40,000; added in Skid steer originally budgeted in Public Works and Parks department in General fund (\$14,000 increase); moved Night To Unite from Police department of \$7,000; and added Holiday Drive \$1,000 – decrease expenditure by \$73,000
- Information Technology
 - Professional Services: reduce managed services – decrease expenditure by \$20,000

Public Safety

- Police
 - Operating Supplies: moved software expenditure to new line item Software – no impact
- Fire
 - Received fire quotes from Loretto (decrease of 12.2% and Hanover increase of 3%) – decrease expenditure by \$108,738

Public Works

- Paved Streets
 - Repair and Maintenance – Contract: Decrease asphalt maintenance – decrease expenditure by \$50,000

The City Council should provide further direction on changes they would like to see prior to staff presenting the final preliminary budget and levy on September 14, 2023.

A preliminary levy must be adopted on September 30th and tax impact statements will be mailed to all properties in November based upon the adopted preliminary levy by the County.

Attachments:

1. July 27, 2023 Council Work Session Memo
2. Rev. 2 – Draft 2024 Budget (to be sent prior to work session)



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MEMO

Meeting Date: July 27, 2023
To: City Council
From: Maggie Ung, Finance Manager
Re: Draft 2024 Budget

Staff has completed the first draft of the 2024 budget for review by the City Council. The draft includes the funds needed for the continuation of services provided, with additional recommendations to meet the increased needs of the organization.

Direction for staff was to draft a budget that does not raise the tax rate. Staff has used a conservative estimate for tax capacity, with the adjusted net tax capacity of \$21,066,332, which is the average of the past 3 years' increase. This amount will change as an estimate from the county will be available within the next couple of months. Final net tax capacity is not available until 2024. It is estimated that the tax levy can increase by \$2,028,050 and maintain the existing tax rate of 42.122%. The first draft of the 2024 budget has a tax levy increase of \$2,386,548 which is \$358,560 over that amount and tax rate of 43.824%. Staff will continue to refine the budget to meet City Council's priorities. The budget is presented as is to receive initial feedback from the City Council prior to that refinement taking place.

The following outlines some of the larger changes in expenditures to the budget from 2023. The attached draft budget includes many other changes on various line items.

Staffing:

The largest increase to the draft 2023 budget is staffing. The City has seen significant increases in new home construction with a major uptick beginning in 2019. The projected new homes constructed between 2019-2023 is 1,098 units. This non-incremental increase in new homes requires the same non-incremental increase in staffing to ensure basic services can continue to be provided. To achieve this, the following additional positions are included in the 2024 budget as compared to the 2023 budget. In addition to the added positions, a 7% increase (3% market adjustment, 4% cost-of-living adjustment) in wages is assumed as well as a 10% increase in insurance costs, split 70/30 by the employer/employee.

General Government

- Part-time Intern for Administration department
- Transition Part-time to Full-time Communication Assistant and add benefits, transition date of 01/01/2024
- Election Judges included in budget for 2024 Presidential election year
- Full-time Information Technology (IT) personnel, start date of 01/01/2024

Public Works & Parks:

- Increase Part-time/Seasonal Public Works employee hours by 1,030 hours (0.5 FTE)
- Part-time Program Coordinator for recreation (from 960 hours to 1040 hours), will be PERA pension eligible

Public Safety

- Transition 2 Part-Time Community Service Officers (CSO) to 1 Full-time position and add benefits, transition date of 01/01/2024
- Increase Part-time Police Officer by approximately 500 hours (0.25 FTE)
- Add Part-time Police Technician, start date of 01/01/2024
- Add 1 FTE of Part-time Medical Responders, start date of 01/01/2024

In addition to the staffing increases, a new line item for each department with staff has been added for recruitment and retention purpose.

The following outlines some of the larger non-staffing expenditure increases included in the draft budget.

General Government

- Communication: \$5,000 – General Notices/Publication Info: outsource printing of newsletter
- Finance:
 - \$6,000 – Training/Instruction Supplies: tuition reimbursement request forthcoming
 - \$37,750 – Professional Services: estimated increase in audit services of 5% and financial/escrow assistance
- Assessing: \$45,000 – Professional Services: actual 2023 expense was \$150,000 (\$30,000 over 2023 budgeted amount), County provided estimate is \$165,000 for 2024
- Legal: \$5,000 – Legal Service: assuming an 11% increase, average based on past 3 years' average
- Central Services
 - \$10,000 – Professional Services: new ADP modules and Admin fee increase, additional EAP service for staff
 - \$32,000 – Insurance: actual 2023 came in \$20,000 over budget. Assume 9% increase from 2023 actual amount for Property & Casualty insurance
 - \$15,000 – Repairs and Maintenance – Contract: City Hall front landscaping and irrigation repair
 - \$(20,000) – Miscellaneous: move budget to Police department

- \$(7,500) – Credit Card Fees: Move to recreation and Police department for better transparency of what the fees are related to
- \$100,000 – Transfers: increase \$50,000 to CIP Fund, \$10,000 to Stormwater Fund, \$50,000 to Facility Fund
- Planning & Zoning: \$15,000 – Professional Services: increase based on prior year actuals
- Information technology: \$(23,000) – Operating Supplies: added Granicus licensing and moved Motorola (previously Watchguard) (\$11,000), LETG (\$18,000), and Axon Fotokite license (\$3,800) to Police Department as these are Police specific expense

Public Safety

- Police
 - \$41,800 – Operating Supplies: moved Motorola (previously Watchguard) (\$11,000), LETG (\$18,000), and Axon Fotokite license (\$3,800) from IT Department as these are Police specific expense
 - \$14,500 – Legal Fees: increased based on 3 year average of actual expenditures
 - \$7,300 – Repair and Maintenance-Vehicles: based on 2023 actual billed amount.
- Fire
 - \$158,008 – Professional Services: assume 27.7% increase to contracts based on increase between 2022 and 2023

Public Works & Parks

- Highway, Streets & Roadways
 - \$10,000 – Electric Utilities: based on an increase from prior year actuals
- Paved Streets: \$115,000 – Increase in contracted service anticipated
- Unpaved Streets: \$55,000 – Increase in contracted service anticipated
- Recreation: \$4,000 – Credit Card Fees: moved from Central Services as the transactions are specific to the recreation programming
- Parks: \$(40,000) – Improvement Other than Buildings: Moved NW Trail grant to liability account as this is a pass through item

Staff is requesting City Council to provide direction on additional changes to be made. Staff will continue to refine budget and bring back to the Council for further feedback at the August 24th work session.

A preliminary levy must be adopted by September 30th and tax impact statements will be mailed to all properties in November based upon that adopted preliminary levy. The Council may wish to schedule an additional work session if significant conversation is required.

Attachments:

1. Rev. 1 – Draft 2024 Budget