

**MINUTES OF THE COMMITTEE OF THE WHOLE MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, JULY 29, 2024**

CALL TO ORDER

The Committee of the Whole Meeting was called to order at 7:01 p.m. at City Hall.

ROLL CALL

Present: Council Members Earenfight, and Farber. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann, and Public Works Director Koehler.

Acting Mayor Whiting was present at 7:12 p.m.

ORDER OF DISCUSSION

Non-Resident Park and Field Use Fees

Prior to adopting the 2024 Fee Schedule, Public Works Director Koehler suggested increases to certain park fees to better recoup city expenses, especially related to the use of ball fields by youth sports associations. Association representatives expressed concerns about increases to fees during the December 2023 public hearing, so Council adopted a nominal fee increase and briefly discussed the concept of higher fees for non-City resident use.

Council discussed the logistics of implementing non-resident fees, determining that it would be burdensome for City staff to review, verify and calculate non-resident fees to youth association players. Instead, Staff will pursue an across the board increase in the per player amount for all youth sports associations in the 2025 fee schedule.

On-Street Parking Restrictions

Concerns have been raised regarding road congestion issues caused by on-street parking on several streets in town. Specifically, Fremont Trail immediately south of City Hall and ZBG/Angeno's, 7th Avenue South between CH 45 and 7th Street West, and 6th Avenue South near the City's Water Treatment Plant. On-street parking and congestion occurs during special events and seasonally when school events and athletic games are held on ballfields in those areas. Parking on both sides of the street cause issues where oftentimes only one (1) vehicle can pass and makes it extremely difficult for emergency vehicles to get through.

Staff discussed potential "No Parking" zones on each roadway, seeking Council direction. Discussion included alternate parking areas for customers and event attendees. On Fremont Trail, the City Hall back parking lot is often unused. Public Works Director Koehler suggested having staff stripe the lot to make it more amenable for parking.

Council directed staff to prepare a resolution for future consideration limiting on-street parking to one side of the street in these areas.

Concession Stand Parking Lot Improvements

Public Works Director Koehler is proposing improvements to the parking area near the concession stand at the City Park. This lot is the only remaining gravel lot in the City Park and lies between the concession stand and the sand volleyball court. The project would be paid from the Park Fund, utilizing proceeds of the natural gas (CenterPoint Energy) franchise fees collected by the City.

Council is in favor to the improvement. Staff will have Engineer Bittner proceed with planning for the improvements, which are estimated to cost \$100,000 or less.

Decertification of TIF Districts #8 and #9

As part of the OSA Annual report prepared by Northland Financial, staff requested a review of outstanding obligations for TIF Districts #8 and #9 to determine the appropriate time to decertify the Districts. Decertification of the Districts will

eliminate TIF tax collections and instead, all taxes generated will be distributed to the County, City and School District. By staff estimation, this will return approximately \$17,000 per year to the General Fund through regular property tax collection. Decertification has also been identified as a future finance goal through the audit process.

Northland confirmed that District obligations have been fulfilled as of this writing and the Districts should be decertified. Staff will work with Northland Financial to prepare appropriate documentation and resolutions to decertify the Districts prior to year-end 2024.

Classification and Compensation Study

The City's current Classification and Compensation Plan was adopted in 2018 and implemented in 2019. At the time, the study ensured appropriate wage levels and accurate job descriptions for each position in the City. Council has annually updated the salary schedule based on the CPI during the budget year.

Being that the current plan will be 7 years old in 2025, Staff is recommending Council consider a new study to not only include current job descriptions, but possibly plans to restructure City Hall and the Public Works Department to help determine if and when additional staff should be added to each department to accommodate for future growth of the City.

Council directed staff to solicit proposals for a Classification and Compensation Study for Council consideration at a future meeting in 2024.

2024 – 2026 Law Enforcement Contract

In June, staff received the 2024 – 2026 Contract for Law Enforcement Services from the Sheriff's Department, as it had been updated due to the recent acceptance of union contracts in the Sheriff's Department. The updated contract includes the addition of a 6th Patrol Deputy in 2024 and a 7th in 2025. The 2024 contract amount has increased by \$37,545 because of union negotiations and 2025 will increase by \$242,291 due to the addition of another patrol deputy. Council discussed the level of service currently provided by the Sheriff's Department and the timing of additional deputies and anticipated growth of the City. Council is amenable to considering the contract as presented and directed staff to schedule approval at future meeting.

2025 Preliminary Budget

Tillmann walked Council through the first draft of the proposed 2025 General Fund Budget, noting the following items in the revenue and expenditure budgets:

Revenues include general taxes, state aids, fees, lease revenues and special levies. Certified Local Government Aid (LGA) for 2025 increases from \$843,155 to \$844,239, per action taken by the State Legislature during the 2024 session. This is an increase of \$1,084 over the 2024 amount. Building permit revenues, including plumbing and mechanical permits and revenues remitted to the state for surcharge are projected to remain stable due to steady building and development activity. Levy dollars also include the Fire Hall/Event Center and 269th Ave Reconstruction debt levies. Staff recommends Council continue the \$50,000 levies for the EDA and Park funds into 2025 and beyond, and suggests Council maintain existing levy amounts for future Capital Expenditures. Finance staff is proposing an increase the amount transferred from Water (310) and Sewer (312) funds to more accurately reflect expenses borne by the General Fund to support Water and Sewer operations.

The State of Minnesota Public Safety Aid was awarded at the end of 2023, of which the City's allotment was \$279,314. These grant funds were carried over from 2023 into 2024 to cover a portion of the 2024 Law Enforcement Contract expense, however, the State will not award these funds again. For this reason, the preliminary tax levy shows a significant increase over 2024 levels to present a balanced budget and make up for those one-time grant funds. Staff proposes to use \$150,000 of committed reserves levied in 2024 to lower the proposed 2025 levy amount.

Preliminary 2025 expenses are proposed at \$4,672,701 to match General Fund revenues. This budget includes department operation expenses including personnel, anticipated expenditure of \$225,000 for street preservation,

\$170,000 for future Capital Expenditures, a City Planner in City Hall and debt payments for the Fire Hall/Event Center, the 269th Ave Reconstruction project and the Lake Fremont Area Reconstruction.

Notable changes in department expenses are attributed to the following items:

- A significant increase to the Sheriff's Department contract for 2024 – 2026, which Council discussed during the workshop. The proposed contract amount for 2025 is \$1,246,142 and is included in the budget. Staff has also moved expenses related to Civil Defense from the Public Works Department to Public Safety (101-42000).
- In 2023, Council approved the addition of a City Planner at City Hall, which has remained vacant. Staff anticipates this position will be filled in 2025 due to the number of projects currently planned for the budget year and following. The Public Works Department will also consider filling the vacant Maintenance Technician position. The Planner position is wholly funded by the General Fund, with 50% of the Maintenance Technician supported by the General Fund.
- A 15% increase for employee health insurance premiums, as suggested by our agent. Finance Staff is also proposing an increase to the annual amount of the health insurance stipend for those employees choosing not to participate in the City's health insurance program, as this amount has not been increased since 2007.
- Administration suggested increase to employee wages and benefits, which includes a recommended 1-step wage increase and a Cost-of-Living Adjustment (COLA) for employees, with corresponding increases to Social Security and PERA. Staff is closely monitoring changes to the CPI/COLA for potential change prior to adoption of the final budget and levy.

Council will have ample opportunity to review the budget in detail during upcoming meetings and can increase or decrease the proposed levy amount before certification to the County Auditor/Treasurer at the end of September. Once the preliminary levy is adopted by Council in September, the only options are to either decrease the levy, or use uncommitted cash reserves to fund budgeted expenses.

Acting Mayor Whiting adjourned the meeting at 8:27 p.m.

Approved this 5th day of August 2024.

s/s Kary Tillmann, City Clerk/Treasurer