

City of Columbus
Special City Council Budget Meeting
Alternative Meeting Format
MN Statute, Section 13D.021
09.22.2022

The 09.22.22 special budget meeting of the City of Columbus City Council was called to order at 5:03 p.m. by Mayor Jesse Preiner at City Hall. Present were Councilmembers Robert Busch, Janet Hegland, Shelly Logren and Sue Wagamon; City Administrator Elizabeth Mursko, Public Communication Coordinator Connor Keith, Public Works Director Jim Windingstad and Senior Accountant Cheryl Jenkins.

Also in attendance: Anoka County Assessor Alex Guggenberger (via teleconference), Jennie (via teleconference), Natalie Ryder (via teleconference) and Tim (via teleconference).

1. **Call to Order – Regular Meeting – 5:03 p.m.**
2. **Pledge of Allegiance**
3. **Approval of Agenda**

Motion by Wagamon to approve the agenda. Seconded by Busch. Roll call vote: Logren – aye; Wagamon – aye; Hegland – aye; Busch – aye; Preiner – aye. Motion carries.

4. **City of Columbus – 2023 Budget**
 - Presentation – Anoka County Assessor

Guggenberger presented to Council, detailing the 2022 Assessment and Taxation Timeline. Guggenberger shared that Anoka County’s total market values reached \$50.6 billion in 2022 – with \$41.4 billion of that being residential – which will be the value taxed upon in 2023. Columbus’ median home value in 2022 is \$400,500, an increase of 18.76 percent from 2021. 2023 expectations for Anoka County include a 9.51 percent increase in Median Sale Price year-over-year for Anoka County.

Mursko asked how the changes in property values will impact the City’s levy and how much residents will see their taxes change. Guggenberger pointed out that if the City submitted the exact same 2023 levy as it did for 2022 collections, property values would not go down, but since residential property value increased so much compared commercial properties, landowners would likely see an increase in their taxes paid.

Hegland asked how over-inflated Guggenberger felt the market values are. Guggenberger said market values aren’t necessarily over-inflated since values haven’t dropped despite sales starting to slow down.

Hegland asked Mursko if the City’s financial disparities number will be better this year since residential property values increased so much. Mursko said that Columbus actually experienced the opposite from Anoka County as its commercial properties outpaced residential.

➤ Discussion – 2023 Proposed 2023 CIP Budget

Schedule A is the Public Works Capital Fund 401, which has a levy of \$135,582. Fiscal Year 2021 closed with \$79,669.54 in reserves, which gets added to an anticipated \$111,425 for the 2022 levy to reach an ending balance of \$191,394.54 to roll into 2023. The City has already signed a purchase agreement to buy a new \$370,250 road grader to replace the current one purchased in 2011, which will be assessed to the 2023 budget. The Public Works Advisory Board (PWAB) has recommended increasing the annual escalator from 2.5 percent to 4 percent and increase the budget to \$20,000 for Fiscal Year 2023.

Wagamon asked why the 2023 proposed budget's ending balance is below \$0. Windingstad said the reason there is a negative number is because there is no mark for selling the existing road grader, which he estimates should collect at least \$102,000. That paired with increasing the escalator will allow the City to resume cash-flowing this account.

Hegland asked how Public Works arrived at the \$20,000 requested budget increase. Windingstad said he tries to take into account things he knows he needs to replace in the next few years, but otherwise it is a guess given the current market. Hegland requested estimates for the pieces of equipment to replace in the near future that aren't currently listed based on current inflation. Windingstad said a loader and another road grader are the main pieces not listed.

Mursko asked if the Council wanted to accept the recommendations from the PWAB or if they wanted to see Windingstad's fixes before voting next week. Busch and Wagamon said they'd like to see the cost estimates included in the projected budget before making a determination on the PWAB's recommendations.

Mursko turned to Schedule B, Public Works' Blacktop and Gravel Capital/Maintenance Fund, for which the PWAB recommended a \$10,000 increase to the gravel fund from \$50,000 and an accelerator increase from 2.5 percent to 4 percent. At the close of 2022, the ending balance of the account should be \$380,528.60 after the fulfillment of the levy. The proposed budget for Blacktop/Gravel in 2023 is \$495,051, with \$493,551.36 coming from the levy. Logren asked if the 4 percent escalator is permanent until changed in the future, or if it is only for 2023. Mursko says the 4 percent escalator holds constant for the future.

Busch asked Windingstad if the budget is sufficient to gravel the City's entire road length. Windingstad said the gravel fund has been reduced over the years as various roads in the City have been paved and calcium chloride has been extending the life of gravel roads, but now that costs are increasing due to inflation the fund needs to adjust accordingly. Not every road is completely graveled every year, and each road is assessed every year to ensure the biggest problems are addressed.

Schedule C, which is associated with Park Capital Fund 403, had a fund balance of \$37,264.83 coming into 2022, which gets added to the 2022 levy to reach \$50,764.83 after expenses to roll into 2023. The Park Board has recommended the City Council either repair or replace the tennis courts. An expert has been scheduled to assess the courts on their remaining lifespan. If the existing courts are destroyed and replaced, funding for that project can come from the Parkland Dedication Fund – otherwise, repairs must be funded through the Capital Fund. With the walking trail scheduled to necessitate replacement

in 2027 at an estimated cost between \$135,000 and \$150,000, those funds will be available at that time for that specific project. Further, the Park Board has recommended that half the proceeds from the sale of Hager Park should be retained in the park budget. Those \$40,000 have not been added to the budget yet, which accounts for the projected 2024 shortfall.

Mursko shared that another decision the Park Board is going to have to make is whether to renew the contract with RVS. As a backup and budgeting device, the City always budgets landscaping equipment purchases for years following the expiration of park maintenance contracts in case that is the direction of the Council. RVS has proposed a two-year contract, which the Park Board recommends.

The final project on the Park Board's list is installing lighting for the trail. Hegland pointed out that the park lighting plan would be after the master plan is complete and enacted.

Busch asked how the budget was projecting revenue for the park. Hegland said it is the income from the cell tower near the tennis court. Busch asked where the revenue from facility rentals was going. Mursko said it goes into Operational Fund 150 and is estimated at \$6,000.

The Park Board requested that spending on the park's Master Plan be adjusted to \$3,500 and to budget \$4,000 for tree maintenance and to budget \$20,000 in 2024 for lighting. No modifications were requested for the existing three percent escalator.

Logren expressed being uncomfortable with replacing the tennis courts based only on an expected lifespan and would prefer the courts only be replaced if they are truly determined to necessitate that extreme a cost. Hegland confirmed that is the Park Board's plan and why they are requesting an expert to examine the courts' current condition. Logren continued to say the same thing about the park's walking path. Windingstad said the path is "alligatoring" near trees, but other spots are only cracking and separating. He said the path is starting to shift and feels the path is reaching the end of its lifespan. Logren asked if Windingstad considered the path or tennis courts dangerous. Windingstad said the courts were painted recently, which helps protect them, but they are starting to crack.

Schedule D relates to the Parkland Dedication Fund, which means the funds are restricted to only specific uses like replacements and additions. The fund entered 2022 with \$128,171.31 and money can only be added if properties within the City are subdivided and the Park Board elects to take money over amenities. The current formula to determine how much money is collected in that situation is \$1,525 per new lot from developers on residential lots and \$762.50 from commercial lots. Logren expressed concerns about this type of funding, as it encourages the City to build something new but does not provide a plan for maintenance, and said that is why she has preferred to replace things the City already has instead of adding new amenities.

Fund 150 is associated with the Park Operations budget. The 2022 budget is \$54,280, which was projected to increase to \$57,818 in 2023 – an increase of \$3,538. The primary source of the increase was lawn maintenance from TruGreen and RVS, accounting for \$2,700 of the increase. The Park Board recommended renewing RVS' contract for park and lawn maintenance. Hegland pointed out that the portable toilets contract increased, but the 2023 budget worksheet had not been updated yet. Mursko

clarified the RVS contract, playground insurance and portable toilet contract were the costs that increased.

The proposed joint-Forest Lake Fire Protection operating budget is \$814,158, for which Columbus is responsible for approximately \$163,900, and takes into account one year of the proposed wage increase for paid/on-call firefighters.

Schedule F is Capital Fund 402 for equipment for the Columbus Fire Hall. The 2022 budget accounted for \$110,000 of revenue, added to \$203,166 rolled over from 2021. After 2022 expenses are paid, Fund 142-407 is projected to have \$195,315. 2023 and 2024 are expected to be expensive years due to the roof and furnace requiring replacement, so a 5 percent escalator is being recommended and to raise 2023's levy to \$115,500. Logren asked if there is a way to replace the Fire Hall's flat roof with hardier design. Windingstad said there are ways to make the flat roof better, but that the building would require significant modifications to change its roof design. Windingstad added that this roof has reached the end of its anticipated lifespan and is still performing well with the exception of the tear patched in the spring. Mursko asked how the Council wanted to budget for the Fire Hall. A consensus agreed to leave the estimate at \$60,000 until an estimate is received and to increase the Capital Fund to \$15,000.

Hegland brought up the Police Fund and the Community Service Officer (CSO) contract. Hegland voiced her opinion that the CSO be eliminated to reallocate those funds elsewhere in the City, as long as the City can ensure increased visibility around the City of officers on patrol. Wagamon agreed, but Logren and Busch expressed interest in retaining the CSO service. Hegland proposed, since the Council had reached a consensus in the past about wanting a way to better enforce City Code, that the Council budget the money that had been spent on CSO service towards the final solution they eventually agree upon. Wagamon agreed that constructing a new code compliance program and continuing to pay the CSO would be redundant. Logren felt that the CSO's hourly cost is worth the savings compared to the compliance officer that had been proposed at past Council meetings. Hegland countered that the City only receives CSO service once per week and that the person filling the role is not consistent.

To compare to the two officers the City contracts from the Anoka County Sheriff's Office, Logren shared that her research regarding this topic has shown that cities of comparable populations to Columbus are usually serviced by approximately three police officers, but only patrolling four square miles as compared to Columbus' 30 square miles after excluding Carlos Avery and Lamprey Pass. Hegland said the City had considered starting its own police force in the past, but found starting its own department to be cost prohibitive. Mursko said the City had requested partnering service with bordering jurisdictions at the time of incorporation, but none wished to join due to the costs to patrol the City. Hegland asked if the City could try again to join forces with another city police department. Preiner said that the costs of the City creating its own police force is too high and that he didn't think joining forces with a neighboring city would be any cheaper than continuing service through the sheriff's office.

Preiner asked what a CSO's job description is. Mursko said a CSO is an aspiring sheriff's deputy predominantly charged with shadowing and assisting the on-duty deputy, as well as assisting the City with various tasks. The City of Columbus uses CSOs to provide preliminary inspections of nuisance complaints and to write reports.

Motion by Hegland to remove the CSO from the Sheriff's Office contract and reallocate those dollars to a different purpose related to code enforcement or compliance. Seconded by Wagamon.

Preiner asked if the CSOs are shadowing deputies outside Columbus. Mursko said the City is only paying CSOs when they are in City limits, as their supervisors are the on-site deputies during their shift.

Roll call vote: Logren – nay; Wagamon – aye; Hegland – aye; Busch – nay; Preiner – aye. Motion carries 3-2.

The final fund to discuss was Fund 100 - the General Fund - pertaining to the Capital Outlay budget. Mursko shared that City Hall was constructed as a pole building, and this fund was created when the Public Works building was replaced to avoid having to get a loan to replace City Hall. In addition, this fund also covers things like the computer servers and the copier. Mursko proposed allocating the levy funds that have been collected to make payments on the Public Works building into this fund to begin budgeting for City Hall's replacement, which is currently estimated to cost \$2 million. Mursko also suggested increasing budgeted monies for this fund from \$5,000 to \$10,000. Preiner voiced support for this idea and asked how much payments for the Public Works building have been. Mursko said it was approximately \$70,000, and that it would be possible to split those funds to divert money towards the Fire Hall if necessary.

Mursko said the Council has already made decisions regarding the remaining projects not discussed at this meeting. Mursko said payroll will see an increase due to the added "Planning/Zoning Technician" as well as promoting the "Assistant to the City Administrator" position to full-time.

Hegland asked when the Council will know how taxes will be distributed across property owners. Mursko said market value projections will not become finalized for another month. Hegland and Wagamon asked to see a projection before the levy went to vote at the September 28, 2022, Council meeting.

To finalize the initial levy, the Council decided to hold a special meeting before the regularly scheduled meeting on September 28, 2022, starting at 5:30 p.m.

- Discussion – 2023 Proposed 2023 Projects
- Discussion – 2023 Proposed 2023 Budget

D. Adjournment

Motion by Preiner to adjourn. Seconded by Wagamon. Roll call vote: Logren – aye; Wagamon – aye; Hegland – aye; Busch – aye; Preiner – aye. Motion carries.

Meeting adjourned at 8:42 p.m.

Respectively submitted:

Connor Keith, Public Communications Coordinator