

City of Zumbrota
Budget Work Session
Wednesday, September 7, 2022
4:00 p.m.

Pursuant to due call and notice thereof, acting Mayor Sara Durhman called the Zumbrota City Council to order at 4:10 PM. PRESENT: Mayor Todd Hammel (4:30 pm); Council members Tina Hostager, Dirk Cedergren, and Bob Prigge. Others present, City Administrator Brian Grudem, Police Chief Pat Callahan, Public Works Director Mike Olson, Assistant Finance Director Kim Simonson, and Library Director James Hill.

2023 Budget

Simonson addressed the Council about the proposed 2023 budget with the following points:

- Increase of \$13K in LGA
- \$94K admin fee from other funds is paid from water and sewer to reimburse for staff time for Kim and Miranda.
- Transfers in:
 - From street lighting fee \$108,600
 - ARPA \$20000 for police squad
 - Fund 402 for Police Squad 20000

- In admin the primary increase is wages, position change and step increases. This will drive the PERA, Social Security and Medicare higher as well
- City Attorney – was increased this approximately 5% in order to allow for some extra legal fees for any new developments etc.
- City Engineer – we have been exceeding the budget. The \$4k increase will help but the line item will need to be examined yearly.
- Computer expense – We will be switching to new software. We will also be having our financial software hosted which will increase costs slightly. Our server is at end of life so we need to plan for moving those files to the cloud. We did not want to start that until after we get the financial software under our belt. We will begin the financial software transitioning in October and have already begun migrating some data which is not time sensitive to CIVIC.
- Police – significant increase in personnel costs due to the addition of an officer and the resulting step increases plus shift differential. Motor fuel costs continue to be a issue of concern so the budget was increased 56%. Small tool were also increase to reflect the growth in personnel. Telephone costs increased due to the additional cell phones for the department. The motor vehicle expense was increased but this will be offset by the transfer in from ARPA and Fund 402.
- Emergency Services – Ambulance and Fire Services have both increased. Fire State Aid is a pass through to the Fire Relief Association.

- Building Inspections P & Z – increase due to increase in CEDA staffing and regular yearly rate increase.
- Streets – Reflects the addition of a FTE for streets and parks. Also increases for fuel.
- Disease Control – a \$20,000 increase due to EAB and the unknown as to what kind of grant funding we may receive.
- Insurance – Increases in market value and workers comp claims is driving these costs at a fast clip.
- Transfers out – EDA is an increase due to shared CEDA positions and increases in promotional costs, etc.
- SealCoat – Staff is requesting additional funding for seal coat due to our increased amount of roads and keeping them on a tighter maintenance schedule to preserve the streets longer.
- Storm water – Currently levying \$6000 and adding a \$0.75 storm water fee on utility bill. There are multiple water ways and retaining ponds which are in need repair and maintenance.
- Street lighting fee – increased the fee by \$1 which was discussed last year. If this is not done it will directly effect the levy.
- Library – The Library is well run and asking for a modest increase in levy dollars. Due to the volume of usage and the fact the Library has always made cuts when asked makes staff very supportive of their request for levy dollars. (Library Director report is included at end of this section.
- Park – The park budget was increased by \$15000. They are seeing increases in costs. Also they have requested additional funds to hire more maintenance staff for the park areas. The lawn mowing contract is ending and there is discussion about using staff to mow the parks in house. This would require an additional mower but would allow the City the ability to keep a schedule which could be more flexible regarding mowing days, etc.
- Pool – Increase for contingencies and wages. As the pool ages out we will see increased costs.
- EDA – EDA is an increase due to shared CEDA positions and increases in promotional costs, etc.
- Majority of levy increase is due to employee costs. Staff is attempting to right equipment and maintenance schedules.

Factors Impacting 2023 Library Budget

- County revenue increase
 - o Due to the extreme fluctuation in library circulation, the libraries agreed to discount 2020 circulation in distribution formulas to prevent volatility
 - o The library will see a larger than usual increase in Goodhue County funding due to the high circulation during covid closures, as we were one of the few that were mostly open
- Wage increases
 - o Impact of the salary study results, step increases, and 4.38% COLA
 - o While the salaries are the largest factor driving the budget increase, a reduction in part- time staff offset at least some costs
- Cleaning services
 - o As a cost savings measure, the library eliminated contract for cleaning services which was possible due to the decrease in foot traffic and circulation in 2022
 - o With operations mostly back to normal, this was put back in the budget for 2023, but discussion with city is ongoing about this service
- Otherwise, no additional significant increase in other operational costs or library materials, which has mostly been flat for 15 years except for utility adjustments as needed

Historical Property Tax Breakdown of a \$200 ,000 Home

Does not factor in increasing cost of estimated market value, which generally increases annually

2022		Change	5-Year Avg	Monthly cost for library use
Library Tax	\$ 94.68	9.04%	-0.64%	\$ 7.89
2021		Change	5-Year Avg	Monthly cost for library use
Library Tax	\$ 86.83	0.00%	-3.00%	\$ 7.24
2020		Change	5-Year Avg	Monthly cost for library use
Library Tax	\$ 86.83	-5.22%	-3.33 %	\$ 7.24
2019		Change	5-Year Avg	Monthly cost for library use
Library Tax	\$ 91.61	-2.64%	-2.60%	\$ 7.63
2018		Change	5-Year Avg	Monthly cost for library use
Library Tax	\$ 94.09	-4.39%	-2.36 %	\$ 7.84
2017		Change	5-Year Avg	Monthly cost for library use

Library Tax	\$	98.42	-2.72%	-0.66%	\$	8.20
2016			Change	5-Year Avg	Monthly cost for library use	
Library Tax	\$	101.17	-1.66%	0.43%	\$	8.43
2015			Change	5-Year Avg	Monthly cost for library use	
Library Tax	\$	102.89	-1.58%	2.54%	\$	8.57
2014			Change	5-Year Avg	Monthly cost for library use	
Library Tax	\$	104.53	-1.43%	0.18%	\$	8.71
2013			Change	5-Year Avg	Monthly cost for library use	
Library Tax	\$	106.05	4.12%	-0.24 %	\$	8.84
2012			Change	5-Year Avg	Monthly cost for library use	
Library Tax	\$	101.86	2.69%	- 2.93%	\$	8.49
2011			Change		Monthly cost for library use	
Library Tax	\$	99.19	8.90 %		\$	8.27
2010			Change		Monthly cost for library use	
Library Tax	\$	91.08	-13.40%		\$	7.59
2009			Change		Monthly cost for library use	
Library Tax	\$	105.17	-3.53 %		\$	8.76
2008			Change		Monthly cost for library use	
Library Tax	\$	109.02	-9.28 %		\$	9.09
2007					Monthly cost for library use	
Library Tax	\$	120.18			\$	10.02

The meeting was adjourned at 5:45 p.m.

Brian Grudem, City Administrator