



Budget (2020-2021)  
Kick-Off “Big Picture” Informational/Foundational Presentation  
July 16<sup>th</sup>, 2019

# Agenda

1. 2020/2021 Budget Timeline
2. “Big Picture” Reviews & Levy Implications
  1. LGA increase
  2. Existing Debt forecast
  3. Existing Personal Services forecast
3. Initial draft CIP/CEP
4. Next Steps – August Work Session
  1. Council Requests
  2. Department & Advisory Board Highlights
  3. Project Prioritization

# Strategic Plan Summary 2018-2020

## **VISION**

Northfield is an open, safe and welcoming community, recognized for its world-class colleges and historic riverfront downtown, and is dedicated to sustainably enhancing and preserving its vibrant culture, celebrated arts, strong economy, and an excellent quality of life where all can thrive.

## **MISSION**

The City of Northfield works for the common good of our residents and businesses and the improvement of our community by providing excellent, innovative municipal services that carry out the City's vision for a high quality of life for all.

# Strategic Plan Summary 2018-2020

## STRATEGIC PLAN SUMMARY 2018-2020 City of Northfield

STRATEGIC PRIORITY	DESIRED OUTCOME	KEY OUTCOME INDICATOR	TARGET	STRATEGIC INITIATIVES
ECONOMIC DEVELOPMENT  A Community That's Economically Thriving	Expanded commercial & industrial tax base	Commercial LMY Industrial LMY	- Commercial and industrial tax value-increase \$_____ by 12/31/20	a) Comprehensive redevelopment b) Business Expansion c) New growth expansion d) Develop tourism strategy e) Downtown revitalization f) Workforce enhancement
	Enhanced tourism	- Lodging and sales tax - Events attendance - Fuel factors	- Inc. _____ lodging tax - Inc. _____ sales tax - Inc. targeted fuel factors	
	Expanded downtown	Downtown sq. ft.	_____ add'l sq. ft.	
AFFORDABLE HOUSING  A Community Where Everyone Can Afford to Live	Grow & maintain affordable housing	Affordable units - Workforce units	_____ total units by 2020	a) Convert court preservation b) Reuse net. rehab prog. for income-eligible homeowners c) Senior removal strategy off-hsg. d) Develop senior housing plan e) Develop Southbridge property f) Workforce housing strategy
	More senior units	Senior unit inventory	_____ new affordable senior units	
	Expanded supportive & emergency housing	Supportive & emergency housing	_____ new units	
INFRASTRUCTURE  A Community Where Infrastructure Supports Its Objectives	Improved infrastructure systems	- System indicators: PUL, breaks, back-ups, etc.	- Targeted improvements achieved each system	a) Coordinate Pike Street project b) Plan & develop new liquor store c) Coordinate decision process for 1st Area d) Develop community internet strategy
	Resolution of major facility projects	Project timelines each project	- Fire Station: 1/1/18 - Liquor Store: 1/1/18 - Arena, building 1/1/18	e) Update pavement mgmt. system f) Create water main plan g) Update pedestrian/bike, parks & trails plan
	70%+ satisfaction with high-speed internet	Internet speed measurements	- 70% increase in citizen satisfaction with internet services	
DIVERSITY, EQUITY, INCLUSION  A Community that Welcomes Everyone	Increased transit options for all	- Existing routes - New routes - Ridership	- # new routes for underserved - New routes created	a) Develop equitable service access strategy b) Develop and implement the Social Equity Action Plan
	Sort and volunteers reflect community	Staffing statistics	Increase from _____ by 2020	c) Develop a recruitment plan for volunteers, board/correlation members, interns d) Implement recruitment, hiring, and retention plan for City staff positions
	Improved access to City services for all citizens/regulators	- Surveys - Access statistics	- 75% of targeted access improvements met	
OPERATIONAL EFFECTIVENESS  A Community with a Government that Works	Acquire staff to meet demands	Staffing analysis	Approved targets met	a) Rev. operating effectiveness b) Full comp. training programs c) Establish improved work plan d) Develop Council/Staff induction/first building process e) Community engagement plan f) Communication plan
	Improved responsiveness internal	Council/Staff survey	90%+ improvement	
	Improved external communication	- Survey - Feedback mechanisms	- 75% of stakeholder's requests met or exceeded	
CLIMATE CHANGE IMPACTS  A Community that's Resilient and Sustainable	A clear vision for climate action	CAI development timeline	Adopted CAI	a) Climate communication/outreach program b) Develop/clarity awareness survey
	An economy resilient to energy & environmental impacts	Renewable energy Climate benchmarks	Moved CAP targets	c) Comprehensive stormwater plan d) Develop and implement Climate Action Plan
	Reduced net carbon emissions	Carbon measurements	Carbon neutrality by _____	

Note: Specific Strategic Plan "Targets" will be developed in the Action Plan Phase.

The plan consists of six *strategic priorities* the issues of greatest importance to the City over the next three years.

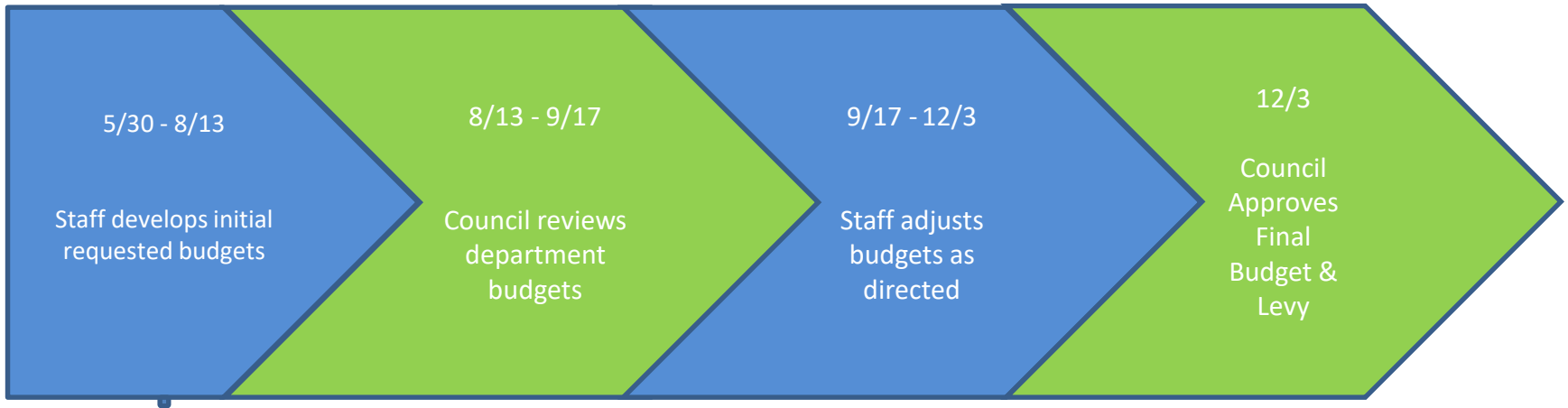
Associated with each priority is a set of *desired outcomes*, *key outcome indicators*, and *performance targets*, describing expected results and how the results will be measured.

The plan also includes strategic initiatives that will be undertaken to achieve the targeted outcomes.



# Budget Timeline 2019

- The City budget is a 6 month planning process



- Key Dates in the planning process



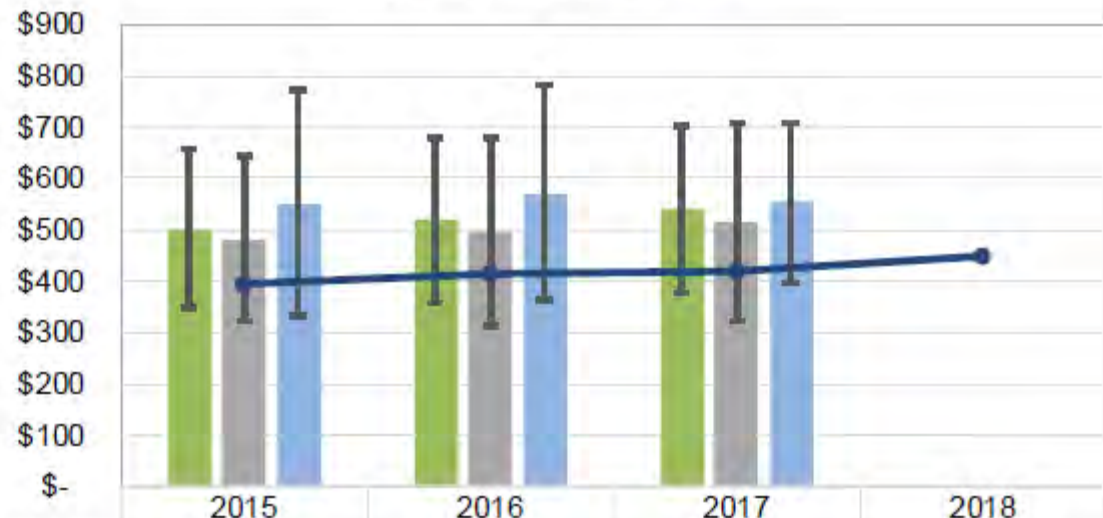
# 2020-2021 Budget Timeline

May 2019		
Topic	Details	
5/21/2019 Council Work Session	Budget Calendar	Distribute & discuss 2020-2021 budget planning calendar
June 2019		
Topic	Details	
6/11/2019 Council Work Session #1	Pre-budget Planning	Strategic Planning Goals for 2019-2020 & Alternative Revenue discussion
Public Engagement	Survey	Questions/Priorities/Feedback - Boards/Commissions inform process/timing
6/18/2019 Council Meeting	#2 Approve 2018 Audit	Abdo, Eick & Meyers to present to Council (Work Session at 5pm)
July 2019		
7/16/2019 Council Work Session #3	"Kick Off" Budget Meeting	"Big Picture" review of 2020-2021 budget. Personal Services & Debt Service Preliminary Summaries Including Levy Implications, new requests for headcount/capital/significant projects or items and 5 year CIP/CEP
August 2019		
8/13/2019 Council Work Session #4	Budget Retreat (Police Dept.)	2020-2021 Budget Work Session: General Fund Departments detail and summary, Liquor Store budget, CIP/CEP
8/26/2019 Public Engagement	Informational/Survey	Information related to preliminary levy and budget and survey questions related to priorities
September 2019		
9/10/2019 Council Work Session #5	Budget Review	Review of Preliminary Tax Levy and Budget for 2020, Enterprise Funds, Utility Rate Discussion
9/17/2019 Council Meeting	#6 Approve Preliminary Levy	Approve Preliminary Levy & Set Public Hearing in December and Approve Utility Rates
Public Engagement	Informational	1-2 page fact sheet & graphics related to preliminary approval
October 2019		
10/8/2019 Council Work Session #7	Budget Review	Review of 2020-2021 Budget & Levy Options (if necessary)
November 2019		
11/12/2019 Council Work Session #8	Final Review	Review Presentation for December 3rd Public Hearing & Preparation for Final Levy & Budget Actions
11/18/2019 Public Engagement	Informational	Shared message with School & County
11/19/2019 Council Meeting	Delinquent Charges	Public Hearing and Certification of delinquent charges to taxes payable 2020
December 2019		
Public Engagement	Public Hearing	Informational Presentation and Feedback from Public
12/3/2019 Council Meeting	#9 Approve Final Levy & Budget	Approve Final Levy & Budgets

# Key Ratios – Peer Comparison

Northfield City  
Taxes Per Capita  
are lower than all  
compared groups

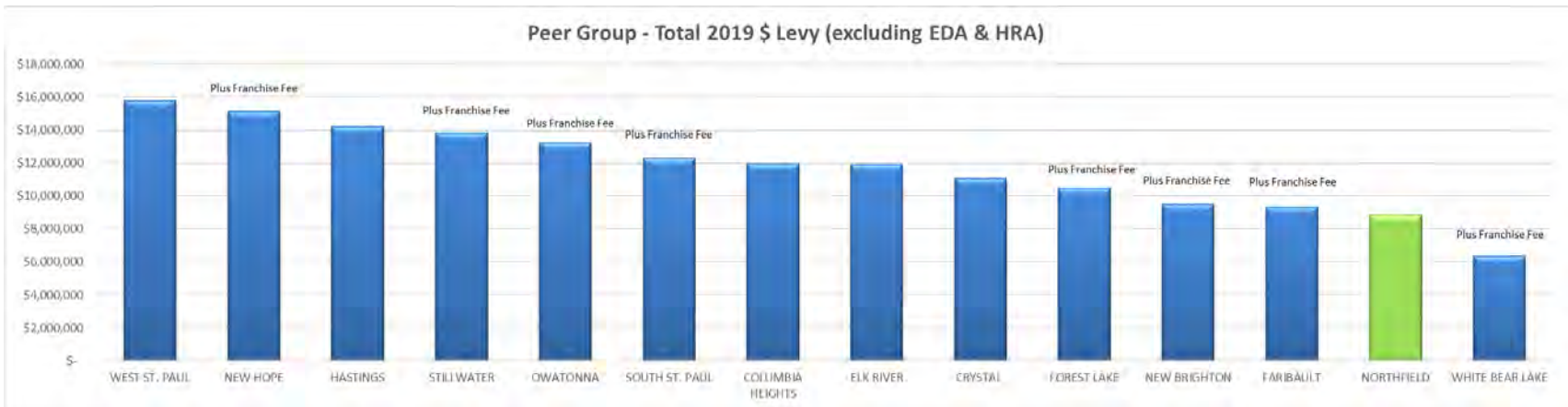
Taxes - Per Capita



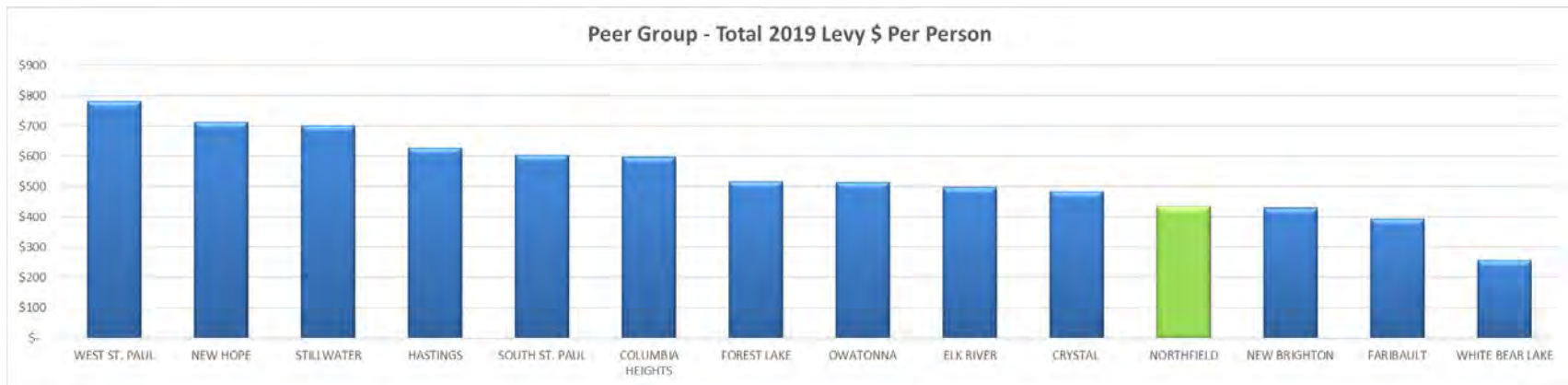
	2015	2016	2017	2018
Class 2 Cities (20,001 - 100,000)	\$502	\$519	\$542	N/A
Class 3 Cities (10,001 - 20,000)	\$483	\$495	\$516	N/A
Cities in Rice County	\$553	\$572	\$554	N/A
City of Northfield	\$396	\$414	\$419	\$450

Source: Abdo, Eick & Meyers, LLP Audit Presentation

# Key Ratios – Peer Comparison



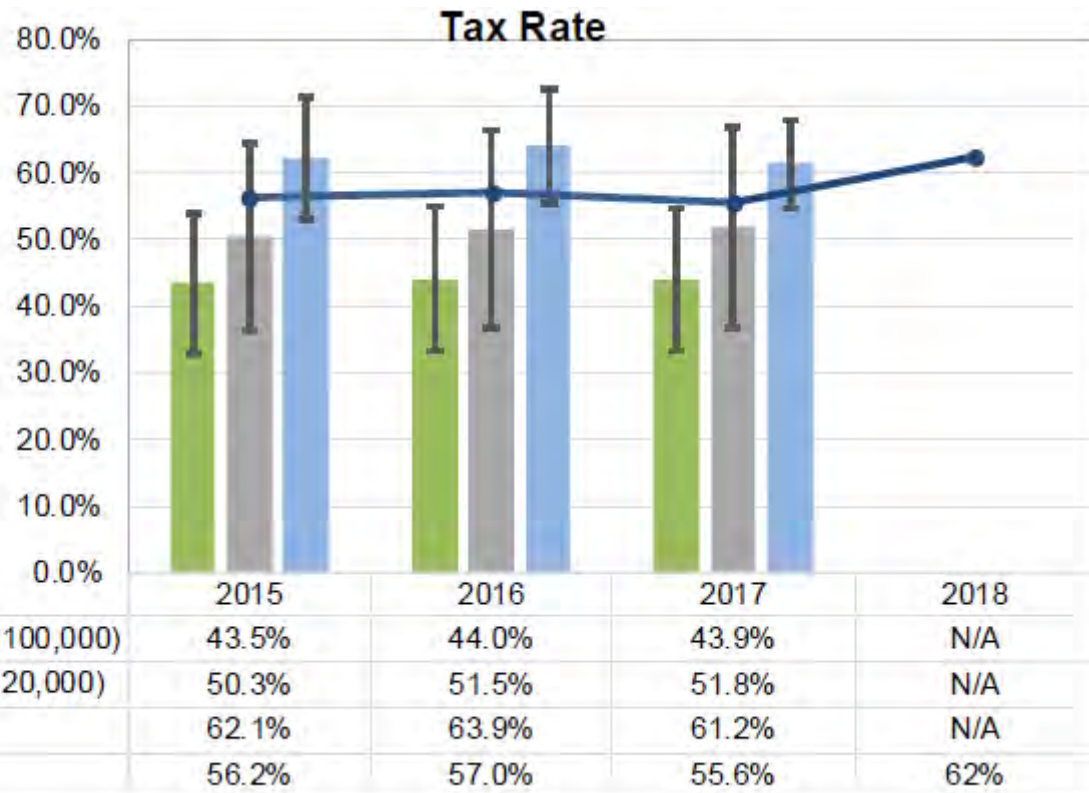
- Northfield **2nd lowest** of 13 Peer group cities in total city tax levy.
- **8** of the 13 Peer Group Cities **also have Franchise Fee revenue** (note: the franchise fees are not factored into the graph numbers). Northfield is 1 of 5 that does not.



- Northfield is 4<sup>th</sup> lowest of 13 peer group cities in city tax levy per person.

# Key Ratios – Peer Comparison

Northfield's Tax Rate is lower than the Rice county average, higher than Class 2 & 3 Cities



Source: Abdo, Eick & Meyers, LLP Audit Presentation

# Key Ratios – Peer Comparison

Northfield  
current  
expenditures per  
capita are lower  
than all  
compared groups

**Current Expenditures - Per Capita**



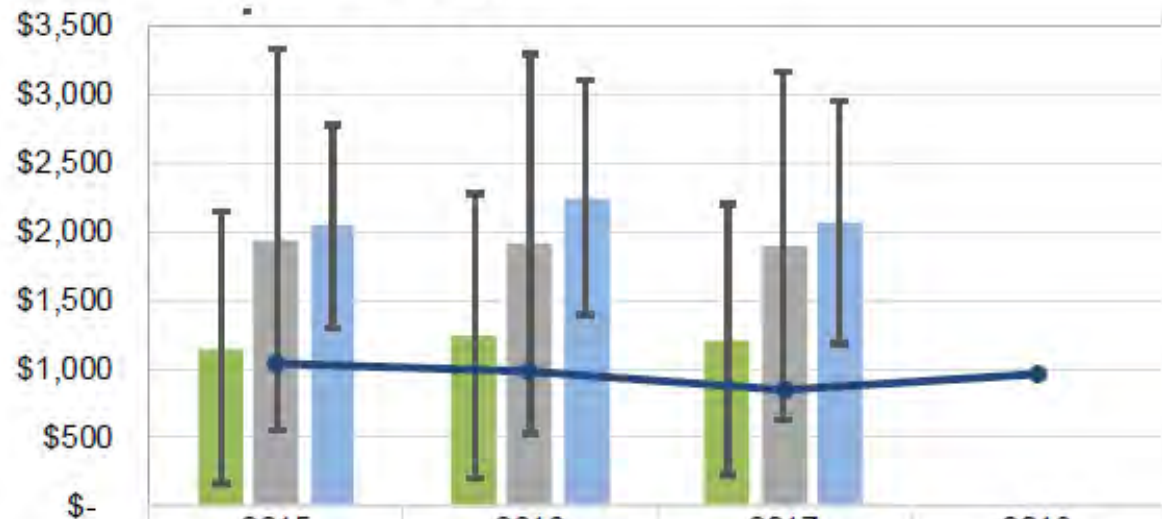
Source: Abdo, Eick & Meyers, LLP Audit Presentation



# Key Ratios – Peer Comparison

Northfield's debt per capita is lower than all compared groups

Debt - Per Capita



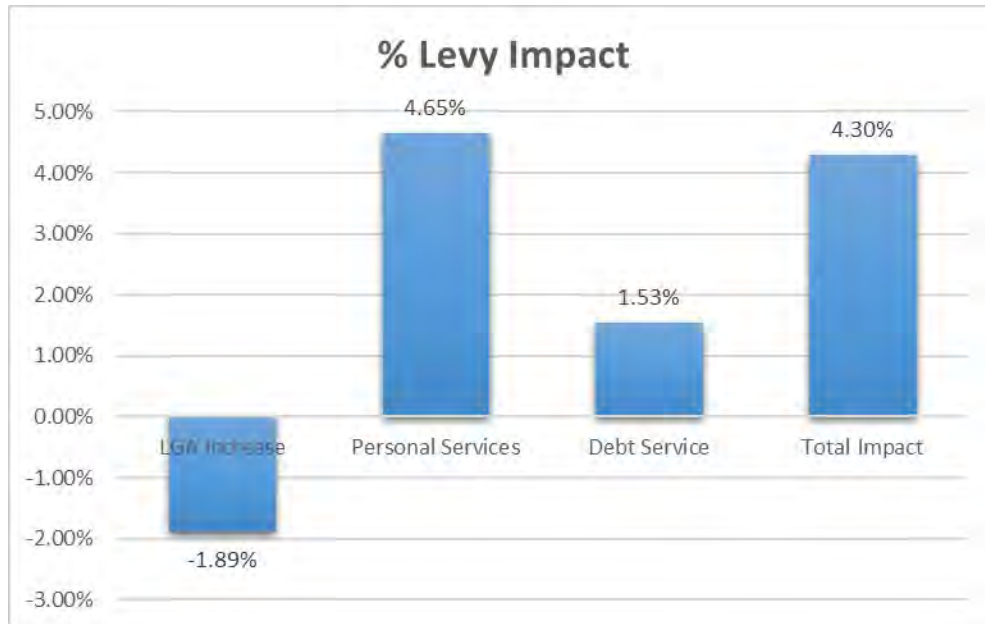
	2015	2016	2017	2018
Class 2 Cities (20,001 - 100,000)	\$1,148	\$1,233	\$1,208	N/A
Class 3 Cities (10,001 - 20,000)	\$1,935	\$1,915	\$1,890	N/A
Cities in Rice County	\$2,038	\$2,244	\$2,071	N/A
City of Northfield	\$1,031	\$972	\$848	\$960

Source: Abdo, Eick & Meyers, LLP Audit Presentation

# Big Picture Review

## High level estimate of impact of LGA Increase, Personal Services stable forecast & Debt Service forecast

- Does not yet include individual department, non-personal services budget changes or additional items to be discussed



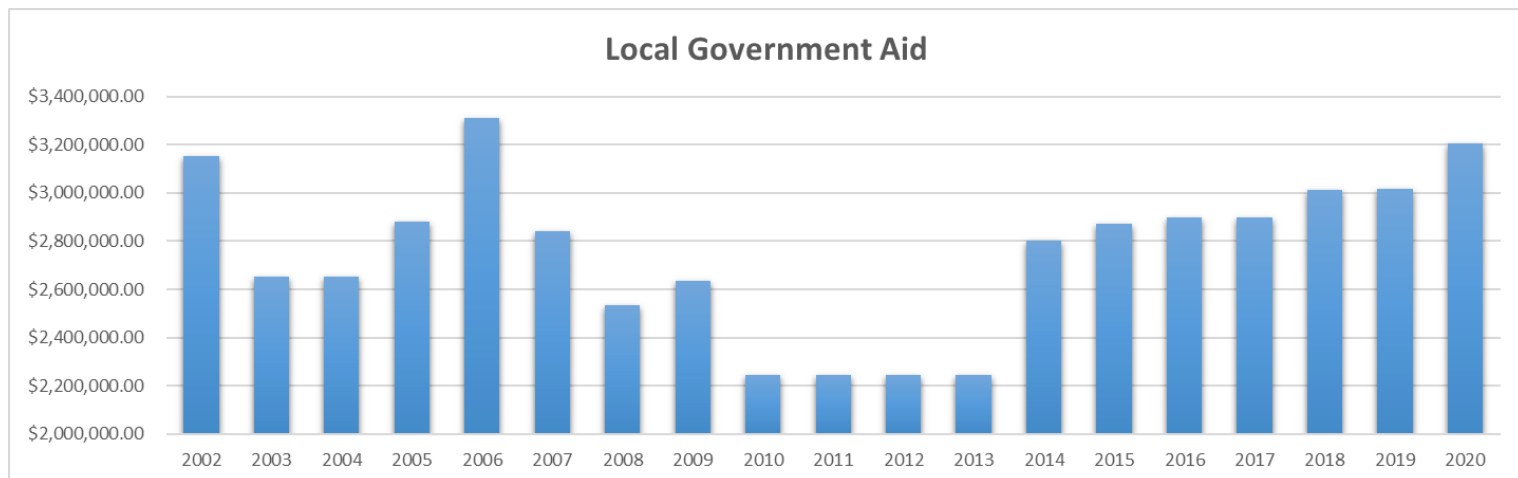
+4.3% total tax levy increase estimated based on these factors without considering any new additions to these areas.



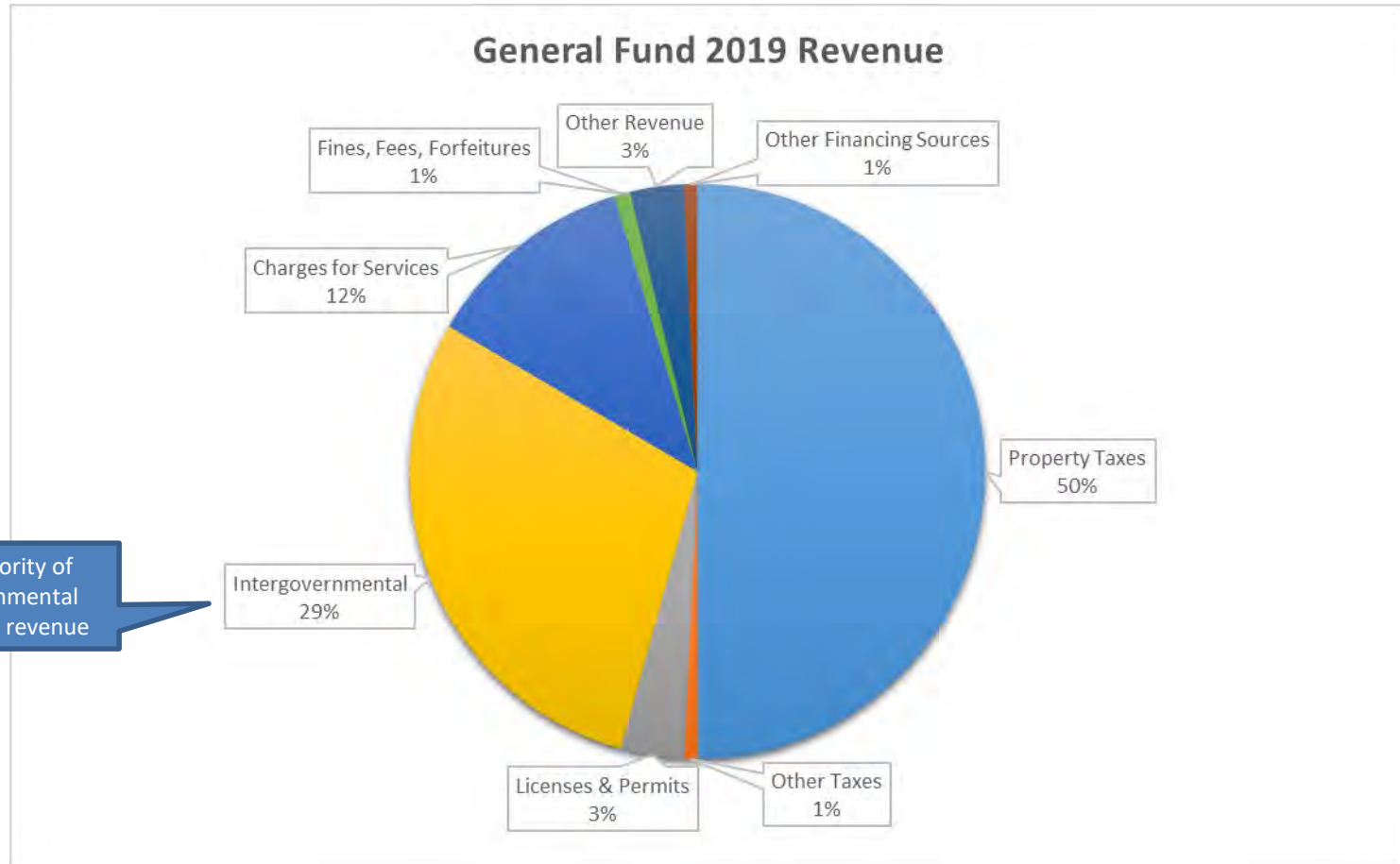
# Big Picture Review - Revenue

## Local Government Aid (LGA)

- The recent tax bill signed by Governor Walz included a \$26 million increase in LGA & CPA funds for 2020 and another \$4 million for 2021
  - This increase brings total funding back to 2002 levels
- This represents an increase of **6.2% or \$187,360** in additional revenue to the City, an increase of \$177,616 over expected levels
- LGA is the largest revenue item after the property tax levy (23% of revenue)



# 2019 General Fund Revenue



# Big Picture Review-Existing Debt

## Current Debt Service Forecast

- Debt Service payments increase in 2020 and 2021
  - \$143,600 debt increase in 2020
  - \$131,100 debt increase in 2021, based on CIP estimates
- +1.5% City-wide Levy Impact in 2020

### *Assumptions*

- 2019 Street Project – bonds not yet sold, amounts/rates based on Ehler's preliminary estimates
  - NW Area Street Reconstruction, 3<sup>rd</sup> Street with enhancements, Spring Creek Road South Section (Spring Creek Bridge is 100% State Aid & Bridge Fund)
  - Street Shop Roof Repair
- Utilize \$260,000 cash in Public Safety Facility Bond fund to pay 2019-2021 bond payments (reduce impact of NAFRS expansion new bonds)
- Forecast for 2021-2023 debt based on current 5-year CIP
  - detail to be discussed later in presentation

# Existing Debt Forecast

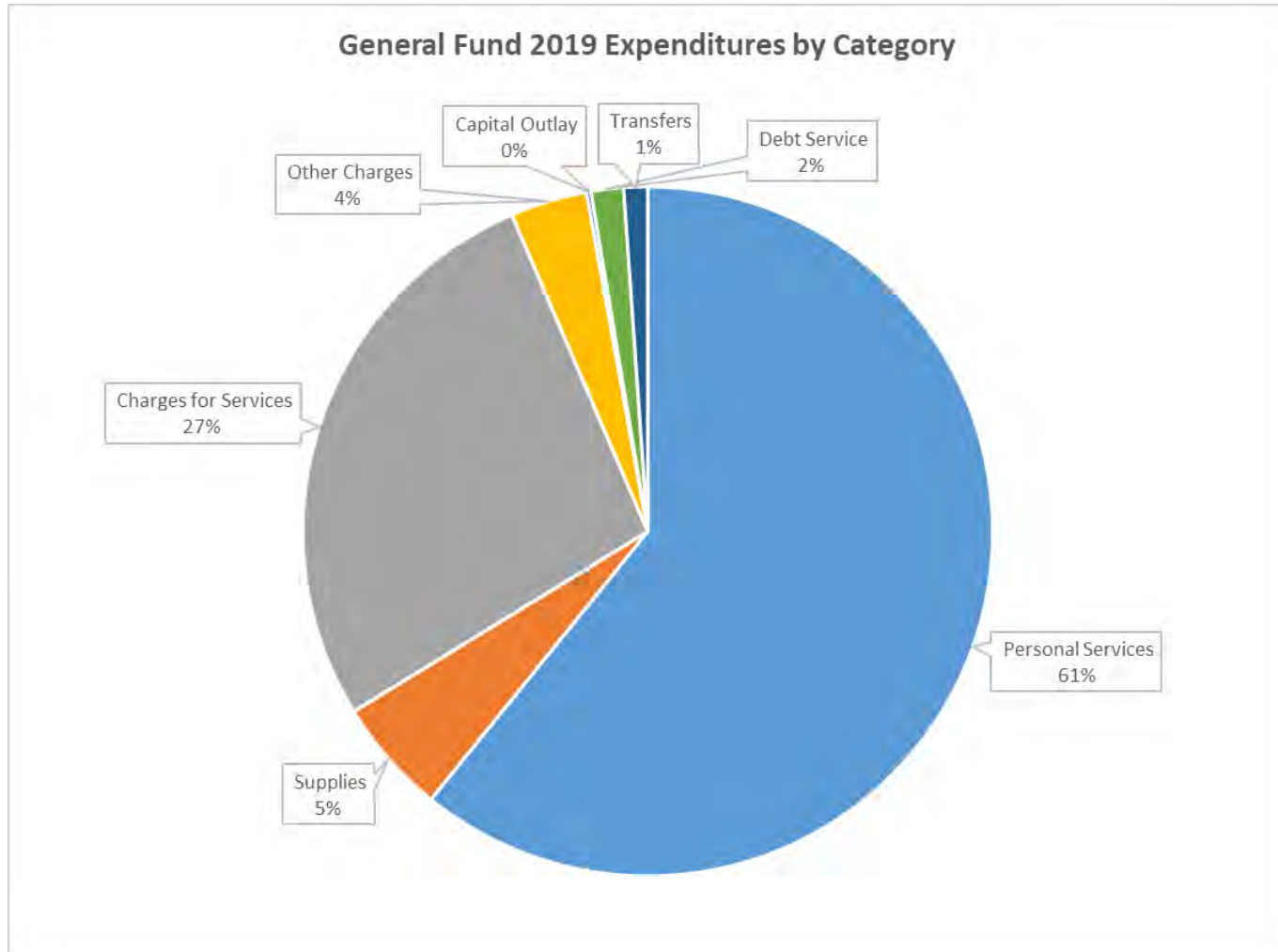
City of Northfield

Pavement Management Debt Levy projection - Projects 100% Financed

Bond issue	Levied	Levied	Levied	Scheduled / Estimated:								
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2007A GO Improvement	25,000	10,500	-	-	-	-	-	-	-	-	-	-
2008B GO Improvement	85,000	83,000	35,000	-	-	-	-	-	-	-	-	-
2009A GO Improvement	60,000	56,000	35,000	-	-	-	-	-	-	-	-	-
2010A GO Improvement	155,000	151,000	151,000	150,000	-	-	-	-	-	-	-	-
2011A GO Improvement	50,000	57,000	50,000	55,000	50,000	-	-	-	-	-	-	-
2012A GO Improvement	50,000	48,000	57,000	55,000	50,000	50,000	-	-	-	-	-	-
2013A GO Improvement	75,000	75,000	75,000	75,000	75,000	75,000	75,000	-	-	-	-	-
2014A GO Improvement	60,000	82,000	56,000	55,000	55,000	55,000	50,000	50,000	-	-	-	-
2015A GO Improvement	100,000	124,000	120,000	95,000	95,000	95,000	95,000	95,000	95,000	-	-	-
2016C GO Improvement	65,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	-	-
2017A GO Improvement		-	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	-
2018B GO Improvement & Abatement			192,000	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500
Subtotal Existing Street Improvement Levies:	725,000	744,500	692,000	780,500	620,500	570,500	515,500	440,500	390,500	295,500	237,500	182,500
2019 Imp & Abatement - \$2,750,000 @ 2.5%				257,100	257,100	257,100	257,100	257,100	257,100	257,100	257,100	257,100
2020 Improvements - \$3,060,000 @ 2.7%					291,100	291,100	291,100	291,100	291,100	291,100	291,100	291,100
2021 Improvements - \$2,810,000 @ 2.9%						246,100	246,100	246,100	246,100	246,100	246,100	246,100
2022 Improvements - \$2,600,000 @ 3.1%							199,700	199,700	199,700	199,700	199,700	199,700
Subtotal Current and Future:	725,000	744,500	884,000	1,037,600	1,168,700	1,364,800	1,509,500	1,434,500	1,384,500	1,289,500	1,231,500	1,176,500
Percent Improvement Levy Increase (From PY)		2.69%	18.74%	17.38%	12.63%	16.78%	10.60%	-4.97%	-3.49%	-6.86%	-4.50%	-4.47%
2012C Equipment	109,200	91,000	500	-	-	-	-	-	-	-	-	-
2014A Pool Refinancing	245,000	238,000	239,000	230,000	230,000	230,000	230,000	-	-	-	-	-
2012B Public Safety COPS	420,160	435,000	175,000	175,000	175,000	224,305	417,680	419,620	421,140	422,065	422,375	422,050
2016A NAFRS Equipment	144,228	133,000	136,000	135,000	135,000							
2018A NAFRS Facility (Ave. City Share of \$4,215,000)			215,000	215,500	215,500	215,500	215,500	215,500	215,500	215,500	215,500	215,500
Total	1,643,588	1,641,500	1,649,500	1,793,100	1,924,200	2,034,605	2,372,680	2,069,620	2,021,140	1,927,065	1,869,375	1,814,050
Percent Total Debt Levy Increase (From PY)		-0.13%	0.49%	8.71%	7.31%	5.74%	16.62%	-12.77%	-2.34%	-4.65%	-2.99%	-2.96%
Pay 2019 Total Levy			9,357,257									
Debt Levy Increase as % of 2019 Total Levy				1.5%	1.4%	1.2%	3.6%	-3.2%	-0.5%	-1.0%	-0.6%	-0.6%

Estimate as of 7/8/2018

# 2019 General Fund Expenditures



# Big Picture Review - Personnel

## Existing Personal Expense Forecast

- Driven by Pay Study (we have 95% of employees in “steps” eligible for an additional 2-2.5% increase annually in addition to base pay adjustments, i.e. cost of living increase) completed in 2017. The 2017 study put the position pay schedule at middle of comparable cities to be more competitive and retain and recruit a quality workforce. However, employees
- Personal Services approximately 61% of total General Fund budget
- +\$472,000 increase in 2020 (General Fund only)
- Citywide levy impact +4.65%
  - Library took on LINK Center expense May 2019 (\$37K)
    - Offset by reduced expense in Mayor & Council budget
  - Library Outreach position partial grant funding by Ames Foundation ended in 2019 (+\$26K)



# Big Picture Review - Personnel

Q4 2017



**Public Sector Pathways Launch High-Demand Careers**  
State and local government employs approximately 178,494 people in the 7-county Minneapolis-Saint Paul region, about 10% of the region's total employment. An estimated 53,882 people will need to be trained by 2020 to fill expected job openings in state and local government. Healthcare and Education account for the greatest training need due to retirements, job changes, and growth (analyzed in a separate report). Government Operations, Public Safety, and Transportation also experience increasing difficulty finding talent with is only expected to grow. Short-term pathways focus on Certificate and AA-level occupations.

## Overview

	Current	3-Year Historical	3-Year Forecast
	Employment Q4 2017	Location Quotient	Total 3-Year Employment Change
Local	128,232	0.77	1,873
State	50,262	0.92	441
Federal	20,122	0.61	924
<b>Total Government Jobs</b>	<b>198,616</b>	<b>0.80</b>	<b>3,238</b>
<b>Total - All Industries</b>	<b>1,833,479</b>	<b>1.00</b>	<b>90,515</b>
			Avg. Annual % Change
Local			0.5%
State			0.3%
Federal			1.6%
<b>Total Government Jobs</b>			<b>0.6%</b>
<b>Total - All Industries</b>			<b>1.7%</b>
			Est. Baseline Training Need 2020 (Retirements, Transfers, Growth)
Local			40,207
State			13,675
Federal			4,693
<b>Total Government Jobs</b>			<b>58,575</b>
<b>Total - All Industries</b>			<b>645,117</b>
			Est. Avg. Annual Growth
Local			0.7%
State			0.1%
Federal			-0.2%
<b>Total Government Jobs</b>			<b>0.5%</b>
<b>Total - All Industries</b>			<b>0.7%</b>

## Public Affairs & Government Operations

Top Occupations in Demand in the 7-County Metro (sorted by Est. 3-Year Training Need, State & Local)	Employment Q4 2017	Job Postings Available Q4 2017	Est. 3-Year Annual Growth	Pathway Action	Est. Ann. Supply Gap*	Est. 3-Year Training Need (Sep. + Growth Demand)
Office Clerks, General	4,408	118 1	-0.5%	E/AA	(319)	1,442
Combined Food Prep & Service Workers	1,690	48 1	-0.8%	E	(625)	995
Secretaries & Administrative Assistants	2,927	22 1	-1%	E	(158)	811
Business Operations Specialists, All Other	2,167	83 1	0.5%	AA	81	621
Cooks, Institution & Cafeteria	1,202	51 1	-0.4%	E	(133)	480
<b>Total State &amp; Local Government (222 total occs.)</b>	<b>54,043</b>	<b>4,669 1</b>	<b>0.2%</b>			<b>16,544</b>

## Public Safety, Emergency Response, & Policing

Top Occupations in Demand in the 7-County Metro (sorted by Est. 3-Year Training Need, State & Local)	Employment Q4 2017	Job Postings Available Q4 2017	Est. 3-Year Annual Growth	Pathway Action	Est. Ann. Supply Gap*	Est. 3-Year Training Need (Sep. + Growth Demand)
Police & Sheriff's Patrol Officers	4,821	78 1	0.3%	AA	22	3,767
Firefighters	2,715	20 1	-0.6%	AA	4	588
Correctional Officers & Jailers	2,352	96 1	-0.8%	AA	(18)	490
Protective Service Workers, All Other	476	6 1	0.6%	AA	(16)	368
Lifeguards, Ski Patrol, & Other Recreational Protective Service Workers	466	41 1	0.6%	E	(160)	361
Security Guards	714	30 1	-0.1%	E	(11)	282
Supervisors of Police & Detectives	993	21 1	0.5%	BA	5	196
Detectives & Criminal Investigators	663	37 1	-0.4%	BA	2	133
<b>Total State &amp; Local Government (22 total occs.)</b>	<b>14,526</b>	<b>384 1</b>	<b>0.3%</b>			<b>3,767</b>

\*Est. Annual Supply Gap (or surplus) is for all employers hiring for this occupation, not only government positions. Due to the seasonal nature of hiring in the public sector, trendlines associated with job posting volume refer to the same period in the prior year.

**Pathway Action Key**

- Critical Pathway Opportunity
- Moderate Pathway Opportunity
- Small Pathway Opportunity
- Entry-Level/High School/GED
- Associate Level Training
- Bachelor's Level Training
- Master's/Professional Level Training

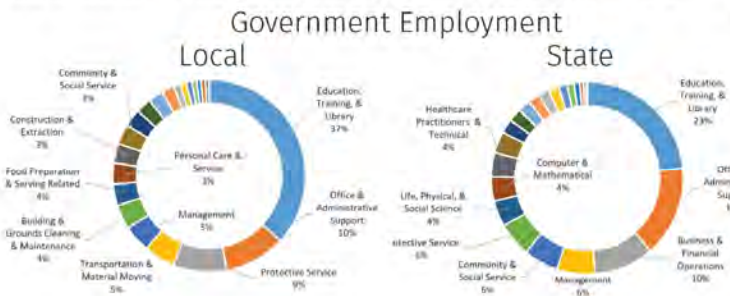
**MSPWin**

**RealTime Talent**

Using data to build the world's best workforce

## Transportation, Infrastructure, & Public Works

Top Occupations in Demand in the 7-County Metro (sorted by Est. 3-Year Training Need, State & Local)	Employment Q4 2017	Job Postings Available Q4 2017	Est. 3-Year Annual Growth	Pathway Action	Est. Ann. Supply Gap*	Est. 3-Year Training Need (Sep. + Growth Demand)
Janitors & Cleaners	4,813	95 1	0.8%	E	(85)	1,932
Bus Drivers - School or Special Client	2,954	6 1	-0.1%	E	(11)	1,069
Bus Drivers - Transit & Intercity	1,613	9 1	0.7%	E	(2)	626
Highway Maintenance Workers	1,926	116 1	0.5%	E	0	613
Maintenance & Repair Workers, General	1,755	314 1	-0.6%	E	(30)	557
<b>Total State &amp; Local Government (229 total occs.)</b>	<b>27,674</b>	<b>1,551 1</b>	<b>0.6%</b>			<b>9,658</b>



Labor force in many positions are highly competitive

Administrative Police Building Maintenance

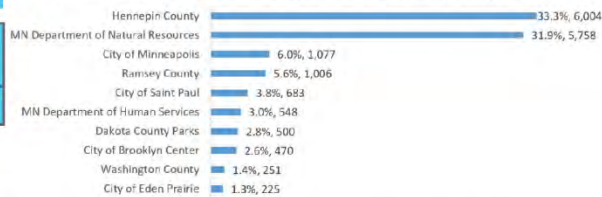
# Big Picture Review - Personnel

## Top Public Sector Pathways\*

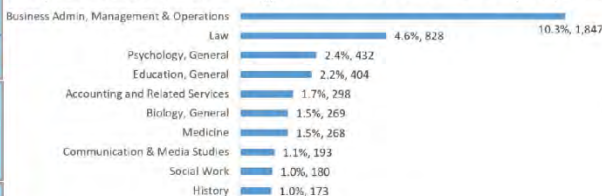


## Top State & Local Government Employers

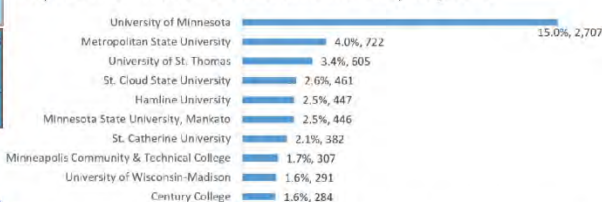
Total Government Employee Profiles Updated since 2000, Analyzed: 18,028



## Top Educational Programs of Current Employees



## Top Alma Maters of Current Employees



\* Other Government sector pathways include Health & Human Services and Education. Recommended talent increases are for all employer types and all industries, not just government jobs. OJT = On-the-job training.

For more information:

- Industry Contact: **John Thorson, Workforce Development, Hennepin County** ([john.thorson@hennepinmn.gov](mailto:john.thorson@hennepinmn.gov))
- MSPwin Career Map: <http://mbspwin.org/wp-content/uploads/2016/06/Career-Pathway-Maps.pdf>
- RealTime Talent Reports: [realtimetalent.org/research/reports](http://realtimetalent.org/research/reports)

Developed by Edin Olson ([edin@realtimetalentmn.org](mailto:edin@realtimetalentmn.org)). Published 5/17/2018 by RealTime Talent. Sources: TalentNeuron Recruit aggregate online job postings; [www.wantedanalytics.com](http://www.wantedanalytics.com); accessed May 16, 2018; Counts of job postings in Q4 2017 by employer were available Oct 1 - Dec 31, 2017 in the 7-county Minneapolis-Saint Paul Metro. Percent change in job postings are the change from the same quarter in the prior year. Employment and wage data modeled from IPEDS, OES, and BLS data by JobSEQ Education and employer analysis of current workers was obtained using EMSI Alumni Insight, which analyzes the public online profiles of current employees.

## Government Openings Posted Online, by County



Labor force in many positions are highly competitive

Administrative  
Police  
Building  
Maintenance



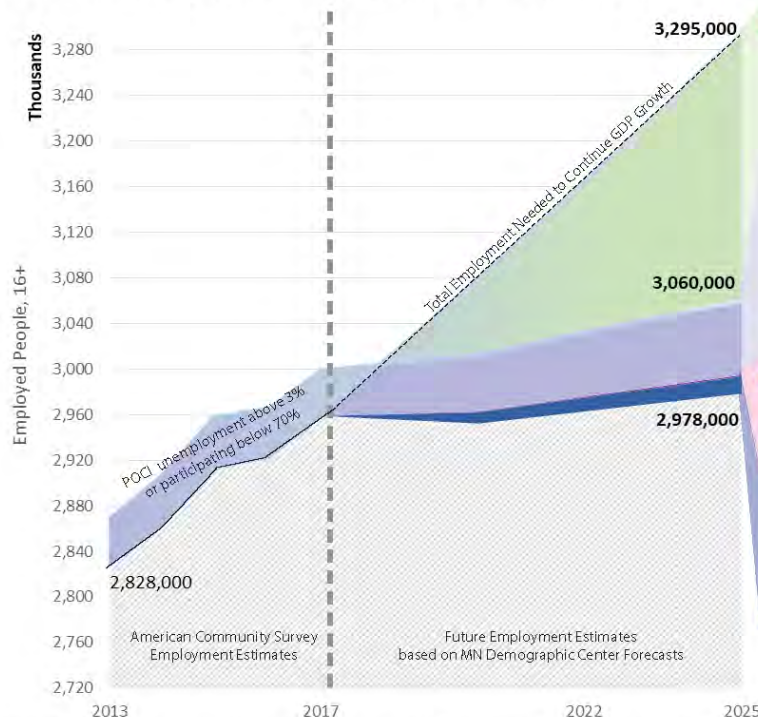
# Big Picture Review - Personnel

## Strategies for Addressing Minnesota's Labor Shortage

Minnesota is facing a significant shortage of workers. At the Minnesota Demographic Center's forecasted rates of labor force participation and dwindling population growth, we could expect as little as 0.3% average annual employment growth between 2018 and 2025. Although recent labor force and employment estimates have been more favorable than what was originally forecast in 2017, there is still cause for concern that Minnesota's shortage of talent will impact economic growth in the near future.



**Total Estimated Talent Shortage by 2025**  
**317,000**



**INNOVATION**  
**235,000**



Automation and innovation have the potential to change the way we work. Increasing talent attraction strategies and making Minnesota an attractive place to live, work, and study can also increase our workforce beyond official forecasts. This wedge (74%) represents the additional shortage of talent that cannot be obtained by the community interventions below.

**EQUITY**  
**65,000**



Perhaps the greatest impact we can have on our economic outlook and talent shortage is to eliminate disparities in employment by race and ethnicity. If we are able to reduce unemployment rates for people of color and indigenous persons (POC) to 3% (the same rate as the native-born non-Hispanic White population), we would add about 65,000 employees to Minnesota companies by 2025 and meet about 20% of employers' additional workforce needs. If these employment disparities did not exist today, we would currently have about 45,000 additional people employed in Minnesota.

**OLDER WORKERS**



A tiny sliver of this solution could be gained by extending the retirement age and encouraging older workers (ages 65+) to stay on the job longer. However, this is a trend we are already witnessing, and most of the impact it would have on our workforce is already represented in the updated baseline forecasts.

**YOUTH**  
**15,200**



Young people (ages 16-24) play an important role in our workforce. However, the MN Demographic Center forecasts that youth labor force participation rates will likely decline over the next few years. If we counteract this trend and maintain historic rates of youth labor force participation (52.8% for 16-19 year olds and 84.9% for 20-24 year olds) and employment for this group, we could see about 15,200 additional youth working in Minnesota by 2025 than what is anticipated.

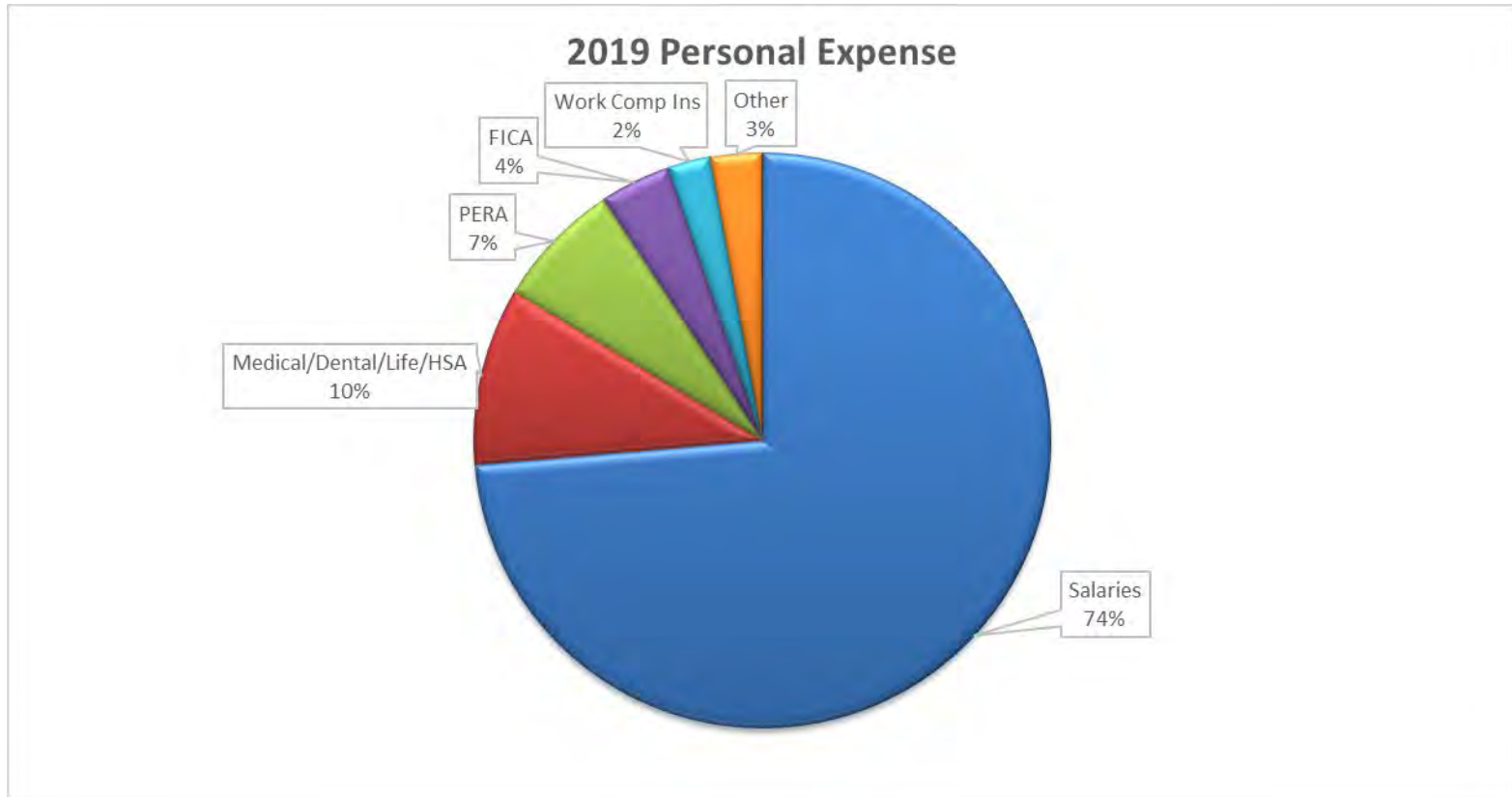
Sources: US Census Bureau Population Estimates Program, 2017; IPUMS version of the US Census Bureau's American Community Survey, 2017; MN Demographic Center Population Projections, 2017; Committee for a Responsible Federal Budget (retirement estimate and employment growth-to-GDP relationship). Clip art "Equity" by Bruno Castro, "Experience" and "Family" by Adrien Coquet, Noun Project. Each target and impact listed above is contingent upon the others. Where projections do not exist, the most recent ACS data on employment and demographics are used to develop scenarios. Advising on the original version of this report was provided by the MN Population Center and Wilder Research in 2016.

Created October 2016 with funding from MSPWin. Updated May 2019. Created by Erin Olson of RealTime Talent.

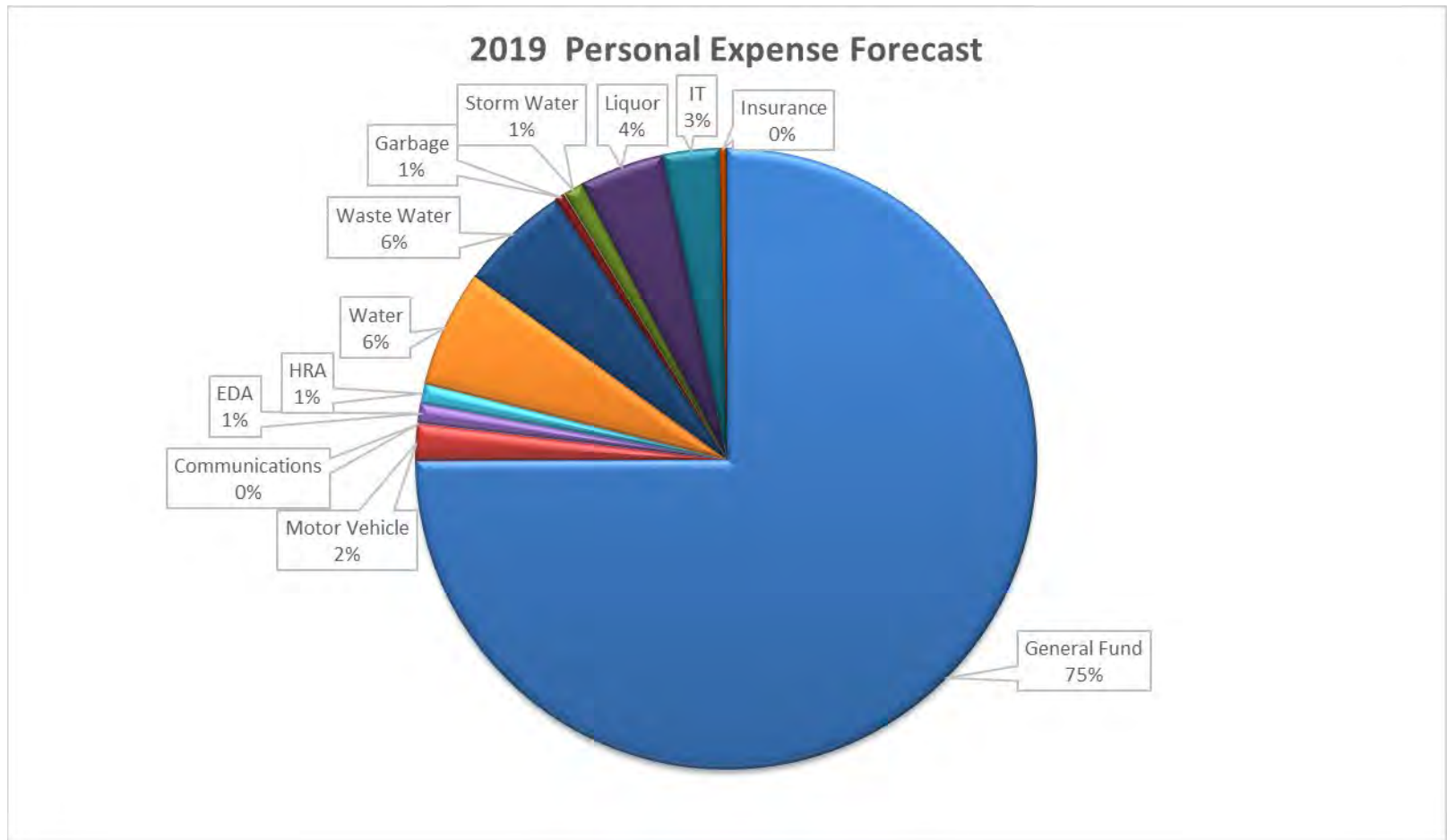
# Existing Personal Services Forecast

- Assumptions
  - Does not include any new positions
  - Union Contracts for 2019-2020 all now settled (2 were last meeting, last ones)
    - Step Increase 2.0-2.5%
    - Base Pay Plan (BPS) adjustment 2.5% both 2019 & 2020
    - Any other negotiated changes
  - PERA increase employer contribution for Police and Fire 2020 & 2021
    - 2018 16.2%, 2019 16.95%, 2020 17.7%, 2021 assumed 17.7%
  - PERA coordinated plan no change in contribution rates
  - Benefits based on early assumptions (5% medical increase) and current employee elections for types of benefits
  - Included retiree medical based on actuarial assumptions

# Personal Services Allocation



# Personal Services Allocation



# Fund Balances

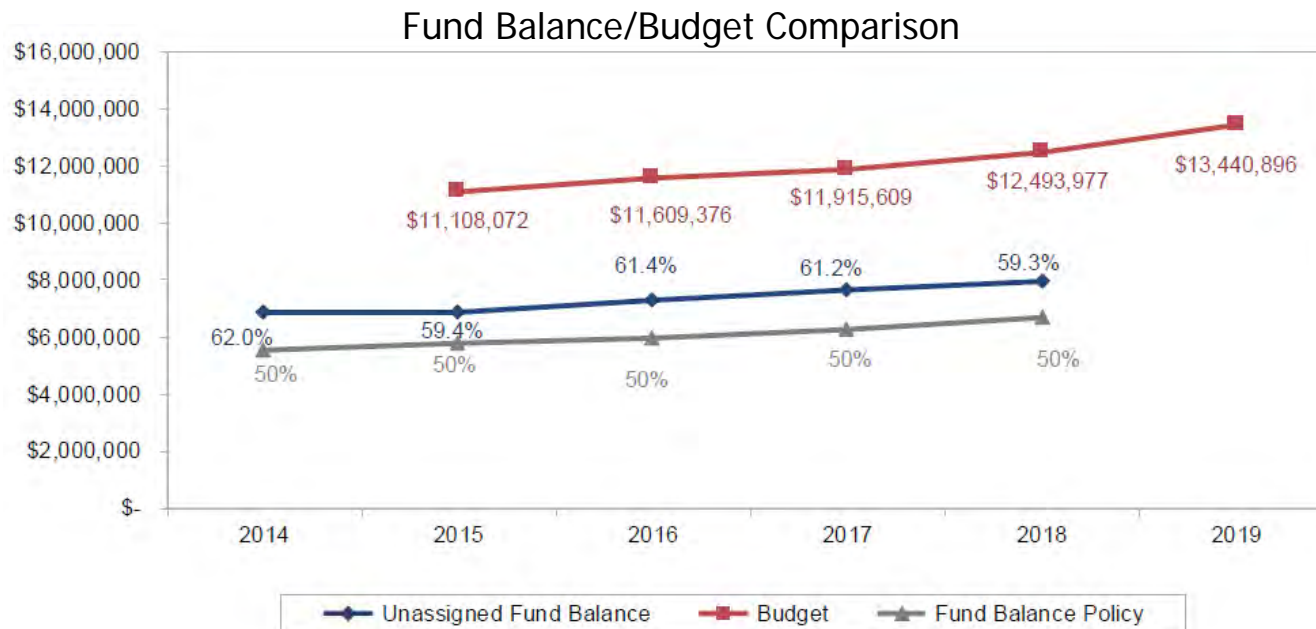
- Year End Balances at December 31, 2018

\$7,971,004	General Fund
\$ 228,151	Park Fund
\$ 67,527	City Facilities Fund
\$ 439,044	Vehicle & Equipment Repair Fund
\$ 681,686	Capital Reserve Fund
\$ 976,137	Public Safety Center Project Fund (Portion used to reduce levy required for debt in 2019-2021)
\$ 498,566	Municipal TIF #4 (Transit Hub use in 2019)



# General Fund Balance

Year	Total General Fund Balance December 31	Budget Year	General Fund Balance	of Fund Balance to Budget
2014	\$6,890,491	2015	\$11,108,072	62.0%
2015	\$6,900,596	2016	\$11,609,376	59.4%
2016	\$7,315,431	2017	\$11,915,609	61.4%
2017	\$7,648,180	2018	\$12,493,977	61.2%
2018	\$7,971,004	2019	\$13,440,896	59.3%



Source: Abdo, Eick & Meyers

# 2020 One-Time Use of General Fund Reserves (already committed)

## One-time Use of Reserves - 2018-2021 Budget

	2018	2019	2020	2021	Total (2019-2021)
NAFRS Pumper Truck	\$ 286,280	\$ 148,607			\$ 148,607
Accounting Software		\$ 50,000			\$ 50,000
Temp Project Mgr		\$ 97,977	\$ 100,916		\$ 198,893
Northfield Historical Society		\$ 10,000			\$ 10,000
Riverfront Initiative Additional		\$ 20,000			\$ 20,000
Employee Benefits Analysis		\$ 30,000			\$ 30,000
	<b>\$ 286,280</b>	<b>\$ 356,584</b>	<b>\$ 100,916</b>	<b>\$ -</b>	<b>\$ 457,500</b>
Estimate over Target at 12/31/19					\$ 560,000
Total Allocated					\$ (457,500)
Remaining Available					\$ 102,500

# POLCO Community Survey

- Current POLCO Budget survey is open until July 27, 2019
- Will share at August Work Session



# 2019 Budget Requests Outstanding

## General Fund - Staffing

### Public Works

- Streets & Parks Operator \$ 95K/year

### Police

- Police – 1 Officers (Sergeant) \$131K/year

### Library

- Library extend FT Outreach Coordinator beyond grant term\$ 26K/year

# Pending Projects

## Bluffview Development

- 2020 429 Bonding/Special Assessments deferred
- Hwy 246 Turn Lanes
- Ford Street Extension

## Fifth and Washington Apartments

- 2020 TIF Funding
- Potential additional Public Parking

## Hwy 246 & Jefferson Parkway Roundabout

- \$800K funding gap Mill Town Trail & west school campus linking underpass opportunities/timing for 2 underpasses
- \$1.4M if 4 underpasses

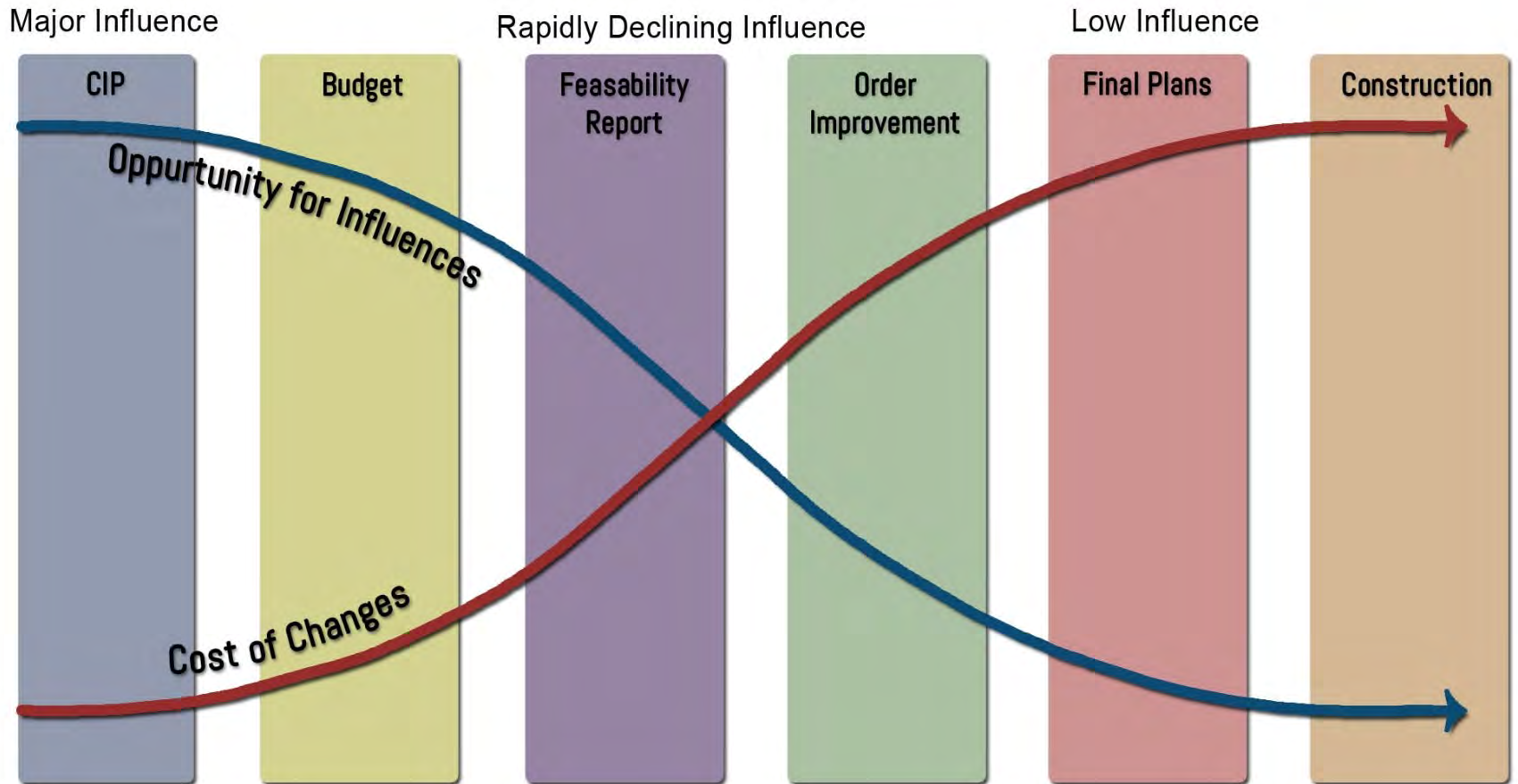
## Liquor Store Site Selection

## Ice Arena – Fix/Expand/Build New?

# Capital Improvement Plan 2020-2024

- See attachment for full detail

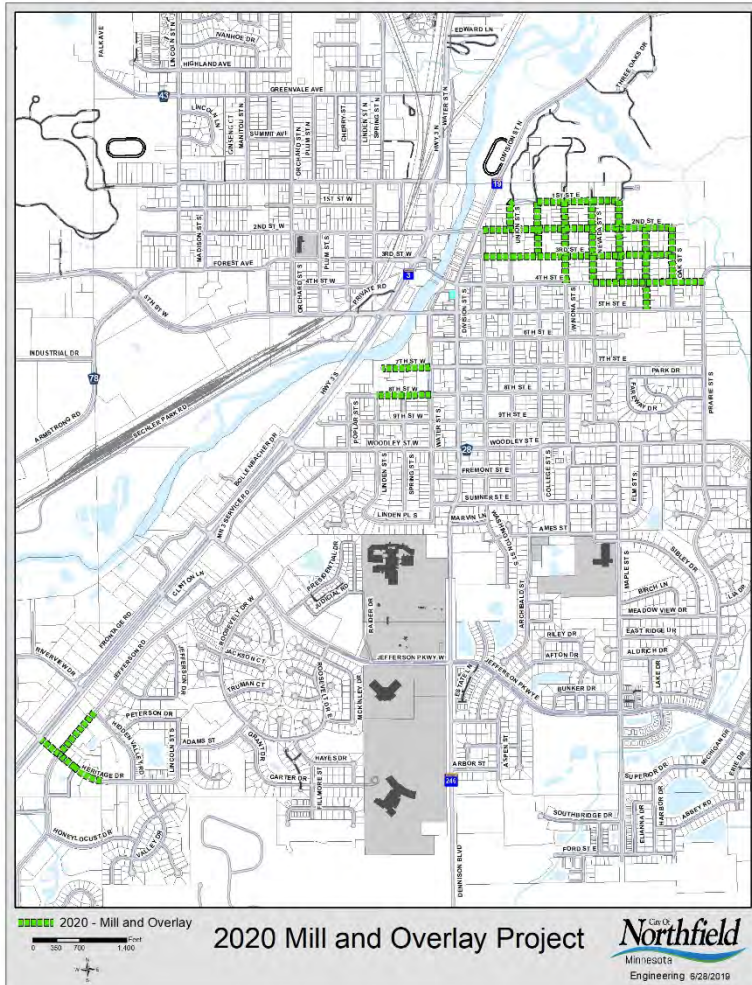
# Project Influence



# CIP [Street Projects]

## 2020 Street Improvements

### 2020 MILL AND OVERLAY



- Oak Street – Second Street to Fourth Street
- Elm Street – Second Street to Fifth Street
- Maple Street – First Street to Fourth Street
- Nevada Street – First Street to Fourth Street
- Winona Street – First Street to Fourth Street
- Fourth Street – Prairie Street to Nevada Street
- College Street – First Street to Third Street
- Third Street – Washington Street to Oak Street
- First Street – College Street to Maple Street
- Union Street – Second Street to First Street
- Second Street – Division Street to Oak Street
- Jefferson Road – Hidden Valley Road to Heritage Drive
- Heritage Drive – TH #3 to Hidden Valley Apts
- Seventh Street – Water Street to West Dead End
- Eighth Street – Water Street to Linden Street



# CIP [Street Projects]

## 2020 Mill and Overlay



- Do we want anything modifications to build the spur? Spur isn't included in current project scope.





# 2020 Street Improvements

2020 Mill and Overlay



First Street East



Fourth Street East



# 2020 Street Improvements

2020 Mil and Overlay



Jefferson Road



Jefferson Road

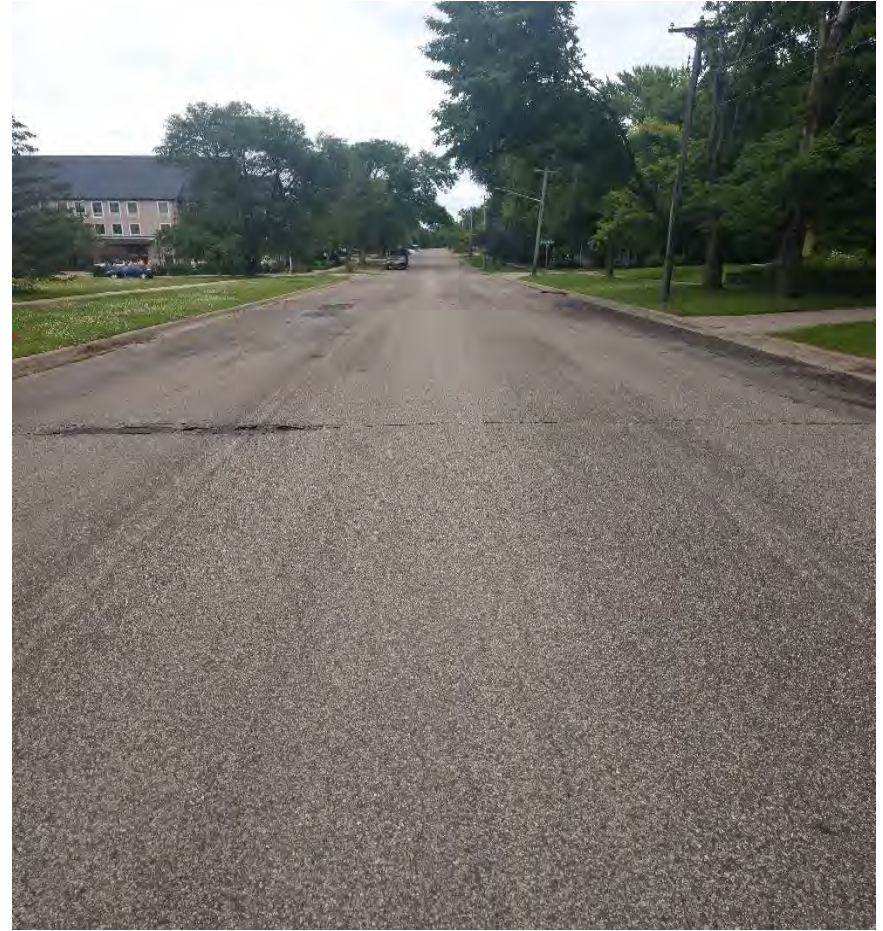


# 2020 Street Improvements

2020 Mil and Overlay



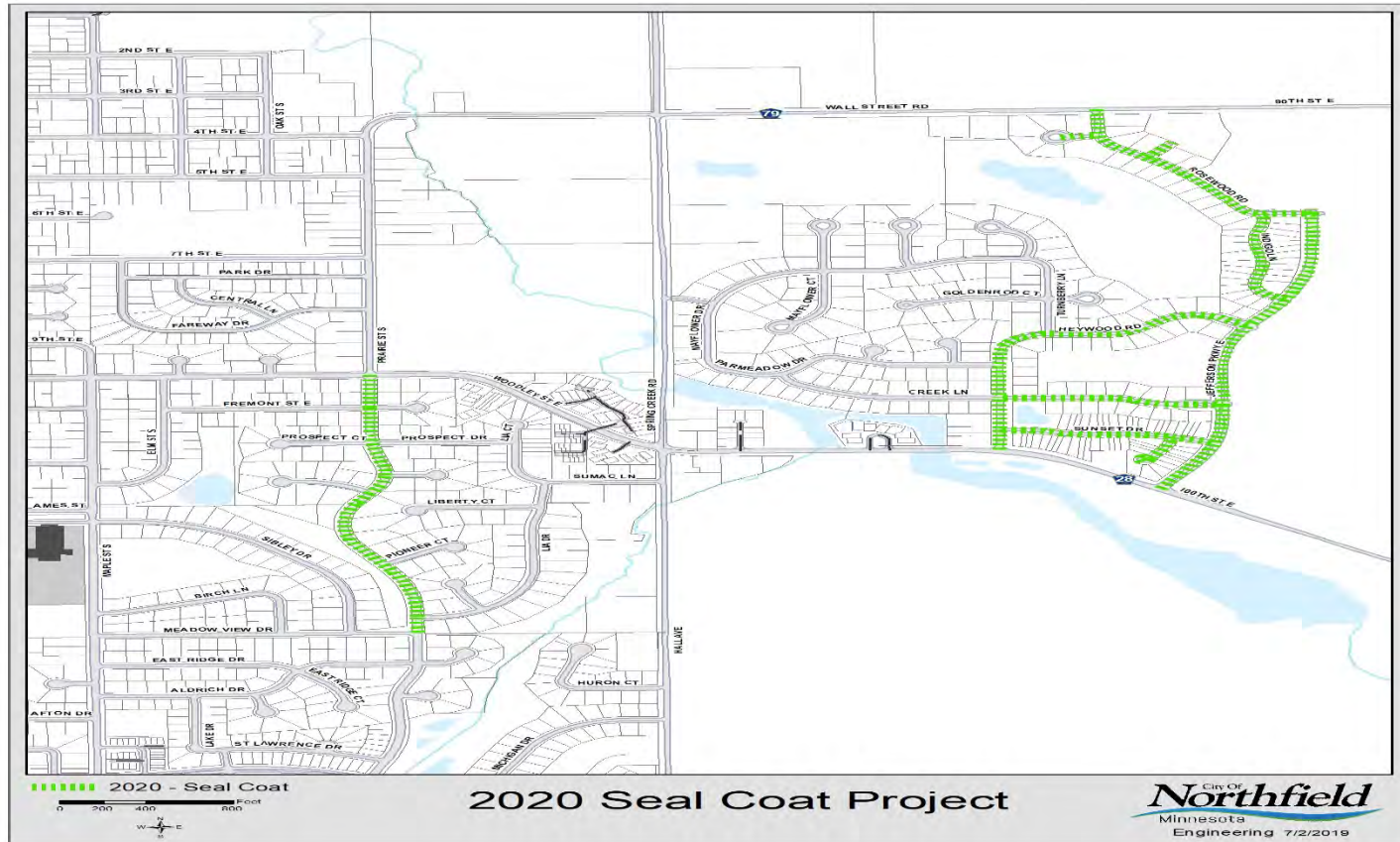
Seventh Street West



Eighth Street West



# CIP [Street Maintenance]



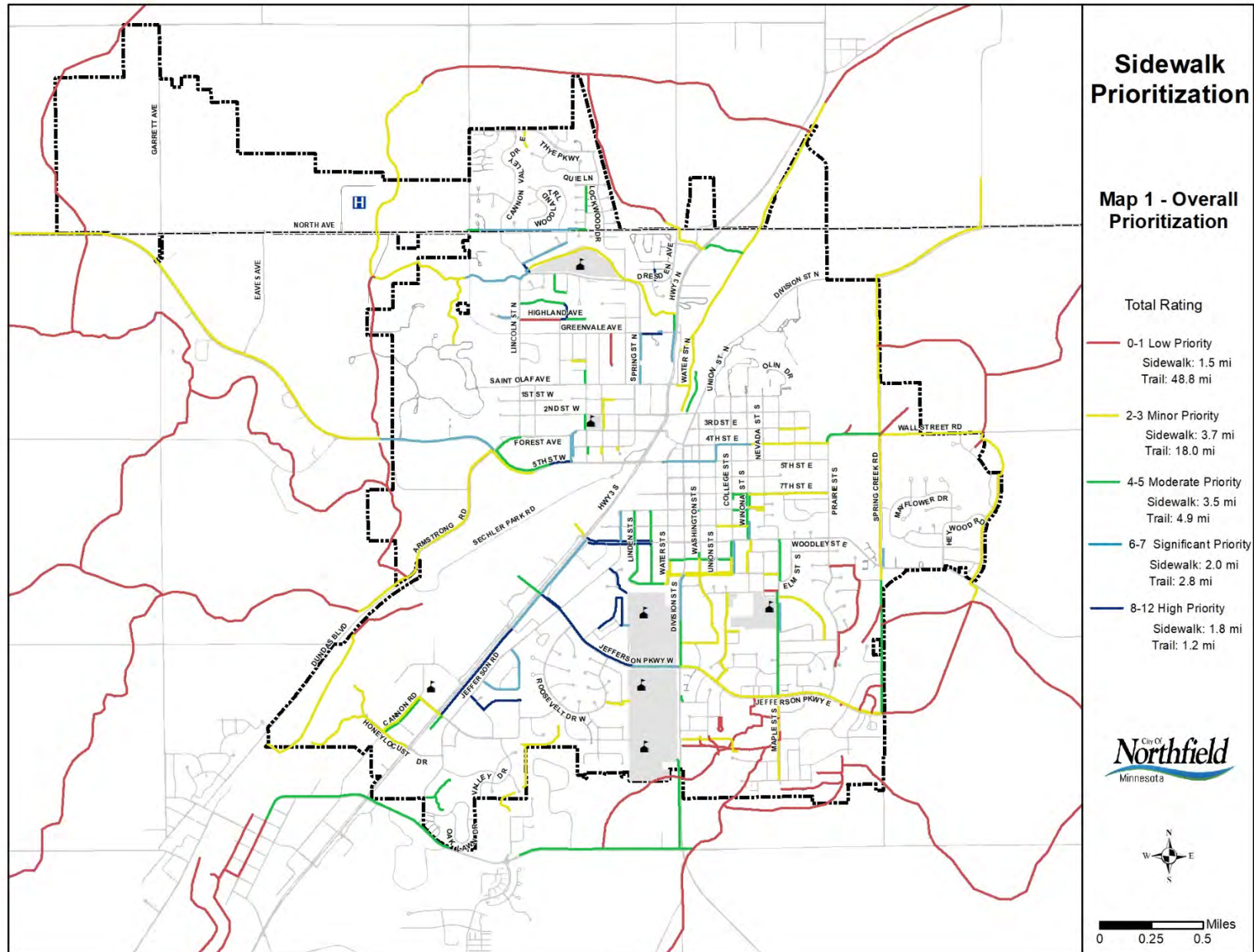
2020 Seal Coat - \$57,616

# CIP 2020 Seal Coat

STREET	TERMINI	TERMINI
Prairie Street	Woodley Street	Meadowview Dr
Indigo Lane	Rosewood Road	Jefferson Parkway
Rosewood Road	Wall Street Road	Jefferson Parkway
Violet Lane	Rosewood Road	Dead End
Larkspur Court	Rosewood Road	Cul-de-Sac
Heywood Road	Woodley Street	Parmeadow Drive
Heywood Road	Parmeadow Drive	Jefferson Parkway
Creek Lane	Heywood Road	Jefferson Parkway
Sunset Drive	Heywood Road	Jefferson Parkway
Sunset Court	Sunset Drive	Cul-de-Sac
Jefferson Parkway	Rosewood Road	Woodley Street

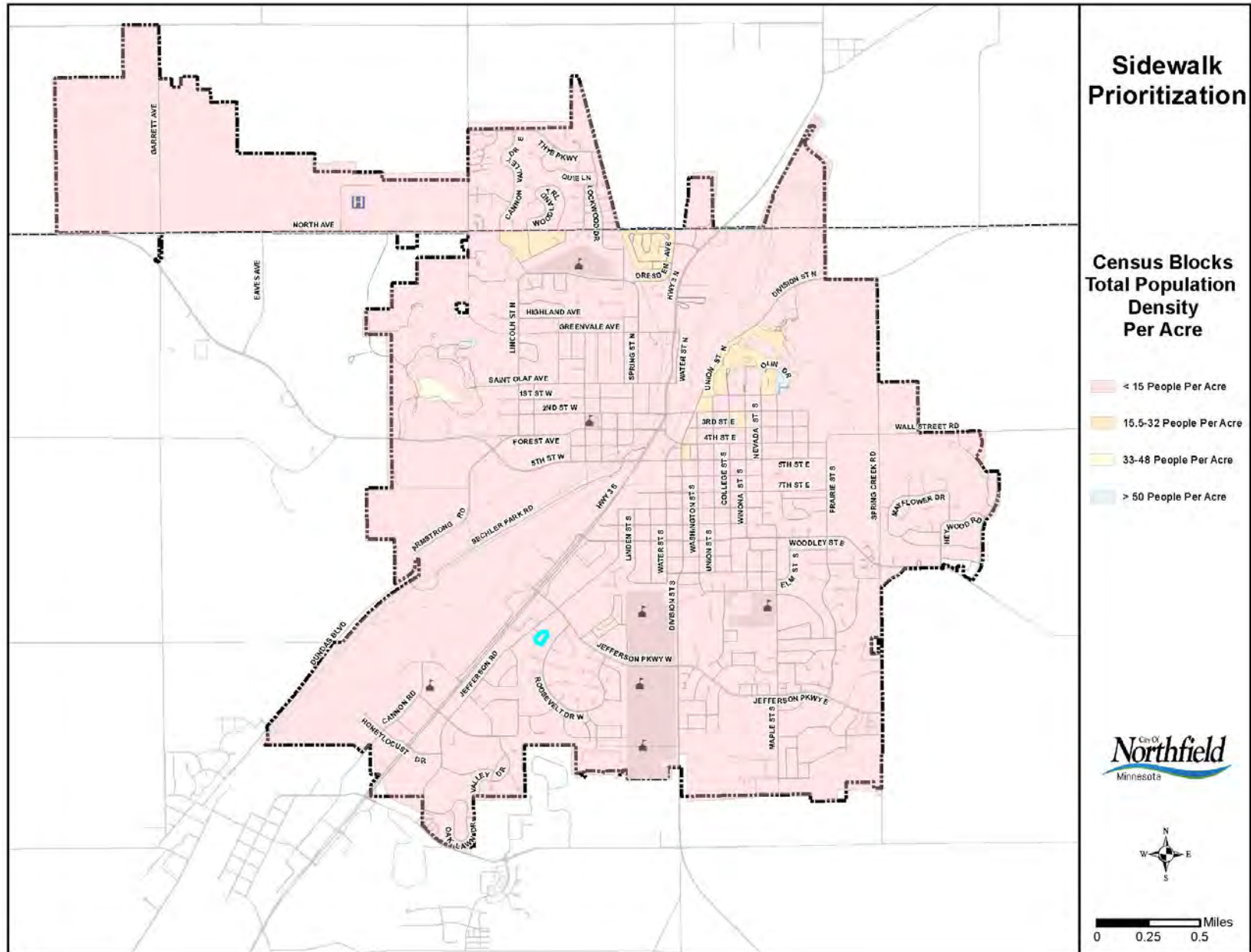


# Sidewalk & Trail Prioritization

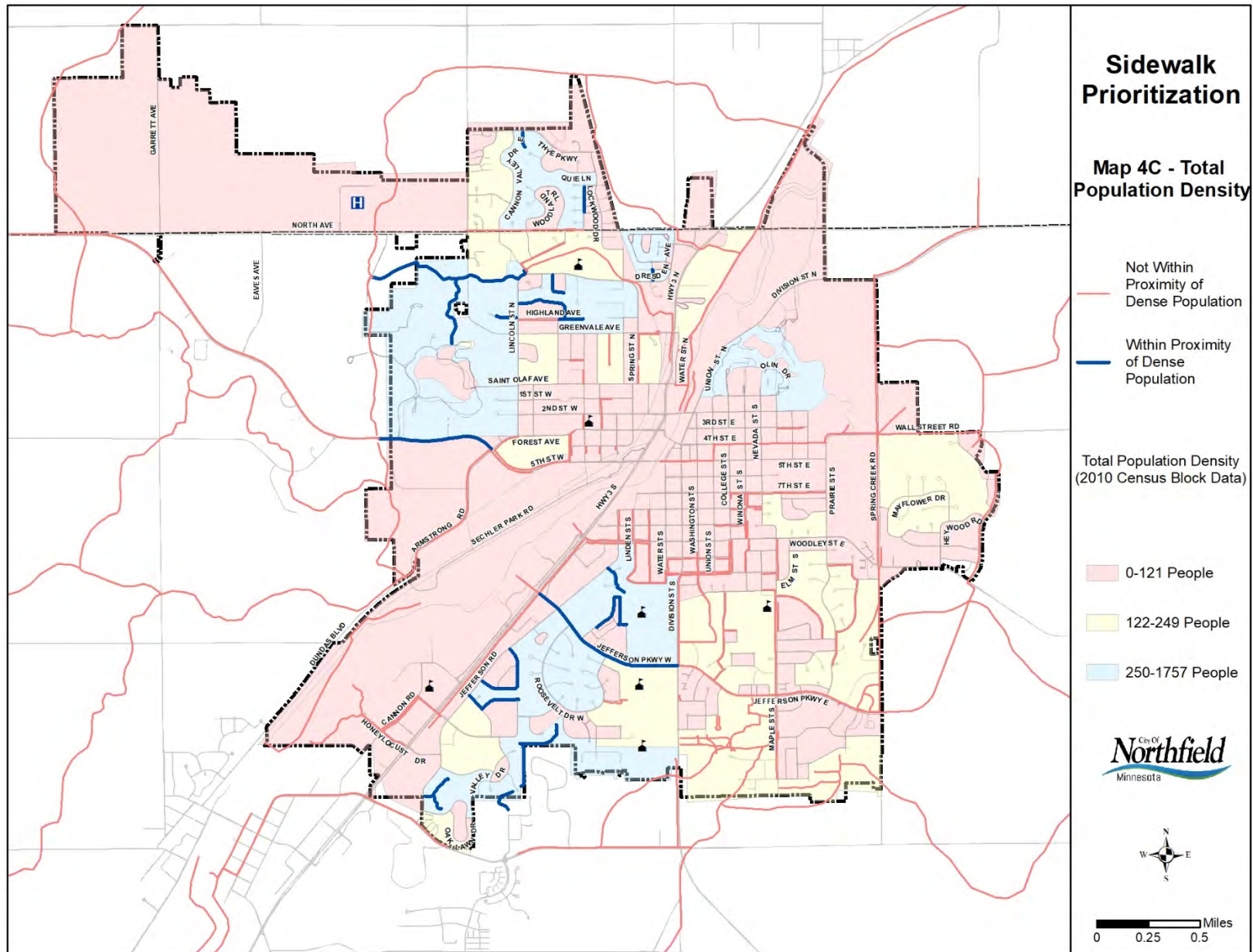




# Equity – Population Density/Acre

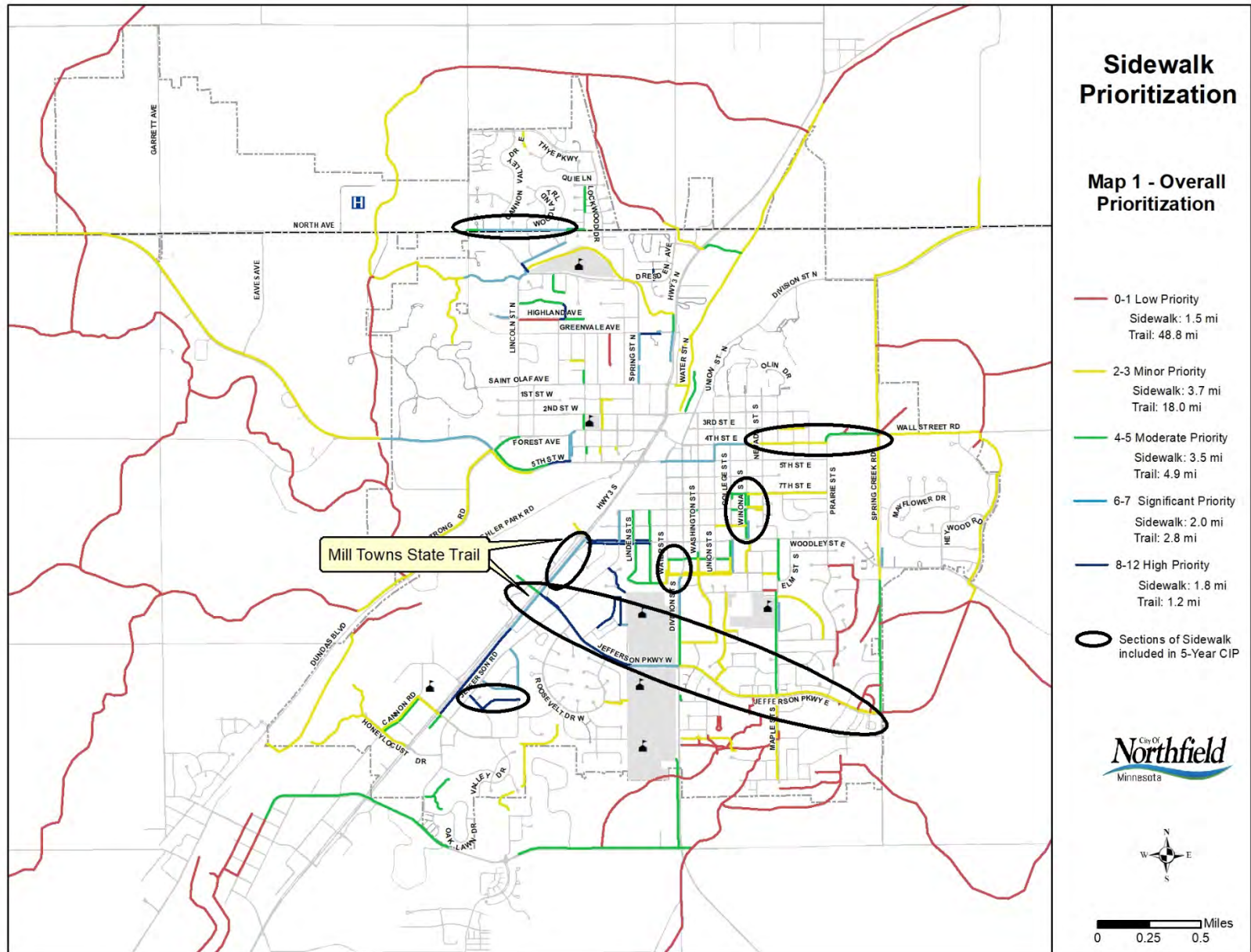


# Equity – Total Population

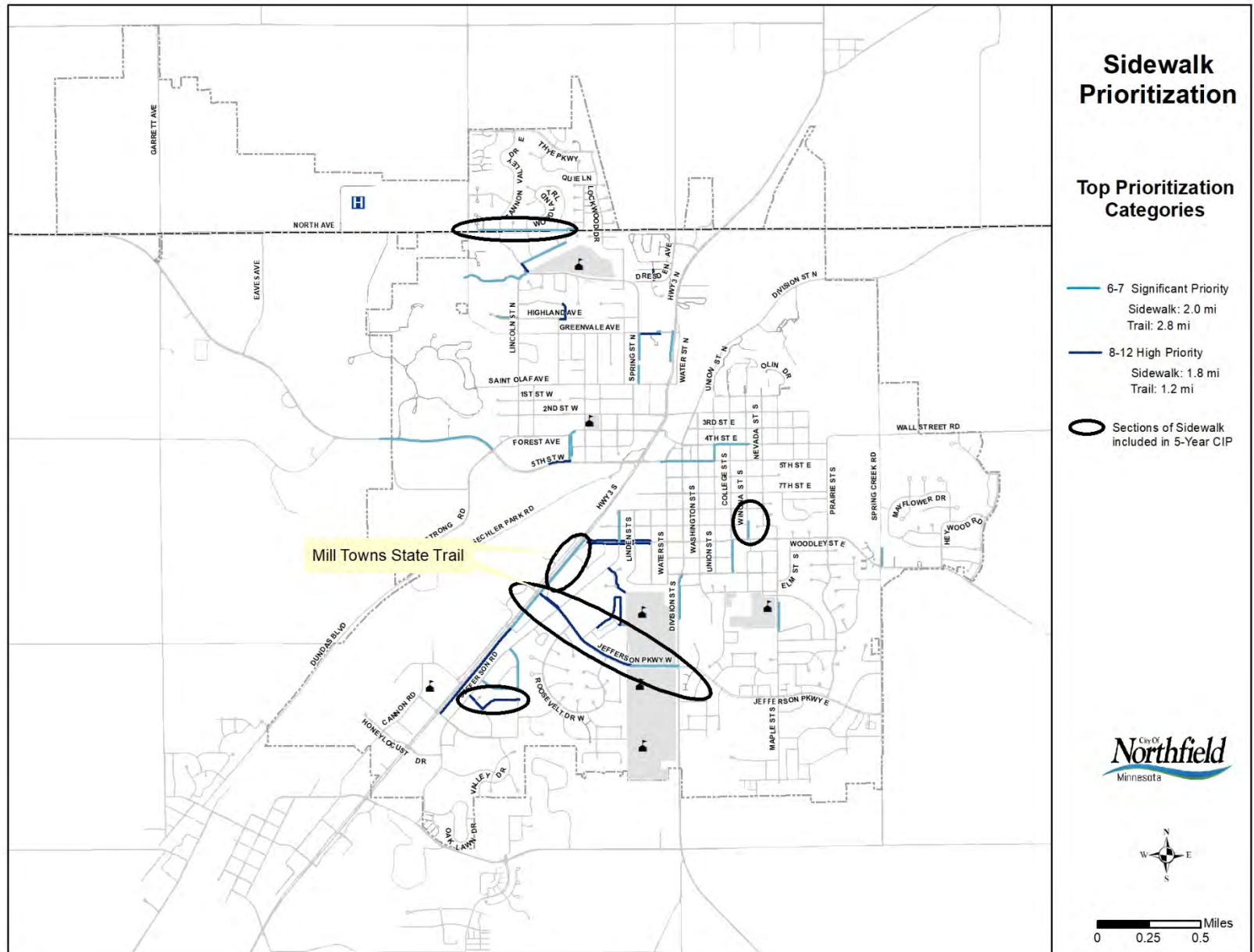




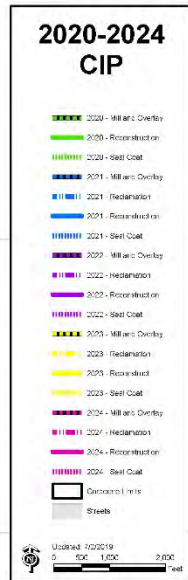
# Sidewalk & Trail Gaps in 5-Year CIP



# High Priority Gaps not in 5-Year CIP CIP



# 2020-2024 Street Improvements

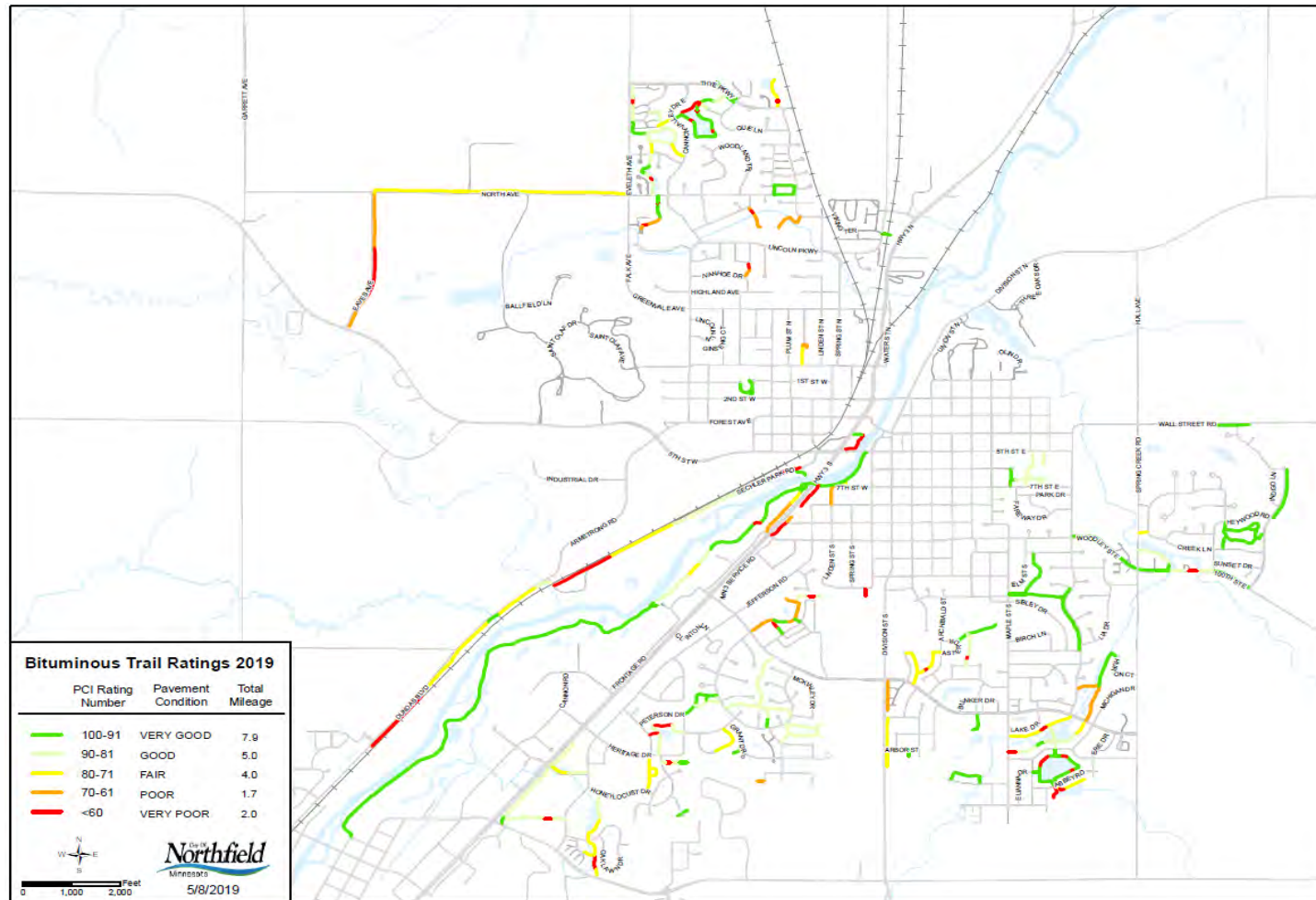


Was 2020  
moved to  
2024

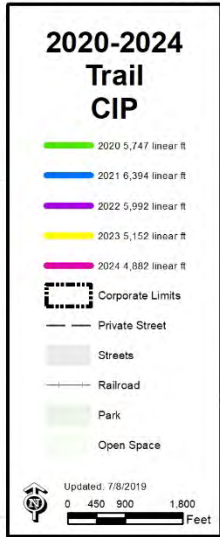
Was 2021  
moved to  
2024



# Bituminous Trail Rating



# Trail Overlay CIP





# Replace Playground Fall Protection



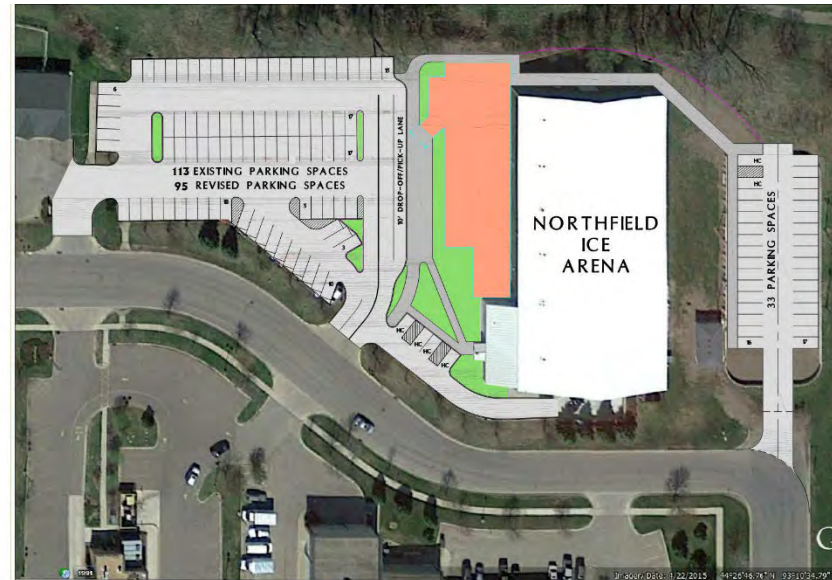
2020 Replacement:

1. Char Carlson Park
2. Heritage Park
3. Central Park
4. Oddfellows Park
5. Estimated Cost: \$20,000





# Northfield Ice Arena – What is Our Plan??



- **State Law Change on Local Option Sales Tax**
  - **Need Legislative Approval Prior to Referendum**
  - **Possible Legislative Approval in 2020/2021**
  - **Vote General Election 2022**
- **What would we ask of the Community**
- **Proposing \$40,000 Consulting for Community Surveying from Park Fund**
- **Should we expand questions beyond Ice Arena to other Park & Recreation Needs**
- **Or just remodel the Existing Arena - \$7 Million (Jan 2020 Bid)**

# Park Fund – Babcock Park



Bleacher Wall



Bathroom Upgrade





# Park Fund – Babcock Park

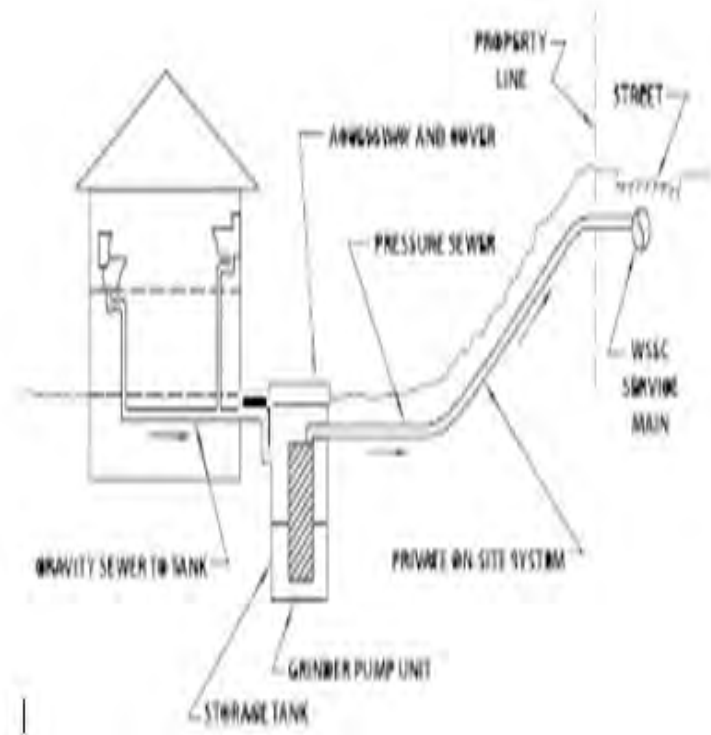


Relocate Dog Park

# Park Fund – Sechler Park



Install Bathrooms



Grinder Pumping Station



# Park Fund – Sechler Park



Install Irrigation and Lighting on Softball Fields

# Park Fund – Sechler Park



Bathroom upgrade





# Park Fund – Riverside Park Shelter



Bathroom Upgrade



Install Sidewalk To Shelter



# Park Fund – Riverside Park



Existing Pickle ball Court



Pickle ball court layout

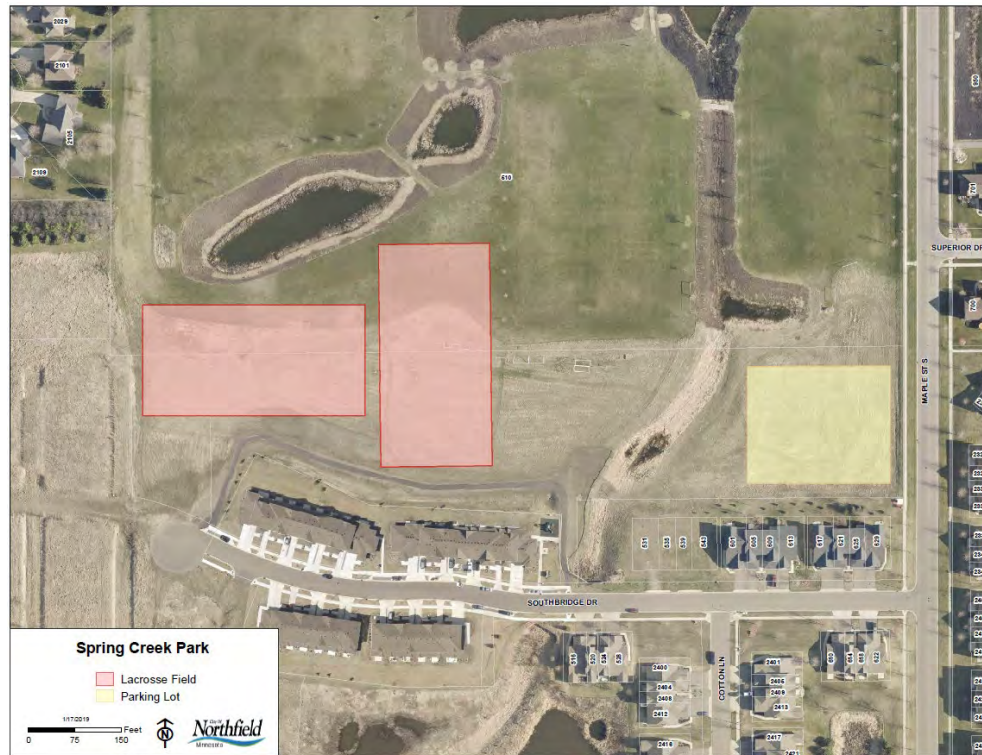


# Park Fund – Oddfellows Park



Bathroom Upgrade

# Park Fund – Spring Creek Park



Lacrosse Field's and Parking Lot

# Park Fund – Spring Creek Park



Install Bathrooms





# Facilities Fund

- City Hall Council Chamber Carpet Replacement \$15,000



# Facilities Fund – Salt Storage Building



65' X 80', Build in 2021 at a cost of \$275,000

# Facilities Fund – Vehicle Storage



Additional Garage Space

# Storm Water

- Key Items for 2020
  - 2020 Pond Dredging Project
    - Golf Course Pond
    - Parmeadow Pond #1
    - Parmeadow Pond #2

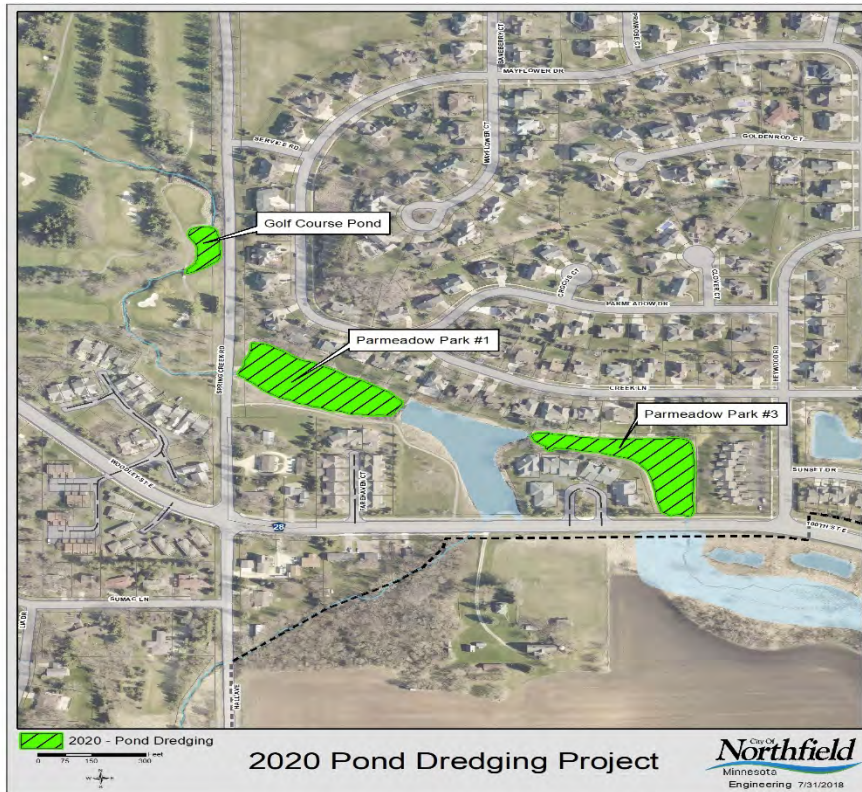




# CIP [Stormwater]

## 2020 Pond Dredging

- **Golf Course Pond**
- **Parmeadow Pond #1**
- **Parmeadow Pond #3**



2020 Pond Dredging - \$690,477

# 2020 Storm Pond Dredging

Golf Course Pond



Golf Course Pond



# 2020 Storm Pond Dredging

Parmeadow Pond #1



Parmeadow Pond #1



# 2020 Storm Pond Dredging

Parmeadow Pond #3



Parmeadow Pond #3



# Storm Water

- Key Items for 2020
  - Flooding – Update of City Storm Water Model  
\$75,000



# Capital Equipment Plan 2020-2024

- See attached for full detail

# CEP – Street Department



2009 F-250 Pickup - \$37,500

2006 Ford Water Truck - \$305,000

# CEP – Park Department



2013 JD Mower 1445 - \$65,000

2007 Toro Workman - \$30,000



# CEP – Park Department



Trailer- \$10,000

# CEP – Engineering

Replace 2010 Engineering Truck - \$26,000



\*Proposed Replacement – four-wheel drive SUV\*

# CEP - Intergovernmental


## Joint Powers Agreements / Intergovernmental Hiawathaland Transit

- MNDOT Program, 80/20 split on capital expenditures
- New Bus, \$17,000





# UTILITIES

- Key Projects and Capital Equipment Replacement for 2020
    - WWTP – Replacement of Scissor Lift
    - WWTP – In-Line Phosphorous Analyzer
    - WWTP – Babcock Lift Station Generator
    - WWTP - MAU-2 Replacement
    - Replacement of 2010 F-150
    - Well No. 02 Maintenance
    - Well No. 06 Generator
    - St. Olaf Ground Storage Water Tank Maintenance
- 

# CIP [Wastewater Plant]

- In-Line Phosphorous Analyzer \$70,000



# Replace MAU-02 at Pretreatment Building \$53,147





# Babcock Lift Station Generator \$200,000



# CIP [Utilities]

Well No. 2 Maintenance \$30,000





# Well No. 06 Generator \$120,000





# St. Olaf South Ground Storage Water Tank Maintenance \$300,000



# St. Olaf North Ground Storage Water Tank Maintenance \$300,000





# CEP – Wastewater

Replace Scissor Lift - \$10,000





# CEP – Utilities

Replace 2010 F-150 - \$25,000



# Manganese in Drinking Water

- Manganese naturally occurs in drinking water.
- Minnesota Department of Health has developed guidance levels for manganese in drinking water.
- Safe levels for infants one (1) year old and younger is 100 micrograms per liter (ug/L) or less
- For everyone older than one (1) year old, safe levels of manganese in drinking water is 300 ug/L or less
- These levels are guidance levels and are not required to be met by public water systems.
- In 2018 MDH changed their guidance from Risk Assessment Advice of 100/300 ug/L to a Health Based Value of 100 ug/L for infants

- Per Minnesota Department of Health
- 


# Manganese in Drinking Water Cont.

- Health Effects of Elevated Manganese
  - Children and adults who drink water with high levels of manganese for a long time may have problems with memory, attention, and motor skills. Infants (babies under one year old) may develop learning and behavior problems if they drink water with too much manganese in it.
    - Per Minnesota Department of Health





# Manganese in Drinking Water Cont.

- In June, Minnesota Department of Health took Samples of Northfield's Water Supply per Unregulated Contaminant Monitoring Rule 4
  - Staff is awaiting the result of the samples which could take a few months.
  - Results from 2012 indicate a results of 47.1 ug/L for Well No. 02, 127 ug/L for Well No. 03 and 126 ug/L for Well No. 04.
  - Staff anticipates an similar results from the samples taken in June
- 

# Manganese in Drinking Water Cont.

- How homeowners can remove manganese
  - Carbon Filter
  - Distillation
  - Filtration
  - Reverse Osmosis
  - Water Softening
    - Per Minnesota Department of Health



# Manganese in Drinking Water Cont.

- Options moving forward:
  - Continue to operate the drinking water system as is and notify residents of the levels, potential health effects and treatment options for homes with infants under one (1) year old
  - Treating the drinking water supply with a Drinking Water Treatment Plant





# Garbage Fund

- Key Items for 2020
  - Education and Outreach



# Next Dedicated Budget Agendas

## August 13<sup>th</sup> Work Session

- Will focus on department detail and total levy forecast
- Discuss prioritizing additional items
- POLCO survey results

## September 10<sup>th</sup> Work Session

- Review estimates for Preliminary Levy

## September 17<sup>th</sup> Council Meeting

- Approve Preliminary Levy & Budget and Set Public Hearing in December
- Set 2020 Utility Rates