



Council Worksession
June 28, 2022
5:00 pm

Present: Mayor Kari Niedfeldt-Thomas
Councilmember Abdullahi Abdulle
Councilmember Graeme Allen
Councilmember Pam Axberg
Councilmember Emily Dunsworth

Absent:

Staff in Attendance: Devin Massopust, Gina Foschi, Craig Schlichting

Guests in Attendance:

Operational Effectiveness – Examine and Approve Financial Goals and Indicators

Massopust stated staff had a presentation for the Council on Operational Effectiveness, which was one of the Council's strategic priorities. He noted one of the key goals was to look over the City's higher arching financial goals and policies for the City.

Foschi reviewed the presentation with the Council and focused on the City's eight main financials goals. These ongoing commitments were policy driven in terms of General Fund reserves and debt to tax levy ratio; adopted by resolution with no General Fund reliance on LGA; and informal commitments related to debt-free streets, non-tax revenues, the CIP, bonding rating, and comparable cities. The City's fund balance policy was discussed in further detail.

Councilmember Axberg requested staff provide the Council with a reserve fund balance for 2020 and 2021 without the ARPA funds included.

Mayor Niedfeldt-Thomas asked why the City landed at 35% for its reserve requirement when other cities were closer to 40% or 45%. Foschi stated her assumption was that this was based on the Minnesota State Auditors recommendations and the National Government Finance Officers best practices.

Councilmember Axberg questioned if the City budgeted for an employee vacancy rate. Foschi stated the City did have an employee vacancy rate of 1.5% written into the budget.

Foschi commented further on the City's debt to tax levy ratio noting the City will limit the amount of property tax levy dedicated to external debt service to less than 15% of the total tax levy. She indicated the Council passed a Resolution that directed staff to remove LGA from the General Fund and to place these funds into the street program. She commented further on the history of the City's LGA funding.

Further discussion ensued regarding the LGA the City has received over the past 15 years.

Mayor Niedfeldt-Thomas supported the City Council sending a letter to local legislators regarding how the

reduction in LGA has impacted New Brighton.

Councilmember Allen reported the LMC supports LGA being provided to cities.

Councilmember Dunsworth stated LGA was not something the City could count on annually because it was determined yearly by the legislature. Instead, the Council has opted to pay down external debt and has been put towards streets. Foschi discussed how the LGA funds was assisting with funding street programs.

Foschi commented on the City's debt-free streets program and reported the Council's informal commitment began in 2015 with the hope of ending external financing of street projects by 2025. She reported this program eliminates debt issuance costs, provides greater financial flexibility and pays interest to the City for financing future programs. She indicated the City was on track to achieve this goal noting the final debt issuance was planned for 2024.

Massopust stated the City Council has had a strong commitment to debt free streets and he commended the Council for their efforts on this program.

Councilmember Dunsworth stated she was proud of the Council's commitment to this program, noting this program was a driver for the City's budget.

Further discussion ensued regarding the timeline for the City's debt free streets program.

Mayor Niedfeldt-Thomas supported the Council passing a formal Resolution regarding the City's commitment to debt free streets by 2025.

Foschi reported on the City's commitment to non-tax revenues reporting the Council had an informal commitment that the non-tax revenues for the City will be equal to or greater than 40% of the General Fund expenditures. The challenges the City faces were with terminating inspection services for St. Anthony, stagnant franchise fees, and the loss of Sprint tower lease.

Schlichting commented further on the inspection services the City provided to St. Anthony and the staffing challenges the City was facing with providing these services for New Brighton and St. Anthony residents.

Massopust discussed how it has been difficult for the City to keep up its non-property tax revenues given the growing size of the budget.

Further discussion ensued regarding the City's EV charging station program and the revenue stream that would be generated in the future.

Mayor Niedfeldt-Thomas questioned if the City could add another billboard. Schlichting stated he would love to do this, but there are very few sites that qualify as being billboard ready.

Foschi discussed the Council's commitment to update and annually assess a 10 year Capital Improvement Plan (CIP). She reported the CIP was a great resource for the City to have on hand for long-term financial planning. She commented on the importance of the City's bond rating, noting the Council was committed to maintaining a AA bond rating or better. It was noted at this time the City has a AA+ bond rating.

Councilmember Abdulle questioned how much savings the City was receiving in interest from its AA+ bond rating. Massopust reported the interest was significant and adds up over time. He stated he could ask this question of the bond consultants.

Foschi commented on the City's informal commitment to compare the City's costs of service per capita with those of comparable cities. Staff recommended this analysis and commitment continue.

Councilmember Abdulle asked how the Council would move forward with a formal Resolution regarding the City's commitment to debt-free streets. Massopust discussed how a Resolution language could be drafted to show the City's commitment to debt-free streets.

Councilmember Abdulle supported the Council formalizing its commitment to debt-free streets, so long as the language was flexible and took into consideration the change in demand and needs for transportation, along with the City's response to climate change and environmental policies.

Councilmember Allen thanked staff for the presentation.

Councilmember Axberg stated she appreciated all of the City's efforts towards debt-free streets.

Councilmember Dunsworth supported the City taking a more formal action towards debt-free streets. She recommended a Resolution also be passed regarding the City's AA bonding rating in order to set precedent for the current and future Council.

6:15 pm Commission Interview with Roberto Valdizan

Mayor Niedfeldt-Thomas introduced herself and welcomed Roberto Valdizan to the Council worksession meeting.

Councilmember Axberg asked Mr. Valdizan to please explain how both his personal and professional experiences will help him be an effective commissioner, if appointed.

Roberto Valdizan stated he was an immigrant, noting he came from Peru to the United State 22 years ago. He reported he had to start all over, work three jobs or four jobs in order to support himself while learning English at the same time. He indicated he found a lot of great people along the way the help him get through this system. He explained he began a career in banking in 2007. He noted he now works with immigrants and those who are facing financial challenges. He believed in order to fix some problems in the community we have to be part of the solution and not part of the problem. He explained he married his wife in 2009 and at the time they lived in North Minneapolis. He stated after a great deal of crime in his neighborhood, he started an initiative with the Minneapolis Police Department along with members of the community in an effort to solve problems in the community.

Councilmember Dunsworth asked what motivated Mr. Valdizan to apply to serve on a City Commission.

Mr. Valdizan reported he moved away from North Minneapolis to get away from the crime. He commented he was now going through a personal/family issue in his neighborhood. He explained he does not know why this occurred, but there was a confrontation with his child and a neighbor. He reported he left this confrontation to the authorities and God. He indicated he appreciates the school his child attends and he did not want to move out of the community. After almost three years, he has had enough and he reached out to Councilmember Abdulle. He thanked Councilmember Abdulle for sharing his time with him.

Councilmember Abdulle stated it was his privilege to speak with Mr. Valdizan. He then explained each commission is asked by the City Council to lead specific priorities and to make recommendations to the City Council on policies and ordinances. If he were a commissioner and he had concerns about a specific policy or

ordinance that is already in place, how would he address that.

Mr. Valdizan reported he liked to find all of the data needed in order to understand the policies. He stated if he had concerns he may need to lean on one of the Councilmembers in order to better understand the history.

Councilmember Allen asked what Mr. Valdizan sees as some of the biggest opportunities and challenges facing the City of New Brighton and how does he hope to address those serving on the commission he applied for.

Mr. Valdizan explained he would like New Brighton to be a community that welcomes everyone. He discussed the problem he has with his neighbor and hoped that he could find a way for the community to be inclusive.

Mayor Niedfeldt-Thomas thanked Mr. Valdizan for interviewing with the Council. She discussed the next steps and indicated staff would be in touch.

Worksession adjourned at 6:23 pm

Respectfully submitted,

Terri Spangrud
City Clerk