

**City of St. Francis
Worksession Agenda
December 28th, 2020
6:00 p.m. via Zoom**

- 1) Call to Order/Roll Call**
- 2) Financial Overview**
- 3) Fire Department**
- 4) Public Works**
- 5) Adjourn**

TO: Mayor & City Council
FROM: Joe Kohlmann, City Administrator
SUBJECT: Financial Measurements
DATE: December 28th, 2020

OVERVIEW

When the City of St. Francis was pursuing funding through the Public Facilities Authority for the construction of the new wastewater plant, one of the requirements to obtain funding was to complete a comprehensive long term financial management plan. This long term financial management plan was completed in early 2015.

I think it is important to examine the trajectory the city was on and where the city is actually at today. All major projects identified in the 2015 financial management plan have been completed or are scheduled to be completed in the near future (mostly road projects were extended beyond timelines identified in the 2015 plan).

The City has taken on numerous initiatives that were not identified in the 2015 financial management plan. These include adding the following positions: Fire Chief, Police Officer, Community Development Director, Community Development Specialist, and Accounting Tech/Deputy Clerk. These expenses were not accounted for in the 2015 financial management plan. All positions have a direct impact on the tax levy.

In addition, the City has determined to move toward a cash payment system for road improvements. While it has taken longer to tackle all of the projects identified, the City is on track to complete the projects timely, avoid major debt payments, and begin building an annual levy for future road projects.

On the next page, some financial highlights are available. Staff will provide a presentation on the matter at the meeting.

Action to be considered:

No Action. Review and Discuss.



2015 Projected in Plan	2021 Actual Numbers	Difference
Total Tax Levy	Total Tax Levy	
2019 - \$4,325,709	2019 - \$3,793,590	(\$532,119)
2020 - \$4,580,516	2020 - \$3,984,590	(\$595,926)
2021 - \$4,779,677	2021 - \$4,234,590	(\$545,087)
Water/Sewer Rates	Water/Sewer Rates	
Water	Water	
Base/Use - \$24.49/ \$7.57	\$14.55 / \$4.50	(\$13.01) per month
Sewer		
Base/Use - \$30.04/ \$11.78	\$20.82 / \$8.16	(\$12.84) per month
Total		(\$25.85) per month
Debt Levy	Debt Levy	
2021 - \$1.1 million	\$368,590	(\$731,410) annual
City Tax to Homeowner	City Tax to Homeowner	
2021 - \$225,000 house	2021 - \$235,000 house	
\$1,978	\$1,099	(\$879) annually

TO: Mayor & City Council
FROM: Joe Kohlmann, City Administrator
SUBJECT: Fire Chief and Assistant Chief
DATE: December 28th, 2020

OVERVIEW

The City signed a Fire Management Service Contract with the City of Nowthen that will result in revenue of **\$75,069; \$77,322; and \$79,641. OR \$232,032** over three years.

The \$75,069 was arrived at using the following formula:

Assumed Fire Chief Salary for 2021 =	\$92,913.60
Asst. Fire Chief Salary for 2021 =	<u>\$5,232.36</u>
Total	\$98,145.96
Multiply 17.7% PERA	<u>17.7%</u>
<u>TOTAL SLARIES</u>	\$115,517.80

Nowthen pays 50% of salaries plus 30% = $\$57,758.90 \times 1.3 = \underline{\$75,086}$

***some assumptions of COLAS and forecasting were used to get the \$75,069 – resulting in the \$17 difference from actual 2021 numbers used above.**

As a result of the additional work responsibilities, staff has reviewed the job responsibilities and the additional time and decision making required to fulfill this service contract. Staff recommends the following:

Fire Chief – scheduled to make **\$92,916** in 2021 and reevaluation supports moving to a grade 19 for a 2021 salary of **\$99,902. OR an increase of \$6,986.** Add the 17.7% PERA and the total increased cost to the City is: **\$8,222.52** for the Fire Chief.

Assistant Fire Chief – the scheduled Officer stipend for 2021 will be **\$436.03** per month or **\$5,232.36** annually. The Assistant Chief also is paid per call and accumulated approximately **\$3,500** in calls and trainings in 2020. With an increased need for a management concentration – it should be considered to move the Assistant Fire Chief to a flat pay scale. Staff suggests **\$17,500** annually and the use of a department vehicle – if available for use (no additional purchasing). Including the on call pay of approximately **\$3,5000** (neutral expense) – this would be an increase in salary of about **\$8,800.** Add 17.7% to total expense increase of **\$10,357.60.**



The salary adjustments would change the expense for the Fire Chief and Assistant Chief to total **\$138,182.63** up from the **\$115,517.80**. A **\$22,664.83** increase in Fire Officer Salaries. Half of the cost of the adjusted fire salaries would be **\$69,091.32**.

Request:

Review and Discuss.

TO: Mayor & City Council
FROM: Joe Kohlmann, City Administrator
SUBJECT: Public Works Union
DATE: December 28th, 2020

OVERVIEW

The Public Works Union is considering disbanding (likely). The decision has not become official yet – so the City cannot offer or discuss salaries with the union at this time – to avoid it appearing as offering incentive to disband the union.

Staff wants to give Council a heads up that if the Union disbands in January – there will need to be some adjustments. For example, the Union negotiated a wage scale that is below the City's non-union wage scale for similar pointed positions by about a dollar and some change.

In addition, there are things in the Union contract such as uniform reimbursement and on call pay that will need to be discussed.

It was anticipated that the decision was going to be made on the Union status prior to the worksession – however, that did not happen. Staff is just providing this as an information memo about what to expect going forward if the Union disbands.

Requested:

Review and ask questions.