

AGENDA
MAPLEWOOD CITY COUNCIL
MANAGER WORKSHOP
6:30 P.M. Monday, May 23, 2022
City Hall, Council Chambers

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. APPROVAL OF AGENDA**
- D. UNFINISHED BUSINESS**
 - 1. Allocation of General Fund Surplus
- E. NEW BUSINESS**

None
- F. ADJOURNMENT**

RULES OF CIVILITY FOR THE CITY COUNCIL, BOARDS, COMMISSIONS AND OUR COMMUNITY

Following are rules of civility the City of Maplewood expects of everyone appearing at Council Meetings - elected officials, staff and citizens. It is hoped that by following these simple rules, everyone's opinions can be heard and understood in a reasonable manner. We appreciate the fact that when appearing at Council meetings, it is understood that everyone will follow these principles:

Speak only for yourself, not for other council members or citizens - unless specifically tasked by your colleagues to speak for the group or for citizens in the form of a petition.

Show respect during comments and/or discussions, listen actively and do not interrupt or talk amongst each other.

Be respectful of the process, keeping order and decorum. Do not be critical of council members, staff or others in public.

Be respectful of each other's time keeping remarks brief, to the point and non-repetitive.

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CITY COUNCIL WORKSHOP STAFF REPORT
Meeting Date May 23, 2022

REPORT TO: Melinda Coleman
REPORT FROM: Ellen Paulseth, Finance Director
PRESENTER: Ellen Paulseth, Finance Director
AGENDA ITEM: Allocation of General Fund Surplus

Action Requested: Motion Discussion Public Hearing
Form of Action: Resolution Ordinance Contract/Agreement Proclamation

Policy Issue:

The General Fund currently has over \$2.5M in reserves not designated for cash flow. The reserves were a carryover from fiscal years 2020-2021, and are not required for General Fund budget needs. The City Council has discretion over these funds and can allocate the excess fund balance, as deemed appropriate.

Recommended Action:

No action is required at the Workshop. Council will consider the surplus allocations at the City Council meeting. Further information on this item is in the full City Council packet.

Fiscal Impact:

Is There a Fiscal Impact? No Yes, the true or estimated cost is \$0.00
 Financing source(s): Adopted Budget Budget Modification New Revenue Source
 Use of Reserves Other: N/A

Strategic Plan Relevance:

Community Inclusiveness Financial & Asset Mgmt. Environmental Stewardship
 Integrated Communication Operational Effectiveness Targeted Redevelopment

The allocations may affect all areas of the strategic plan, mostly asset management.

Background

The City Council allocated \$1.5M of a \$2.5M General Fund surplus on January 24, 2022. Additional surplus accrued in fiscal year 2021.

Attachments

1. PowerPoint

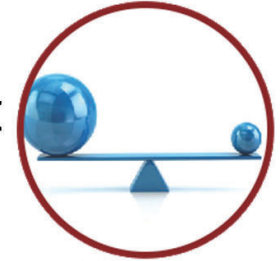
Maplewood



**City Council Workshop
May 23, 2022**

Strategic Priorities

Financial & Asset Management



Integrated Communication



Environmental Stewardship



Community Inclusiveness



Targeted Redevelopment



Operational Effectiveness



American Rescue Plan Act (ARPA)

Maplewood ARPA Allocation	\$4,326,328.92
Additional Allocation	<u>141,675.36</u>
Total ARPA Allocation	<u>\$4,468,004.28</u>
50% Received July 2021	\$2,234,002.14
50% Scheduled July 2022	<u>\$2,234,002.14</u>
Total Treasury Disbursements	<u>\$4,468,004.28</u>



Eligible ARPA Expenses

1. Response to the Covid-19 Public Health Emergency;
2. Premium Pay for Essential Workers;
3. The Provision of Governmental Services to the Extent of Reduction of Revenue;
4. Necessary Investments in Water, Sewer, or Broadband Infrastructure.





Spending Plan

	Covid-19 Response	Essential Workers	Revenue Loss	Infrastructure Investment	Total Grant
Premium Pay 2021		245,972.08			245,972.08
Premium Pay 2022		260,000.00			260,000.00
Covid Response Pay	255,594.38				255,594.38
Covid Leave Pay	40,402.03				40,402.03
PPE	39,840.75				39,840.75
Testing	16,195.04				16,195.04
Social Worker			370,000.00		370,000.00
Mall Security	40,000.00				40,000.00
YMCA	350,000.00				350,000.00
Fire Equipment			2,100,000.00		2,100,000.00
Ambulance Equipment			750,000.00		750,000.00
	742,032.20	505,972.08	3,220,000.00	-	4,468,004.28

General Fund Performance 2021

Revenues and Transfers In	\$27,511,338
Expenditures and Transfers Out	<u>\$23,776,109</u>
Excess of Revenues Over Expenditures	<u>\$ 3,735,229</u>

Notes:

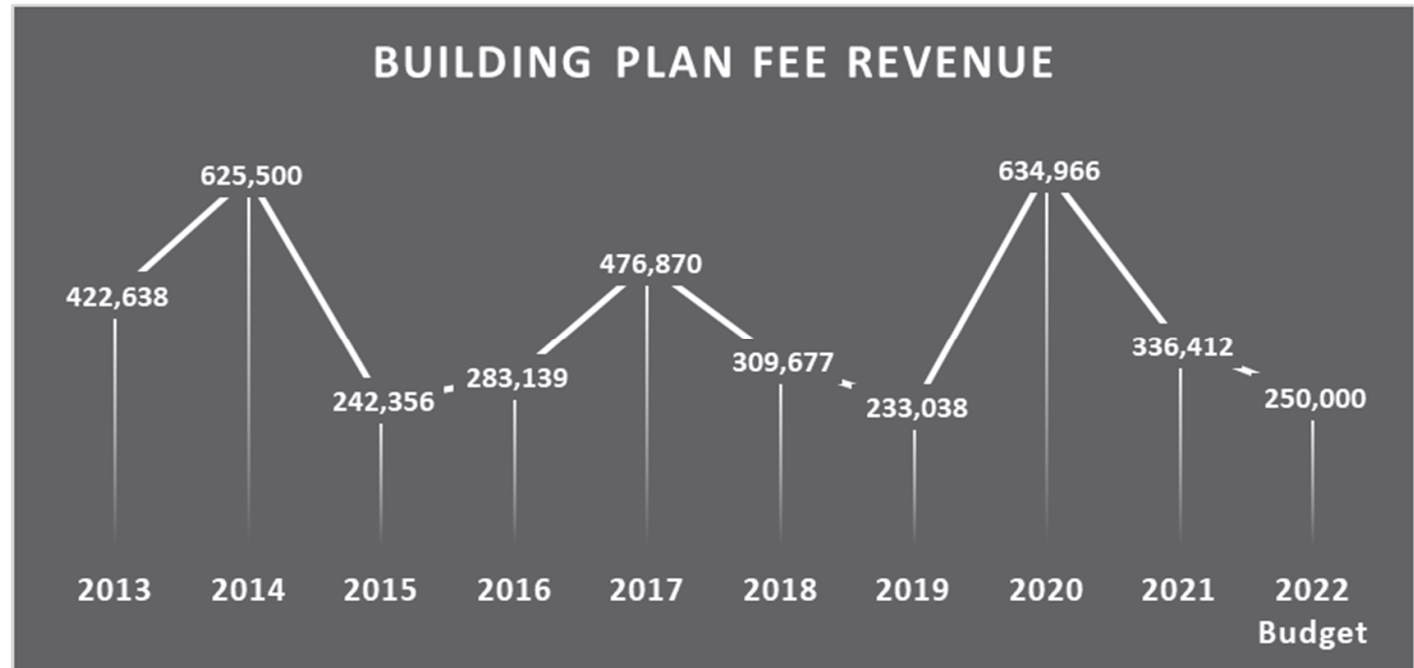
- 1. Surplus includes recognition of second half ARPA grant, \$2,234,002.14 to be spent in 2022.*
- 2. Remainder of \$1,501,226.86 surplus was primarily the result of building permit activity and police department vacancies.*



Building Permit Revenue History



Building Plan Fee Revenue History

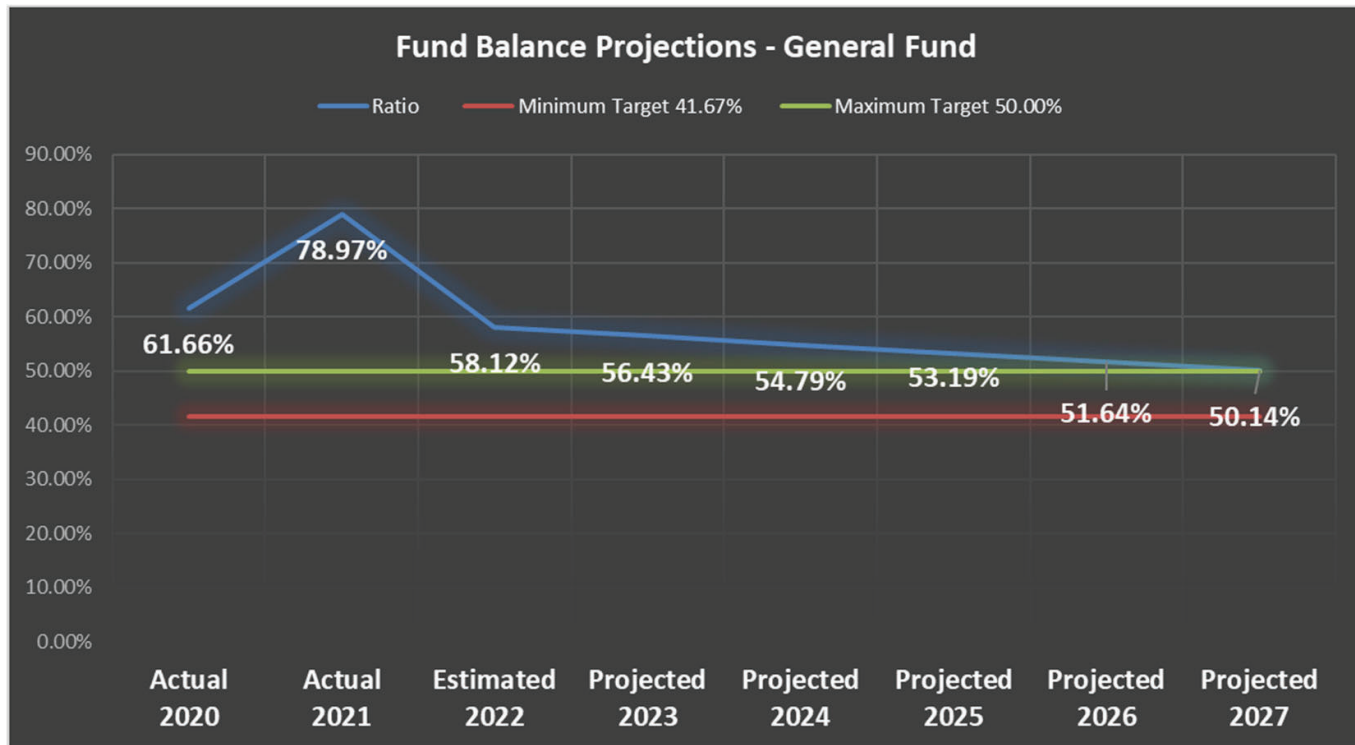


12/31/2021 General Fund Surplus

Unassigned Fund Balance	\$17,224,779
Fund Balance Policy Requirements <i>(maximum of 50% of total expenditures)</i>	<u>\$11,036,138</u>
Surplus Fund Balance	<u>\$ 6,188,641</u>
Less:	
ARPA Funding for 2022	\$ 2,234,002
Amount Allocated In January	<u>\$ 1,500,000</u>
Adjusted Surplus 12/31/2021	<u>\$ 2,454,639</u>



Projected Fund Balance 5 Years Assuming Allocation of \$1.5M





January 2022 Allocations

• Employee Benefits Fund	\$ 400,000
• Building Fund	250,000
• Public Safety Equipment Fund	250,000
• Fleet Fund	250,000
• EDA Fund	<u>350,000</u>
Total Proposed Allocation	<u>\$1,500,000</u>

EDA Fund

Cash Balance 5/16/2022

\$502,000

Additional allocations would provide more funding for scattered site and other housing initiatives.





Park Development Fund

Cash Balance 5/16/2022

\$1,800,000

Over the next five years, these funds will provide for improvements at Hazelwood Park, Harvest Park, Fish Creek, Maplewood Nature Center, Open Space and the development of picnic shelters.



Goodrich Park is slated for \$1M improvements in 2023, with financing from general obligation bonds. An allocation to the Park Development Fund will create potential for the debt-free financing of Goodrich Park.

Technology Finance Software



Cash Balance IT Fund 5/16/2022 Est.

\$250,000

We have been saving for a new Finance software suite for the past five years. The pandemic interrupted our progress. Our original estimate was \$300K for new software. Current costs are \$400K, and there are other technology needs. The existing finance software was purchased in 2001 and is no longer being upgraded. Tyler Software has given notice the past few years urging any remaining entities to upgrade to a software that they can support. Only one other city in Minnesota is still using the software and they are actively looking to replace it.





Building Fund



Cash Balance at 5/16/2022

\$119,000

This fund finances maintenance and improvements on all City buildings, except the MCC. The cash balance at 12/31/2021 was \$0.41. The City Council allocated \$250K in January of 2022. An additional \$225K in property tax revenue was levied for 2022. The public works staff is in the process of updating the maintenance plan; however, \$225K per year does not meet the needs. The property tax levy is scheduled to increase incrementally each year in our long-term plan; however, only basic needs will be met.

Fleet Fund

Cash Balance at 5/16/2022 \$350,000

Cash balance at 12/31/2022 was \$100K. City Council allocated \$250K in January of 2022.

This fund finances public works equipment purchases. Rental increases (property tax levy) were 0% in both 2020 and 2021 due to the pandemic. Because of this and pandemic-related increases in equipment costs, 10% increases in rental charges were required in 2022 and 2023. From a long-term perspective, fund balance will dip below \$100K in several years.





Shuffle the Deck Recommendations from Staff

EDA Fund	\$300,000
Park Fund	500,000
Technology	400,000
Building Fund	200,000
Fleet Fund	100,000
Total	\$1,500,000

Council Considerations

- Future Surplus Allocations may be Considered After the 2022 Fiscal Year is Closed.



Questions?

