

**AGENDA  
CITY COUNCIL  
WORK SESSION  
CITY OF WYOMING, MINNESOTA  
JUNE 4, 2024  
5:30 PM**

**CALL TO ORDER:**

**CALL OF ROLL:**

**DETERMINATION OF A QUORUM:**

**PLEDGE OF ALLEGIANCE:**

**NEW BUSINESS:**

1. 2025 Preliminary Budget Discussion

**ADJOURN**



*Date:* May 30, 2024

*Presented to:* Mayor Iverson and City Council Members

*Presented by:* Robb Linwood, City Administrator

*Department:* Administration

*Reference:* Preliminary Factors Influencing the 2025 Budget and Council Priorities for Work Session on Tuesday, June 4, 2024 at 5:30PM

In June Department heads will begin completing their 2025 Budget Worksheets. Typically, our budget process has included the following:

### **2025 Budget Calendar**

The City follows the procedures below in establishing the budget:

The annual budget process begins in May or June of each year. Staff prepares and distributes budget worksheets and instructions for department heads. City Council has a work session to review the budget process. Departmental budgets and 5-year capital requests are due from department heads to the City Administrator. The first draft of the budget is due to the City Administrator at the beginning of July. The City Administrator meets with department heads to discuss individual budget requests. Total budget requests are compared to revenue estimates to ensure that there is funding available to fund the proposed expenditures. Budget revisions from departmental meetings are completed and revisions are incorporated into the first draft of the budget that is presented at the council work session. The City Administrator meets with department heads to discuss and review council feedback from the work session. In early September, the City sets the preliminary levy and the public hearing information which is forwarded to the County Auditor by September 30th each year. In September/October, additional updates are completed before the final presentation of the budget. The County mails parcel specific tax notices in November to property owners providing taxes due the following year based on the preliminary levy. A budget and levy hearing is held in December in accordance with State law. The budget and tax levy are adopted through passage of resolutions.



**CITY OF WYOMING**

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## Budget Calendar

|                        |                                                                                                                                                                  |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| May 29, 2024           | Staff prepares and distributes budget worksheets and instructions for department heads.                                                                          |
| June 4, 2024           | City Council holds visioning sessions with City Administrator, Department heads to look at long-term plan and adopt short-term strategies and budget objectives. |
| June 14, 2024          | Departmental budgets and 5-year capital requests due from department heads to City Administrator                                                                 |
| July 3, 2024           | 1st draft of budget due to City Administrator.                                                                                                                   |
| July 8-12, 2024        | Meet with department heads to discuss individual budget requests.                                                                                                |
| July 12, 2024          | Budget revisions from departmental meetings completed.                                                                                                           |
| July 16, 2024          | Council work session - first draft of budget presented.                                                                                                          |
| July 29-August 2, 2024 | Additional departmental meetings to discuss and review council feedback from work session.                                                                       |
| August 9, 2024         | 2nd draft of budget due to City Administrator.                                                                                                                   |
| August 20, 2024        | Council work session                                                                                                                                             |
| September 3, 2024      | At the Council meeting, the public hearing date on the proposed budget and proposed tax levy are approved by the Council.                                        |
| By September 30, 2024  | City Administrator certifies preliminary levy and hearing date to Chisago County.                                                                                |
| September/October      | Additional updates/fine tuning of budget before final presentation.                                                                                              |
| October 18, 2024       | Final budget due to City Administrator.                                                                                                                          |
| November               | County Auditor mails tax notices to each taxpayer.                                                                                                               |
| November 6, 2024       | Council work session – final budget presented.                                                                                                                   |
| December 3, 2024       | Initial Truth-In-Taxation Hearing on 2024 Budget & Levy and adoption of the 2024 Budget and Levy.                                                                |
| December 17,           | 2024 Final adoption date of the 2024 Budget and Levy - if needed.                                                                                                |

### **Discuss 2025 City Council Goals and Priorities**

At the 1<sup>st</sup> Council Meeting in 2024 the City Council adopted the 2025 Budget Calendar which outlined a series of steps to establish an eventual budget. As part of those steps it was included in the initial meetings to have a discussion on the Council's budget goals and priorities which are intended to provide direction for the preparation of the 2025 Recommended Budget.

\*The council completed a 2024 goals and ongoing goals strategic retreat on February 20, 2024

### **Vision Statement:**

The City of Wyoming will be a regional leader in providing innovative and long term economically responsible government that is transparent to all.

### **Mission Statement:**

The mission of the City of Wyoming is to efficiently do the work of the city, invest in the community and to operate with stability to provide reliable and adaptive services

In an effort to provide a Recommended Budget that is consistent with the Council's aspirations, the Council is asked to provide at a minimum, guidance on the following budget goals and priorities. We are still in the process of assessing issues, but below are some factors influencing the 2024 Budget:

#### **Strategic Planning/Long Range Planning**

As part of the budget process we will need to evaluate implementation of the priorities identified in conjunction with the strategic planning process. The council approved a Long Term plan that helps with analysis in normal operating expenses with an inflation rate, housing growth, population estimates, the general tax levy, debt service or interfund loan financing, TIF districts, Capital Funds, current and future employees, enterprise funds and infrastructure needs, future street projects, capital equipment needs and maintenance or improvement of facilities. We will continue to update this document and amend it as necessary to help it be a guiding document for the Council.

#### **Staff Level Changes for City Departments**

As of now the only department we anticipate any staffing changes would be in the Public Works Department as a FTE addition has been identified in the 2023 utility rate study that was adopted by council last year.

### **Changes in Programs or Service Levels**

The Council is asked to provide general guidance on whether any of these programs or services should receive added or reduced emphasis. The Council may consider what emphasis they might want to provide for the Council's 2024 goals that were developed at the beginning of the year.

### **Valuation**

The 2024 residential property valuations have been estimated by Chisago County at approximately a 3.8% decrease.

### **Healthcare Costs**

Healthcare is always an evaluation from year to year as we wait for costs to be announced.. Last year staff reviewed other material from plans if the city were to go on their own with a similar plan and those costs exceeded our plan through the cooperative. We went with a slightly different plan to with a slightly higher deductible to keep costs affordable. We will continue to monitor these costs and evaluate different plans when we receive renewals in August.

### **League of Minnesota City Insurance Costs**

2024 brought significant increases in both our Workers Compensation and Property Insurance costs. The league has not yet brought forward any anticipated changes for 2025, but staff will be awaiting information.

### **Update of Streets Capital Improvement Plan**

Staff will be working with the Finance Staff, Public Works and Engineering to review the current Streets CIP and evaluate the levy dollars in the street fund, fund balance and franchise fees. With the current condition of streets we may possibly be looking at shuffling some projects in the 5 year CIP. WSB will be completing and updating the city's Pavement Management Index in June. This is an evaluation of the city streets and helps us prioritize our capital projects and maintenance plans. This will be a discussion topic with Council for the 2025 budget and moving forward.

### **Labor Negotiations for Bargaining Units**

2023 was the last year for our contracts for our three bargaining groups. This includes our Sergeants LELS group, Patrol LELS group and the Local 49ers for Public Works. The City has completed one contract in 2024, but still has two contracts open. We will continue to work towards completing contracts with the other bargaining units, but will have impacts on the 2025 budget.

### **Cannabis**

As of May 2023, Minnesota legalized recreational cannabis through the passing of House File 100, following a series of legislative developments. This legislation allows adults aged 21 and older to possess and use cannabis within specified limits and establishes a framework for the commercial sale of cannabis. The Minnesota Office

of Cannabis Management (OCM) is responsible for regulating and overseeing the cannabis industry, including the issuance of licenses for dispensaries. The key steps and requirements for obtaining a municipal dispensary license include:

The opportunity to open a municipal dispensary for cannabis in Minnesota is now legally viable, following the recent legislative changes. However, it requires careful navigation through state and local regulations, substantial financial investment, and strategic planning. Staff is part of different groups with the LMC and others offering guidance and information. We will continue to update the council as we receive more information.

**Other Cannabis News:** New legislation allows for a new exception for early cultivation is a change from the original legislation, which prohibited all cannabis operations, including cultivation, until rules were adopted.

We have already adopted moratoriums related to cannabis businesses, but may need to do some updating as staff continues to research model zoning ordinances during the moratorium. The office of cannabis management is currently working on model zoning ordinances as required by statute. It is unclear, however, whether the model ordinances and guidelines will be available in time for cities to adopt prior to early cultivation.

### **Wyoming Public Safety Building**

As earlier discussed by staff the state legislator did not adopt a bonding bill this year and the city did not receive any funding. We had positive inroads this year after considerable meetings with legislatures and attendance at events. We did receive feedback that there was a strong chance we would have been inclusionary in a bonding bill had there been one. The city has hired a lobbyist to try to help acquire funding from the Minnesota State Legislature and Congressionally directed spending from the Federal Level. The lobbyist was critical in receiving capital investment committee tours of our current facilities from both the House and Senate. As of now staff has been reviewing the current plan and asking for updates for costs from our construction manager. We continue to review this along with any other potential options on the building.

Since there was no bonding bill this year there will most likely be an appetite for a bonding bill again in 2025. There is possibility for much change in both the house and senate, especially the senate due to 2024 election outcomes.

Another item that the city may consider would be local sales tax for facility funding. While some tax provisions were included in the final omnibus bill, most substantive provisions being considered were removed from the final agreement. The local sales tax general authority proposals that were in the House and Senate bills were not included in the bill that passed, and the local sales tax moratorium remains in place for another year. The University of Minnesota can do studies for cities to analyze what a local sales tax would be on local residents and visitors that may bring some good information in determining if this is something the council would like to consider further.

### **Park and Trail Funding**

The Park Advisory Commission continues to evaluate priorities for parks and trails. We will keep council aware of any recommendations or any potential projects that council feels should be reviewed for consideration.

### **Capital Improvement Equipment Fund**

Staff has been working diligently regarding prices of equipment with the changing of the marketplace on cost and supply chain. This will apply for 2025 CIP items as they will be part of the annual budget. A draft CIP has been included in the packet that staff will continue to update as we receive more information on 2025 state contract pricing for equipment. We will discuss the items in the current draft by each department head. The Ladder truck will be discussed in depth.

### **American Rescue Plan Funds (ARPA)**

American Rescue Funds must have identified expenditures before year end 2024 and must be expended before \$450,000 towards the watermain extension to the west side of the freeway, approximately \$159,000 for Armer radios for the police and approximately \$11,700 for fiber projects in the community. That leaves approximately \$100,000 left in ARPA funds that we still need to identify for use in 2024 and expend in the next two years. The Public Safety Department has identified the costs of Radios for the Fire Department at approximately \$235,000 dollars. We have set aside \$150,000 in capital for this expense and then use some of the remaining ARPA funds would fulfil this expenditure. The city does plan on putting in for a state grant for radios for the fire department that is due at the end of June. Unfortunately the pool of dollars for the grants is only 4 Million dollars to be divided between all state agencies. When the original ARPA funds came out these items were all identified as expenditures that would be worthy projects for the use of ARPA dollars.

**Discussion** – All of the items are to create discussion and direction, we will have the ability to go more in depth on all items as we continue our work on the 2025 Budget. Additionally, are there any specific priorities, objectives, goals, issues, or services that the Council would like to have evaluated in conjunction with the 2025 budget process?

At the June 4, 2024 budget work session department heads will present to Council their preliminary budget overview for 2025 and should allow for more in depth discussion on individual department budget priorities and capital evaluation of the city's capital improvement plan for each department.