# CITY OF SOUTH ST. PAUL
## MEETING AGENDA

### WORK SESSION

Training Room
125 3rd Avenue North
South St. Paul, MN 55075

Monday, January 13, 2025
7:00 PM

**1. CALL TO ORDER**

**2. DISCUSSION ITEMS**

A. 2024 Third Quarter Financial Report

B. Worksession Format Discussion

**3. COUNCIL COMMENTS & QUESTIONS**

# WORK SESSION AGENDA REPORT

**DATE:** January 13, 2025
**DEPARTMENT:** Finance
**PREPARED BY:** Clara Hilger
**AGENDA ITEM NUMBER:** 2.A.

**MEETING TYPE**
Regular Meeting

**AGENDA ITEM**
2024 Third Quarter Financial Report

**ACTION TO BE CONSIDERED OR DESIRED OUTCOME**
Discussion on the 2024 Third Quarter Financial Report

**OVERVIEW**
**2024 Third Quarter Financial Report**
The third quarter of 2024 is complete and financial results are available. The Finance Director prepared the attached third quarter financial report for Council review. The following items are important to note when reviewing the report:

- The Benchmark is roughly 75% and is based on a fluid calendar year of operations.
- Many of the variances result from seasonality and not all financial transactions occur evenly throughout the year. Some are one time or periodic activities that do not occur in each quarter.
- Investment income is recorded and allocated to the funds on a semi-annual basis.
- Large revenue sources (i.e., tax settlements and LGA) are received in July and December, which underscores the importance of a strong fund balance as a tool to avoid General Fund borrowing for operations.

Finance has not noted any worrisome variances in the operating funds for the third quarter. The variances that have occurred are noted in the attached report. There are no proposed budget adjustments for the third quarter.

The third quarter financial report will be placed on consent for formal council action at the January 20, 2025 meeting.

**SOURCE OF FUNDS**
NA

**ATTACHMENTS**
1. Third Quarter 2024 Budget to Actual

| Description | 2024 Original Budget | 2024 Amended Budget | Actual thru September 2024 | Benchmark 75% Percent of Budget | |
|---|---|---|---|---|---|
| **GENERAL OPERATING FUND** | | | | | |
| **GENERAL FUND - REVENUES** | | | | | |
| Taxes | 13,320,065.00 | 13,320,065.00 | 7,245,140.77 | 54.39% | A |
| Fees | 2,160,455.00 | 2,160,455.00 | 1,253,301.70 | 58.01% | B |
| Intergovernmental | 3,438,850.00 | 3,438,850.00 | 1,466,234.02 | 42.64% | C |
| Charges for Services | 2,021,606.00 | 2,021,606.00 | 1,428,861.01 | 70.68% | |
| Other Revenues | 94,210.00 | 94,210.00 | 151,451.10 | 160.76% | D |
| Transfers In/Fund Balance | 190,000.00 | 190,000.00 | 142,515.00 | 75.01% | |
| **Total Revenues** | **21,225,186.00** | **21,225,186.00** | **11,687,503.60** | **55.06%** | |
| **GENERAL FUND - EXPENDITURES** | | | | | |
| General Government | | | | | |
| Mayor & Council | 178,459.00 | 178,710.00 | 122,126.19 | 68.34% | |
| Administration | 607,774.00 | 636,052.00 | 448,928.82 | 70.58% | |
| Human Resources | 282,269.00 | 297,000.00 | 189,166.84 | 63.69% | |
| City Attorney | 98,000.00 | 98,000.00 | 85,693.77 | 87.44% | E |
| City Attorney - Criminal | 170,000.00 | 170,000.00 | 121,583.95 | 71.52% | F |
| City Clerk | 313,997.00 | 279,215.00 | 195,649.01 | 70.07% | |
| Information Technology | 800,076.00 | 815,244.00 | 599,148.88 | 73.49% | |
| Recycling | 23,350.00 | 23,885.00 | 5,579.14 | 23.36% | G |
| Finance | 487,827.00 | 524,305.00 | 381,699.01 | 72.80% | |
| **Total General Government** | **2,961,752.00** | **3,022,411.00** | **2,149,575.61** | **71.12%** | |
| Public Safety | | | | | |
| Police | 8,263,184.00 | 8,634,370.00 | 5,709,789.28 | 66.13% | |
| Fire | 2,772,182.00 | 2,772,182.00 | 2,079,143.64 | 75.00% | |
| **Total Public Safety** | **11,035,366.00** | **11,406,552.00** | **7,788,932.92** | **68.28%** | |
| Public Works | | | | | |
| Engineering | 720,601.00 | 795,100.00 | 550,550.45 | 69.24% | |
| Streets, Alley's and Blvd's | 2,282,487.00 | 2,335,843.00 | 1,744,908.30 | 74.70% | |
| Buildings | 372,692.00 | 399,965.00 | 317,710.37 | 79.43% | |
| Parks Facilities and Maintenance | 1,376,503.00 | 1,411,243.00 | 999,327.14 | 70.81% | |
| **Total Public Works** | **4,752,283.00** | **4,942,151.00** | **3,612,496.26** | **73.10%** | |
| Community Development | | | | | |
| Development Services | 619,384.00 | 643,535.00 | 458,511.87 | 71.25% | |
| Code Enforcement | 169,852.00 | 188,303.00 | 131,419.02 | 69.79% | |
| **Total Community Development** | **789,236.00** | **831,838.00** | **589,930.89** | **70.92%** | |
| Leisure Services | | | | | |
| Parks Administration | 297,261.00 | 313,211.00 | 225,747.36 | 72.08% | |
| Splash Pool | 92,176.00 | 94,105.00 | 109,283.84 | 116.13% | H |
| Northview Pool | 107,976.00 | 109,905.00 | 134,748.22 | 122.60% | H |
| Recreation Programs | 257,449.00 | 273,098.00 | 235,201.83 | 86.12% | |
| Community Affairs | 131,687.00 | 137,074.00 | 99,615.36 | 72.67% | |
| **Total Leisure Services** | **886,549.00** | **927,393.00** | **804,596.61** | **86.76%** | |
| Nondepartmental | | | | | |
| Contingencies | 800,000.00 | 94,841.00 | 0.00 | 0.00% | |
| Transfers Out | 0.00 | 0.00 | 434,879.00 | 100.00% | |
| **Total Nondepartmental** | **800,000.00** | **94,841.00** | **434,879.00** | | |
| **Total Expenditures** | **21,225,186.00** | **21,225,186.00** | **15,380,411.29** | **72.46%** | |
| **Revenues Over (Under) Expenditures** | **0.00** | **0.00** | **(3,692,907.69)** | | |

| Description | 2024 Original Budget | 2024 Amended Budget | Actual thru September 2024 | Benchmark 75% Percent of Budget | |
|---|---|---|---|---|---|
| **OTHER OPERATING FUNDS** | | | | | |
| **DOUG WOOG ARENA** | | | | | |
| Revenues | 1,215,500.00 | 1,215,500.00 | 844,654.01 | 69.49% | A |
| Expenditures | 1,501,767.00 | 1,521,421.00 | 926,754.10 | 60.91% | |
| **Revenues Over (Under) Expenditures** | **(286,267.00)** | **(305,921.00)** | **(82,100.09)** | | |
| **AIRPORT OPERATING FUND** | | | | | |
| Revenues | 1,427,720.00 | 1,427,720.00 | 1,230,922.77 | 86.22% | |
| Expenditures | 1,626,847.00 | 1,645,951.00 | 1,091,409.21 | 66.31% | |
| **Revenues Over (Under) Expenditures** | **(199,127.00)** | **(218,231.00)** | **139,513.56** | | |
| **STORM WATER UTILITY FUND** | | | | | |
| Operating Revenues and Grants | 800,420.00 | 800,420.00 | 952,084.34 | 118.95% | I,J |
| Expenditures - Operating | 948,832.00 | 948,832.00 | 979,680.74 | 103.25% | |
| Transfers - Capital | 66,700.00 | 66,700.00 | 57,888.24 | 86.79% | M |
| **Revenues Over (Under) Expenditures** | **(215,112.00)** | **(215,112.00)** | **(85,484.64)** | | |
| **STREET LIGHT UTILITY FUND** | | | | | |
| Revenues | 375,385.00 | 375,385.00 | 256,286.17 | 68.27% | I |
| Expenditures | 316,501.00 | 316,501.00 | 201,749.48 | 63.74% | |
| **Revenues Over (Under) Expenditures** | **58,884.00** | **58,884.00** | **54,536.69** | | |
| **WATER AND SEWER UTILITY FUND** | | | | | |
| **Revenues** | | | | | |
| Administration | 562,614.00 | 562,614.00 | 125,127.13 | 22.24% | D |
| Water Utility | 11,571,955.00 | 11,571,955.00 | 2,290,365.68 | 19.79% | I,K |
| Sewer Utility | 5,093,975.00 | 5,093,975.00 | 3,252,781.70 | 63.86% | I |
| **Total Revenues** | **17,228,544.00** | **17,228,544.00** | **5,668,274.51** | **32.90%** | |
| **Expenditures** | | | | | |
| Adminsitration | 562,614.00 | 573,204.00 | 433,537.99 | 75.63% | |
| Water Utility | 1,376,751.00 | 1,392,166.00 | 999,684.93 | 71.81% | |
| Sewer Utility | 4,327,476.00 | 4,344,081.00 | 3,519,985.25 | 81.03% | L |
| **Total Expenditures** | **6,266,841.00** | **6,309,451.00** | **4,953,208.17** | **78.50%** | |
| **Transfers** | | | | | |
| Water Utility | 360,407.00 | 360,407.00 | 96,603.00 | 26.80% | M |
| Sewer Utility | 423,007.00 | 423,007.00 | 159,203.00 | 37.64% | M |
| **Total Transfers** | **783,414.00** | **783,414.00** | **255,806.00** | **32.65%** | |
| **Net Income (Loss)** | **10,178,289.00** | **10,135,679.00** | **459,260.34** | | |
| **CENTRAL GARAGE - INTERNAL SERVICE FUND** | | | | | |
| Revenues | 1,886,792.00 | 1,886,792.00 | 1,507,748.55 | 79.91% | |
| Expenditures | 2,213,648.00 | 2,226,971.00 | 1,309,132.51 | 58.79% | |
| **Net Income (Loss)** | **(326,856.00)** | **(340,179.00)** | **198,616.04** | | |

| Description | 2024 Original Budget | 2024 Amended Budget | Actual thru September 2024 | Benchmark 75% Percent of Budget | |
|---|---|---|---|---|---|
| **OTHER OPERATING FUNDS** | | | | | |
| **ECONOMIC DEVELOPMENT AUTHORITY** | | | | | |
| Revenues | 412,221.00 | 412,221.00 | 258,559.95 | 62.72% | A |
| Expenditures | 412,221.00 | 412,221.00 | 164,958.43 | 40.02% | |
| **Revenues Over (Under) Expenditures** | **0.00** | **0.00** | **93,601.52** | | |
| **EDA - HOUSING (HRA LEVY)** | | | | | |
| Revenues | 1,127,694.00 | 1,127,694.00 | 842,375.18 | 74.70% | A |
| Expenditures | 1,127,694.00 | 1,127,694.00 | 633,475.76 | 56.17% | |
| **Revenues Over (Under) Expenditures** | **0.00** | **0.00** | **208,899.42** | | |
| **HRA - PUBLIC HOUSING** | | | | | |
| Revenues | 2,784,600.00 | 2,784,600.00 | 1,858,442.03 | 66.74% | |
| Operating Expenses | 2,162,100.00 | 2,162,100.00 | 2,032,237.57 | 93.99% | |
| Capital Expenses | 91,000.00 | 91,000.00 | 4,186,109.86 | 4,600.12% | N |
| **Net Income (Loss)** | **531,500.00** | **531,500.00** | **(4,359,905.40)** | | |

Tickmark Explanations for Budget VS Actual Variances

A Taxes will be received in June/July and December/January
B 3rd quarter Franchise fees payment is received in October
C LGA received in July and December
D Interest earnings are posted semi-annually and other minor revenues are unpredictable
E Legal service invoices for eight months
F Legal service-criminal invoices for August & September paid in November
G Compost site costs occur May through October; clean up day in September paid in October
H Pools are only open June through August
I Utility revenues are based on service delivery, bills issued in Jan, Feb, Mar of 2024 are accrued back to the 2023 books as they are for services delivered in 2023. This is an annual occurrence.
J State and local grants for Seidl's Lake project
K Budgeted revenues include State funds for water treatment plant, reported as a loan in the fund
L Sanitary Sewer has 10 months of MCES charges
M Transfers for bond principal and interest made in February and August. Remaining transfer to Utility Admin will be done in December
N Capital expenses for JC plumbing project, paid from Capital Grant

# WORK SESSION AGENDA REPORT

| | |
|---|---|
| **DATE:** | January 13, 2025 |
| **DEPARTMENT:** | Council and Board |
| **PREPARED BY:** | Ryan Garcia |
| **AGENDA ITEM NUMBER:** | 2.B. |

**MEETING TYPE**
Regular Meeting

**AGENDA ITEM**
Worksession Format Discussion

**ACTION TO BE CONSIDERED OR DESIRED OUTCOME**
For discussion only.

**OVERVIEW**
As we launch a new year, Staff wanted to engage Council in a brief discussion about whether and how we might leverage our expanded communications and agenda management technologies in support of increased accessibility and transparency of Council Worksessions. Staff would like to introduce a few ideas, not necessarily mutually exclusive, for Council feedback:

- **Worksession Calendar**- currently, worksessions are scheduled twice per month, on the 2nd and 4th Monday at 7:00 PM. Staff would like to explore whether Council would have an interest in either of the following:
    - Continuing to meet twice monthly, but shift one or both of the worksession meeitngs to a "regular" Council meeting night and beginning with a Worksession that begins no less than one hour before the Business meeting. Holding worksession meetings before a regular business meeting is an approach that many, if not most, of our peer communities employ.
    - Continue to meet twice monthly, but potentially on a different day of the week through coordination with Town Square TV (TSTV) to make broadcast possible.
    - Reducing the amount of standing worksession meetings to one per month, while holding the 2nd worksession meeting as business needs dictate.
- **Worksession Venue** - currently, worksessions are held in the Training Room. Recently, the South St. Paul School District modified their meeting schedule such that they are only meeting at City Hall on the 4th Monday of the month. This frees up the Council Chambers on the 2nd Monday of each month. Staff would also note that the Worksession Conference Room (across the hall from Council Chambers) is typically open on 1st, 2nd, and 3rd Mondays.
- **Worksession Production/Distribution/Recordkeeping**- While regular business meetings of the City Council are broadcast live on Town Square Television and meeting minutes are taken, worksessions are neither broadcast nor documented other than through

Agenda Packets. Staff is interested in exploring whether any (combination, potentially) of the following should be explored for worksessions:

- Inquire as to TSTV's ability to broadcast additional City meetings. Presumably, if we kept the current schedule this would be limited to worksessions held on the 2nd Monday, which would need to be held in the Council Chambers, since SSD #6 meets and relies on TSTV for broadcasts on the 4th Monday.
- Utilize existing technologies/software to live-stream Worksession meetings on the City's social media page(s). If we go this route, Staff would suggest that we discuss and establish a policy related to how these meetings are conducted. Specifically, whether the intention is for the livestream to be "interactive" such that those tuning into the livestream can comment (and expect to receive real-time responses) or whether the intention is instead to offer the livestream merely as a means to transmit the proceedings (similar to the TSTV broadcast of regular meetings).
- Host worksession meetings as "Hybrid" meetings, similar to our approach during the height of the COVID-19 Pandemic. If we go this route, Staff would suggest that we discuss and establish a policy related to how these meetings are conducted. Specifically, a reasonable expectation of a "Hybrid" meeting of the viewing/attending public would be that they have an opportunity to interact in the meeting. We would want to discuss how these interactive meetings would be moderated. Staff would note that at this point virtually all local governments have shelved the idea of Hybrid meetings.
- Document the proceedings through the preparation of some form of "post-worksession" communications. Options might include:
  - Formal Meeting Minutes similar to the Council Meeting Minutes currently produced for business meetings. Because no action is taken at worksessions, presumably these minutes would look different than regular meeting minutes.
  - Utilize AI technology to generate a "transcript" of worksession meetings. WebEx can be configured to transcribe any meeting hosted on WebEx. The downside of this would seem to be that - unless every Council member and staff person logged in to WebEx - the transcription would not cite individual commenters / speakers. Thus, it would seem that the AI-generated document would require some (human) editing.
  - Post Worksession livestreams / WebEx videos to the website for viewing. If we rely on the recording to document worksessions, we are required to retain the video for three months after minutes of the meeting are adopted. So in this case, we would still need to prepare (and adopt) meeting minutes for worksessions.
  - Provide post-worksession "wrap-ups" through either/both a written summary document and/or through utilization of the podcast studio to record such "wrap-up" summaries.

Staff looks forward to discussion of whether Council feels that any modifications to our worksession approach are warranted at this time.

**SOURCE OF FUNDS**
N/A

**ATTACHMENTS**
None