I. Call To Order

II. Roll Call

III. City Hall Study

IV. 2020-2021 Proposed Budget Work Plan and Budget Scenarios

V. Adjournment

The City of Edina wants all residents to be comfortable being part of the public process. If you need assistance in the way of hearing amplification, an interpreter, large-print documents or something else, please call 952-927-8861 72 hours in advance of the meeting.
ACTION REQUESTED:
None. Discussion only.

INTRODUCTION:
Staff and consultant will present findings from the City Hall Space Needs Study.

ATTACHMENTS:

Presentation City Hall Space Study
Project Goals

- Implement energy and sustainability goals
- Improve security
- Increase efficiency for customers and staff
- Create flexible and efficient workplace integrating wellness goals
- Upgrade per current building and accessibility codes
Study Topics

• Security & Service
• Programming & Energy Efficient Operations
• Site & Parking Analysis
Programming & Operations
Programming & Operations

• Staffing & space needs projections

• Operational analysis
  • Department interviews
  • Survey
  • Journey mapping

• Key findings
  • Meeting space shortage
  • Community Room location
  • Unclear customer wayfinding
  • Office flexibility impeded by hard-wall construction
  • Thermal comfort & energy inefficiencies
  • Compromised work flow
  • Undersized patrol garage
  • Customer experience
Programming & Operations

SPACE PROGRAM METRICS

Existing condition

• 71,869 sf
• 166 staff

Program Concept:

• Increase energy efficiency and security by co-locating public meeting rooms and spaces
• Re-organization of department locations to increase workflow efficiency
• Standardization of office and workstations
• Incorporate wellness/mental health into planning: daylight, thermal comfort, quiet rooms, fitness
• Co-locate service points for clear, stream-lined customer service
• Capture under-utilized space
Site/Parking Analysis
Site/Parking Analysis

- Existing parking metrics
- Traffic flow concerns
- Police parking capacity
- Phased improvements
- Coordination with Grandview Transportation Plan
Site/Parking Analysis

- **BLUE HATCHED REGION INDICATES AREA OWNED BY MNDOT**
- **EXISTING CLOVER LEAF - MNDOT PROPERTY: PARCEL AVAILABLE FOR REDEVELOPMENT POST-INTERCHANGE RECONSTRUCTION**

**NOTES:**

- **133 EXISTING SURFACE STALLS**
- **184 SURFACE STALLS WITH EXPANSION**
- **20 STREET PARKING SPACES**
- **204 TOTAL SPACES**
- **ADD GARAGE FOR SWAT PARKING AND STORAGE**

**SITE PLAN - EXISTING CONDITION AND SURFACE STALL EXPANSION**

CITY OF EDINA - CITY HALL SPACE NEEDS STUDY
Site/Parking Analysis

NOTE: UNDERLAY FROM GRANDVIEW DISTRICT DEVELOPMENT FRAMEWORK FOR EDINA, MN, DATED 4/5/2012, PAGE 33

SITE PLAN - LONG-TERM MASTER PLAN CONCEPT
CITY OF EDINA - CITY HALL SPACE NEEDS STUDY

NOTES:

- 110 SURFACE STALLS INCLUDES:
  - 18 ENCLOSED POLICE DEPARTMENT STALLS
  - 10 ADA STALLS
  - 4 VISITOR EV STATIONS

- 20 STREET PARKING SPACES

- 186 STALLS IN PARKING RAMP INCLUDES:
  - 18 EV STATIONS

- 316 TOTAL SPACES
Site Sustainability Summary

Annual Greenhouse Gas Emissions
- 195.9 mTonnes
- (81.6% reduction, exceeds 2050 Goals)

Energy Use Intensity (EUI)
- 70 – 80 estimated

On-site Renewable Energy Generated
- 639.9 MWh
- (97% of use)

Site Tree Canopy Cover
- 18.6%
- (+0.4% change)
Thank You
PROGRAMMING & OPERATIONS

SPACE PROGRAM METRICS

Existing condition: 71,869 sf - 166 staff

Program Concept: 71,869 sf – 195 staff (15 year projection)

- Increase energy efficiency and security by co-locating public meeting rooms and spaces
- Re-organization of department locations to increase work flow efficiency
- Standardization of office and workstations
- Incorporate well-being into planning: daylight, thermal comfort, quiet rooms, fitness
- Co-locate service points for clear, stream-lined customer service
- Capture under-utilized space
Date: August 7, 2019

To: Mayor and City Council

From: Scott H. Neal, City Manager

Subject: 2020-2021 Proposed Budget Work Plan and Budget Scenarios

ACTION REQUESTED:
None. Discussion only.

INTRODUCTION:
Staff will review the first draft of the 2020-2021 Budget Work Plan and scenarios/preliminary options for the 2020-2021 Operating Budget.

ATTACHMENTS:

Summary of March 2019 Council Retreat
DRAFT 20-21 Budget Work Plan
Worksession Budget Presentation
City of Edina – Council Planning Summary
March 14-15, 2019 (Braemar Golf Course)

PARTICIPANTS

<table>
<thead>
<tr>
<th>Elected Officials</th>
<th>Staff &amp; Facilitator</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Hovland, Mayor</td>
<td>Scott Neal, City Manager</td>
</tr>
<tr>
<td>Ron Anderson, City Council Member</td>
<td>Lisa Schaefer, Assistant City Manager</td>
</tr>
<tr>
<td>Mary Brindle, City Council Member</td>
<td>Casey Casella, City Management Fellow</td>
</tr>
<tr>
<td>Mike Fischer, City Council Member</td>
<td>Sara A. Peterson, Management Consultant</td>
</tr>
<tr>
<td>Kevin Staunton, City Council Member</td>
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</tr>
</tbody>
</table>

AGENDA

THURSDAY

4:45  Arrive & Settle In

5:00  Introduction
      Review agenda, ground rules, and meeting goals

5:10  Setting the Stage
      Staff will present an overview re:
      - Budget & Work Plan Process
      - SWOT Analysis for Each Goal
      - Budget History & Forecast

   Council will ask questions and discuss the implications of the presentation for this process.

6:30  Dinner

7:00  Exploring Priorities for 2020-2021:
      Setting Priority Objectives & Strategies
      Delve into each Idea to:
      - Set Council Priorities for 2020-2021
      - Develop Broad 2-Year Objectives for Each
      - Prioritize Strategies/Actions

8:45  Next Steps

9:00  Adjourn
      We’ll stretch along the way as needed.

FRIDAY

10:15 Grab Coffee & Settle In

10:30 Brief Recap of / Reflection on Yesterday

10:40 Aligning Ethics, Engagement & Participation
      Council members have asked for a formal Ethics Policy. At the same time all are working for a more effective Council process. We’ll set the stage for both, looking at:
      - How ethics policies intersect with Public Participation and Community Engagement
      - How Council communications, processes and meeting purpose affect all three
      - The values that should connect them all

   Targeted questions, examples and review of existing values and policy will frame the discussion. By the end, we will have a clear direction for this work.

12:30 Lunch

1:30  Effective Financing of Edina Streets
      Staff and consultants will present a review of Edina’s street assessment approach and other approaches available to the City. By discussing the pros /cons and underlying values inherent in each approach, we will arrive at answers to:
      - Will we actively pursue a change in policy in the next 2 years?
      - If yes, what approach do we prefer, and what is a fair and appropriate transition?

4:00  Wrap Up
      Prioritize Themes and outline next steps

4:30  Adjourn
      We’ll stretch along the way as needed.
I. Setting the Stage

The retreat began with an overview of Edina’s planning and budgeting process, a quick grounding in its financial position, and a presentation of senior staff perspectives related to City goal status. What follows are key elements from that presentation.

**Overview of Process**

- **Vision Edina** (Twenty-year)
  - Comprehensive Plan (Ten-year)
  - Capital Improvement Plan (Five-year)

- **Strategic Policy**
  - Budget Work Plan → Operating Budget (Two-year)

- **Implementation Level**
  - Department Work Plans (Annual)
  - Commission Work Plans (Annual)
  - Employee Work Plans (Annual)

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/7</td>
<td></td>
<td>City Manager presents 2020-21 draft budget work plan and budget scenarios</td>
</tr>
<tr>
<td>2/26</td>
<td></td>
<td>ELT Retreat</td>
</tr>
<tr>
<td>8/20</td>
<td></td>
<td>City Manager presents budget draft to Council</td>
</tr>
<tr>
<td>3/14</td>
<td></td>
<td>Council Retreat</td>
</tr>
<tr>
<td>9/4</td>
<td></td>
<td>City Council adopts preliminary 2020 property and HRA tax levy and budget</td>
</tr>
<tr>
<td>6/1</td>
<td></td>
<td>Departments send budget requests</td>
</tr>
<tr>
<td>12/3</td>
<td></td>
<td>Public Hearing &amp; option to adopt final property and HRA tax levy and budget</td>
</tr>
<tr>
<td>7/19</td>
<td></td>
<td>ELT reviews 2018-2019 budget draft</td>
</tr>
<tr>
<td>12/17</td>
<td></td>
<td>Deadline to adopt final property and HRA tax levy and budget</td>
</tr>
</tbody>
</table>

**Consolidated Budget**

- **Edina Consolidated Budget** $116M
  - Governmental Funds $71M
  - Enterprise Funds $45M
  - General Fund $43M
  - Utility Fund $19M
  - Debt Service Fund $8M
  - Liquor Fund $13M
  - Construction Fund $10M
  - Park Enterprises $13M
  - Special Revenue Funds, inc. HRA

**Highlights**

- Market and median values have risen since 2013
- Past tax levy growth:
  - 2011-14, 1.8%/year average
  - 2015-19, 6.4%/year average
- There is a significant amount of unfunded maintenance needs
- Edina’s 10-year forecasting includes these assumptions:
  - Flat Revenue Growth (Permits: $4.5 million)
  - Wages/Benefits/Staff Increases: 5%
  - Other Costs: 3%
  - Growth in Tax Capacity 2.77%
  - Median Value Home: 1%
II. Setting Priority Objectives & Strategies

Background
In 2017, the City Council retreat was designed to identify key themes that would drive Edina’s biennial budget. The meeting resulted not only in themes for that cycle, but ones that have since been crafted into four evergreen goals for the City budget:

As a result, the 2019 retreat focused on priorities within those areas. By discussing priorities, Council Members essentially provided staff with principled parameters for crafting the budget rather than focusing on the few that “we can afford.” Doing so opens the door to a range of funding approaches and mechanisms for any given project, while ensuring that we do what is right and needed for Edina.

Discussion & Direction
As discussion progressed, Council Members developed frames for prioritizing needs, applicable to each of the goals as follow:

- Focus on items that increase City resilience to change whether that be environmental, financial, technological, etc.
- Emphasize those items and efforts that benefit more than one goal when possible
- Continue focus on questions of equity – how everyone receives Edina’s highest and best service

With that as the starting point, the Council discussed each of the four goals, providing the following guidance to staff:

"Evergreen" Objectives:
- Factors financial, societal and environmental costs (triple-bottom line) into projects and decision making;
- Allows more informed decision-making by incorporating lifecycle and maintenance costs;
- Optimizes financial resources by replacing equipment and vehicles at the most cost-effective time; and
- Meets our sustainability goals to ensure the City can continue to provide residents the highest quality of life.

Preliminary Priorities:
- Develop a comprehensive approach to water, including storm water management, water quality and water treatment
- Focus on sustainability and energy efficiency when assessing capital projects
- Focus on resilience when assessing and funding parks projects in the future
- Address City Hall deferred maintenance and upgrades because of its impact on energy efficiency, security, effective function and service

Other Considerations:
- Given this framework, the fire station became a consideration under goal 2 rather than here
- Likewise, the art center ties to the Grandview project placed it in another category
### “Evergreen” Objectives:
- Recruits, trains, & retains a strong workforce.
- Utilizes effective technology & data systems
- Complies with legal and safety standards
- Ensures adequate response times
- Ensures equitable deployment of resources.

### Preliminary Priorities:
- Focus on employee quality of life, stress, mental health and work/life balance
- Pay particular attention to the needs of police and fire employees in response to increased complexity of work
- Focus on system integration resulting in 1) efficiency gains to both employees and residents, 2) increased data capabilities (e.g., longer-term data, deeper analysis, increased predictive potential), and 3) further proactive step in developing as a “Smart City”

### Other Considerations
- Looking for ways to bring better, faster, cheaper services to residents
- Developing a plan for the Cahill area

---

### Plan for connected and sustainable development.
- Residential and commercial development & renewal
- Connected neighborhoods, businesses, and open spaces
- Multi-modal transportation & living streets
- Affordable/workforce housing

### “Evergreen” Objectives:
- Ensure plans and policies are relevant today and flexible for tomorrow
- Meet sustainability goals
- Connect neighborhoods, businesses and open spaces
- Support the continued high quality of life offered to residents and those who work in Edina

### Preliminary Priorities:
- Develop a comprehensive approach to housing across the life cycle, including next generation affordability spanning 100-200% of AMI as well as workforce housing. The approach should be focused on single-family residences (preservation and their ability to regenerate/revitalize Edina) while encompassing a full range of variety and options
- Deepen commitment to and role-modeling of sustainable practices (e.g., recycling, education)

### Other Considerations
- Note need to resolve Grandview Public Works site issues before addressing art center under goal 1
- Note link between sustainability practices for new construction here and water discussed in goal 1
Foster an inclusive and engaged community through:
- Community engagement
- City communications
- Boards and commissions
- Race and equity initiatives
- Volunteers
- Intergovernmental partnerships

| “Evergreen” Objectives: | Understand community needs  
|                        | Use inclusive engagement methods  
|                        | Communicate using multiple platforms  
|                        | Eliminate disparate impacts |

| Preliminary Priorities: | See conclusions under “Aligning Ethics, Engagement & Participation” for preliminary priorities |
III. Aligning Ethics, Engagement & Participation

Council Members have asked for a formal Ethics Policy. At the same time, all are working for a more effective community engagement process. We set the stage for both, looking at:

- How ethics policies intersect with Public Participation and Community Engagement
- How Council communications, processes and meeting purpose affect all three
- The values that should connect them all

This topic directly addresses “City Goal 4: Better Together” efforts to “foster an inclusive and engaged community.” It also intersects with “City Goal 2: Reliable Service” efforts requiring a “strong workforce to effectively deliver services.”

Discussion

The Council began this discussion by defining the problem it is trying to solve. The result of this portion of the discussion was agreement that this is largely about managing expectations and perceptions related to Council behavior as individuals and as a group. It is not about fixing emotions or the spread of inaccurate information.

**Why have a policy?**
- Ensure we meet legal obligations
- Demonstrate that we have and consistently follow a code of conduct and professionalism above and beyond those legal obligations
- Acknowledge the impact of perceptions of our conduct regardless of intent, etc.

**Where does it come into play?**

<table>
<thead>
<tr>
<th>Interactions</th>
<th>Community engagement</th>
<th>Deliberative and decision-making</th>
</tr>
</thead>
<tbody>
<tr>
<td>- with the public, staff, each other</td>
<td>- processes</td>
<td>- meetings</td>
</tr>
<tr>
<td>- How we treat individuals</td>
<td>- Process clarity and consistency</td>
<td>- The structure of meetings/hearings</td>
</tr>
<tr>
<td>- What, how and when we communicate</td>
<td>- Our promises to the public</td>
<td>- Our conduct in and out of meetings</td>
</tr>
<tr>
<td>- Their expectations of us</td>
<td>- Actual and perceived:</td>
<td>- Actual and perceived:</td>
</tr>
<tr>
<td></td>
<td>- Process fairness and respect</td>
<td>- Process fairness and respect</td>
</tr>
<tr>
<td></td>
<td>- Conflicts of interest</td>
<td>- Conflicts of interest</td>
</tr>
<tr>
<td></td>
<td>- Promises kept</td>
<td>- Promises kept</td>
</tr>
</tbody>
</table>

**What are concerns?**
- We “stumble” when our interactions, processes or conduct (regardless of intent) aren’t perceived as:
  - Transparent
    - Council work sessions
    - Long/late Council meetings
  - Fair/Reliable
    - Public ability to be heard
    - Meetings with interested individuals
    - Mid-process changes
    - Changed decisions
  - Coordinated
    - Different “answers” given to resident questions from multiple city sources including staff and elected.

In a city of approximately 52,000 residents, approximately 75% of whom are adults, Council and staff members estimate that they hear from maybe 500-1,000 individuals over the course of a year. With this in mind, the Council then delved into its assumptions about those who do/don’t engage. Importantly, the same descriptions to those we hear from could be applied to those we don’t and vice versa. It is not simply a matter of who is willing AND able to “show up.”

<table>
<thead>
<tr>
<th>Who DO we hear from?</th>
<th>What do they want?</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Those directly affected</td>
<td>- From their participation</td>
</tr>
<tr>
<td>- Those who want to be heard</td>
<td>- To influence the outcome</td>
</tr>
<tr>
<td>- Those in the habit of engaging</td>
<td>- To mitigate potential losses, fears</td>
</tr>
<tr>
<td></td>
<td>- To learn or gain information</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Who DON’T we hear from?</th>
<th>From us</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Those who trust us to do our job as their representatives</td>
<td>- Us to agree with them</td>
</tr>
<tr>
<td>- Those who do not trust, or have negative views of, the system</td>
<td>- Do our job without negatively affecting “front door” issues:</td>
</tr>
<tr>
<td>- Those who do not know about or understand the process</td>
<td>- Property values</td>
</tr>
</tbody>
</table>

**What constrains engagement?**
- Age or ability
- Work or child commitments
- Transportation or income
- Schedule or duration of meeting
- Weather or time of day
- Experiences and perceptions
- Comfort or ability to interact in a formal public forum
- Technology access or ability
Edina invests a significant amount of time and energy into these processes – as staff, elected officials and community volunteers. In a typical year, this includes:

**City Council**

Time spent in meetings, general in the evening, include:
- 24 Regular Meetings = total 86 hours / 3.6-hour average per meeting
- 24 Work Sessions = total 36 hours / 1.5-hour average per meeting
- 24 HRA Meetings = total 36 hours / 1.5-hour average per meeting
- Board/Commission Interviews = total 30 hours
- As well as Special & Joint Meetings, Town Halls, Annual Commission, etc.

Each of these requires significant investment of staff and Council time in preparation and follow up.

**Advisory: City Boards & Commissions**

Edina’s 10 advisories include 99 volunteers who commit the following each year:
- 24-48 hours in public meetings (per person)
- 72 hours in related work
- As well as preparation

Staff support of each is also substantial, e.g.:
- 3,780 hours for the Planning Commission
- 708 hours for Parks & Recreation
- 276 hours for Energy & Environment

The Council then engaged in a discussion of participation in meetings/hearings of the Council and advisory bodies. We clarified that we almost never promise to empower a group or process (i.e., cede final authority to them); that public hearings are at most a consultation process; and that we involve or collaborate through advisory processes.

<table>
<thead>
<tr>
<th>PROMISE</th>
<th>We choose which promise to make depending on the specific situation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. We will work hard to inform and listen every day.</td>
<td>2. We will consult when appropriate.</td>
</tr>
<tr>
<td>3. We will communicate formal, defined processes when we involve or collaborate.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>WHERE?</th>
<th>INFORM</th>
<th>LISTEN OR CONSULT</th>
<th>CONSULT OR INVOLVE OR COLLABORATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Meetings</strong>&lt;br&gt;Council or advisory meetings that are open for public observation</td>
<td><strong>Public Hearings</strong>&lt;br&gt;A meeting designated to receive public comment and testimony</td>
<td><strong>Advisory Group Processes</strong>&lt;br&gt;Commissions, Boards, &amp; Task Force work that can include public meetings, public hearings or closed meetings depending on the body involved, the work required and the process defined</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>PURPOSE</th>
<th>Make a decision</th>
<th>Provide transparency</th>
<th>Increase awareness of an issue or proposal</th>
<th>Hear a report, speaker or presentation</th>
<th>Meet legal requirements</th>
<th>Collect feedback on positions</th>
<th>Create public ownership</th>
<th>Define issues and identify early warning signs</th>
<th>Identify values and understand different perspectives</th>
<th>Analyze alternatives and make recommendations</th>
</tr>
</thead>
</table>

| DO NOT USE TO: | Deal with complex or controversial topics | Identify values | Gather feedback | Accomplish any of the items listed as purpose of advisory group meetings | Make binding decisions |

<table>
<thead>
<tr>
<th>DEFINITIONS</th>
<th>INFORM</th>
<th>LISTEN</th>
<th>CONSULT</th>
<th>INVOLVE</th>
<th>COLLABORATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>We give the public information</strong></td>
<td><strong>We listen to the aspirations and concerns of the public</strong></td>
<td><strong>We seek feedback on drafts and proposals, then share how the input influenced the decision</strong></td>
<td><strong>We work with public to ensure that their concerns / aspirations are directly reflected in the alternatives developed</strong></td>
<td><strong>We work together to form solutions and incorporate advice/recommendations into decisions to the maximum extent possible.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Provide the public balanced and objective information to assist in understanding the problem, alternatives, opportunities and/or solutions.</strong></td>
<td><strong>Obtain public feedback on analysis, alternatives and/or decisions.</strong></td>
<td><strong>Work directly with the public to ensure perspectives are consistently understood and considered.</strong></td>
<td><strong>Partner with the public in each aspect of the decision process, beginning to end.</strong></td>
<td></td>
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</tr>
</tbody>
</table>

1 Notice that the columns in the table above do not line up with those below. This is intentional to show that some meetings can vary.
The Council engaged in a lengthy discussion of the purpose, timing, duration and process of decision-making particularly as it relates to public hearings. They recognized that:

- Too much participation can be as problematic as too little
- The Council wants to understand the range of concerns, but does not need to hear each of them multiple times
- There is risk to process integrity if the last to speak is the one that is heard
- There is risk to process integrity if the advisory hearing is rendered moot by the Council hearing
- There is risk to perception of process integrity when a hearing is immediately followed by a decision without time for deliberation
- There is value in residents hearing each other, not just the Council hearing residents
- Participation in public hearings needs to be meaningful for and respectful of residents, elected officials, and staff. Successful participation means residents are able to participate in a meaningful way that respects their time and constraints, and doesn’t necessarily mean that the meeting continues for as long as anyone wants to speak

They explored ideas such as:

- Relying more heavily on the public hearings conducted by advisory bodies
- Reporting on those hearings and follow-up research in more depth
- More explicitly treating the Council hearing as Part 2 of the advisory hearing – a follow up focused on changes to proposals in response to the first part, questions answered from the first part, and perspectives that have changed, again since the first part

This discussion also led to exploration of process transparency overall. This touched on the time/place and follow up of Council work sessions. It also touched on ex parte Council communications with interested parties, and the difficulties that can arise when different Council members provide different answers to resident questions.

**Conclusion**

In the end, the Council did not decide to change its process, but did remain open to further conversation on how to:

- Increase the efficiency of meetings and hearings overall
- Increase quality of communication with report outs from prior hearings or work sessions
- Increase process integrity by separating hearings from decisions into two meetings when practicable

Staff will delve into these items, exploring what may or may not be effective in the future. This could include process timelines as well as deeper use of online solutions for community engagement and public participation in decision-making.

As discussion continued, the Council also began to re-discover some of its existing policy statements (appended to this document) as a starting point for improved practice. All agreed that Council and staff should engage in a review of these policies to bring up to date, fill gaps (e.g., developer communications; disclosure of meetings; differences between mayor, member and staff), and include implementation expectations. This will likely require a workshop in the coming year.

The ultimate goal for all of this work is to:

- Align our intentions with the perceptions that our conduct creates
- Clearly communicate the principles, processes and promises behind decision-making and public participation in it
- Hold ourselves accountable to those principles, processes and promises
IV. Effective Financing of Edina Streets

During this portion of the retreat, staff presented a review of Edina’s street assessment approach. The Council discussed pros/cons and underlying values inherent in various approaches in order to address the agenda questions:

- Will we actively pursue a change in policy in the next two years?
- If yes, what approach do we prefer, and what is a fair and appropriate transition?

Background
With the following as background Council members asked whether the volume/pace of work per year was capped by the financing mechanism. Staff responded that it was not. Rather, the pace is driven by utility constraints and is, thus, a reasonable pace to expect going forward.

<table>
<thead>
<tr>
<th>Local Streets</th>
<th>Municipal State Aid Streets</th>
</tr>
</thead>
<tbody>
<tr>
<td>• These streets are 100% assessed to the resident</td>
<td>• These streets are 20% assessed to the resident</td>
</tr>
<tr>
<td>• Over 23 years of street reconstruction Edina has completed approximately 50% (80 of 164 total miles)</td>
<td>• Over 18 years of street reconstruction Edina has completed approximately 30% (13 of 41 total miles)</td>
</tr>
<tr>
<td>• Over the past 10 years, Edina has averaged $4.5 million in assessments per year</td>
<td>• Over the past 10 years, Edina has averaged $290,000 in assessments per year</td>
</tr>
</tbody>
</table>

Discussion
The Council then discussed the pros and cons of the various financing options presented, touching on the following:

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Special Assessments</strong></td>
<td><strong>Resident viewpoint</strong></td>
</tr>
<tr>
<td>Resident viewpoint</td>
<td>• Maintains the status quo, avoids transition concerns</td>
</tr>
<tr>
<td></td>
<td>• Users pay direct, actual cost, fair in the long-term</td>
</tr>
<tr>
<td></td>
<td>• Depending on tenure, may never have to pay</td>
</tr>
<tr>
<td>City viewpoint</td>
<td>• Stays out of general tax, keeping those rates down</td>
</tr>
<tr>
<td></td>
<td>• Actual cost means no need to estimate long-term</td>
</tr>
<tr>
<td></td>
<td>• Can assess otherwise tax-exempt property owners</td>
</tr>
</tbody>
</table>

| | **Resident viewpoint** |
| | • Viewed as service covered in general tax, double-dip |
| | • Not deductible for the homeowner |
| | • Moving increases the risk of multiple assessments |
| | • Amount is painful, often-unwelcome surprise, not a benefit |

<table>
<thead>
<tr>
<th><strong>City viewpoint</strong></th>
<th><strong>Cons</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Keeps property taxes lower</td>
<td>• Process requires public hearings</td>
</tr>
<tr>
<td>Residents expect greater control over specifics</td>
<td>• Process appeals bring time and dollar costs</td>
</tr>
<tr>
<td>Variability among courts brings uncertainty</td>
<td>• Street maintenance budget increase took effect (2017)</td>
</tr>
</tbody>
</table>

Projected PCI with budget increase
Projected PCI without budget increase
<table>
<thead>
<tr>
<th>Local Sales Tax</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Requires visitors help pay for the improvements</td>
<td>• Not deductible for the homeowner</td>
<td></td>
</tr>
<tr>
<td>• Puts initial decision in hands of voters</td>
<td>• Possible impact on 50th &amp; France (unlikely given Minneapolis tax across the street and other shopping areas)</td>
<td></td>
</tr>
<tr>
<td>• Reduces conflict in the design process because residents are not financially at risk (as demonstrated by City’s experience with PACS)</td>
<td>• Legislation must be specific, reduces flexibility of use</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Property Tax</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Tax is spread across more people so it’s easier for residents to budget.</td>
<td>• Cost is less transparent</td>
<td></td>
</tr>
<tr>
<td>• Reduces conflict in the design process because residents are not financially at risk (as demonstrated by City’s experience with PACS)</td>
<td>• Cannot include visitors or tax-exempt property owners</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Franchise Fees</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>• More Control for the City – allows City to differentiate rate by class of customer for differential fees</td>
<td>• Not deductible for the homeowner</td>
<td></td>
</tr>
<tr>
<td>• Reduces conflict in the design process because residents are not financially at risk (as demonstrated by City’s experience with PACS)</td>
<td></td>
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</tbody>
</table>

**Conclusion**

By the close of the discussion, all Council Members agree that if they were starting from scratch, they would not choose the current system. The overarching concern for all in considering any potential change is how to manage transition in an equitable way, especially for those who have been assessed in the final years pre-transition. All agree that any transition plan should simultaneously ramp down the current approach and ramp up any replacement that is approved as much as possible without overly-burdening the implementation system.

If the current system were to change, most preferred a hybrid approach that included a partial assessment supplemented with a local sales tax approach. Two of five Council members initially preferred an approach that started with sales tax legislation, then moved to the hybrid above if that proved ineffective. Staff will investigate these options in greater detail and return to the Council for further discussion during the coming two years.
Appendix: Work to build from

City Council Guiding Principles

**Working Together Effectively**
We are all part of a team committed to the residents of Edina both today and in the future. To be effective we must come to meetings with an open mind, think strategically about City issues and delegate details of implementations to staff. We will strive to maintain a culture of trust, respect and candor as a Council and when working with staff.

**Addressing Concerns of Residents**
City staff is the first call for help for residents. We will refer residents who have concerns to appropriate City staff. If a resident has contacted City staff but is still not satisfied, we will refer the resident to the City Manager and inform the City Manager of the concern.

**Meetings Called by Residents**
If we are invited to a resident meeting about an issue the Council has decided upon, we will explain how the Council arrived at the decision. If we are invited to a resident meeting about an issue that will be before the Council in the future, we will keep an open mind and explain that we are interested in their point of view, as well as others. We will make ourselves available to all parties on an equal basis, and we will not advocate for a particular point of view. We will be circumspect about how we participate in the meeting, and we will not prejudge the issue before the Council has had a chance to deliberate.

**Working with Boards and Commissions**
We view our Boards and Commissions as vitally important resources to support our decision-making. We will communicate effectively with Boards and Commissions and ensure they have the tools to do their work. We will give clear direction and take adequate time to review the result of their deliberations. If we attend meetings of Boards and Commissions, we will do so only as an observer. If we attend a meeting, we will strive for good communication among Council members and between Council members and staff.

**Effective Meetings and Decision Making**
- We will be consistent in policy and process.
- To be effective, we may need to slow down the process at times, look at the big picture and consider the strategic implications of the decisions we make. We will encourage staff to focus on the big picture in their reports.
- We will respect our staff as valued resources and members of our team.
- We will honor our rules regarding public testimony and clearly communicate the rules to members of the public in attendance.

Guiding Principles were developed at a two-day retreat of the Edina City Council, the City Manager and the Assistant City Manager in May 2009.

Board & Commission Expectations

**Conflict of Interest**
*Definition:* any member who has a financial interest in, or who may receive a financial benefit as a result of, any Board or Commission action or if there is potential for the appearance of conflict of interest.

Members who have a conflict of interest must:
- Disclose the conflict of interest to the group, and
- Abstain from discussing or voting on the matter.

**Gifts**
- Members may not receive gifts from any “interested person” in conjunction with their Board or Commission duties.
- Boards or Commissions can recommend acceptance of general gifts through the City’s donation policy.

**Respectful Behavior**
- **Members should STRIVE TO:**
  - Treat people with courtesy, politeness and kindness.
  - Encourage others to express their opinions and ideas.
  - Listen to what others have to say.
  - Use the ideas of others to improve decisions and outcomes.
  - Recognize and respect differences.
- **Members should AVOID:**
  - Speaking over or cutting off another individual’s comments.
  - Insulting, disparaging or putting down people or their ideas.
  - Bullying other members by displaying a pattern of belittling, demeaning, judging or patronizing comments.
  - Violence or the threat of violence will not be tolerated.
  - The Chair or the Staff Liaison can call for the removal of any anyone who threatens or commits an act of violence.

Board & Commission Expectations are from the Edina Board & Commission Handbook.
**Code of Ethics**

- I have been entrusted by the Edina City Council to perform my duties and services as a volunteer Board or Commission Member in a manner that is always in the best interests of the community of Edina.
- While honest differences of opinion may develop, I will work harmoniously with other Board or Commission members to assure residents the services they require.
- I will invite all residents to express their opinions so I may be properly informed prior to making my decisions. I will make them based solely upon the facts available to me. I will support the final decision of the Board or Commission.
- I must devote the time, study and thought necessary to carry out my duties.
- I understand that the Board or Commission members recommend policies, the City Council establishes policies and the staff is responsible for administering the policies of the City Council.
- I understand that as a Board or Commission Member, I have no authority outside of the proper meeting of the Board/Commission.
- I understand that all Board/Commission meetings shall be open to the public, except as provided by law.
- I understand that it is my duty as a Board or Commission member to treat all residents, staff and fellow Board and Commission members in a respectful and professional manner at all times.
- I will withdraw from discussions and decision-making actions in cases where I have a conflict of interest and I will disclose those conflicts of interest when they arise.

*Code of Ethics is from the Edina Board & Commission Handbook.*

**Community Engagement Principles**

**Relationships**

- Make relationships foundational
- Strengthen relationships and build new ones
- Develop a trust between the City and residents

**Inclusion**

- Strive to provide meaningful engagement opportunities
- Invite underrepresented groups to participate
- Make all feel welcomed and valued

**Equity**

- Engage with residents where they are
- Remove barriers for participation
- Provide multiple options for participations

**Accountability**

- Make a plan
- Do what we say we are going to do
- Communicate how to participation influences decisions

*These principles and values were presented to City Council on September 5, 2018. The Council signified trust should be the foundation with the remaining 4 principles. The principles and values will foster an engaged community built on trust by intentionally focusing on equity, diversity and inclusion.*

---

**In our work with residents, co-workers and other customers we:**

**Integrity**

- Proactively and openly share information.
- Do what we say we are going to do.
- Are honest, ethical and transparent in our actions.
- Work for the common good and put the interests of the City above our own.
- Wisely use City resources, money, equipment and time.

**Quality**

- Do accurate, high-quality work.
- Take smart risks and look for innovative solutions.
- Strive to provide the best long-term value for our residents.
- Show initiative by continuously improving our operations.
- Take pride in our work and in being a leading organization.

**Service**

- Welcome, listen to and seek to understand others.
- Strive to anticipate the needs of others and to exceed their expectations.
- Look for opportunities to work with others in solving problems.
- Seek out feedback and use it to improve our work.
- Support one another and work cooperatively.

*These are the core values for City Staff.*

---

Page 13 of 13
DEFINITIONS

Budget Goal: Describes the broad outcomes that must be achieved through the budget.
Budget Objective: Defines the measurable results that need to be achieved this budget to meet the goals.
Strategy/Action: Details the specific actions to be taken this budget to meet the objectives.

Budget Goal 1: Maintain Physical Assets & Infrastructure

It is crucial to maintain City infrastructure including streets, facilities, buildings, equipment and public spaces. Deferred maintenance can lead to costly unplanned repairs and replacements with decisions based on short-term implementation costs, versus long-term maintenance costs. Properly maintained streets, water main, sanitary sewer and storm sewer systems provide reliable and efficient operations that lessen the City’s carbon footprint and reduces energy costs.

ONGOING OBJECTIVES:

- Factor financial, societal and environmental costs (triple bottom line) into projects and decision making.
- Incorporate lifecycle and maintenance costs and climate adaptation design practices to allow more informed decision making.
- Optimize financial resources by replacing equipment and vehicles at the most cost-effective time.
- Properly fund and maintain City facilities and assets to avoid deferred maintenance and emergency repair.
2020-2021 BUDGET WORK PLAN
City Council DRAFT #1

2020-2021 BUDGET OBJECTIVES:

- Meet our sustainability goals to ensure the City can continue to provide residents the highest quality of life.
- Increase the CIP Levy and establish a Building & Assets Maintenance and Replacement Levy to establish reliable funding for ongoing maintenance, without increasing overall taxes by timing increases to coincide with expiring City Hall and Weber Woods debt levies.
- Capture the Southdale TIF tax capacity for 2022 CIP.
- Reduce the City operations’ electricity GHG emissions by 5%, 893,000 kWh each year through implementation of energy management plans, ongoing facility maintenance, capital improvements, and operational behavior change.
- Incorporate sustainability impacts into all purchasing decisions. Focus on resilience when assessing and funding parks projects in the future.
- Implement Green Fleet Policy recommendations to meet GHG reduction goals in fleet. Keep fleet mpg and gas usage on track to meet 30% emission reduction goals by 2025.
- Design and build for resiliency in the infrastructure by less flooded structures, better water quality (drinking and surface) and increased filtered drinking water production.
- Focus on sustainability and energy efficiency when assessing capital projects Carbon Reductions in capital projects, buildings, and fleet.
- Address City Hall deferred maintenance and upgrades because of its impact on energy efficiency, security, effective function and service.
- Improve safety in City facilities with less unattended access points into facilities and less unattended access locations.

<table>
<thead>
<tr>
<th>2020-2021 Strategy/Action:</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  🌱 Approve architectural option and complete construction of Water Plant #5.</td>
<td>Engineering</td>
</tr>
<tr>
<td>2  🌱 Create and implement a green building policy for City facilities and process for incorporating sustainability principles into evaluation, design, and construction of City capital projects.</td>
<td>Admin/Engineering/Building/Finance</td>
</tr>
<tr>
<td>3  🌱 Determine interim park and recreational uses of Fred Richards Park. Ensure that master plan costing is updated prior to CIP process.</td>
<td>Parks &amp; Rec</td>
</tr>
<tr>
<td>4  🌱 Identify funding source and timeline for implementation for Braemar Park Master Plan by Q3 of 2020. Prioritize master plan components for future implementation. Ensure that master plan costing is updated prior to CIP process.</td>
<td>Parks &amp; Rec</td>
</tr>
<tr>
<td>5  🌱 Consider options for and determine whether to hold a Park Improvement Referendum.</td>
<td>Parks &amp; Rec/Finance</td>
</tr>
<tr>
<td>6  🌱 Develop a master plan for addressing City Hall deferred maintenance, energy efficiency, security, and service needs in a cost-effective manner. City Hall.</td>
<td>Facilities/Admin</td>
</tr>
<tr>
<td></td>
<td>Action</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>7</td>
<td>Implement decision (to be made in 2019) regarding street assessment financing and transition plan if applicable. If local option sales tax is selected, seek State legislative approval to request that voters approve a Local Option Sales tax for street improvements.</td>
</tr>
<tr>
<td>8</td>
<td>Approve a water quality strategy for Lake Cornelia.</td>
</tr>
<tr>
<td>9</td>
<td>Upgrade the communication equipment (SCADA) that monitors and ensures delivery of safe potable water and improve our ability to have a reliable storm and sanitary sewer system. <em>(Roughly $2.9 million project – not currently in CIP).</em></td>
</tr>
<tr>
<td>10</td>
<td>Upgrade the street lighting system to ensure energy efficient and safely lit neighborhoods. <em>(419 lights at $10,000 per light = $4.2 million)</em> <em>($100k currently in annual General Fund budget)</em></td>
</tr>
<tr>
<td>11</td>
<td>Develop a park system asset inventory, lifecycle investment plan and implementation schedule.</td>
</tr>
<tr>
<td>12</td>
<td>Convert Centennial Lakes from Enterprise fund to General Fund using phased reduction/elimination of liquor transfer.</td>
</tr>
<tr>
<td>13</td>
<td>Establish a Building &amp; Assets Maintenance and Replacement Levy to provide dedicated source of funding for maintenance, replacement, and repair of City Buildings and assets (similar to Equipment Levy).</td>
</tr>
</tbody>
</table>

**Note:** Conversion of Centennial Lakes from Enterprise fund to General fund is likely needed in 22-23 budget cycle.
Budget Goal 2: Maintain Service-Levels that Best Meet the Needs of the Community

The City delivers a variety of services that are essential to a local government such as, emergency response, fire/EMS, development planning and review, permits, inspections, and public programs. Maintaining service-levels contributes to the overall quality of life, safety and wellbeing for our residents and guests. To maintain service-levels, the City needs a strong workforce that have the resources needed to effectively perform their work. To recruit and retain a strong workforce, the City needs to provide competitive compensation, benefits, and work-life balance. Investing in technology allows staff to more efficiently maintain and locate data for the public, provide better data and analysis for informed decision-making by elected officials and staff, reduces risk of lost data or human error, and allows more effective use of our real estate by reducing paper storage space.

**ONGOING OBJECTIVES:**
- Comply with legal and safety standards.
- Maintain adequate response times.
- Ensure staffing-levels and other resources are matched to service-level requirements.
- Ensure limited resources (money, equipment, and time) are deployed in an equitable manner.
- Recruit, train and retain a strong workforce.
- Utilize effective technology and data systems to improve data collection, data management, and staff efficiency.

**2020-2021 BUDGET OBJECTIVES:**
- Increase system integration (e.g., ERP, GIS) to achieve efficiency gains to both employees and residents.
- Increase system integration to increase data capabilities (e.g., longer-term data, deeper analysis, increased predictive potential).
- Maintain adequate work-life balance for employees. Focus on employee quality of life, stress, and mental health.
- Provide market adjustments to employee compensation and benefits as needed to attract and retain skilled and high-performing employees.

<table>
<thead>
<tr>
<th>2020-2021 Strategy/Action:</th>
<th>Department</th>
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<tbody>
<tr>
<td>1</td>
<td>Implement Enterprise Resource Planning (ERP) System, including:</td>
</tr>
<tr>
<td></td>
<td><strong>Complete contract and statement of work (Q3 2019)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Complete RFP for and award contract for an “as-needed” Project Manager to assist project team during implementation (Q3 2019)</strong></td>
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<tr>
<td></td>
<td><strong>Finance &amp; HR</strong></td>
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</tr>
</tbody>
</table>
| 1 | • Begin implementation of finance and HR software (Q3 2019)  
   • “Go-live” new finance and HR software (Q1 2021)  
   • Begin implementation of UB software (Q1 2021)  
   • “Go-live” new UB system (Q3 2021) |   |   |   |
| 2 | Determine long-term plan for future of Art Center, including:  
   • Ensure critical repairs are made to Art Center to properly continue existing operations in current building for at least ten years.  
   • Conduct feasibility and infrastructure analysis on existing Art Center building prior to the CIP process.  
   • Conduct alternative site analysis and business plan modeling for relocation of the Art Center operations. | Parks & Rec |   |   |
| 3 | Implement rental housing license and inspection program. | Police (Health) |   |   |
| 4 | Implement Body Worn cameras for Police Patrol Officers in Q3 of 2020. | Police |   |   |
| 5 | Replace Public Safety Computer-aided Dispatch (CAD) and Record Management System (RMS) | Police |   |   |
| 6 | Decision, finance method, and plan for the relocation or expansion of Fire Station 2.  
   • Either expand Station 2 in current location to accommodate additional response capability or  
   • relocate Station 2 to address response times and accommodate additional response capability. | Fire |   |   |
| 7 | Determine finance method and plan for Fire Station 3 in the Northeast Quadrant of the City. This station would be of such size to accommodate 24-hour operations with one fire engine, ambulance and support vehicle. | Fire |   |   |
| 8 | Conduct first presidential primary. | Administration |   |   |
| 9 | Develop long-term plan for elections absentee voting and storage. | Administration |   |   |
Budget Goal 3: Plan for Connected & Sustainable Development

Redevelopment and renewal of commercial and residential real estate is essential to the vibrancy of the community. Redevelopment will play an integral part of providing an inclusive, high-quality of life that the Edina community expects. It is important to ensure plans and policies are relevant today and flexible for tomorrow. Incorporating sustainability principles and standards during redevelopment with the goal of reducing the community’s carbon footprint will be critical to human health and safety. Creating sustainable redevelopment requires forward thinking and preparing for the future.

**ONGOING OBJECTIVES:**
- Determine, track and meet sustainability goals for metrics such as energy and waste.
- Connect neighborhoods, businesses and open spaces.
- Support the continued high quality of life offered to residents and those who work in Edina.
- Promote affordable lifecycle housing.
- Demonstrate resiliency to changing climate and future community needs.
- Increase installation of sidewalks and shared-use paths (e.g., Twin Loops implementation).
- Adaptation Planning and Climate Mitigation.
- Successful launch of residential curbside organics and recycling.
- Create affordable/workforce housing (1,220 units by 2030)
- Work with the community on GHG emission reduction to mitigate climate change.

**2020-2021 BUDGET OBJECTIVES:**

<table>
<thead>
<tr>
<th>2020-2021 Strategy/Action:</th>
<th>Department</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Continue development and implement a strategy to create affordable housing units with revenue from the Affordable Housing Policy and from Southdale II TIF District special authority.</td>
</tr>
<tr>
<td>2</td>
<td>Create and implement a green building policy to incent sustainable building and operational practices for new development and redevelopment by Q1 2019.</td>
</tr>
<tr>
<td>3</td>
<td>Develop waste reduction goals and implementation plan for residential organics recycling for April 2020 launch.</td>
</tr>
<tr>
<td>4</td>
<td>Implement Energy Benchmarking ordinance.</td>
</tr>
<tr>
<td>5</td>
<td>Decide on future of redevelopment of the former Public Works site in the Grandview area by Q4 of 2021.</td>
</tr>
<tr>
<td>6</td>
<td>Develop and approve a City Climate Action Plan.</td>
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<tr>
<td></td>
<td>2020-2021 BUDGET WORK PLAN</td>
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<td>----</td>
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<tr>
<td>7</td>
<td>Complete study of expanding public parking at 44&lt;sup&gt;th&lt;/sup&gt; and France and explore a strategy to create district parking in the 44&lt;sup&gt;th&lt;/sup&gt; and France Area per the 44&lt;sup&gt;th&lt;/sup&gt; and France Small Area Plan by Q4 of 2021.</td>
</tr>
<tr>
<td>8</td>
<td>Develop Travel Demand Management Policy.</td>
</tr>
<tr>
<td>9</td>
<td>Prepare a District Plan for the Cahill Industrial Park by Q4 of 2020.</td>
</tr>
<tr>
<td>10</td>
<td>Work with school district to develop and implement Safe Routes to Schools program.</td>
</tr>
</tbody>
</table>
Budget Goal 4: Foster Inclusive and Engaged Community

It is important that the City helps to foster a community that is welcoming and inclusive to all who live, work, and spend time within Edina. The City wants to ensure that it works for all of the community. Efforts to engage the community will utilize multiple platforms, be informative, transparent, responsive and involve volunteers and City Commissions.

**ONGOING OBJECTIVES:**
- Ensure City policies and practices do not have disparate impacts based on race, color, national origin, creed, religion, age, sex, sexual orientation, gender expression, familial status, disability.
- Conduct clear and meaningful community engagement where:
  - The decision to be made and decision-making process is clearly defined.
  - Individuals understand how and when they can participate.
  - The City communicates what feedback is used and why.
  - Inclusive engagement methods provide a variety of ways for the public to participate in the decision-making process and ensure all voices are heard.
  - Residents are satisfied with the process, even if they disagree with the outcome.
  - Increase participation in Better Together Edina online engagement website.
  - Implement racial equity measures to provide accountability of work.
  - Strengthen leadership and support for city-wide racial equity work.
  - Better leverage Boards & Commissions.
  - Reduce barriers to public participation.
  - Increase diversity of boards, commissions, task forces and staff.

<table>
<thead>
<tr>
<th>NEW 2020-2021 Strategy/Action:</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Continue implementation of Racial Equity Implementation Plan and provide quarterly reports to City Council and HRRC.</td>
<td>Administration</td>
</tr>
<tr>
<td>2 <strong>Implement and track measurable department racial equity goals:</strong></td>
<td>Administration</td>
</tr>
<tr>
<td></td>
<td>- Application of tools/resources as it relates to racial equity decision making process.</td>
</tr>
<tr>
<td></td>
<td>- Create and train foundational racial equity all City staff (which includes tools and resources from multiple sources).</td>
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<td></td>
<td>- Advanced racial equity leadership training for staff leadership.</td>
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<td></td>
<td>- Employee selected racial equity competency in annual performance review.</td>
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</tbody>
</table>
### 2020-2021 BUDGET WORK PLAN

**City Council DRAFT #1**

<p>| | |</p>
<table>
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<tbody>
<tr>
<td>3</td>
<td>Develop and implement a plan to increase diversity of boards and commissions members.</td>
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<tr>
<td></td>
<td><em>Administration</em></td>
</tr>
<tr>
<td>4</td>
<td>Continue to evaluate and further refine Community Engagement standards and protocols.</td>
</tr>
<tr>
<td></td>
<td><em>Administration</em></td>
</tr>
</tbody>
</table>
2020-2021 Budget and Tax Levy

Wednesday, August 7
Agenda

1. Budget Work Plan & Budget Recap
2. Budget Work Plan Draft
   2020 – 2021 Draft Budget Objectives
   2020 – 2021 Draft Strategies/Actions
3. Budget Scenarios
Biennial Budget Process

Even Year: CIP Focus

First year of biennial budget
Update operating budget for odd year
Review CIP in detail

Odd Year: Operating Budget Focus

Second year of biennial budget
Plan for next biennial budget
## Budget Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 26</td>
<td>ELT Retreat</td>
</tr>
<tr>
<td>Mar 14</td>
<td>Council Retreat</td>
</tr>
<tr>
<td>June 1</td>
<td>Department Heads send budget requests to Finance</td>
</tr>
<tr>
<td>July 19</td>
<td>ELT reviews 2018-2019 budget draft</td>
</tr>
<tr>
<td><strong>Aug. 7</strong></td>
<td>City Manager presents 2020-21 Draft budget work plan and budget scenarios</td>
</tr>
<tr>
<td>Aug 20</td>
<td>City Manager presents 2020-21 budget draft to Council</td>
</tr>
<tr>
<td>Sept. 12</td>
<td>HRA adopts preliminary 2020 property tax levy and budget</td>
</tr>
<tr>
<td>Sept. 17</td>
<td>City Council adopts preliminary 2020 property tax levy and budget</td>
</tr>
<tr>
<td>Dec. 3</td>
<td>Public Hearing &amp; option to adopt 2020 final property and HRA tax levy and budget</td>
</tr>
<tr>
<td>Dec. 17</td>
<td>Deadline to adopt final 2020 property and HRA tax levy and budget</td>
</tr>
</tbody>
</table>
Two-Year Budget Work Plan
City-Wide Performance Measures
Approval: City Council
Accountable: City Manager

Annual Department Work Plans
City-Wide Performance Measures
Approval: City Manager
Accountable: Department Director

Annual Commission Work Plans
Approval: City Council
Accountable: Commission

Individual Work Plans
Annual Performance Reviews
Approval: Manager
Accountable: Employee

Budget Work Plan
Other Work Plans
Budget vs Department Work Plan

**Budget Work Plan**

- Council priority or significant Council involvement.
- Amount of staff time or resources will significantly impact capacity for other projects.
- Significant new budget commitment needed.

**Department Work Plans**

- From Budget Work Plan
- From Race & Equity Implementation Plan
- From Commission Work Plans
- City-wide Goals: Sustainability, Equity, Employee Engagement
- Department Proposed Projects
- From other department’s proposed projects.
**Budget Work Plan Format**

**Budget Goals** are the broad outcomes to be achieved by the two-year budget. Goals should stay relatively consistent from year to year.

**Budget Objectives** are the measurable results to be achieved during this budget to make progress on the Budget Goal.

**Strategies/Actions** are the specific methods to be used or projects to be completed during this budget to meet the objectives.
Budget Work Plan Goals

**CITY GOAL 1**

**Strong Foundation**
Maintain physical assets and infrastructure

**CITY GOAL 2**

**Reliable Service**
Maintain service levels that best meet community needs

**CITY GOAL 3**

**Livable City**
Plan for connected and sustainable development

**CITY GOAL 4**

**Better Together**
Foster an inclusive and engaged community
Agenda

1. Budget Work Plan & Budget Recap
2. Budget Work Plan Draft
   - 2020 – 2021 Draft Budget Objectives
   - 2020 – 2021 Draft Strategies/Actions
3. Budget Scenarios
Budget Work Plan

Focus for today:
• 20-21 Objectives
• 20-21 Strategies/Actions

Later:
• Budget goal descriptions
• Ongoing objectives
• Editing: eliminating redundancy/plain language
• Performance measures
Agenda

1. Budget Work Plan & Budget Recap
2. Budget Work Plan Draft
   2020 – 2021 Draft Budget Objectives
   2020-2021 Draft Strategies/Actions
3. Budget Scenarios
Edina Consolidated Budget $116M

Governmental Funds $71M
- General Fund $43M
- Debt Service Fund $8M
- Construction Fund $10M
- Special Revenue Funds, including HRA $10M

Enterprise Funds $45M
- Utility Fund $19M
- Liquor Fund $13M
- Park Enterprises $13M
Estimated Market Value

Values are in Billions


10.1 9.9 9.4 9.1 8.9 9.0 9.8 10.4 10.9 11.6 12.4 12.9

www.EdinaMN.gov
Median Value Home
City of Edina
Single Family Change in EMV 2018-2019

- Decrease
- No Change
- Increase 1 to 5%
- Increase 6 to 10%
- Increase 11 to 15%
- Increase > 15%

60%
9%
5%
23%
1%
2%
### Past Levy Increases & Drivers

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase</th>
<th>Year</th>
<th>Increase</th>
</tr>
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<tbody>
<tr>
<td>2019</td>
<td>4.6%</td>
<td>2016</td>
<td>7.07%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Public Safety Staff</td>
<td>• Grandview Planning Study</td>
<td>• Braemar Park Planning Study</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>5.8%</td>
<td>• Liquor Transfer adjustment</td>
<td>• Weber Woods</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Comp Plan</td>
</tr>
<tr>
<td>2017</td>
<td>6.36%</td>
<td></td>
<td>• CIP for Streets &amp; Bridges</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Pamela Park</td>
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# Annual % Levy Increase

<table>
<thead>
<tr>
<th>Year</th>
<th>Bloomington</th>
<th>Eden Prairie</th>
<th>Minnetonka</th>
<th>Plymouth</th>
<th>St. Louis Park</th>
<th>Edina</th>
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<tbody>
<tr>
<td>2017</td>
<td>6.11</td>
<td>2.84</td>
<td>4.37</td>
<td>4.76</td>
<td>5.93</td>
<td>5.92</td>
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<tr>
<td>2018</td>
<td>4.95</td>
<td>3.87</td>
<td>3.33</td>
<td>4.95</td>
<td>5.03</td>
<td>5.51</td>
</tr>
<tr>
<td>2019</td>
<td>5.67</td>
<td>2.73</td>
<td>3.61</td>
<td>4.63</td>
<td>4.18</td>
<td>4.47</td>
</tr>
<tr>
<td>Avg</td>
<td>5.58</td>
<td>3.15</td>
<td>3.77</td>
<td>4.78</td>
<td>5.05</td>
<td>5.3</td>
</tr>
</tbody>
</table>
# Budget Scenarios

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>Draft Levy 2020 (A)</th>
<th>Draft Levy 2020 (B)</th>
<th>Draft Levy 2020 (C)</th>
<th>Draft Levy 2021 (A)</th>
<th>Draft Levy 2021 (B)</th>
<th>Draft Levy 2021 (C)</th>
</tr>
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<tbody>
<tr>
<td>General Fund</td>
<td>$30,009,121</td>
<td>$31,910,243</td>
<td>$33,359,243</td>
<td>$32,057,243</td>
<td>$33,304,471</td>
<td>$34,688,471</td>
<td>$34,071,471</td>
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<tr>
<td>Arts/Culture</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Debt Service</td>
<td>4,611,900</td>
<td>4,596,300</td>
<td>4,596,300</td>
<td>4,596,300</td>
<td>3,651,400</td>
<td>3,651,400</td>
<td>3,651,400</td>
</tr>
<tr>
<td>Construction</td>
<td>2,630,000</td>
<td>2,830,000</td>
<td>2,830,000</td>
<td>2,830,000</td>
<td>4,080,000</td>
<td>4,080,000</td>
<td>4,080,000</td>
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<tr>
<td>HRA</td>
<td></td>
<td>192,000</td>
<td>192,000</td>
<td>192,000</td>
<td>230,400</td>
<td>230,400</td>
<td>230,400</td>
</tr>
<tr>
<td>% Increase</td>
<td>4.60%</td>
<td>5.66%</td>
<td>9.53%</td>
<td>6.05%</td>
<td>4.39%</td>
<td>4.08%</td>
<td>5.94%</td>
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</table>
2020 Scenario A

- Increase for services and initiatives already approved.
- 3% market adjustment planned
- State mandated 1.5% increase to Public Safety pension contribution
- Street light replacement required by Xcel maintenance plan
- Increased levies for CIP, Equipment, HRA - $232,000
- Building maintenance levy – replaces Weber Woods $400,000 levy
2020 Scenario B

- Includes all changes from Scenario A
- Includes all additional staff requests submitted by Department Directors
  - 4 Facilities
  - 3 Paramedic/Firefighters
  - 2 GIS Specialists
  - 2 Police Officers
  - 1 Dispatcher
  - 1 Public Works
  - 1 Risk Management
2020 Scenario C

- Includes all changes from Scenario A
- Reduce Cahill Industrial Park study budget by $50,000
- New staff additions:
  - 2020
    - 1 Police Officer
    - 1 Facilities
    - 1 Risk Management
  - 2021
    - 1 Police Officer
    - 3 Paramedic/Firefighters
    - 1 Facilities
Estimated Levy Impacts

• In 2019, the median home was valued at $530,650. This home paid property tax of $1,480 or about $123 per month to fund all of the City provided services.

• For 2020, the median value home increased by about 3.4% to $548,500.
# Estimated Levy Impacts

<table>
<thead>
<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Levy Increase</td>
<td>5.66%</td>
<td>9.35%</td>
<td>6.05%</td>
</tr>
<tr>
<td>Total City Tax</td>
<td>$1,560</td>
<td>$1,618</td>
<td>$1,566</td>
</tr>
<tr>
<td>$ Increase</td>
<td>$80</td>
<td>$138</td>
<td>$86</td>
</tr>
<tr>
<td>Monthly Increase</td>
<td>$7</td>
<td>$12</td>
<td>$8</td>
</tr>
<tr>
<td>Monthly Payment</td>
<td>$130</td>
<td>$135</td>
<td>$131</td>
</tr>
</tbody>
</table>
HRA Levy for 2020

- An HRA can levy up to 0.0185% the previous year’s taxable market value of all property in the City, or about $2.3M in Edina.
- An HRA levy is separate from the City levy.
- Levies collected must be used only for purposes listed in the HRA Act.
- A $192,000 HRA levy in Edina would be about $7.59/year for a median single family home ($548,500)

Sources: LMC Handbook for Cities, Edina Finance Dept., & Edina Assessing Division
## Next Steps

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>Feb 26</td>
<td>ELT Retreat</td>
</tr>
<tr>
<td>Mar. 14</td>
<td>Council Retreat</td>
</tr>
<tr>
<td>June 1</td>
<td>Department Heads send budget requests to Finance</td>
</tr>
<tr>
<td>July 19</td>
<td>ELT reviews 2018-2019 budget draft</td>
</tr>
<tr>
<td>Aug. 7</td>
<td>City Manager presents 2020-21 Draft budget work plan and budget scenarios</td>
</tr>
<tr>
<td>Aug. 20</td>
<td>City Manager presents 2020-21 budget draft to Council</td>
</tr>
<tr>
<td>Sept. 12</td>
<td>HRA adopts preliminary 2020 property tax levy and budget</td>
</tr>
<tr>
<td>Sept. 17</td>
<td>City Council adopts preliminary 2020 property tax levy and budget</td>
</tr>
<tr>
<td>Dec. 3</td>
<td>Public Hearing &amp; option to adopt 2020 final property and HRA tax levy and budget</td>
</tr>
<tr>
<td>Dec. 17</td>
<td>Deadline to adopt final 2020 property and HRA tax levy and budget</td>
</tr>
</tbody>
</table>