



CITY OF NEWPORT
2060 1ST Avenue
Newport, MN 55055
(651) 459-5677
ci.newport.mn.us

MAYOR: Laurie Elliott
COUNCIL: Kevin Chapdelaine
Tom Ingemann
Marvin Taylor
Bill Sumner

City Administrator: Joe Hatch
Supt. of Public Works: Matt Yokiel
Fire Chief: Steven Wiley
Asst. to the City Admin: Travis Brierley
Law Enforcement (WCSO): Bill Harrell

COUNCIL WORKSHOP AGENDA

September 7, 2023- Immediately following the Regular City Council Meeting

1. CALL TO ORDER
2. ROLL CALL
3. 2024 BUDGET DISCUSSION
4. WASHINGTON COUNTY LAW ENFORCEMENT CONTRACT
5. DEER AND TURKEY ORDINANCE
6. CORRIDOR STUDY STEERING COMMITTEE UPDATE
7. FUTURE MEETING AGENDA ITEMS
8. ADJOURNMENT



MEMO

TO: Mayor and Council

FROM: Joe Hatch, City Administrator

DATE: September 5, 2023

SUBJECT: 2024 Preliminary Levy Work Session

Background

The City of Newport is required to pass the 2024 preliminary levy by the end of September. Once the preliminary levy is passed, the amount may not be increased, it can only be decreased between now and the approved final levy. Staff worked to outline options for the council and is seeking input and direction on what to prepare for council approval at the September 21, 2023, council meeting. Staff would like to have a philosophical discussion with the council on financial priorities. Staff prepared four (4) options for council discussion which have impacts on the following items.

- Amount of deficit spending.
- Council thoughts on preferred amount of fund reserves/surplus funds.
- Tax increase or decrease.
- Debt spending.
- Funding of the capital improvement plan (CIP).

Staff looks forward to a robust conversation on the direction council prefers for budgeting for 2024 and the future.

Items of Note

- City staff implemented a new team approach for budget planning this year. * All numbers below are for 2024.
- Residential assessed property values increased by 9.6%
- The median home value increased by \$27,900 to \$318,900.
- Debt service decreased by \$8,080 to \$1,139,094.
- Local Government Aid (LGA) increased by \$41,584 to \$494,059.
- Deficit spending is a significant part of the general fund budget.

Highlights of 2024 Proposed Budget

- Continued investments in Newport parks and trails/quality of life.
 - Newport dog park.
 - Busy Beaver playground equipment and redesign.
 - Cedar Lane.
 - Trails.
 - Future Investments.
 - Loveland Park.
 - Lions Park.
 - Trails.
 - Cedar Lane.
- Emergency Response Focus
 - Ability for city to respond to loss of power.
 - Overall response to any emergency incident.
 - Safety gear for river rescue.
 - Functional safety vehicles for response.

Philosophy on Long Term Financial Planning

Staff is uncertain what direction council would prefer when preparing the 2024 budget. Budget decisions will have impacts on long-term finances. Long-term financing impacts include.

- Amount of deficit spending.
 - The City of Newport received a lot of one-time revenue in 2018 and 2019. This revenue increased the fund reserve balance to over 110% and a large amount of this money subsidized the general fund for the past several years. Staff would like to eliminate deficit spending as soon as possible while balancing any impact to property taxes.
- Council thoughts on preferred amount of fund reserves/surplus funds.
 - The City of Newport financial policy identifies a fund reserve balance of at least 50%. Keeping a healthy reserve balance will allow the city to save money when bonding and issuing debt with lower interest rates.
- Property Tax Philosophy
 - When should the council decrease property taxes?
 - When should property taxes be increased?
 - Reduce deficit spending?
 - Increase reserves?
 - Start funding for longer term infrastructure or capital projects?
- Funding of CIP.
 - How should the city fund the CIP? Should it have regular investments of a specific dollar amount? Should it be a specific percentage? Should one time revenue be directed into the CIP?

- Management of Debt
 - 2024 debt payment of \$1,139,094 (about 31% of proposed levy)
 - Next five years of debt payments
 - 2025 - \$1,071,148
 - 2026 - \$1,023,938
 - 2027 - \$1,006,988
 - 2028 - \$984,848
 - 2029 - \$983,280
 - Questions for council
 - How much debt should the city have? What should the city issue debt for?
 - Debt should be a manageable percentage of the overall levy. What percentage should it be?
- LGA and Fiscal Disparities
 - For 2024 Newport will receive about one million dollars in LGA (\$494,059) and Fiscal Disparities (\$448,001)
 - This funding can change each year and could impact property taxes significantly.
 - A question for the council is should Newport reduce its dependency on LGA and Fiscal Disparities? Where should this funding go? One-time expenses for capital or infrastructure? Should it support the general fund?

2024 Levy Options for Council and the Impacts

	2023 Levy	2024 Proposed Options			
		Option 1	Option 2	Option 3	Option 4
Levy Increase Percent		3.81%	6.96%	10.00%	18.70%
Levy Increase		\$ 132,775	\$ 242,659	\$ 348,678	\$ 651,950
Proposed Levy	\$ 3,486,781	\$3,619,556	\$3,729,440	\$3,835,459	\$4,138,731
Tax Rate	49.69%	43.31%	44.81%	46.26%	50.40%
Annual Tax Impact on MVH		\$ (46.57)	\$ (0.01)	\$ 45	\$ 173
Monthly Tax Impact on MVH		\$ (3.88)	\$ (0.00)	\$ 3.75	\$ 14.46
Fund Balance (%)	61.6%	49.1%	51.8%	54.5%	62.0%
Deficit Spending	\$ (557,061)	\$ (519,175)	\$ (409,291)	\$ (303,272)	\$ -
Dollar: Annual Tax Impact on 2024 Home Value					
Proposed Levy		\$3,619,556	\$3,729,440	\$3,835,459	\$4,138,731
Median Value Home (MVH)	\$1,327	\$ (46.57)	\$ (0.01)	\$ 45	\$ 173
\$250,000	\$1,156	\$ (31.44)	\$ 3.86	\$ 38	\$ 135
\$300,000	\$1,424	\$ (42.37)	\$ 1.10	\$ 43	\$ 163
\$350,000	\$1,691	\$ (53.31)	\$ (1.66)	\$ 48	\$ 191
\$400,000	\$1,959	\$ (64.74)	\$ (4.92)	\$ 53	\$ 218
Percent: Annual Tax Impact on 2024 Home Value					
Proposed Levy		\$3,619,556	\$3,729,440	\$3,835,459	\$4,138,731
Median Value Home (MVH)	10.0%	-3.3%	0%	3.2%	12.5%
\$250,000	10.5%	-3.0%	0.4%	3.6%	12.9%
\$300,000	9.8%	-3.3%	0.1%	3.3%	12.6%
\$350,000	9.3%	-3.5%	-0.1%	3.1%	12.4%
\$400,000	9.0%	-3.6%	-0.3%	2.9%	12.2%

*Median Value Home (MVH) 2024- \$318,900

Staff Recommendation

In reviewing the four (4) options presented to the council, staff wanted to balance the following.

- Tax impacts for residents
- Tax rate
- Fund Reserve Balance (focusing on trying to be close to 60%)
- Reducing deficit spending. Goal is to eliminate within three (3) years.

Staff recommends council approve Option Three for the 2024 preliminary levy.

AGREEMENT FOR LAW ENFORCEMENT SERVICES

This agreement ("Agreement") is made by and between the County of Washington ("County") and the City of Newport ("City") for the provision of law enforcement services to the City by the County.

WHEREAS, the City is desirous of contracting for the performance by the County of the hereinafter described law enforcement functions for and within the political boundaries of the City through the Washington County Sheriff's Office; and

WHEREAS, the County is agreeable to rendering such services on the terms and conditions hereinafter set forth; and

WHEREAS, this Agreement is authorized and provided for by the provisions of Minnesota Statutes, Sections 412.221, Subdivision 2, 471.59 and 436.05.

NOW THEREFORE, pursuant to the terms of the aforementioned statutes and in consideration of the mutual promises contained herein, it is mutually agreed between the County and City as follows:

I. Scope of Services

1. The County through the Washington County Sheriff's Office ("Sheriff's Office"), agrees to provide law enforcement services within the corporate limits of the City, including but not limited to the following:
 - a. Patrol services with random patrolling of residential areas, businesses, parks, and other public property;
 - b. Enforcement of Minnesota Statutes and the ordinances of the City;
 - c. Traffic enforcement including the regular use of speed detection devices as a speed deterrent;
 - d. Criminal investigative and forensic laboratory services;
 - e. Responding to police, medical, fire, and other emergencies;
 - f. Dispatching and other necessary communication services;
 - g. Driver's license inspections, background checks, and license enforcement services as required under applicable state laws and city ordinances;
 - h. Enforcement of the Juvenile Code of the State of Minnesota, as applicable; and
 - i. Such other law enforcement functions and services as may be requested by the City and that encompass the duties and functions of the type customarily performed by a municipal police force except the County shall not be required to provide an animal control officer to the City.

2. The County shall furnish and supply all necessary labor, supervision, administration, equipment, communication facilities and dispatching, and supplies necessary to provide the services required by this Agreement. The City shall furnish a secure office for the employee(s) to work at no cost to the County.
3. Violations of laws or ordinances for which an arrest is made shall be prosecuted in the appropriate court(s) of the County under the laws of the State of Minnesota or ordinances of the City, and fines, if any, shall be remitted in accordance with the laws of the State of Minnesota.
4. The County shall submit to the City a monthly activity report detailing the activities of the Sheriff's Office within the City. Said reports shall contain at a minimum the number of calls answered and the number of citations issued.

II. Assumption of Liability/Insurance

1. Except as otherwise provided herein the City shall not assume any liability for the direct payment of any salaries, wages, or other compensation to any County personnel providing law enforcement services to the City under this Agreement and the County hereby assumes said liabilities.
2. Except as otherwise provided herein the City shall not be liable for compensation or indemnity to any County employee for injury or sickness arising out of their employment with the County and/or provision of law enforcement services to the City and the County agrees to indemnify and hold harmless the City against any such claims.
3. The City and its officers and employees shall not be deemed to assume any liability for the intentional or negligent acts of the County or the County's agents, officers, or employees performing services pursuant to this Agreement and the County shall hold the City and its officers and employees harmless from and shall defend and indemnify the City, its officers, and employees, against any claim for damages arising out of the County's performance of this Agreement.
4. The County and its officers and employees shall not be deemed to assume any liability for the intentional or negligent acts of the City or of any of the officers, agents, or employees of the City, and the City shall hold the County and its officers and employees harmless from, and shall defend and indemnify the County and its officers and employees against any claim for damages arising out of the City's performance of this Agreement, up to the municipal tort limits found in Minnesota Statutes, Section 466.04.
5. The County agrees to maintain during the term of this Agreement automobile, general liability, workers' compensation, and professional liability insurance or self-insurance in amounts deemed appropriate by the County.
6. All deputy sheriffs, clerks, dispatchers, and all other County personnel performing duties pursuant to this Agreement shall at all times and for all purposes be considered employees of the County.

III. Payment

1. The City agrees to pay to the County the direct costs and expenses of providing the City with the law enforcement services provided for by this Agreement, including the full-time services of one (1) full-time equivalent (FTE) deputy sheriff sergeant and five (5) full-time equivalent (FTE) deputy sheriffs.

2. Direct costs and expenses shall mean the salaries, payroll taxes, and fringe benefits of the dedicated employees of the County who perform the law enforcement services to the City under this Agreement as well as other related and customary costs incurred by the County as a direct result of providing the law enforcement services to the City under this Agreement. Direct costs and expenses shall not include items of cost and expense attributable to services and facilities provided or available to the City that by law the County must provide. Computation of costs hereunder shall be made by the Sheriff's Office Budgeting and Accounting Division.
3. The County shall bill the City on a semi-annual basis for the provision of services under this Agreement and the City shall pay the amount required of the City on a semi-annual basis by directing to the County a check or voucher payable to the County Treasurer.
4. The City's cost for law enforcement services under this Agreement for each subsequent year shall be furnished by the County to the City no later than August 1st of each year.

IV. Cooperation of Parties

1. To facilitate the County's performance pursuant to this Agreement the City and County shall work together to achieve the objectives of this Agreement for the benefit of the residents of the City. Each party to this Agreement shall designate a liaison for the purposes stated above. Meetings of the liaisons can be called by any of the parties as requested.
2. The manner and standards of performance, discipline and control of personnel, methods of providing law enforcement services and other matters incident to the performance of law enforcement services under this Agreement, including personnel to be employed, shall be determined by the Sheriff's Office.
3. In the event the City through its governing body or authorized agent notifies the County it is dissatisfied with the assignment of personnel for the performance of services under the Agreement and requests a change in assigned personnel the County shall make a reasonable effort to effect a change in the assignment of personnel provided such a change does not jeopardize the ability of the County to provide services to other areas of Washington County in a timely and efficient manner.

V. Additional Terms

1. It is understood this Agreement contains the entire agreement between the parties and that no statement, promises, or inducements made by any party hereto, or any officer, agent, or employee of any party hereto that is not contained in this written Agreement shall be valid and binding. This Agreement may not be modified except in writing, signed by all parties.
2. This Agreement shall supersede any and all preceding agreements between the County and the City for the provision of law enforcement services. Any and all preceding agreements shall terminate on the effective date of this Agreement.
3. The effective date of this Agreement is January 1, 2024.
4. This Agreement shall remain in effect for a period of two (2) years, unless earlier terminated by operation of law. This Agreement shall automatically renew for periods of one (1) year following the

expiration of the initial two (2) year term and/or any renewal term. The total duration of this Agreement including all renewal terms shall not exceed five (5) years.

5. This Agreement may not be terminated by any party during the first two (2) years from the effective date of the Agreement. This Agreement may be terminated at any time and without any financial penalty by any party during any renewal term of the Agreement by giving the other party written notice one hundred and eighty (180) days prior to the termination date.
6. The parties agree that any amendment to this Agreement which decreases the number of officers provided to the City shall not be effective until one hundred and eighty (180) days after the amendment has been executed by the parties.

7. Notices shall be sent:

a. To the County:

Washington County
Attention: County Administrator
14949 62nd Street North
P.O. Box 6
Stillwater, Minnesota 55082

Washington County Sheriff's Office
Attention: Sheriff
15015 62nd Street North
P.O. Box 3801
Stillwater, Minnesota 55082

b. To the City:

City of Newport
Attention: City Administrator
2060 1st Avenue
Newport, Minnesota 55055

8. This Agreement may not be assigned without the written consent of all parties.
9. This Agreement shall be construed under the laws of the State of Minnesota.
10. If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the City has caused this Agreement to be signed by its Mayor and attested to by its City Administrator and/or City Clerk and the County has caused this Agreement to be signed by the Chairperson of its Board of County Commissioners, its County Sheriff, and attested to by its County Administrator.

Dated: _____

CITY OF NEWPORT, MINNESOTA

By: _____

Its Mayor

ATTEST:

By: _____

Its City Administrator and/or City Clerk

IN WITNESS WHEREOF, the City has caused this Agreement to be signed by its Mayor and attested to by its City Administrator and/or City Clerk and the County has caused this Agreement to be signed by the Chairperson of its Board of County Commissioners, its County Sheriff, and attested to by its County Administrator.

Dated: _____

COUNTY OF WASHINGTON, MINNESOTA

By: _____

Its Chairperson of the Board

By: _____

Its County Sheriff

ATTEST:

By: _____

Its County Administrator

APPROVED AS TO FORM:

By: _____

Its County Attorney's Office

DIVISION 4. DEER AND TURKEY

Sec. 6-120. Designated hunting areas.

The city council shall determine, by resolution, areas for archery deer and turkey hunting. The resolution shall define the areas, by map, which may be hunted. This map shall be effective for the stated hunting seasons.
(Code 1997, § 760.02)

Sec. 6-121. Hunting permitted.

Archery deer and turkey hunting shall be permitted on private lots consisting of a minimum of five contiguous acres as allowed by resolution. A combination of parcels may be used to create five contiguous acres of land. All hunting must be done in accordance with archery deer and turkey hunting regulations set forth by state statutes and the ordinances of the city. Hunters must obtain written permission from the landowner to hunt on the property owner's land.

(Code 1997, § 760.03)

Sec. 6-122. Regulations.

- (a) Persons who wish to conduct archery deer hunting in the city shall complete the Metro Bowhunters Resource Base (MBRB) proficiency test certificate on an annual basis at an approved location. Individuals must possess the MBRB proficiency test certificate when conducting archery deer or turkey hunting on the city property.
- (b) Written permission from the landowners must be in the possession of the hunter at the time of hunting, along with adequate identification.
- (c) Persons may hunt deer and turkeys with a bow and arrow on land approved by the map provided they are at least:
 - (1) Twenty feet from any property with a zoning classification other than those areas identified by the hunting map.
 - (2) Twenty feet from any public right-of-way.
 - (3) Twenty feet from any land or building not owned by the landowner, unless permission has been granted.
- (d) Deer and turkeys shall be the only animals allowed to be hunted within Minnesota department of natural resources regulations. No other small or large game hunting shall be permitted.
- (e) Hunting on public land is prohibited unless authorized by the city.
- (f) Persons successful in harvesting deer or turkey shall notify the city.

(Code 1997, § 760.04)

Sec. 6-123. Deer and turkey management program.

The city clerk-administrator may designate times and dates to conduct a controlled hunt on public property by resolution. after October 15 of each year.

(Code 1997, § 760.05)

Sec. 6-124. Feeding.

- (a) No person may place or permit to be placed on the ground, or within five feet of the ground surface any grain, fodder, fruit, vegetables, nuts, hay or other edible materials (including feed for birds) which may reasonably be expected to intentionally result in deer or turkey feeding, unless such items are screened or protected in a manner that prevents deer from feeding on them. Living fruit trees and other live vegetation shall not be considered as deer and turkey feeding.
- (b) Exceptions. This prohibition shall not apply to:
 - (1) Veterinarians, city animal control officers or county, state or federal game officials who are in the course of their duties, or have deer or turkeys in custody or under their management;
 - (2) Persons authorized by the city to implement the deer management program approved by the city council; or
 - (3) Any food placed upon the property for purposes of trapping or otherwise taking deer or turkeys where such trapping or taking is pursuant to a permit issued by the state department of natural resources.

(Code 1997, § 760.06)

Sec. 6-125. Enforcement.

- (a) *Authority of peace officers.* A peace officer is authorized and empowered to enforce all requirements of this division and related state statutes.
- (b) *Seizure, confiscation, and disposal of deer and property.* A peace officer is authorized and empowered to seize and confiscate any deer taken in violation of this division and to seize, confiscate, and dispose of all guns, firearms, bows and arrows, boats, or vehicles used by the owner or any other person with his knowledge in unlawfully taking or transporting such deer or turkeys in violation of this division. Articles which have no lawful use may be summarily destroyed. Upon conclusion of the prosecution of any case, the guns, firearms, bows and arrows, boats, or vehicles seized pursuant to this section shall be returned to the lawful owner thereof upon payment to the city of all costs incurred by the city in the seizure, to include towing fees and storage or impound fees. In the event the lawful owner cannot be determined or located, the property shall be disposed of in compliance with court order.

(Code 1997, § 760.07)

Secs. 6-126—6-148. Reserved.