



Legislation Text

File #: Res. 2025-040, Version: 1

City Council Meeting Date: April 1, 2025

To: Mayor and City Council

From: Ben Martig, City Administrator

Consider Resolution Ordering a Financial Model for Twenty Years (2022-2042) for All City Projects (Councilor Dahlen Request).

Action Requested:

Councilor Dahlen has requested that the City Council consider a resolution ordering a financial model for twenty years (2022-2042) for all city projects.

Summary Report:

Councilor Dahlen requested this agenda item and submitted the resolution as background information. Councilor Beumer supported this to be added in accordance with the Council Rules of Business.

Councilor Dahlen will give background to the recommendation and Council Beumer may add additional commentary as the supporter to bring this item to Council.

The following are considerations from City Administrator Martig:

- A. Staff suggests the information on the active clauses of the resolution (now therefore be it resolved) are commonly done through more informal feedback of the budget process. The last item would be appropriate to discuss and provide feedback for. The Council could act through a mechanism such as a resolution, but this is not common practice in city operations and therefore staff would suggest working collaboratively to develop such goals in the budget process itself rather than through a stand-alone action;
- B. The action clause #1 of the resolution relates to what staff would refer to as a “20-Year Long Term Financial Plan.” This type of plan would require significant staff time to develop a meaningful document and would likely require consultant assistance that isn’t currently budgeted. Additionally, staff would need to evaluate limitations on working on other items that this would take priority over, if initiated. Staff suggests this could be an “action” within the strategic plan related to financial management should Council be interested in this. Additionally, the Finance Director and City Administrator advise that the goals identified in the prior agenda item on the budget will be more meaningful and impactful. Spending time now on a more long-term plan would distract us from more pressing financial planning priorities. Additionally, if the Council wants to look at more long-term financial planning staff would be advising a 10-year plan in place of a 20-year plan;
- C. For action clause #2 of the resolution staff can request financial planning information from Rice County, Dakota County and the School District for this information. The last agenda item on budget process and priorities would be an appropriate way staff would receive feedback from the full Council to request this

information. Staff has added a goal to integrate communications after the preliminary levy that would provide school and county information. That has been a prior goal we haven't been able to integrate but feel it is something we can do, but will require us to collaborate with these other stakeholders;

- D. For action clause #3, the Finance Director and City Administrator recommend not initiating this formally and especially not at an immediate council meeting. Staff has been monitoring discussions at the State and Federal levels. Based on information from the State government, initiating an action at this time would be pre-mature and distract from more urgent pressing issues.

Finance Director Angelstad is not available to attend the Council meeting on Tuesday. However, City Administrator Martig will be in attendance and will welcome the opportunity to address the responses in more detail and respond to questions.

For general advice on initiating agenda items like this, City Administrator Martig and Finance Director Angelstad suggest first consulting staff for feedback rather than initiating an action such as this for agenda review. Then, the goals could be appropriately integrated into a full Council discussion to get feedback. When agenda items are initiated without context or consultation, it is more difficult to advise on well established practices in the organization as well as best practices overall within municipal government. Staff also should be writing resolutions and recommends that if Councilors want to initiate an action, they should provide more general goals and information for staff to prepare the actual resolution, prepare background information and consult with the City Administrator and Mayor in developing the agenda to provide appropriate planning. If the Council has questions on this or alternative ideas on appropriate processes, City Administrator Martig would welcome that feedback at the meeting.

The Council should discuss the item and determine whether to act on the resolution or another alternative.

Alternative Options:

- A. Not approve the resolution as proposed by Dahlen. Instead, provide feedback and build consensus in upcoming strategic planning and budget meetings;
- B. Modify resolution by amendment.

Financial Impacts:

Not provided.

Tentative Timelines:

Not provided.

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2025-040
ORDERING A FINANCIAL MODEL FOR
TWENTY YEARS (2022-2042) FOR ALL CITY PROJECTS

WHEREAS, the City of Northfield CHARTER Section 9.5 states that the city administrator shall submit to the council no later than the first regular meeting in September the required annual budget “and a five-year capital improvement plan. The capital improvement plan shall include the estimated project costs, proposed financing and the estimated annual cost of operating and maintaining facilities to be constructed or acquired.”

WHEREAS, Section 9.5 is consistent with the fiduciary duty of councilors and the City Administrator; further that councilors at May 2024 Council meeting requested the same;

WHEREAS, the previous council submitted an application for federal funds to cover nearly all of the costs of a new Water Treatment Facility, and when said application was denied, gave approval to a facility twice the cost;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

1. The city staff in concert with Ehlers (financial advisors) prepare a financial model for all of the projects, individually and together, that will show the burden on taxpayers and utility ratepayers for all of the projects (in progress, being considered, or under contract with a consultant), starting from 2022 and ending in 2042.
2. Furthermore, said financial model shall include all costs and the expected impact on the taxpayer, as known to exist for the same taxpayers who are in the Northfield School District and Rice County, and who are expected to pay for their projects during the same timeframe.
3. Furthermore, that staff give this a priority, in view of the new uncertainties (e.g. federal funding cuts to the state) which will likely impact near-term LGA funding to the city, as well as funding impacts on the School District; and have said Financial Model prepared in time for the earliest council meeting, in the exercise of our concurring staff and council fiduciary duties.

PASSED by the City Council of the City of Northfield on this 1 day of April, 2025.

ATTEST

City Clerk

Mayor

VOTE: ___ ZWEIFEL ___ BEUMER ___ DAHLEN ___ HOLMES
 ___ NESS ___ PETERSON WHITE ___ SOKUP