



## COTTAGE GROVE CITY COUNCIL

August 28, 2024

12800 RAVINE PARKWAY SOUTH  
COTTAGE GROVE, MINNESOTA 55016

TRAINING ROOM - 6:00 PM

- 1 Call to Order
- 2 Agenda
  - A 2025 Budget Workshop  
*Staff Recommendation: Provide staff with feedback and direction regarding the 2025 Budget and Property Tax Levy.*
  - B Deputy Fire Chief Position Addition 2024  
*Staff Recommendation: Approve the addition of a second deputy chief authorized to start on or after October 7, 2024.*
- 3 Adjournment



# City Council Action Request

## 2.A.

**Meeting Date** 8/28/2024

**Department** Finance

**Agenda Category** Presentation

**Title** 2025 Budget Workshop

**Staff Recommendation** Provide staff with feedback and direction regarding the 2025 Budget and Property Tax Levy.

**Budget Implication**

**Attachments**

|    |                                            |
|----|--------------------------------------------|
| 1. | Memo Budget Workshop 08-28-2024            |
| 2. | Possible Budget Additions and Subtractions |
| 3. | Property Tax Impact to Sample Properties   |
| 4. | Equipment Replacement Fund                 |
| 5. | 2025 Fund Balances                         |



**To:** Mayor and City Council Members  
Jennifer Levitt, City Administrator

**From:** Brenda Malinowski, Finance Director

**Date:** August 28, 2024

**Subject:** 2025 Budget Workshop/Tax Levy direction

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## INTRODUCTION

This is the final workshop before the adoption of the 2025 Preliminary Property Tax Levy and Budget. The 2025 Budget process included planning and consensus throughout the process to effectively evaluate the service level impacts and property tax implications. Three Council workshops have occurred since May to review budget requests, property tax impacts, and to receive Council direction.

### Taxable Values

Since the last Council workshop on July 31<sup>st</sup>, estimates from Washington County were received on August 16<sup>th</sup>. The August taxable value estimates are higher than estimated in July, which is lowering the city property tax impact on properties in the City, when compared to the estimates from July. The higher than estimated taxable values is due to a higher Local Taxable Value than anticipated in July.

| Preliminary Values      | Final Pay 2024  | July Estimate<br>for Pay 2025 | August<br>Estimate for<br>Pay 2025 |
|-------------------------|-----------------|-------------------------------|------------------------------------|
| Estimated Market Values | \$6,368,295,800 | \$6,372,330,400               | \$6,389,179,400                    |
| Taxable Market Values   | \$6,193,083,500 | \$6,135,382,200               | \$6,149,999,100                    |
| New Construction        | \$258,602,700   | \$175,341,200                 | \$175,296,900                      |
| Tax Capacity            | \$68,904,450    | \$67,840,340                  | \$68,976,218                       |
| Local Taxable Value     | \$62,216,047    | \$61,501,554                  | \$62,659,985                       |

### Property Tax Levy

The budget process follows the timeline established by the State of Minnesota. Minnesota Statutes require that the preliminary budget and proposed property tax levy be approved by the City Council before September 30<sup>th</sup>. The proposed levy is then certified to Washington County by September 30<sup>th</sup>, as required by State Statute. The preliminary levy may be decreased before final adoption in December, but it may not be increased. There are four bargaining unit contracts that expire on December 31, 2024.

|                            | 2024<br>Budget | 2025<br>Proposed | 2026<br>Proposed |
|----------------------------|----------------|------------------|------------------|
| City of Cottage Grove Levy |                |                  |                  |
| General Fund Levy          | \$18,567,010   | \$20,504,300     | \$22,469,700     |
| Equipment Levy             | 319,100        | 205,000          | 700,000          |
| EDA Levy                   | 275,000        | 137,500          | 187,500          |
| Park Capital Levy          |                |                  | 190,000          |
| Debt Levy                  | \$3,664,490    | \$5,027,700      | \$6,490,295      |
| Total Property Tax Levy    | \$23,125,600   | \$25,874,500     | \$30,037,495     |

|          | 2024<br>Budget | 2025<br>Proposed | 2026<br>Proposed |
|----------|----------------|------------------|------------------|
| HRA Levy |                |                  |                  |
| HRA Levy | \$-            | \$137,500        | \$137,500        |

|                              | 2024<br>Budget | 2025<br>Proposed | 2026<br>Proposed |
|------------------------------|----------------|------------------|------------------|
| Combined Property Tax Levies |                |                  |                  |
| Total                        | \$23,125,600   | \$26,012,000     | \$30,174,995     |
|                              |                | 12.48%           | 16.00%           |

### Tax Rate

Based on this levy and taxable values from the County, the property tax rate for 2025 is 38.136%.

|                                                | 2019    | 2020    | 2021   | 2022    | 2023    | 2024    | July<br>Estimate<br>2025 | August<br>Estimate<br>2025 |
|------------------------------------------------|---------|---------|--------|---------|---------|---------|--------------------------|----------------------------|
| Property Tax Rate                              | 38.959% | 39.182% | 37.351 | 37.251% | 33.899% | 32.909% | 38.136%                  | 37.027%                    |
| (HRA levy included in Property Tax Rate Above) |         |         |        |         |         |         |                          |                            |

### Financial Management Plan (FMP)

The FMP was completed in 2023 and included all current and future operating costs, the capital improvement plan, existing and future debt, and tax base growth. The FMP is based on certain assumptions such as expenditure increases at 4% and non-property tax revenue increases at 2%. As a reminder the FMP targets a city property tax increase of \$100 per year on the median home.

Based on the August values from the County and the proposed property tax levy, the tax impacts for the five sample properties are shown below:

| Property    | 2024            |                         | 2025 *          |                         | % Increase<br>Market<br>Value | City Property<br>Tax Change |
|-------------|-----------------|-------------------------|-----------------|-------------------------|-------------------------------|-----------------------------|
|             | Market<br>Value | City<br>Property<br>Tax | Market<br>Value | City<br>Property<br>Tax |                               |                             |
| Median Home | \$363,000       | \$1,180                 | \$352,500       | \$1,250                 | -2.89%                        | \$70                        |
| Property 1  | 371,400         | \$1,203                 | 362,900         | 1,292                   | -2.29%                        | 89                          |
| Property 2  | 417,900         | 1,368                   | 414,900         | 1,502                   | -.72%                         | 134                         |
| Property 3  | 441,200         | 1,444                   | 417,000         | 1,511                   | -5.49%                        | 67                          |
| Property 4  | 519,700         | 1,717                   | 505,900         | 1,879                   | -2.66%                        | 162                         |
| Average     |                 |                         |                 |                         |                               | \$104                       |

\*2025 is based on the revised homestead market value exclusion (HMVE) changes. There is a decrease of approximately \$35 on the median home based on the new (HMVE).

**The new property taxes for the new HRA Levy are included in the 2025 City Property Tax Column. This accounts for \$7.50 of the increase to the median home.**

#### One-time public safety aid

\$1,733,127 in one-time public safety aid was received in 2023. These funds were identified to be utilized as follows:

| Description                            | 2024<br>Budget | 2025<br>Budget | 2026<br>Budget |
|----------------------------------------|----------------|----------------|----------------|
| Police Officers (2 FTE's)              | \$205,600      | 116,000        | \$63,800       |
| Firefighter/Paramedics (3 FTE's)       | 222,750        | 156,750        | 86,214         |
| Fire staffing plan                     | 100,000        |                |                |
| Toughbook computers and watchguard     | 188,000        | 71,000         | 73,013         |
| Training for FF/EMT's                  | 24,000         |                |                |
| SCBA's for fire (or fund Deputy Chief) |                | 450,000        |                |
| Total                                  | \$716,350      | \$793,750      | \$223,027      |

Based on the preliminary 2025 Budget, these funds are now identified to be utilized as follows:

| Description                        | 2024<br>Budget | 2025<br>Budget | 2026<br>Budget | 2027<br>Budget |
|------------------------------------|----------------|----------------|----------------|----------------|
| Police Officers (2 FTE's)          | \$205,600      | 116,000        | \$63,800       |                |
| Firefighter/Paramedics (3 FTE's)   | 222,750        | 156,750        | 86,200         |                |
| Fire staffing plan                 | 100,000        |                |                |                |
| Paramedic School                   | (36,000)       | 36,000         |                |                |
| Deputy Chief                       |                | 177,000        | 188,300        |                |
| Toughbook computers and watchguard | 188,000        | 103,000        | 72,990         |                |
| SCBA's for fire                    |                | 50,000         |                | 2,737          |
| Total                              | \$716,350      | \$638,750      | \$411,290      | 2,737          |

The property tax impact of adding these items to the property tax levy as the one-time public safety aid is depleted has been included in the FMP.

**Property Tax Levy Additions and Subtractions**

Included in the packet is a spreadsheet with items that can be added or subtracted from the Budget. The items highlighted in yellow are anticipated to be funded with savings from the 2024 Budget with a Budget Carryforward.

**Action Requested**

Provide feedback and direction regarding the 2025 Operating Budget and 2025 Property Tax Levy.

## 2025 Property Tax Levy-Addition Budget Additions and Equipment

### 2025 Property Tax Levy

|                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Remove LGA                                                                                                                                                                                                                                   |
| Raise cap on Annual Leave by 16 hours                                                                                                                                                                                                        |
| BA-This the amount needed to change to Police Officer start date from 7/1/2025 to 1/1/2025. Department had requested 1/1/2025 start date but changed to 7/1/2025 for budget savings.                                                         |
| BA-Parks-Increase portable restroom for likely contract increase in order to have the same number of portable restrooms from 2024 to 2025.                                                                                                   |
| BA-Increase Bobcat lease amount for Parks for the lease increase from 2024 to 2025 in order to lease for the same period as 2024 which is for the entire year.                                                                               |
| BA-Tasers lease 46 tasers for the next five years.                                                                                                                                                                                           |
| BA-Forestry-Increase trimming due to costs & number of trees. Department had requested \$50,000 but it was reduced to \$30,000 for budget savings.\$50,000 enables 1,200 trees to be trimmed and \$30,000 enables 1,000 trees to be trimmed. |
| BA-Increase fire building maintenance account to the amount requested by department. Finance had reduced to the amount needed based on estimated costs.                                                                                      |
| BA-Refurbish Bearcat. This the City portion of the refurbishment of the countywide vehicle. Total cost is \$126,000 and is shared with members agencies of WCSO.                                                                             |
| Equipment-2013 vehicle for Recreation moved from 2025 request year to 2026. This is amount needed to move back to 2025.                                                                                                                      |
| Equipment-2014 vehicle for Fire Marshal moved from 2025 request year to 2026. This is amount needed to move back to 2025.                                                                                                                    |
| Equipment-Assigned vehicle program spare.                                                                                                                                                                                                    |
| Equipment-Assigned vehicle program spare.                                                                                                                                                                                                    |
| BA-Inspector. This is amount that would be needed to replace the two seasonal Inspectors (one is Building and one is Code Enforcement) that are currently in 2025 Budget with one FT Building Inspector.                                     |
| BA-Warning Siren for Mississippi Dunes Park moved from 2025 request year to 2027. This is the amount needed to move back to 2025.                                                                                                            |
| Equipment-Sidewalk Machine that was requested to be replaced in 2025 but moved to 2026. This is the amount needed to move back to 2025.                                                                                                      |

Every \$25,000 is .11% Levy Increase and \$1.37 on median home

| Changes    | Levy          | Levy Increase % | Tax Rate | City Taxes<br>Median Home | Change from<br>2024 | \$ Change |
|------------|---------------|-----------------|----------|---------------------------|---------------------|-----------|
|            | \$ 26,012,000 | 12.48%          | 37.036%  | \$ 1,250.72               | \$ 70.55            |           |
| \$ 50,000  | \$ 26,062,000 | 12.70%          | 37.511%  | \$ 1,266.74               | \$ 86.57            | \$ 16.02  |
| \$ 190,000 | \$ 26,252,000 | 13.52%          | 37.814%  | \$ 1,276.98               | \$ 96.81            | \$ 26.26  |
| \$ 60,000  | \$ 26,312,000 | 13.78%          | 37.910%  | \$ 1,280.21               | \$ 100.04           | \$ 100.04 |
| \$ 17,000  | \$ 26,329,000 | 13.85%          | 37.937%  | \$ 1,281.13               | \$ 100.96           | \$ 14.39  |
| \$ 14,000  | \$ 26,343,000 | 13.91%          | 37.959%  | \$ 1,281.88               | \$ 101.71           | \$ 0.75   |
| \$ 42,000  | \$ 26,385,000 | 14.09%          | 38.026%  | \$ 1,284.14               | \$ 103.97           | \$ 2.26   |
| \$ 20,000  | \$ 26,405,000 | 14.18%          | 38.058%  | \$ 1,285.22               | \$ 105.05           | \$ 1.08   |
| \$ 4,400   | \$ 26,409,400 | 14.20%          | 38.065%  | \$ 1,285.46               | \$ 105.29           | \$ 0.24   |
| \$ 27,000  | \$ 26,436,400 | 14.32%          | 38.108%  | \$ 1,286.91               | \$ 106.74           | \$ 1.46   |
| \$ 50,000  | \$ 26,486,400 | 14.53%          | 38.188%  | \$ 1,289.61               | \$ 109.44           | \$ 2.69   |
| \$ 72,000  | \$ 26,558,400 | 14.84%          | 38.303%  | \$ 1,293.49               | \$ 113.32           | \$ 3.88   |
| \$ 52,000  | \$ 26,610,400 | 15.07%          | 38.386%  | \$ 1,296.29               | \$ 116.12           | \$ 2.80   |
| \$ 52,000  | \$ 26,662,400 | 15.29%          | 38.469%  | \$ 1,299.09               | \$ 118.92           | \$ 2.80   |
| \$ 48,500  | \$ 26,710,900 | 15.50%          | 38.546%  | \$ 1,301.71               | \$ 121.54           | \$ 2.61   |
| \$ 40,690  | \$ 26,751,590 | 15.68%          | 38.611%  | \$ 1,303.90               | \$ 123.73           | \$ 2.19   |
| \$ 225,000 | \$ 26,976,590 | 16.65%          | 38.970%  | \$ 1,316.03               | \$ 135.86           | \$ 12.13  |

**Items that can be pushed per Department Directors**

|                                                                                   |
|-----------------------------------------------------------------------------------|
| Community Development-Not hire Seasonal Code Enforcement                          |
| Community Development-Push replacement of 2011 Vehicle for Inspections            |
| Administration-Push Community Survey to 2026                                      |
| Public Works-Remove BA for trimming in 2025 if no longer planting boulevard trees |
| Public Works-Asphalt remove 500 tons for 2025 budget. Will need in 2026.          |
| Public Works-Pursue a used facilities van (\$100,000 to \$50,000)                 |
| Parks & Recreation-Move court resurfacing from 5 to 6 year plan                   |
| Parks & Recreation-Reduce quantity of portable restroom units                     |
| Public Safety-Push Start date of Police Officer to 1/1/2026                       |
| Public Works-Push 2010 dump truck to 2026-levy reduction 26 of \$73,000           |
| Public Safety-Push order date of Fire Tender-levy reduction 26 of \$148,000       |
|                                                                                   |

| Changes     | Levy          | Levy Increase % | Tax Rate | City Taxes<br>Median Home | Change from<br>2024 | \$ Change |
|-------------|---------------|-----------------|----------|---------------------------|---------------------|-----------|
|             | \$ 26,012,000 | 12.48%          | 37.431%  | \$ 1,264.04               | \$ 83.87            |           |
|             |               |                 |          |                           |                     |           |
| \$ (35,000) | \$ 25,977,000 | 12.33%          | 37.375%  | \$ 1,262.15               | \$ 81.98            | \$ (1.89) |
| \$ (45,000) | \$ 25,932,000 | 12.14%          | 37.303%  | \$ 1,259.73               | \$ 79.56            | \$ (2.43) |
| \$ (30,000) | \$ 25,902,000 | 12.01%          | 37.255%  | \$ 1,258.11               | \$ 77.94            | \$ (1.62) |
|             |               |                 |          |                           |                     |           |
| \$ (30,000) | \$ 25,872,000 | 11.88%          | 37.207%  | \$ 1,256.50               | \$ 76.33            | \$ (1.62) |
| \$ (40,500) | \$ 25,831,500 | 11.70%          | 37.143%  | \$ 1,254.31               | \$ 74.14            | \$ (2.18) |
| \$ (50,000) | \$ 25,781,500 | 11.48%          | 37.063%  | \$ 1,251.62               | \$ 71.45            | \$ (2.69) |
| \$ (20,000) | \$ 25,761,500 | 11.40%          | 37.031%  | \$ 1,250.54               | \$ 70.37            | \$ (1.08) |
| \$ (10,000) | \$ 25,751,500 | 11.35%          | 37.015%  | \$ 1,250.00               | \$ 69.83            | \$ (0.54) |
| \$ (60,000) | \$ 25,691,500 | 11.10%          | 36.919%  | \$ 1,246.77               | \$ 66.60            | \$ (3.23) |
| \$ -        | \$ 25,691,500 | 11.10%          | 36.919%  | \$ 1,246.77               | \$ 66.60            | \$ -      |
| \$ -        | \$ 25,691,500 | 11.10%          | 36.919%  | \$ 1,246.77               | \$ 66.60            | \$ -      |
|             |               |                 |          |                           |                     |           |

**2025 Property Tax Levy**

|          |
|----------|
| Deletion |
| Deletion |
| Deletion |
| Deletion |
| Deletion |
| Deletion |
| Deletion |

| Changes      | Levy          | Levy Increase % | Tax Rate | City Taxes<br>Median Home | Change from<br>2024 | \$ Change |
|--------------|---------------|-----------------|----------|---------------------------|---------------------|-----------|
|              | \$ 26,012,000 | 12.48%          | 37.431%  | \$ 1,264.04               | \$ 83.87            |           |
|              |               |                 |          |                           |                     |           |
| \$ (25,000)  | \$ 25,987,000 | 12.37%          | 37.391%  | \$ 1,262.69               | \$ 82.52            | \$ (1.35) |
| \$ (50,000)  | \$ 25,937,000 | 12.16%          | 37.311%  | \$ 1,260.00               | \$ 79.83            | \$ (2.69) |
| \$ (75,000)  | \$ 25,862,000 | 11.83%          | 37.192%  | \$ 1,255.96               | \$ 75.79            | \$ (4.04) |
| \$ (100,000) | \$ 25,762,000 | 11.40%          | 37.032%  | \$ 1,250.57               | \$ 70.40            | \$ (5.39) |
| \$ (125,000) | \$ 25,637,000 | 10.86%          | 36.832%  | \$ 1,243.83               | \$ 63.66            | \$ (6.74) |
| \$ (150,000) | \$ 25,487,000 | 10.21%          | 36.593%  | \$ 1,235.75               | \$ 55.58            | \$ (8.08) |
| \$ (175,000) | \$ 25,312,000 | 9.45%           | 36.314%  | \$ 1,226.32               | \$ 46.15            | \$ (9.43) |

|                               | 2024          | 2025 from July | Change<br>from 2024 | 2025 based on<br>County<br>Estimates from<br>August | Change<br>from 2024 |
|-------------------------------|---------------|----------------|---------------------|-----------------------------------------------------|---------------------|
| Gross Property Tax Levy       | 23,125,600    | 26,012,100     |                     | 26,012,100                                          |                     |
| Fiscal Disparity Distribution | (2,687,877)   | (2,610,842)    |                     | (2,861,847)                                         |                     |
|                               | 20,437,723    | 23,401,258     |                     | 23,150,253                                          |                     |
| Market Value                  | 6,368,295,800 | 6,372,330,400  |                     | 6,389,179,400                                       |                     |
| Taxable Market Value          | 6,193,083,500 | 6,135,382,200  |                     | 6,149,999,100                                       |                     |
| New Construction              | 258,602,700   | 175,341,200    |                     | 175,296,900                                         |                     |
| Tax Capacity                  | 68,904,450    | 67,840,340     |                     | 68,976,218                                          |                     |
| Fiscal Disparity Contribution | (3,600,279)   | (4,918,537)    |                     | (4,895,753)                                         |                     |
| Tax Increment                 | (3,088,124)   | (1,420,249)    |                     | (1,420,480)                                         |                     |
| Local Taxable Value           | 62,216,047    | 61,501,554     |                     | 62,659,985                                          |                     |
| Combined                      | 0.328496007   | 0.380498646    |                     | 0.369458323                                         |                     |
| Urban                         | 0.32909       | 0.38136        |                     | 0.37027                                             |                     |
| Rural                         | 0.24598       | 0.28770        |                     | 0.27933                                             |                     |
| City Property Tax             |               |                |                     |                                                     |                     |
| Median Home                   | \$ 1,180      | \$ 1,288       | \$ 108              | \$ 1,250                                            | \$ 71               |
| Sample Property 1             | \$ 1,203      | \$ 1,331       | \$ 128              | \$ 1,292                                            | \$ 89               |
| Sample Property 2             | \$ 1,368      | \$ 1,547       | \$ 179              | \$ 1,502                                            | \$ 134              |
| Sample Property 3             | \$ 1,444      | \$ 1,556       | \$ 112              | \$ 1,511                                            | \$ 67               |
| Sample Property 4             | \$ 1,717      | \$ 1,935       | \$ 218              | \$ 1,879                                            | \$ 162              |
|                               |               | 149            |                     |                                                     | 104                 |

## Equipment Replacement Fund

|                                  | 2023         | 2024         | 2025       | 2026           |
|----------------------------------|--------------|--------------|------------|----------------|
| Revenues:                        |              |              |            |                |
| Property Tax Levy-Equipment      | \$ -         | \$ 319,100   | \$ 204,570 | \$ 700,000     |
| Debt Levy-Equip. Certificates    | -            | -            | 63,670     | 505,195        |
| Transfer In-General Fund         | 418,837      | -            | -          | -              |
| Equipment Sales                  | 9,025        | 750          |            | 89,000         |
| Investment Interest              | 81,800       | 16,000       | 4,172      | -              |
| Total Revenues:                  | 509,662      | 335,850      | 272,412    | 1,294,195      |
| Expenditures:                    |              |              |            |                |
| Equipment Paid 2023              | 522,969      |              |            |                |
| Equipment Purchases 2023 & Prior | -            | 805,722      |            |                |
| Equipment Purchases 2024 Budget  | -            | 1,163,890    |            |                |
| Equipment Purchases              | -            | -            | 2,552,500  | 3,097,200      |
| Total Expenditures:              | 522,969      | 1,969,612    | 2,552,500  | 3,097,200      |
| Other Financing Sources/(Uses)   |              |              |            |                |
| Equipment Certificates           |              | 502,783      | 1,920,000  | 1,080,000      |
| Transfer Out-Debt Payment        |              |              | (60,638)   | (545,190)      |
| Issuance Costs                   |              | (2,783)      | (38,400)   | (21,600)       |
| Total Other:                     | -            | 500,000      | 1,820,962  | 513,210        |
| Beginning Fund Balance           | \$ 1,635,867 | \$ 1,622,560 | \$ 488,798 | \$ 29,672      |
| Ending Fund balance              | \$ 1,622,560 | \$ 488,798   | \$ 29,672  | \$ (1,260,123) |

**2024 Equipment**

|                                           |         |                     |                |
|-------------------------------------------|---------|---------------------|----------------|
| Ford Explorer (21-1247-13)                | Police  | 50,000              |                |
| Ford Interceptor (21-1660-16)             | Police  | 50,000              |                |
| Fire Radios                               | Fire    | 30,330              |                |
| Squads (Police)                           | Police  | 472,560             |                |
| Mower (31-8509-14)                        | Streets | 68,000              |                |
| Enclosed Trailer (41-7010-06)             | Parks   | 10,000              |                |
| Redi-Haul Trailer (41-7013-05)            | Parks   | 22,000              |                |
| Utility Vehicle with Sprayer (41-8705-05) | Parks   | 125,000             | Equipment Cert |
| Toro Groundsmaster Mower (41-8504-15)     | Parks   | 116,000             | Equipment Cert |
| Utility Vehicle with Attachments (New)    | Streets | 220,000             | Equipment Cert |
|                                           |         | <u>\$ 1,163,890</u> |                |

**Form# 2025 Equipment**

|    |                                  |            |             |                  |                |
|----|----------------------------------|------------|-------------|------------------|----------------|
| 2  | Squad Cars                       | Squad Cars | Police      | 360,000          |                |
| 4  | Engine                           | 26-3135-96 | Fire        | 650,000          | Equipment Cert |
| 5  | 1 ton truck                      | 41-4204-08 | Parks       | 115,000          | Equipment Cert |
| 6  | Mower 16-foot                    | 41         | Parks       | 159,000          |                |
| 7  | Gator                            | 41         | Parks       | 32,500           |                |
| 8  | Plow for pickup 1409             | 41         | Parks       | 13,000           |                |
| 10 | Dump Truck Single Axle           | 31-4002-10 | Streets     | 325,000          | Equipment Cert |
| 9  | Dump Truck Single Axle           | 31-4008-09 | Streets     | 325,000          | Equipment Cert |
| 11 | Brush Chipper                    | 31-6001-09 | Streets     | 100,000          | Equipment Cert |
| 12 | Asphalt patcher                  | 31-6008-05 | Streets     | 305,000          | Equipment Cert |
| 13 | Stand up mower                   | 31-8501-15 | Streets     | 10,000           |                |
| 15 | Plow for pickup 1003             | 31         | Streets     | 13,000           |                |
| 17 | Vehicle for inspections          | 13-5011-11 | Inspections | 45,000           |                |
| 25 | Vehicle for building maintenance | Fleet      | Fleet       | 100,000          | Equipment Cert |
|    |                                  |            |             | <u>2,552,500</u> |                |

**2026 Equipment**

|    |                                  |            |            |                  |                 |
|----|----------------------------------|------------|------------|------------------|-----------------|
| 27 | Vehicle for police               | 21-1662-12 | Police     | 53,500           |                 |
| 28 | Vehicle for police               | 21-1839-14 | Police     | 53,500           |                 |
| 29 | Squad Cars                       | Squad Cars | Police     | 556,200          |                 |
| 3  | Vehicle for fire marshal         | 26-1360-14 | Fire       | 72,000           | Moved from 2025 |
| 14 | Sidewalk machine                 | 34-8710-18 | Snow       | 225,000          | Moved from 2025 |
| 31 | Garbage truck                    | 41-6003-14 | Parks      | 165,000          |                 |
| 32 | Trailer                          | 41-7015    | Parks      | 12,000           |                 |
| 33 | Mower 16-foot                    | 41-8511-18 | Parks      | 165,000          |                 |
| 34 | Gator                            | 41-8704-05 | Parks      | 32,500           |                 |
| 35 | Tractor                          | 41-8403-08 | Parks      | 117,000          |                 |
| 36 | Plow for tractor                 | 41-8401-16 | Parks      | 46,000           |                 |
| 37 | Gator                            | 41         | Parks      | 32,500           |                 |
| 38 | Blower for new tractor           | 41         | Parks      | 20,000           |                 |
| 39 | Forestry aerial service truck    | 36-6009-07 | Forestry   | 240,000          | Equipment Cert  |
| 40 | Utility vehicle with attachments | 31-8409-16 | Streets    | 235,000          |                 |
| 41 | Stand on spreader/sprayer        | 31-6010-16 | Streets    | 13,000           |                 |
| 42 | Trailer                          | 31-7004-06 | Streets    | 12,000           |                 |
| 43 | Loader and wing                  | 31-8002-91 | Streets    | 337,000          | Equipment Cert  |
| 44 | Sign truck                       | 32-1101-07 | Signs      | 170,000          | Equipment Cert  |
| 45 | Dump Truck Single Axle           | 31-4001-10 | Streets    | 335,000          | Equipment Cert  |
| 46 | Crew cab                         | 31         | Streets    | 70,000           |                 |
| 16 | Vehicle for recreation           | 51-5003-13 | Recreation | 50,000           | Moved from 2025 |
| 47 | Scrubber sweeper                 | Fleet      | Fleet      | 85,000           |                 |
|    |                                  |            |            | <u>3,097,200</u> |                 |

**2027 Equipment pushed from 2026**

|    |                        |            |      |        |                 |
|----|------------------------|------------|------|--------|-----------------|
| 30 | Vehicle for fire chief | 26-3117-15 | Fire | 72,000 | Moved from 2026 |
|----|------------------------|------------|------|--------|-----------------|

**Equipment in Other Funds for 2025**

|    |                                   |         |                  |
|----|-----------------------------------|---------|------------------|
| 18 | Vac Truck                         | 700,000 | Sewer and Storm  |
| 19 | Aerial street light service truck | 230,000 | Street lights    |
| 20 | Forklift for treatment plant      | 45,000  | State reimburse. |
| 21 | Lift for treatment plant          | 80,000  | State reimburse. |
| 22 | Scrubber for treatment plant      | 85,000  | State reimburse. |
| 23 | Scissor lift for treatment plant  | 45,000  | State reimburse. |
| 26 | Ambulance                         | 305,000 | EMS Fund         |

**Equipment in other Funds in 2026**

|    |                        |         |          |
|----|------------------------|---------|----------|
| 48 | Hotsy trailer          | 25,000  | Water    |
| 49 | Trailer air compressor | 40,000  | Water    |
| 50 | Ambulance              | 340,000 | EMS Fund |

| Fund Name                              | Fund No. | FUND BALANCE SCHEDULE     |                           |                                        |                           |                                |                                | FUND BALANCE SCHEDULE     |                                |                                |
|----------------------------------------|----------|---------------------------|---------------------------|----------------------------------------|---------------------------|--------------------------------|--------------------------------|---------------------------|--------------------------------|--------------------------------|
|                                        |          | 2022<br>Ending<br>Balance | 2023<br>Ending<br>Balance | 2024<br>Estimated<br>Ending<br>Balance | 2025 Budget               |                                |                                | 2026 Budget               |                                |                                |
|                                        |          |                           |                           |                                        | 2025<br>Budget<br>Revenue | 2025<br>Budget<br>Expenditures | Estimated<br>Ending<br>Balance | 2026<br>Budget<br>Revenue | 2026<br>Budget<br>Expenditures | Estimated<br>Ending<br>Balance |
| General                                | 100      | 13,314,103                | 15,416,570                | 15,416,570                             | 27,125,340                | 27,125,340                     | 15,416,570                     | 28,965,570                | 28,965,570                     | 15,416,570                     |
| Special Revenue                        |          |                           |                           |                                        |                           |                                |                                |                           |                                |                                |
| Equipment Replacement                  | 210      | 1,635,867                 | 1,622,561                 | 488,798                                | 2,192,412                 | 2,651,538                      | 29,672                         | 2,374,195                 | 3,663,990                      | (1,260,123)                    |
| Recycling                              | 215      | 94,926                    | 98,744                    | 93,524                                 | 61,000                    | 64,990                         | 89,534                         | 63,000                    | 68,580                         | 83,954                         |
| Storm Water                            | 230      | 2,060,248                 | 2,512,423                 | 2,700,418                              | 1,274,600                 | 1,401,130                      | 2,573,888                      | 1,352,900                 | 1,101,450                      | 2,825,338                      |
| Roadway & Trail Maint. Fund            | 235      | 230,719                   | 483,944                   | 626,304                                | 2,019,400                 | 1,884,000                      | 761,704                        | 2,111,000                 | 1,979,000                      | 893,704                        |
| Forfeiture                             | 240      | 71,032                    | 6,470                     | (1,430)                                | 24,000                    | 22,340                         | 230                            | 24,000                    | 23,930                         | 300                            |
| Opioid Settlement                      | 245      | 76                        | 158,720                   | 48,792                                 |                           |                                | 48,792                         |                           |                                | 48,792                         |
| Ice Arena                              | 250      | (589,952)                 | (530,812)                 | (428,732)                              | 1,710,000                 | 1,666,350                      | (385,082)                      | 1,754,000                 | 1,648,260                      | (279,342)                      |
| Golf Course                            | 255      | (55,785)                  | (1,413,802)               | (1,308,322)                            | 3,243,917                 | 3,236,440                      | (1,300,845)                    | 3,373,660                 | 3,341,215                      | (1,268,400)                    |
| Convention & Visitors Bureau           | 265      | 0                         | 111,358                   | 61,768                                 | 98,300                    | 92,380                         | 67,688                         | 104,800                   | 93,510                         | 78,978                         |
| HRA                                    | 280      | 0                         | 0                         | 0                                      | 137,500                   | 104,800                        | 32,700                         | 137,500                   | 109,900                        | 60,300                         |
| EDA                                    | 285      | (446,299)                 | (600,675)                 | (892,000)                              | 237,500                   | 525,610                        | (1,180,110)                    | 287,500                   | 599,600                        | (1,492,210)                    |
| Enterprise (Unrestricted Fund Balance) |          |                           |                           |                                        |                           |                                |                                |                           |                                |                                |
| Water Operating                        | 610      | 8,375,307                 | 8,226,429                 | 5,514,314                              | 4,251,500                 | 3,541,090                      | 5,224,724                      | 4,582,200                 | 3,757,550                      | 6,049,374                      |
| Sewer Operating                        | 620      | 5,842,533                 | 5,757,724                 | 5,934,154                              | 4,244,570                 | 4,587,520                      | 5,591,204                      | 4,500,050                 | 4,418,340                      | 5,672,914                      |
| Street Light                           | 630      | 374,809                   | 390,176                   | 511,606                                | 1,347,900                 | 1,373,630                      | 485,876                        | 1,445,600                 | 1,187,270                      | 744,206                        |
| Cottage Grove EMS                      | 660      | (400,370)                 | (188,851)                 | (188,851)                              | 2,955,100                 | 3,274,710                      | (508,461)                      | 3,252,560                 | 3,441,780                      | (697,681)                      |
| Internal Service                       |          |                           |                           |                                        |                           |                                |                                |                           |                                |                                |
| Self Insurance                         | 700      | 598,487                   | 184,156                   | 199,146                                | 4,048,400                 | 3,860,540                      | 387,006                        | 4,397,050                 | 4,040,390                      | 743,666                        |
| Fleet Maintenance                      | 710      | (102,956)                 | (176,767)                 | (228,427)                              | 2,331,660                 | 2,296,720                      | (193,487)                      | 2,430,940                 | 2,413,420                      | (175,967)                      |
| Information Services                   | 720      | (341,315)                 | (38,776)                  | (20,741)                               | 2,042,900                 | 2,194,795                      | (172,636)                      | 2,111,940                 | 1,986,085                      | (46,781)                       |
|                                        |          | 30,605,602                | 32,019,592                | 28,526,891                             | 59,345,999                | 59,903,923                     | 26,968,967                     | 63,268,465                | 62,839,840                     | 27,397,592                     |



## City Council Action Request

# 2.B.

|                      |                                                                                                  |    |                                           |
|----------------------|--------------------------------------------------------------------------------------------------|----|-------------------------------------------|
| Meeting Date         | 8/28/2024                                                                                        |    |                                           |
| Department           | Public Safety                                                                                    |    |                                           |
| Agenda Category      | Action Item                                                                                      |    |                                           |
| Title                | Deputy Fire Chief Position Addition 2024                                                         |    |                                           |
| Staff Recommendation | Approve the addition of a second deputy chief authorized to start on or after October 7, 2024.   |    |                                           |
| Budget Implication   | N/A                                                                                              |    |                                           |
| Attachments          | <table border="1"><tr><td>1.</td><td>Deputy Fire Chief Position August 22 2024</td></tr></table> | 1. | Deputy Fire Chief Position August 22 2024 |
| 1.                   | Deputy Fire Chief Position August 22 2024                                                        |    |                                           |



**To:** Honorable Mayor and City Council  
Jennifer Levitt, City Administrator  
Brenda Malinowski, Finance Director

**From:** Peter Koerner, Director of Public Safety  
Jon Pritchard, Deputy Director of Public Safety – Fire Chief

**Date:** August 22, 2024

**Subject:** **DEPUTY FIRE CHIEF POSITION ADDITION 2024**

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## **INTRODUCTION AND BACKGROUND**

The Cottage Grove Fire Department (CGFD) is a rapidly evolving department committed to service excellence to deliver exceptional outcomes to those in the community. CGFD is a progressive fire department with a holistic vision to provide excellent services throughout its mission areas including fire suppression, emergency medical services (EMS), community risk reduction, specialized response, and rescue services while developing the highest caliber of talent and department culture.

To serve the mission and fulfill the vision of the fire department, an adequate and well-structured leadership team is crucial. In 2019, the fire department's leadership structure was evaluated as part of a city-wide organizational study. In the 2019 study findings, there were several changes recommended including the addition of a fire marshal, shift-based supervisors (Fire Captains) and the addition of a second Deputy Chief. The second deputy chief is the remaining piece to fulfill the 2019 organizational study recommendations for the fire department.

The current structure of one Fire Chief and one Deputy Chief is not adequate to provide sufficient management and leadership to the fire department. The consequence is that the current chief officers work well outside of a manageable span of control and any work that is not able to be completed by them is then placed upon shift supervisors. In turn, shift supervisors are pulled away from their primary duty of supervising shift personnel to work on chief level projects and programs. The lack of a third chief officer has also resulted in the department not having adequate chief level response coverage of emergency incidents since two chief officers must provide afterhours coverage 24 hours and 365 days per year.

The organizational plan recommends (and is supported by the leadership team) two Deputy Chiefs. One Deputy Chief would be primarily responsible for daily operations, EMS, fire and EMS fleet responsibilities and supervision of Fire Captains. The Deputy Chief would be referred to as the "Operations Chief." The second Deputy Chief would be responsible for fire and EMS training, new firefighter on-boarding and field training, developing department policy and procedures, professional development of firefighters, wellness, health and safety and assuring compliance with professional standards. The second Deputy Chief would be referred

to as the "Training Chief." The Training Chief would supervise fire department Field Training Officers (FTO), Fire/EMS Instructors and the Live Fire Training Burn Team.

### **FINANCIAL IMPACTS**

The position is included in the 2025 budget and will be funded for two years with One-time public safety aid. There is 2024 budget savings from vacant positions in the Fire Department Budget to begin this position on October 7, 2024.

### **OPERATIONAL IMPACTS**

Throughout the 2024 fiscal year, the opportunity to add the second Deputy Fire Chief was evaluated due to the significant need for the fire department. As the year progressed, the financial viability was becoming favorable for a 2024 start but the impact on shift-based staffing had to be considered. Due to multiple retirements, promotions, and the addition of three full-time firefighter positions, there were multiple full-time positions open. The fire department experienced prolonged vacancies for these positions due to a variety of factors driven by the local market for full-time firefighter positions. The fire department has now identified a sufficient amount of quality candidates to fill all fire department full-time fire department vacancies. The Deputy Fire Chief will also create an opening for a full-time firefighter and since the department had a successful recruitment effort this Summer, this allows the ability to backfill this position in face of a tight market. This opportunity may pass if quality candidates are not hired when available and pushing the Deputy Chief back further may create a prolonged vacancy if the quality candidates are not hired soon.

With the current budget process, we anticipated a start date after January 1, 2025. We have accelerated the start date to meet the needs of the department.

The goal date for the on-boarding (start date) for the current group of full-time firefighter candidates is October 7, 2024. The Fire Department recommends authorizing the start date of the new Deputy Chief position to be October 7, 2024, as well. This will also allow the Deputy Chief to support the on-boarding of four new full-time firefighters. The October 7 date should remain flexible to push back if on-shift staffing does not allow for starting the position on October 7.

### **RECOMMENDATIONS**

Recommend the addition of a second deputy chief authorized to start on or after October 7, 2024.