



# South St. Paul

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**EDA WORKSESSION AGENDA**  
SSP City Hall  
125 3<sup>rd</sup> Avenue North

Monday, August 13, 2018  
**2<sup>nd</sup> Floor Conference Room**  
6:30 p.m.

AGENDA:

1. *Discussion*: 2019 EDA & HRA Proposed Levy-Supported Budgets
2. *Presentation/Discussion* : Department of Economic and Community Development Proposed Organizational Chart



## EDA Worksession Report

Date: August 13, 2018

EDA Executive Director: \_\_\_\_\_

*[Signature]*

### **Agenda Item: 2019 EDA & HRA Proposed Levy-Supported Budgets**

#### **Overview:**

According to Section 4.6 of the EDA's by-laws, the EDA is required send its budget to the City Council, "which budget includes a written estimate of the amount of money needed by the Authority from the City in order for the Authority to conduct business during the upcoming fiscal year". In addition, the programs and projects of the Housing and Redevelopment Authority (HRA) were transferred to the EDA on January 1, 2016, and the responsibility for approving the HRA Property Tax Levy and Budget was transferred to the EDA. State Statute 469.033, Subd. 6, sets the maximum HRA levy at .0185% of the taxable market value of the City, and the maximum EDA levy at .01813% of the taxable market value of the City. For 2019, an EDA Property Tax Levy of \$304,843 is proposed, while an HRA levy of \$311,064 is proposed. Both of these represent an increase of 19.1% over 2018 levies.

Attached are the 2019 Preliminary Budgets for both the EDA and HRA. Key elements of each budget are noted below.

#### *EDA Budget (20280):*

- The EDA budget totals \$330,514 and the primary costs are related to personnel (61.1%) and professional services (16.6%), which includes financial and legal consulting as well as a special market analysis for the Hardman Triangle Area (16.6%).
- Staff is proposing to divest in the Open to Business program in 2019, and reallocate the dollars towards new software (ESRI Business Analyst) which will provide us with technology to provide spatially-based demographic and market analysis to existing and prospective businesses and developers.
- An "Administration Support Fee" of \$23,805 (about 7% of the budget) is included as it relates to supporting the services provided by the Administration (particularly Finance, City Admin., IT).
- Overall, the proposed budget represents an increase of 11.24% over the 2018 Budget.

#### *HRA Budget (20260):*

- The HRA General Housing budget totals \$311,064, and the primary costs are related to operating transfers (35.3%), specifically to eliminate the deficit in the HRA's legacy Rediscover Fund, reduce the deficit in the HRA's legacy Development Fund, and to support the EDA's 2019 budget.
- The HRA budget also shows an increase in budgeted personnel services, which stems from the levy-supported share of the proposed restructuring as presented earlier tonight. While we still anticipate some HUD funding to support ongoing work with the Public Housing program, more time (and levy resources) are envisioned to support a holistic Housing program in the Department of Economic and Community Development.
- The 2019 Budget also represents the first year that the HRA levy will be utilized to support ongoing "carrying costs" of the several properties owned by the HRA that are not located in a TIF District. Historically, these "carrying costs" were assigned to various subledgers in the HRA (Rediscover, Development for example) that did not have a source of funds. Obviously, this is not sustainable (as the increasing deficits of those funds illustrate), so to stabilize we are proposing utilizing levy funds for these holding costs and – as discussed at the most recent EDA

business meeting – strategically identifying and positioning properties for disposition and development.

- Although several legacy HRA programs have been shifted to Dakota County, our Housing Program continues to have significant administrative responsibility for several home improvement/rehab loan programs; both a \$30,113 “Administration Support Fee” and a portion of the proposed Director of Economic and Community Development salary and benefits are thus allocated to the HRA budget in 2019.

The Community Development functions are supported primarily through the HRA and EDA levies, and we acknowledge that we are still in somewhat of a “transition” period in our approach to the 2019 budget. Admittedly, this results in a heavy emphasis on administrative rather than program/strategy issues: resolving old program deficits, maintaining/stabilizing legacy programs, and establishing a new staffing structure. While these are critical steps and certainly priorities in 2019, we look forward to continuing to work with the EDA and the community to define program and policy areas that can find their way into future work plans and budgets and strengthen SSP as a great place to do business and live in.

**Funding Sources and other fiscal considerations:**

This is the proposed preliminary 2018 EDA Property Tax Levy and Budget, which will guide the income and expenditures for EDA activities next year.

<b>FUNCTION:</b> Community Development	<b>DEPT. &amp; DIV:</b> Economic Development General	<b>BUSINESS UNIT:</b> 20280
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**Activities and Responsibilities:**

**The Economic Development program is accountable for:**

- Development and implementation of plans and strategies for advancing economic and community development.
- Assisting existing and prospective businesses and developers.
- Assisting existing businesses with expansion and reconstruction projects. Providing guidance to bring new development projects to fruition.
- Providing expertise regarding available public and private business financing resources, including state assistance, possible local initiatives and other funding sources.
- Administration of Tax Increment Financing (TIF) plans and Business and Development Loan Programs.
- Providing staff services to the EDA and EDAB.

**Budget Highlights and Changes:**

**Significant Revisions - 2019 Original vs. 2019 Revisions**

- None

**Notable Expenditure Changes in 2019**

- Staff is proposing divesting in the Open to Business program in the 2019 Budget Year. These services, historically provided by outside organizations to support the City's Economic Development efforts, simply have failed to demonstrate a return on investment.
- Staff is proposing investment in additional technological resources in 2019 to provide a greater ability to measure and illustrate the City's economic development opportunities and challenges.
- Staff proposes collaborating with the Planning Division on a comprehensive redevelopment strategy for the area east of Concord Street North between Grand Avenue E and Hardman Avenue N, a project for which we intend to apply for grant funding. A market analysis will be conducted as a first stage of this strategy in late-2019.

<b>FUNCTION:</b> Community Development	<b>DEPT. &amp; DIV:</b> Economic Development General	<b>BUSINESS UNIT:</b> 20280
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**Notable Expenditure Changes in 2019 (continued)**

- In concert with proposed changes to the HRA approach and staffing, Staff is proposing restructuring as a Department of Economic and Community Development. This restructuring would bring additional focus to the City's approach and is intended to maximize the efficiency of a lean staff to proactively identify opportunities to increase the commercial property tax base and advance SSP as a development-ready, business-friendly community.

**Notable Capital Project or Asset Acquisitions**

- Subscription to ESRI ArcGIS technology and the Business Analyst software program, which will significantly improve our capacity to provide service to prospective businesses, developers, and the EDA/Council.

<b><u>Staffing</u></b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Division Director	1.00	1.00	1.00	0.90
Clerical/support	0.50	0.50	0.50	0.70
<b>Total Current Staffing</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.60</b>

**2019 staffing =**

Cmty Dev Director (90%), Executive Assistant (50%) & Office Specialist (20%)

ECON DEV GENERAL							
SUMMARY OF REVENUES							
Description	2016 Actual	2017 Actual	2018 Original Budget	May 2018 Actual	2018 Revised Budget	2019 Requested Budget	2019 Final Budget
<b>20280 - ECON DEV GENERAL</b>							
<b>REVENUES AND EXPENDITURES</b>							
<b>REVENUES</b>							
<b>TAXES</b>							
4110 - CURRENT AD VALOREM TAX	(158,933)	(206,831)	(255,842)	0	(255,842)	(304,843)	
4120 - DELINQUENT AD VALOREM TAX		(2,553)		0			
4125 - PENALTIES & INT ON AD VAL TAX		(14)		0			
4130 - MOBILE HOME TAX	(28)	(41)		0			
<b>TAXES</b>	<b>(158,961)</b>	<b>(209,439)</b>	<b>(255,842)</b>	<b>0</b>	<b>(255,842)</b>	<b>(304,843)</b>	
<b>CHARGE FOR SERVICE</b>							
<b>COMMUNITY DEVELOPMENT</b>							
4496 - TIF APPLICATION FEE		(8,500)		0			
<b>COMMUNITY DEVELOPMENT</b>		<b>(8,500)</b>		<b>0</b>			
<b>CHARGES FOR SERVICES</b>	<b>0</b>	<b>(8,500)</b>		<b>0</b>			
<b>MISCELLANEOUS</b>							
4675 - INSURANCE DIVIDEND		(566)		0			
<b>MISCELLANEOUS</b>		<b>(566)</b>		<b>0</b>			
<b>OTHER FINANCING SOURCES</b>							
4920 - INTERFUND OPERATING TRANSFER		(141,754)	(36,597)	0	(36,597)	(25,671)	
<b>OTHER FINANCING SOURCES</b>		<b>(141,754)</b>	<b>(36,597)</b>	<b>0</b>	<b>(36,597)</b>	<b>(25,671)</b>	
<b>REVENUES</b>	<b>(158,961)</b>	<b>(360,259)</b>	<b>(292,439)</b>	<b>0</b>	<b>(292,439)</b>	<b>(330,514)</b>	

**ECON DEV GENERAL  
SUMMARY OF EXPENDITURES**

Description	2016 Actual	2017 Actual	2018 Original Budget	May 2018 Actual	2018 Revised Budget	2019 Requested Budget	2019 Final Budget
<b>20280 - ECON DEV GENERAL EXPENDITURES</b>							
<b>PERSONNEL SERVICES</b>							
6101 - FULL-TIME EMPLOYEES-REG	73,372	129,520	135,177	51,969	136,528	147,262	
6102 - FULL-TIME EMPLOYEES-OVERTIME	0	0		0			
6108 - ACCUMULATED VACATION/COMP LEAV	480	2,635	2,805	0	4,789	4,612	
6112 - SERVICE RECOGNITION				2,500			
6120 - EMPLOYER CONTR FOR RETIREMENT	10,721	18,921	20,843	7,819	21,050	22,310	
6130 - EMPLOYER PAID INSURANCE	20,043	20,303	15,809	9,203	17,194	22,765	
6150 - WORKERS COMPENSATION	1,982	679	876	528	876	920	
6170 - EMPLOYER CONTR TO HCSP	3,350	2,866	2,844	375	4,105	4,212	
<b>TOTAL PERSONNEL SERVICES</b>	<b>109,948</b>	<b>174,924</b>	<b>178,354</b>	<b>72,394</b>	<b>184,542</b>	<b>202,081</b>	
<b>SUPPLIES</b>							
6201 - OFFICE SUPPLIES	343	666	1,000	136	1,000	1,000	
6210 - OPERATING SUPPLIES	27	0		20			
6240 - MINOR EQUIPMENT AND FURNITURE	256	0	2,500	2,571	2,500	2,000	
<b>TOTAL SUPPLIES</b>	<b>626</b>	<b>666</b>	<b>3,500</b>	<b>2,727</b>	<b>3,500</b>	<b>3,000</b>	
<b>OTHER SERVICES AND CHARGES</b>							
6302 - PROFESSIONAL SERVICES	58,211	40,428	30,000	16,452	30,000	55,000	
6331 - CONFERENCES, TRAINING, TRAVEL	481	2,992	3,200	2,003	3,200	2,920	
6341 - ADVERTISING	103	1,770	2,000	0	2,000	2,000	
6361 - INSURANCE		4,945	5,657	914	5,657	1,622	
6374 - ADMINISTRATION SUPPORT FEE			16,000		16,000	23,805	
6375 - OTHER CONTRACTED SERVICES	0	0	11,000	11,013	11,000	5,500	
6378 - COPIER MAINTENANCE AGREEMENT		1,325	1,200	604	1,200	1,200	
6381 - OTHER RENTALS	11	0		0			
6388 - TECHNOLOGY EQUIP CHARGE		187	579	245	579	521	
6390 - POSTAGE AND TELEPHONE	318	985	1,500	417	1,500	1,500	
<b>TOTAL OTHER SERVICES AND CHARGES</b>	<b>59,124</b>	<b>52,631</b>	<b>71,136</b>	<b>31,649</b>	<b>71,136</b>	<b>94,068</b>	

**ECON DEV GENERAL  
SUMMARY OF EXPENDITURES**

Description	2016 Actual	2017 Actual	2018 Original Budget	May 2018 Actual	2018 Revised Budget	2019 Requested Budget	2019 Final Budget
<b>MISCELLANEOUS</b>							
6430 - MISCELLANEOUS	5,000	176		0			
6471 - DUES & SUBSCRIPTIONS		672	700	1,055	700	1,365	
<b>TOTAL MISCELLANEOUS</b>	<b>5,000</b>	<b>848</b>	<b>700</b>	<b>1,055</b>	<b>700</b>	<b>1,365</b>	
<b>CAPITAL OUTLAY</b>							
6570 - OFFICE EQUIP & FURNISHINGS			7,250	3,805	7,250		
<b>TOTAL CAPITAL OUTLAY</b>		<b>0</b>	<b>7,250</b>	<b>3,805</b>	<b>7,250</b>		
<b>DEBT SERVICE</b>							
6612 - INTEREST EXPENSE	667	0		0			
<b>TOTAL DEBT SERVICE</b>	<b>667</b>	<b>0</b>		<b>0</b>			
<b>TRANSFERS</b>							
6720 - OPERATING TRANSFERS		30,000	30,000	0	30,000	30,000	
<b>TOTAL TRANSFERS OUT</b>		<b>30,000</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>	<b>30,000</b>	
<b>TOTAL EXPENDITURES</b>	<b>175,365</b>	<b>259,069</b>	<b>290,940</b>	<b>111,630</b>	<b>297,128</b>	<b>330,514</b>	
<b>CHANGE 2018 REVISED TO 2019 PROPOSED</b>							<b>33,386</b>
<b>PERCENT CHANGE 2018 REVISED TO 2019 PROPOSED</b>							<b>11.24%</b>



<b>ECON DEV GENERAL</b>					
<b>DETAIL OF EXPENDITURES</b>					
<b>CODE NO.</b>	<b>ITEMS</b>	<b>ITEM DESCRIPTION AND EXPLANATION OF REQUEST</b>	<b>2018 Revised Budget</b>	<b>2019 Requested Budget</b>	<b>2019 Final Budget</b>
<b>EXPENDITURES</b>					
<b>MATERIALS &amp; SUPPLIES</b>					
6201	OFFICE SUPPLIES	General office (envelopes, business cards, toner, copy paper), water cooler (1/3 of cost = \$125)	1,000	1,000	
6240	MINOR EQUIPMENT AND FURNITURE	ESRI Software, Digital Dictation Recorder	2,500	2,000	
<b>SERVICES AND OTHER CHARGES</b>					
6302	PROFESSIONAL SERVICES	Legal Services, Financial Advising for TIF, Development Loans, Sub-area planning (Hardman Triangle)	30,000	55,000	
6331	CONFERENCES, TRAINING, TRAVEL	1x National Conference (\$1,800), 1x State Conference (\$500), Chamber, ULIMN & MREJ Events (\$300) Edie Training - \$320.	3,200	2,920	
6341	ADVERTISING	Publication of Legal Notices - Lillie News	2,000	2,000	
6361	INSURANCE		5,657	1,622	
6374	ADMINISTRATION SUPPORT FEE		16,000	23,805	
6375	OTHER CONTRACTED SERVICES	Progress Plus	11,000	5,500	
6378	COPIER MAINTENANCE AGREEMENT		1,200	1,200	
6388	TECHNOLOGY EQUIP CHARGE	amortization of technology equipment	579	521	
6390	POSTAGE AND TELEPHONE	Mailings, Cell Phone	1,500	1,500	
<b>MISCELLANEOUS</b>					
6471	DUES & SUBSCRIPTIONS	APA/AICP (\$550) IEDC (\$450), ULIMN (\$190), River Heights Chamber (\$175)	700	1,365	
<b>CAPITAL OUTLAY</b>					
6570	OFFICE EQUIP & FURNISHINGS		7,250		
<b>TRANSFERS</b>					
6720	OPERATING TRANSFERS	City Admin & Planning Costs	30,000	30,000	

**FUNCTION:**

Community Development

**DEPT. & DIV:**

Housing Programs

**BUSINESS UNIT:**

20260

**Activities and Responsibilities:****The Housing program is accountable for:**

- Providing professional and technical support to contracted service providers at the John Carroll and Nan McKay Public Highrise properties.
- Providing professional and technical support to homeowners that have utilized legacy CDBG-funded programs that remain within the purview of the City, and technical support to Dakota County CDA for programs that have been recently turned over to the CDA. Loan monitoring and administration.
- Administration of portfolio of vacant residential properties located throughout the City and held for future resale, including managing property maintenance issues.
- Administration and oversight of HUD and other grant programs that benefit and serve residential housing within the City.
- Identifying, researching, applying for, and administering grant programs that support a range of Community Development programs and initiatives.
- Support for and collaboration with the Economic Development and Planning programs.

**Budget Highlights and Changes:****Notable Expenditure Changes in 2019**

- The ReDiscover South St. Paul program/fund continues to show a negative balance. The 2019 budget includes an operating transfer of \$78,500 to payoff the deficit. The Development Fund had a deficit balance of \$58,711, 2019 has a transfer to reduce this deficit. EDA fund will receive \$25,671, to balance 2019 budget.
- The above deficit reductions/transfers account for approximately 95% of the proposed \$49,464 overall increase in budget in 2019 over 2018.
- Staffing changes and the transfer of day-to-day management of the Public Highrise program result in a reduced number of FTEs in the Program for 2019 vs. 2018, however personnel services expenditures show an approximately \$47,000 increase as these positions will have less involvement in the HUD-funded Public Housing program and will broaden their focus to identify and implement additional housing initiatives.

<b>FUNCTION:</b> Community Development	<b>DEPT. &amp; DIV:</b> Housing Programs	<b>BUSINESS UNIT:</b> 20260
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**Notable Expenditure Changes in 2019 (continued)**

- We recommend a new position for 2019; the Housing and Grants Program Administrator. It is estimated that this and other levy-supported positions will be partially supported by HUD program funding, as the City will retain ownership of the Highrises and will manage the contracted services and HUD administration of this program.

**Notable Capital Project or Asset Acquisitions**

- None anticipated for 2019

**Revenues**

- Maximum HRA levy is \$311,064.

<b><u>Staffing</u></b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Division Director	0.500	1.000	1.000	0.100
Program Manager	1.000	1.000	1.000	1.000
Line staff	3.500	3.500	3.500	-
Clerical/support	0.500	1.000	1.000	0.800
<b>Total Staffing</b>	<b>5.500</b>	<b>6.500</b>	<b>6.500</b>	<b>1.900</b>

**2019 staffing =**

Community Dev Director (10%), Hsg & Grant Program Mgr (100%), Office Specialist(80%)  
50% reimbursed by HUD program & 50% reimbursed by HRA levy  
is the current estimated recovery

HOUSING GENERAL							
SUMMARY OF REVENUES							
Description	2016 Actual	2017 Actual	2018 Original Budget	May 2018 Actual	2018 Revised Budget	2019 Requested Budget	2019 Final Budget
<b>20260 - HOUSING GENERAL</b>							
<b>REVENUES AND EXPENDITURES</b>							
<b>REVENUES</b>							
<b>TAXES</b>							
4110 - CURRENT AD VALOREM TAX	(192,578)	(183,145)	(261,063)	0	(261,063)	(311,064)	
4120 - DELINQUENT AD VALOREM TAX	(3,366)	(3,870)		0			
4125 - PENALTIES & INT ON AD VAL TAX	102	(33)		0			
4130 - MOBILE HOME TAX	(53)	(36)		0			
4140 - FISCAL DISPARITIES	(52,786)	(64,675)		0			
<b>TAXES</b>	<b>(248,681)</b>	<b>(251,759)</b>	<b>(261,063)</b>	<b>0</b>	<b>(261,063)</b>	<b>(311,064)</b>	
<b>CHARGE FOR SERVICE</b>							
<b>COMMUNITY DEVELOPMENT</b>							
4493 - OTHER CHARGE FOR SERVICE - COM	(348,797)	0		0			
<b>COMMUNITY DEVELOPMENT</b>	<b>(348,797)</b>	<b>0</b>		<b>0</b>			
<b>ADMINISTRATIVE CHARGES</b>							
4409 - ADMINISTRATIVE CHARGE	(202,469)	0	(538,769)	0	(538,769)		
<b>ADMINISTRATIVE CHARGES</b>	<b>(202,469)</b>	<b>0</b>	<b>(538,769)</b>	<b>0</b>	<b>(538,769)</b>		
<b>CHARGES FOR SERVICES</b>	<b>(551,266)</b>	<b>0</b>	<b>(538,769)</b>	<b>0</b>	<b>(538,769)</b>		
<b>MISCELLANEOUS</b>							
4672 - OTHER	(0)	0		0			
4675 - INSURANCE DIVIDEND		(191)		0			
4677 - MISC REVENUE	(517)	0		(8,865)			
<b>MISCELLANEOUS</b>	<b>(517)</b>	<b>(191)</b>		<b>(8,865)</b>			
<b>OTHER FINANCING SOURCES</b>							
4920 - INTERFUND OPERATING TRANSFER	(7,156)	0		(133)			
<b>OTHER FINANCING SOURCES</b>	<b>(7,156)</b>	<b>0</b>		<b>(133)</b>			
<b>REVENUES</b>	<b>(807,621)</b>	<b>(251,950)</b>	<b>(799,832)</b>	<b>(8,997)</b>	<b>(799,832)</b>	<b>(311,064)</b>	

<b>HOUSING GENERAL</b>							
<b>SUMMARY OF EXPENDITURES</b>							
Description	2016 Actual	2017 Actual	2018 Original Budget	May 2018 Actual	2018 Revised Budget	2019 Requested Budget	2019 Final Budget
<b>20260 - HOUSING GENERAL</b>							
<b>EXPENDITURES</b>							
<b>PERSONNEL SERVICES</b>							
6101 - FULL-TIME EMPLOYEES-REG	315,987	29,835	433,604	11,898	31,183	61,793	
6102 - FULL-TIME EMPLOYEES-OVERTIME	24,020	0		0			
6104 - TEMPORARY EMPLOYEES-REG	21,355	0		0			
6108 - ACCUMULATED VACATION/COMP LEAV	1,489	0	3,862	0	627	805	
6120 - EMPLOYER CONTR FOR RETIREMENT	54,138	6,447	65,988	1,732	4,762	9,362	
6130 - EMPLOYER PAID INSURANCE	44,424	3,139	63,129	1,275	3,122	12,761	
6140 - UNEMPLOYMENT COMP INS.	3,631	5,599		0			
6150 - WORKERS COMPENSATION	7,559	172	9,218	121	9,218	9,679	
6170 - EMPLOYER CONTR TO HCSP	6,321	435	12,236	100	893	1,852	
<b>TOTAL PERSONNEL SERVICES</b>	<b>478,926</b>	<b>45,626</b>	<b>588,037</b>	<b>15,126</b>	<b>49,805</b>	<b>96,252</b>	
<b>SUPPLIES</b>							
6201 - OFFICE SUPPLIES	8,801	3,625	2,030	984	2,030	2,088	
6210 - OPERATING SUPPLIES	0	288		95			
6240 - MINOR EQUIPMENT AND FURNITURE			2,000		2,000		
<b>TOTAL SUPPLIES</b>	<b>8,801</b>	<b>3,912</b>	<b>4,030</b>	<b>1,079</b>	<b>4,030</b>	<b>2,088</b>	
<b>OTHER SERVICES AND CHARGES</b>							
6302 - PROFESSIONAL SERVICES	39,033	38,741	70,000	23,134	70,000	50,000	
6331 - CONFERENCES, TRAINING, TRAVEL	22	354		99			
6361 - INSURANCE	5,814	625	3,618	2,306	3,618	4,098	
6371 - REPAIRS & MAINT CONTRACTUAL	0	170		0			
6374 - ADMINISTRATION SUPPORT FEE	0	65,000	65,000	27,085	65,000	30,113	
6375 - OTHER CONTRACTED SERVICES	2,955	669		0		12,000	
6378 - COPIER MAINTENANCE AGREEMENT		1,875	2,400	792	2,400	2,000	
6381 - OTHER RENTALS	1,497	1,799	1,110	821	1,110	1,600	
6385 - UTILITY SERVICE	537	0		0			
6388 - TECHNOLOGY EQUIP CHARGE		500	1,901	795	1,901	1,788	
6390 - POSTAGE AND TELEPHONE	5,792	3,619	1,100	1,607	1,100	1,200	
<b>TOTAL OTHER SERVICES AND CHARGES</b>	<b>55,651</b>	<b>113,351</b>	<b>145,129</b>	<b>56,640</b>	<b>145,129</b>	<b>102,799</b>	

**HOUSING GENERAL  
SUMMARY OF EXPENDITURES**

Description	2016 Actual	2017 Actual	2018 Original Budget	May 2018 Actual	2018 Revised Budget	2019 Requested Budget	2019 Final Budget
<b>MISCELLANEOUS</b>							
6412 - CREDIT CARD/ACH/BANK FEE	4	0		0			
6430 - MISCELLANEOUS	658	707		0			
6465 - INTEREST/FINANCE CHARGE	88	0		0			
<b>TOTAL MISCELLANEOUS</b>	<b>750</b>	<b>707</b>		<b>0</b>			
<b>DEBT SERVICE</b>							
6612 - INTEREST EXPENSE	1,416	0		0			
<b>TOTAL DEBT SERVICE</b>	<b>1,416</b>	<b>0</b>		<b>0</b>			
<b>TRANSFERS</b>							
6720 - OPERATING TRANSFERS	40,281	315,109	62,636	0	62,636	109,925	
<b>TOTAL TRANSFERS OUT</b>	<b>40,281</b>	<b>315,109</b>	<b>62,636</b>	<b>0</b>	<b>62,636</b>	<b>109,925</b>	
<b>TOTAL EXPENDITURES</b>	<b>585,826</b>	<b>478,705</b>	<b>799,832</b>	<b>72,845</b>	<b>261,600</b>	<b>311,064</b>	
<b>CHANGE 2018 REVISED TO 2019 PROPOSED</b>							<b>49,464</b>
<b>PERCENT CHANGE 2018 REVISED TO 2019 PROPOSED</b>							<b>18.91%</b>

HOUSING GENERAL					
DETAIL OF EXPENDITURES					
CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2018 Revised Budget	2019 Requested Budget	2019 Final Budget
<b>EXPENDITURES</b>					
<b>MATERIALS &amp; SUPPLIES</b>					
6201	OFFICE SUPPLIES	water cooler \$188 supplies \$1500, shred it 400	2,030	2,088	
6240	MINOR EQUIPMENT AND FURNITURE		2,000		
<b>SERVICES AND OTHER CHARGES</b>					
6302	PROFESSIONAL SERVICES	audit fees est \$25,000, financial services -\$25,000	70,000	50,000	
6361	INSURANCE		3,618	4,098	
6374	ADMINISTRATION SUPPORT FEE		65,000	30,113	
6375	OTHER CONTRACTED SERVICES	Property Maint-rediscover & redevelopment properties		12,000	
6378	COPIER MAINTENANCE AGREEMENT	\$5,000 total split 40-40-20 w/ Planning & ED	2,400	2,000	
6381	OTHER RENTALS	rug rental \$650, postage meter rent \$1750 (Split with Planning)	1,110	1,600	
6388	TECHNOLOGY EQUIP CHARGE	amortization of technology equipment	1,901	1,788	
6390	POSTAGE AND TELEPHONE	mobile phone service/postage	1,100	1,200	
<b>TRANSFERS</b>					
6720	OPERATING TRANSFERS	Rediscover (78,500) Development (5,754) EDA (25,671)	62,636	109,925	



## EDA Worksession Report

Date: August 13, 2018

EDA Executive Director: \_\_\_\_\_

*[Signature]*

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### **Agenda Item: Presentation/Discussion: Department of Economic and Community Development Proposed Organizational Chart**

#### **Overview:**

Beginning in 2016, the Administration and City Council have taken several thoughtful steps to provide the community with a more comprehensive range of services, programs, and policies in the arena of economic development. At the same time the City's more broadly based Community Development functions, such as building services, code enforcement, long-range planning and zoning, and housing, have continued to evolve and provide a high level of value and service to the community. Finally, as the Economic Development program has gotten off the ground, we've weathered the retirement of the long-time HRA Executive Director and proposed shift towards third-party management assistance for the Public Housing facilities owned by the HRA. Considering all of these factors, the Administration feels we are at a critical moment of opportunity to energize and synergize the City's economic and community development goals and functions within a more well-defined departmental structure.

The proposed Department of Economic and Community Development would house three distinct but very much interrelated divisions: Planning & Zoning; Economic Development; and Housing and Grant Programs. Of course, all three of these divisions generally exist already; however, while the City Administrator (past and present) has provided steady leadership for these three divisions, the demands on that position extend far beyond these disciplines and the possibility exists for the three divisions to "drift" from a consistent and well-defined mission and vision. With this in mind, establishing a "Director" level position to coordinate and orchestrate the day-to-day and big-picture work programs of the three divisions would provide a more efficient, focused, and effective continuum of service for both existing and aspiring businesses and residents of the city.

To summarize, the following structure is proposed:

- *Transition current Economic Development Manager to Director of Economic and Community Development.* This position would continue to manage the City's Economic Development Programs and Policies and continue to serve as a senior point-of-contact for new developments and redevelopments within the City as well as business attraction, retention, and assistance. Would develop Department budgets and workplans and oversee all staff, establishing coordinated department-wide goals and targets. Would provide overall guidance for department priorities and strategies to meet mission. Would serve as Executive Director of EDA and HRA, as well as the City Council.
- *Slightly refine but retain Assistant to Department Director (currently "Assistant to Division Manager"), P&Z Manager, Office Specialist II roles.* These roles have been very successfully filled by top-of-the-line professionals for many years, and we are fortunate to have them on the team. With the suggested change in management of the Public Housing buildings to a third-party, the Office Specialist position will see the most change in day-to-day duties as Debbie has done a LOT of heavy-lifting in support of applicants, tenants, and vendors in the JC and NM buildings. The P&Z Manager would continue to serve as the lead administrator of the City's Comprehensive Plan and Zoning Code, and would continue to serve the Plan Commission.



- *Refine the “Housing” Division to a “Housing and Grant Programs” Division, including a Division Manager.* Primarily driven by the suggested change in management of the Public Housing program, this Division will see the most significant change. The Division Manager would be responsible for contract management with the contracted third-party manager of the Public Housing program, and in coordination with the Finance Department and ECD Director would maintain our reporting, monitoring, and programmatic relationship with HUD. In addition to these critical duties, this position/division will play a key role in researching and developing a new generation of tools, programs, and approaches to support, maintain, and strengthen the City’s diverse residential housing stock. Finally, as we continue to have success not only in obtaining grants related to the Public Housing program but also for redevelopment, environmental cleanup, and planning priorities, this position/division will play a key role in monitoring, applying for, and administering departmental grants.
- *Establish Project Coordinator Position(s).* Finally, we propose creating a new “layer” of professional service that is envisioned to have the capacity and skillset to “float” between divisions based on workload, priority, and departmental needs. This position would be critical in relieving senior staff of some of the (frankly) more routine components of respective positions – processing fence permits, researching and reporting market data, website maintenance for example – as well as in providing additional perspective and support for initiatives such as financial analysis, site plan/zoning review and follow-up, and grant applications. While this position would offer a new dimension to our range of services, the department is not yet in a position to meaningfully fill this role in the near-term, so we suggest deferring any recruitment on this position until sometime in 2020, most likely.

We look forward to discussion and feedback on this proposed structure. Significant thought has been invested in how to efficiently prepare for the opportunities that this community has to develop thoughtfully and sustainably, and we believe that this structure is a key step in that direction. In many of our peer communities that have seen significant success with redevelopment, a more well-defined “community development” function and department – such as the one we’re proposing – has proven to be essential from a service delivery standpoint from concept to completion for development projects big and small. We believe that the EDA will agree that the timing is right – given the organizational changes we’ve seen and are seeing in recent months – to move forward with this proposal.

**Attachments:**

Proposed Organizational Chart

# South St. Paul Department of Economic and Community Development

