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## **1) The Home Rule Charter**

The Minnesota Constitution and Statutes allow cities to create or determine their form of government (Home Rule Charter) separate from the municipal governing plans in state law. City voters adopted the first Home Rule Charter on April 6, 1908. On November 28, 1911, the first comprehensive revision was adopted and on March 18, 1952, the voters adopted the second and last comprehensive revision.

## **2) Form of Government**

The 1952 Charter Revision created the current Council-Mayor form of government. An interesting history of the issues leading up to the 1952 Revision can be found in the book Micropolis in Transition, edited in part by former St. Cloud Mayor Ed Henry. The book is available at the St. Cloud Public Library.

In St. Cloud the Council-Mayor form of government is commonly referred to as the “strong mayor form”. However, it is more correctly described as the “standard mayor form” of government. The difference between the two relates to the chief administrative officer. According to Public Management Magazine, published by the International City Managers Association, in the traditional strong mayor form, the mayor fulfills the functions performed by a chief executive officer. If there is a chief administrative officer (city administrator) he or she is appointed and removed solely by the mayor. In the standard form, the city administrator is nominated by the mayor and approved by the council. However, the mayor may unilaterally remove the city administrator. St. Cloud has the standard mayor form of government.

Powers and duties of the mayor, council, and city administrator will be discussed in greater detail in Sections 5, 6, and 7 respectively.

## **3) Powers of the City**

The Charter states “. . . The City of St. Cloud shall have all the powers of cities granted by common law, by the constitution, and by the general laws of this State to municipal corporations and cities having “Home Rule Charter,” together with all the implied powers necessary to carry into execution all of the powers granted.”

## **4) Elections**

Information on the procedures, requirements, and qualifications of running for city offices is available from the City Clerk. The Clerk may be contacted at 320-255-7210 or by email at [www.gengdahl@ci.stcloud.mn.us](mailto:www.gengdahl@ci.stcloud.mn.us). This information is also available on the City’s Web site at [www.ci.stcloud.mn.us](http://www.ci.stcloud.mn.us).

## **5) The Mayor**

The Charter states that the Mayor shall be the Chief Executive Officer (CEO) of the City and shall exercise all powers and perform such other duties as may be posed upon the Mayor by the Charter, the ordinances of the City, the laws of the State of Minnesota and the United States of America. The Mayor shall conduct the affairs of the City and is authorized and directed as follows:

- A) Enforce the laws, ordinances, and resolutions of the City.
- B) Appoint all employees of the City and dismiss employees when in the best interest of the City.
- C) Exercise control over all operations and employees of the City.
- D) To attend all meetings of the Council or be represented by a proper representative.
- E) To make recommendation to the Council.
- F) Advise the Council on financial matters of the City.
- G) Prepare and submit to the Council an annual budget and be responsible for its administration after adoption.
- H) Prepare and submit to the Council for adoption an Administrative Code.

## **6) The Council**

The Charter states, "All legislative powers of the City and the determination of all matters of policy shall be vested in the Council." The power and duties are as follows:

- A) Create, change and eliminate functions, services, divisions, departments or agencies other than those mandated by the Charter.
- B) Adopt the City budget.
- C) Inquire and/or investigate into the affairs of the City, conduct of offices, departments, divisions, or agencies of the City.
- D) Authorize issuance of debt.
- E) Approve appointments of boards and commissions and the City Administrator.
- F) Approve plats and adopt an official map of the City.

- G) Adopt and cause enforcement of codes to protect the public's health, safety, and welfare.
- H) Audit financial records of the City.
- I) Fix and change Ward and Precinct boundaries.

## **7) The City Administrator**

As stated in the Administrative Code, the City Administrator (Administrator) is appointed by the Mayor with approval of a majority of the City Council. The Administrator, under the direction of the Mayor shall have the following duties and responsibilities:

- A) Control and supervise all administrative affairs of the City including investigate, examine or inquire into the operation of any department, division, office, or function of City administration.
- B) Issue rules, manuals, administrative orders and other directives consistent with the Charter, City ordinances and State law.
- C) Recommend to the Mayor policies and actions that serve the best interest of the City.
- D) Advise the Mayor on the financial (fiscal) condition of the City and prepare an annual budget from departments' budget requests.
- E) The Administrator may temporarily reassign personnel from one department to another.
- F) Perform duties as assigned by the Mayor or by ordinance.
- G) Assign work projects to departments.
- H) Represent the Mayor at Council meetings and other forums.

Questions on the role of the Administrator should be directed to the Administrator at (320) 650-3101 or to the Mayor at (320) 650-3100.

## **8) Mission Statement and Core Values of the City**

The Mission Statement and Core Values approved by the City Council are as follows:

### **A) Mission Statement:**

The City of St. Cloud will provide high quality public service in a cost-effective, responsive, innovative and professional manner given the changing needs and resources available.

### **B) Core Values:**

- 1) Excellence and quality in the delivery of services: Public officials and employees exist to serve the public. They should strive to deliver quality services in a professional and cost-effective manner.
- 2) Fiscal Responsibility: Being fiscally responsible and a prudent steward of public funds are essential ingredients for public servants.
- 3) Ethics and Integrity: Ethics and integrity are fundamental to gaining public trust and confidence. All meaningful relationships are built on these values.
- 4) Treating the Citizen as our Customer: Treat each citizen courteously and as a valued customer who deserves the best services the City can provide.
- 5) Visionary Leadership and Planning: The essence of leadership is to be visionary and to plan for the future.
- 6) Respect for the Individual: Public servants should appreciate and respect the diverse and unique aspects of each person.
- 7) Dedication and Commitment: City employees, our greatest resource, should be dedicated professionals committed to continuous improvement.
- 8) Cooperation and Teamwork: The public is best served when all employees work cooperatively as team members.

## 9) History of the City

St. Cloud began as three separate settlements on the Mississippi River founded by three men of widely diverse natures and interest. In the early 1800's, St. Cloud was a convenient stopping place on the Red River Trail, a route that carried the bulk of the commercial traffic from Canada and Western Minnesota to river facilities at St. Paul and St. Anthony (Minneapolis).

Sylvanus B. Lowry established one of the early settlements. His settlement was made up of slave holding southerners. He was a fur trader, a slaveholder, and was elected as the first president of the Town Council.

Another settlement was established by John L. Wilson, who owned a sawmill, was a storekeeper, and a member of the territorial legislature. Wilson's settlement stretched from the Mississippi River to about 9<sup>th</sup> Avenue and from 6<sup>th</sup> Street North to about 4<sup>th</sup> Street South. Wilson's settlement was made up of German Catholic immigrants.

The third settlement was Brott's addition, which constituted what is now the St. Cloud State University neighborhood area. Protestants who were opposed to slavery mostly occupied this settlement.

In 1856 the three settlements were incorporated into one town by the Territorial Legislature. Population growth and development pushed the town to seek incorporation as a City in 1868. The granite industry, the opening of the State's third Normal School and later construction of the Great Northern Railway cars shops helped carry St. Cloud into the 20<sup>th</sup> Century. By the close of the 20<sup>th</sup> century the City had emerged as the heart of a thriving diversified regional education, medical and business center.

This very brief history was taken from St. Cloud, The Triplet City by John J. Dominic and John C. Massmann. If you wish a more thorough review of the City's history, the book is available at the St. Cloud Public Library and St. Cloud State's Jim Miller Library.

## 10) General Statistics

### A) Population Growth:

Year	Population	Year	Population
1870	2,161	1940	24,173
1880	2,462	1950	28,410
1890	7,686	1960	33,815
1900	8,663	1970	39,691
1910	10,600	1980	42,224
1920	15,873	1990	48,812
1930	21,000	2000	59,107

### B) Incorporated Area:

Year	Acres	Year	Acres
1870	N/A	1940	5,487
1880	1,460	1950	5,574
1890	2,327	1960	6,289
1900	2,237	1970	8,424
1910	5,037	1980	9,596
1920	5,314	1990	9,728
1930	5,382	2000	27,283

### C) Infrastructure:

Type	1980	1990	2000
Miles of Street	181	190	276
Miles of Alley	45	43	43
Miles of Sidewalk	115	131	157
Miles of Trails	0	0	8.5
Miles of Water Main	151	171	224
Miles of Sewer Main	150	171	220
Miles of Storm Drain	62	92	113
Acres of Parkland	464	561	745

D) Fiscal Information

	1980	1990	2000`	2002
Assessor's Market Value	\$527,946,042	\$1,034,112,500	\$1,934,198,500	\$2,309,380,700
General Fund Budget	\$11,060,400	\$16,759,564	\$27,270,012	\$28,996,300
Direct Net Debt	N/A	\$57,137,800	\$64,155,000	\$74,473,800
Total Debt	N/A	\$78,522,800	\$119,251,200	\$124,743,800
Tax Levy	3,226,975	8,036,160	11,564,010	13,003,000
State Aids (LGA &HACA)	4,662,090	7,566,631	10,004,834	12,623,000
Taxable Parcels	N/A	11,423	16,289	17,536
No. of Homestead Parcels	N/A	8,787	12,549	13,268
Food & Beverage Tax	0	\$639,295	\$1,023,239	\$1,044,888
Hotel Motel Tax	\$102,238	\$428,089	\$960,774	\$980,363
½ Cents Sales Tax	0	0	0	0

E) Business Information

	1980	1990	2000	2002
No. of Water Accounts	9,117	10,852	13,247	14,942
No. of Sewer Accounts	10,176	11,282	13,455	15,113
No. of Refuse Customers	N/A	9,437	12,045	13,679
No. of Garbage Bags Sold	0	0	483,212	571,154
No. of Yard. Bags Sold	0	0	116,967	130,425
No. Parking Permits Sold	N/A	3,264	3,386	3,982
No. Liquor Lic. Issued	27	35	41	41



## 11) Learning the Job

Since you have just been elected to serve the citizens of St. Cloud, there are certain things you may do to become more knowledgeable about the business of the Council and how the Council functions.

### A) Useful Information:

- 1) Meet with the Mayor to get his/her perspective on the issues of the day.
- 2) Meet with the City Administrator to understand his/her role and how the Council and the staff work together to better serve the citizens.
- 3) Meet with Department Heads to understand the operations they oversee.
- 4) Understand the issues of Conflict of Interest, Open Meeting Law, the Data Privacy Act, and the Ethics Policy for St. Cloud Elected Officials. These issues will surface in your tenure. These policy issues are attached as Appendix A. When in doubt on these policies, contact the City Attorney at (320) 650-3130 for assistance.
- 5) Do your homework. Read and be familiar with the information provided by staff. Talk to others in the community and do your own research if you have time. Attend some state and national conferences that address issues relevant to the city. Network with your counterparts in other cities. This may be a very valuable source of information and ideas.
- 6) All regular Council meetings are broadcast on cablevision, Government Channel 19. Your dress, actions, and comments will be viewed and heard live.
- 7) Parking in the City Parking area adjacent to City Hall is available for all evening meetings. During normal work hours, the visitor parking area south of the south main entrance is available.
- 8) All exterior doors are controlled by a computer card access system. You will be issued an access card from the Director of Health and Inspections. Contact this person (320-650-3120) if you have any question regarding parking and security.
- 9) City Council members have photos of themselves on the City's Web site along with ways to contact them. This usually includes a home phone number and an email address. It is very helpful if Council members have a home computer and a home email address. The City Clerk (320-255-7210) will assist you in getting your picture and contact information on the Web site.

- 10) The City Council usually conducts an annual workshop to discuss major issues confronting the City. Past practice has been that the workshop is held on a Friday afternoon and a Saturday morning usually in January or February.

## **B) Council Rules and Procedures**

### **Rules of Order**

In accordance with Section 2.62 of the Charter, the City Council has adopted Roberts Rules of Order as the general rules of order for conducting City business. In addition, the Council has modified or supplemented the Roberts Rules of Order with the Council's Rules. The Council Rules and a brochure on parliamentary procedure are attached in Appendix B.

Rules may be adopted, deleted, or amended by a 2/3-majority vote of the Council. The President of the Council is responsible for making procedural rulings. He/she may ask the City Attorney from time to time for a recommendation on a procedural ruling. A Council member may challenge the President's ruling by calling for a "point of order". More detailed information may be found in Appendix B, in Robert's Rules of Order, or you may contact the City Attorney at (320) 650-3130.

## **C) Council Procedures:**

### **1) Oath of Office Ceremony**

See the information provided by the City Clerk in the Campaign Forms Packet. This information was given to you prior to your filing for office. The City Clerk can be contacted at (320) 255-7210.

### **2) Election of Officers**

Following the oath of office, the first task of the newly elected Council is to elect officers. The Offices of President and Vice President are elected following the procedures outlined in the Council Rules (See Appendix B) and Sections 2.60 and 2.62 of the Charter. The position of Recording Secretary is annually assigned to the Mayor's Office administrative support staff by action of the Council.

### **3) The Role of the Council President**

The Council President presides over the meeting and keeps order in the assembly. He/she consults with the City Administrator on creating the agenda for each regular or special meeting. Occasionally, the President will represent the Council or the Mayor at ceremonial functions.

#### **4) Council Agendas**

Agendas are principally compiled by the Mayor's Office and driven by the day to day operational needs of the City. Procedurally, the department heads meet with the City Administrator weekly and bring forth items that require Council action. A brief discussion of each item occurs in order to inform other department heads of the pending action and facilitate any coordination necessary to reach the desired outcome.

In addition, any Council member may, by approval of the Council or by agreement of the Council President or by agreement with the Administration, place an item on the agenda for discussion and action.

Wednesday noon is the deadline for submitting agenda items for the following Monday meeting. The Mayor's Office administrative support staff produces the agenda and collates support materials for the packet. Agenda packets are normally assembled and delivered to the Council members on Thursday afternoons. A patrol officer normally delivers the agendas. The city intends to develop an electronic agenda that will be made available to council members via the City's Webb Site. The city also intends to place personal computers at the council dais so that each council member may access the agenda during council meetings.

Agendas are published in the St. Cloud Times prior to regularly scheduled council meetings and placed on the City's Webb Site and also on Cable Channel 19 before council meetings. The minutes of each meeting shall be published monthly in the official newspaper. For meetings that are televised, a summary of the meeting shall be published and shall include a listing of all actions. Also, a copy of minutes shall be available from the City upon request.

#### **5) Meetings**

In addition to the following information, please see Section 2.62 of the Charter. Regular scheduled Council meetings are generally held on Monday of each week and begin at 7:00 p.m. Following the Pledge of Allegiance, Roll Call, and Special Recognition, the business portion of the agenda begins. The City of St. Cloud uses the Consent Agenda approach for the normal and routine items. Unless objected to by a member of the Council, or the public, all consent items are approved in one motion. The balance of the meeting follows the format set forth in Council Rules. An Open Forum section allows residents two minutes to bring forth issues. The Council procedure is to refer these Open Forum issues to the Administration for response to the citizen and to the Council. If Council action will be necessary, the Administration will place the issue on a future agenda.

All meetings of the Council shall be held in the evening except when the Council members by unanimous vote designate another time. All meetings are televised live and rebroadcast for the public's convenience. The public may purchase videotaped copies of meetings by contacting the City Clerk's Office at (320) 255-7210.

Be advised of the Open Meeting Law. See Appendix A, City of St. Cloud, Ethics, Elected Officials, Boards, & Commissions. Please take time to read this carefully. If you have any questions after reading the memo, please contact the City Attorney at (320) 650-3130 for assistance.

## **6) Public Hearings**

Public hearings are for members of the public to express their opinions. The Council should **not** try to deliberate or discuss matters at the public hearing while the hearing is still open. Instead, listen to the public's opinions and make sure everyone has had an opportunity to speak.

When a specific statute, state or federal rule, city ordinance, or charter provision requires that a public hearing be held before Council action, the notice requirements must be followed very carefully. Examples of topics that require public hearing before the Council can take action are as follows:

- a) Street Vacations
- b) Zoning and Rezoning actions
- c) Any policy or law being enacted by ordinance
- d) Public improvement projects paid in all, or in part by special assessments.

## **7) Ordinances**

All legislation shall be by ordinance. Every ordinance shall be presented in writing and contain only one subject matter, which shall be clearly expressed in the title. Furthermore, a plain English statement shall precede the title and shall clearly state the impact of the ordinance if adopted. A summary of the ordinance shall be published at least once in the official newspaper along with a time and place for the public hearing. See Section 2.63 of the Charter.

## **8) Resolutions**

A resolution is a formal motion that is presented in writing. Resolutions are to be read in full before a vote is taken unless the Council, by unanimous consent,

waives the reading. For additional information see Appendix B, the A,B,C's of Parliamentary Procedure.

Resolutions are generally used to establish guidelines, create or define rules and procedures for City operations, and establish City policy or render an official City position on a critical issue or topic.

A resolution usually contains a title that states the general purpose of the resolution, a series of statements starting with "Whereas" and giving reason for the action, and a declaration of action or position that begins with "Now Therefore, Be it Resolved".

Also see Council Rule No. 10.

## 11) Motions

A motion is a proposal that the Council takes a position or action on regarding some issue. A motion is presented as follows:

- a) Request recognition of the President.
- b) When the President recognizes you and grants you the floor, state your motion in the affirmative. For example, the normal motion starts, "I move that the ordinance restricting the use of city parks after 10 p.m. be approved." Normally, a council member will support your motion by stating "I second the motion." A motion can only be discussed or debated if it has been seconded.
- c) For more information on motions see The A,B,C's of Parliamentary Procedure in Appendix B.

## 12) Voting Procedures

Except as otherwise required in the Charter, city ordinance, or state or federal statute, **an affirmative vote of a majority of all members of the Council shall be required for the adoption of all ordinances and resolutions.** All other action may be taken by a simple majority of a quorum.

Votes may be taken in several different ways. The Council President will state the question before the Council and ask for a vote in the following manner:

- a) Oral Method: "All in favor of the motion please signify by saying aye -- those opposed nay."

- b) Show of Hands Method: “All in favor of the motion please signify by raising your hands.”
- c) Roll Call Method: “ Will the Recording Secretary please call the roll.”

In all roll call votes, the Council President will vote last. In the oral and show of hands methods, the President may choose to vote with other members of the Council.

### **13) Quorum**

A quorum is the number of Council members that must be present to conduct City business. Under the Minnesota Open Meeting Law, votes by proxy are not permitted. All votes (decision of the Council) must be conducted at a meeting, which has been properly noticed to the public. See Appendix A, Ethics Policy.

The Ethics Policy references the use of technology to communicate with the public as well as between council members. Be cautious about using of these devices to create agreement between council members on issues that will be voted on at future council meetings. The Open Meeting Law requires all council decision to be made at a properly noticed public meeting.

## 14) Special Assessments Procedures

Minnesota Statute Chapter 429 authorized cities to use special assessments as a means to finance public improvements such as street, curb and gutter, sewer, water, storm drain, and sidewalk to name the most popular improvements. Chapter 429 also allows cities to finance certain maintenance cost such as snow removal and street lighting. This finance method may be used if 20 % or more of the project cost is assessed to benefited properties. The law requires that the special assessments to the affected properties should add value that is equal to or greater than the special assessment cost.

There are three separate meetings and votes on special assessment projects.

- a) The first action is to hold a public hearing (project hearing) to officially propose the improvement (project) to the affected property owners as well as to the Council. A notice is sent to all affected property owners describing the project, the estimated cost, time and place of the public hearing, and other information about paying special assessments. If property owners petition the project and the petition constitutes more than 35% of the property owners in the affected area, the Council may approve the project on a majority vote of the entire membership. If the petition contains less than 35% participation, a four-fifths vote of the Council is required to approve the project.

However, if petition from 100 % of the affected property owners is received by the city, a hearing is not required. This occurs frequently with developers who submit plats for approval and enter into subdivision agreements.

Depending on the nature of the project, staff may hold a neighborhood informational meeting in advance the project hearing. This is to not only inform the affected public of the project, but also, obtain public input. Council members are invited to these meeting.

- b) The second action is awarding bids. If the Council approves the project, engineering staff proceeds with developing the project. This includes finalizing plans and specifications, seeking bids, and presenting bids to the Council for approval. If the Council awards (majority vote required) the project to a contractor, the project will be constructed.
- c) Third action is adoption of the Assessment Roll: The final Council action on a project occurs after the project has been completed. The Council may also assess a project before the project has been awarded to a contractor. The assessment is then based on the engineer's estimate.

This phase of Council action finalizes the cost of the project and authorizes the County to spread the special assessment to the affected properties. The procedure for the Council is as follows:

- 1) The Council President introduces the public hearing on the Special Assessment Roll. The assessment roll is discussed one improvement at a time. The City Engineer briefly describes each improvement and reads into record any correspondence, which has been received regarding this improvement.
- 2) The Council President opens the public hearing for questions, discussions and comments from the public. Any person wishing to speak is asked to please:
  - Rise and come to the microphone.
  - State your name and address.
  - State your question or comments regarding the assessment.
  - After speaking, please give your name and address to the Recording Secretary.

The Council President repeats this procedure for each improvement until all projects have been reviewed.

- d) The next Council action is to close the public hearing and postpone action to a future meeting. At the future meeting, Engineering Division will provide a detailed report on all comments and correspondence received.
- e) Once engineering staff has reported back to the Council, the Council adopts the Special Assessment Roll (majority of all members) with any amendments it deems appropriate. The adoption and certification of the Special Assessment Roll allows the County to begin collecting payment for the City. Generally, these payments are made over a 10 year period but may be as long as 20 years at the discretion of the property owner.



## 12) Ethics Policy

As a member of the community and a newly elected public official, you will undoubtedly encounter questions on ethics. The Council has adopted an ethics policy entitled City of St. Cloud, Ethics Policy for Elected Officials, Boards, and Commissions. The policy addresses the following issues including where to seek advice, how to report a breach of ethics, and penalties for violations: The Policy covers the following topics. See Appendix A for more information.

A) Meeting Attendance

B) Conflict of Interest

Of particular interest are the restrictions placed on city officials. The Home Rule Charter states,

*No officer or employee of the City shall solicit or receive any pay, commission, money or thing of value, or derive any benefit, profit or advantage, directly or indirectly, from or by reason of any improvement or alteration or repair required by authority of the City, or any contract to which the City shall be a party, except the lawful compensation or salary as such officer or employee, unless. . . approved. . . by unanimous vote of all members of the Council.*

**Minnesota law also restricts or prohibits any elected official or public employee from receiving any favor or benefit from any contract to which the City is a party.**

C) Disclosure of Confidential Information

D) Discrimination

E) Gifts, Favors and Extra Compensation

F) Open Meetings and Public Records

G) Use of City Equipment, Facilities, or other City resources for private gain.

H) Interference with Administration

I) Technology Use

### **13) Committees and Assignments**

As stated earlier, one of the very first issues you will address as a newly elected Council member is committee assignments. The City has or participates in 30 Boards and Commissions, 9 Joint Powers Boards, 2 Statutory Commissions, 8 organizations and at this time, 15 Adhoc (temporary) Committees.

#### **A) City Boards and Commissions**

Council members are assigned and participate as non-voting and, in some cases, as voting members on the following Boards and Commission:

- Airport Advisory Board (meets quarterly on the 2<sup>nd</sup> Monday in the afternoon)
- Civic Service Board (meets every two weeks on 1<sup>st</sup> and 3<sup>rd</sup> Thursday in the afternoon)
- Health and Housing Appeal Committee (meets once a month on the 3<sup>rd</sup> Tuesday in late afternoon)
- Heritage Preservation Commission (meets once a month on the 1<sup>st</sup> Tuesday in the afternoon)

- Human Rights Commission (meets once a month on the 1<sup>st</sup> Tuesday in the afternoon)
- Park and Receptions Board (meets once a month on the 1<sup>st</sup> Tuesday in the evening)
- Planning Commission (meets once a month on the 2<sup>nd</sup> Tuesday in the evening)
- Public Arts Commission (meets once a month on the 2<sup>nd</sup> Wednesday in the afternoon)
- Board of Adjustments (meets annually as announced usually in the afternoon)
- Whitney Senior Center Advisory Board (meets once a month on the 4<sup>th</sup> Thursday in the afternoon)
- Zoning Board of Appeals (meets once a month on the 3<sup>rd</sup> Tuesday in the evening). The Council representative is a voting member on the Zoning Board of Appeals

## **B) Joint Powers Board and Commissions**

The City has entered formal agreements with other local units of government to obtain or provide a service in a more efficient and economical way. These are:

- Airport Joint Planning and Zoning Board (meets very infrequently and as needed)
- Area Planning Organization (meets monthly on the 4<sup>th</sup> Thursday in the evening)
- Area Planning Organization Executive Committee (meets monthly on the 2<sup>nd</sup> Thursday in the afternoon)
- Fiber Optic Joint Board. A City/School District 742 joint venture (meets on Mondays in the late afternoon)
- Law Enforcement Center Building and Grounds Committee (meets very infrequently and only as needed)
- Northstar Corridor Development Authority (meets monthly on Thursday late in the afternoon)

- St. Cloud/Stearns County Regional Rail Authority (meets infrequently and only as needed)
- Sherburne County/City of St. Cloud Wetlands Board (meets monthly on the 4<sup>th</sup> Thursday in the afternoon)
- St. Cloud Joint Planning District Board, consisting of six-area cities and three Counties, created to do comprehensive planning. (meets quarterly on the 4<sup>th</sup> Thursday in the afternoon)
- Life Cycle Housing Board, consisting of six-area cities created to increase the supply of affordable housing in the area. (This Board meets quarterly on Thursday in the afternoon.)

### **C) Statutory Boards and Commission**

Statutory Boards and Commission are given direct powers in state law. The City participates in to organizations by having city representatives on the governing board or commission.

- The Housing and Redevelopment Authority (meets monthly on the 3rd Wednesday in the evening). Two City Council members serve on the HRA as voting members. Both positions are appointed by the Mayor and confirmed by the Council.
- The Metropolitan Transit Commission (meets monthly on the 1<sup>st</sup> and 3<sup>rd</sup> Tuesday in the afternoon). The Commission is created by special legislation and operates as an independent unit of government. The special legislation calls for the participating units of government to appoint the mayor and a council member from St. Cloud and a mayor from the other participating jurisdictions.
- State law requires a library board to be established to oversee the operations of a public library. Once established, state laws also grant certain unique statutory powers to library boards. The St. Cloud Library Board (meets every other month on the 3<sup>rd</sup> Tuesday in the evening). The meeting schedule starts in February.

### **D) Membership Groups**

Membership Groups are organization that the city joints or city council members joint to represent the city's interest or the interest of the organization.

- Benton County Economic Development Authority (meets monthly on the 2<sup>nd</sup> Tuesday in the morning)
- The Downtown Council (meets monthly on the 3<sup>rd</sup> Tuesday in the afternoon)
- The Eastside Boosters (meets monthly on 4<sup>th</sup> Tuesday at noon)
- Downtown Parking Committee (meets monthly on the 4<sup>th</sup> Thursday in the afternoon). Many meetings are called on an as needed basis.
- The Economic Development Partnership (meets monthly on the 2<sup>nd</sup> Wednesday in the morning)
- Neighborhood University Community Committee (meets monthly on the 3<sup>rd</sup> Monday in the afternoon)
- Paramount Arts Resource Trust Board (meets monthly on the 2<sup>nd</sup> Wednesday in the afternoon)
- Convention and Visitor's Bureau (meets monthly on the 4<sup>th</sup> Monday at noon)

#### **D) Adhoc Committees**

At any given time a number of adhoc committees may be functioning. However, once the issue they are working on is addressed, the committee dissolves. At the time of creating this Orientation Manual, 16 adhoc committees were functioning.

The general approach to committee assignments has been on a seniority basis. The more senior Council members have generally gravitated to the assignments they prefer and generally wish to stick with that assignment over their tenure in office.

### **14) State and Federal Organizations**

The City belongs and participates in two statewide organizations: the League of Minnesota Cities (LMC) and the Coalition of Greater Minnesota Cities (CGMC). The City also belongs to the National League of Cities (NLC). These organizations provide information, training and lobbying services to its members. All organizations conduct annual general conferences and annual legislative and policy development conferences. The NLC lobbies the Congress and represents cities on national committees and task forces.

The LMC conducts three major conferences per year and many training programs. In addition, the LMC produces a magazine, a hard copy Bulletin, and online Bulletin and information services to keep its members informed. The CGMC basically provides lobbying services and provides education and information to its members as well as the legislature. The CGMC concentrates in the areas of government aid to cities, annexation, economic

development, environment, and transportation. St. Cloud has been active in all three of these organizations.

## **15) Compensation and Reimbursement of Expenses**

### **A) Compensation**

The Charter establishes the compensation for the Mayor and Council members. State Statute, superceding the Charter, allows the Council to modify or adjust compensation by ordinance subject to the statutory procedure. Statute requires the change in compensation be adopted before a regular general election and that it take effect after the election.

- 1) The Mayor shall be compensated \$40,000 per year and is eligible for the same health, dental, and life insurance offered to unclassified employees. The Mayor is also eligible for a car allowance at \$350 per month. Compensation for the Mayor is to be reviewed in September of each election year (odd year). Questions on compensation should be directed to the Human Resource Director's office at (320) 650-3140.

- 2) The Council members shall be compensated \$8,600 per year and are eligible for the same health, dental, and life insurance offered to unclassified employees. The Council President is compensated at \$10,100 per year because of the extra administrative duties of the office. The Council compensation is to be reviewed in September of each election year (odd year). Questions on compensation should be directed to the Human Resource Director's office at (320) 650-3140.

#### B) Reimbursement

Appendix D contains the City's reimbursement policy for all City employees and elected officials. It also contains an expense reimbursement form to be used for out of City travel. If you have any questions on this policy or how it works call the Finance Director at (320) 650-3373.

## **16) City Organization and Operations**

Appendix E contains the most current representation of the City's organizational structure. This structure has been created in part by the Charter and the Administrative Code. The Administrative Code is Section 100 of the 1977 Code of Ordinances and is also attached in Appendix E. The Administrative Code gives a brief description of the purpose of the various departments and divisions listed.

Also attached in Appendix E is a list of contacts in each department/division. If you have questions on department or division operations and services, contact the appropriate person.





## 17) Fiscal/Financial Functions

The City has four major areas of responsibility in fiscal/financial matters: budgeting, cash management, accounting and reporting, and debt management. The Charter divides the responsibilities between the Mayor, manager of City resources, and the Council, the overseer and policy body.

### A) Budget and Funds

The International City Managers Association (ICMA) describes a budget in this way. *A local government budget specifies the types and amounts of resources that are expected to be available for financing the level of **estimated expenditures** needed to provide government programs and services.*

However, the Charter narrows the definition of a budget for purposes of what the Council must approve. The tax-supported budgets, budget(s) using property tax revenues to finance all or a portion of the expenditures are the only budgets requiring Council approval. All other budgets, i.e., enterprise operations need **not** be submitted to the Council for approval. The Charter charges the Mayor with the responsibility of preparing the tax-supported budgets and submitting them to the Council for approval.

#### 1) Role of the Mayor and Council

As stated in Section 5, the Mayor is responsible for preparing the tax-supported budgets and submitting them to the Council for approval. If the Council wishes to modify the budgets and the Mayor does not agree, a public hearing must be held. After the hearing, the Council may vote to modify the budget and override the Mayor's objection with a 2/3-majority vote of the entire Council. See Section 8.2 of the Charter.

Once adopted, it is the Mayor's responsibility to administer the budget as approved. The Council may change an adopted budget if the Council can muster a 2/3-majority of all members. In the case where the budget is to be increased, increase revenues must be available and the Council must unanimously support the increase. See Section 8.21 of the Charter.

#### 2) Types of Budgets

The type of budget is determined by the fund for which a budget is prepared. There are two fund groupings: All Governmental and Enterprise. The All-Governmental funds include all the funds that use property tax revenue to support all or a portion of the operations. Enterprises funds are those group of funds that generate their own revenue from operations. For example, the water utility obtains revenue by charging fees (water bills) to water customers

for the service provided. Below is the list of all funds the City budgets by fund grouping:

a) All Governmental Funds (AGF)

AGF includes four fund types: the General Fund, the Special Revenue Funds, the Debt Service Funds , and Capital Projects Funds. These funds are defined below.

1) General Fund

The General Fund accounts for all revenues and expenditures of the City that are not accounted for in other funds. It is usually the largest and most important accounting activity for a city. The fund receives revenues from general property taxes, licenses and permits, fines and penalties, rents, charges for current services, local government aids, and interest earnings. The General Fund finances a wide range of activities including:

Mayor's Office	Community Services
City Council	Legal
Human Resources	Planning
Finance	City Hall Maintenance
Dues and Memberships	Police
Fire	Emergency Management
Health & Inspections	Public Works
Parks	Contingency

2) Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from taxes or other earmarked revenue sources. These funds are usually required by statute, charter provision, or local ordinance to finance a particular function or activity of government. The following is a list of Special Revenue Funds currently budgeted by the City.

Development (Planning)	RSVP
Airport Operating	Recreation
The Gardens	CDBG
Community Services – Spec. Prog.	Whitney Senior Center
Whitney Sr. Center (United Way)	Hotel/Motel Tax
Stearns/City Regional Rail Auth.	Metro Area Net. Consortium
Cable TV Access (Equipment)	Emergency

Police Relief (Retirement)	Fire Relief
Police PERA Residual Assets	Fire Hazardous Material
Volunteer Fire	Criminal Gang Strike Force
D.A.R.E./Liaison Program	Law Enforcement Center
Youth Employment (HUD grant)	Library (Building only)
Park Reserve	Arts
Special Rec. Programs & Events	

### 3) Debt Service Funds

Debt Service funds are established to account for the payment of interest and principal on long term general obligation debt. General obligation (G.O.) debt is debt that is secured by pledging the full faith and credit of the City's tax base. In other words, the City pledges property tax revenues to pay the debt.

Below are the four major categories of the Debt Service Funds. These will be more completely described in the Section referring to Issuing and Managing Debt.

- a) General Obligation Bonds
- b) General Obligation Municipal State-Aid Road Bonds
- c) General Obligation Tax Increment Bonds
- d) General Obligation Improvement Bonds

Debt issued for and paid by revenue generated from the City's enterprise activities is accounted for and budgeted in the Enterprise Funds. For example, debt payments on the Water Treatment Plant are part of the Water Utility Budget.

### 4) Capital Projects Funds

Capital Projects Funds are established to account for all resources used for the acquisition of capital facilities by the City except those financed by Enterprise Funds. The funds are for current expense and not used directly for debt payment. However, in the case of the Infrastructure Management Fund, funds may be transferred from this fund to debt funds for infrastructure improvements. Below is a list of the Capital Projects Funds.

a) Infrastructure Management Fund (IMF)

The IMF is a collection point for funds generated by property tax levies, utility revenues, and special assessments for the Cities annual improvement projects. The purpose of the fund is to hold monies to pay debt service, yet be exempt from arbitrage requirements. Procedurally, funds will be transferred from the IMF to the appropriate Bond Funds at the time payment is required.

b) Permanent Improvement Fund (P.I.)

The P.I. Fund is used to finance the costs of improvement projects not covered by other revenue sources. Cost, usually referred to as City cost of the project, is generally financed by property taxes.

c) Permanent Improvement Redevelopment Fund (P.I.R.)

The P.I.R. is used to receive the proceeds of the sale of City property and to pay for the purchase of property. Originally, this fund was set up for the redevelopment of the old airport area now commonly referred to as the Whitney Park area.

d) Airport Construction

The Airport Construction Fund is used to finance Airport improvements. Federal and state grants, entitlements and local property taxes support the fund.

b) Enterprise Funds

Enterprise Funds, sometimes referred to as Proprietary Funds, account for the financing of self-supporting activities of the City, which provide services on a user charge basis to the general public. The following is a list of enterprise operations budgets:

Water Utility  
Hydroelectricity Utility  
Refuse Service  
Civic Center

Wastewater Utility  
Parking System  
Municipal Athletic Complex

## **B) Cash Management**

City Finance Policy, adopted April 19, 1993, established the following procedures of cash management and investments.

- 1) The Finance Department closely monitors the cash flow of all funds to ensure the maximum cash availability for investment.
- 2) Where allowable, the City will pool cash from several different funds for investment purposes. Interest revenue from the investment of pooled cash shall be allocated on a quarterly basis according to origin of the funds.
- 3) The Finance Department staff monitors market conditions and investment securities to determine the best rate of return on its investments.
- 4) The investment portfolio represents the following strategy:
  - a) 20% is invested in certificates of deposits through local banks and institutions.
  - b) Invest with those institutions that are rated outstanding or satisfactory in compliance with the Community Reinvestment Act.
  - c) Invest with institutions that actively participate in the Single-Family Mortgage Revenue Bond program for first time homebuyers. These local institutions may be given a 15 basis point advantage over other institutions when obtaining bids for investments.
  - d) Finance Department provides regular information concerning cash position and investment performance.

## **C) Accounting and Reporting**

The City will follow these practices and policies when accounting for and reporting on city finances:

- 1) Maintain a high standard of accounting practices.
- 2) Maintain accounting records on a basis consistent with generally accepted accounting principles as outlined by the Government Accounting Standards Board.
- 3) Provide regular financial reports showing financial activity by major types of funds.

- 4) A monthly expenditure report shall be available showing the cost of goods and services by expenditure type, by program, and by object code.
- 5) Prepare and make available an annual Financial Report.
- 6) The annual Financial Report is submitted to the Government Finance Officers Association (GFOA) to determine its eligibility for the GFOA's Certificate of Achievement or Excellence in Financial Reporting.
- 7) Maintain a manual on accounting practices and internal controls.
- 8) Prepare an annual Financial Trend Report for the Mayor and Council.

#### **D) Issuing and Managing Debt**

The City issues debt in order to finance a project. The project is usually large enough to render financing from cash on hand impractical. In order to obtain the needed funds, the City issues bonds, certificates of indebtedness, or bank notes.

##### 1) Bonds

A bond is a contract between the City and the bond owner. Usually, financial institutions or underwriters purchase bonds, which creates a money source for the issuer (City). The City agrees to repay the principal with interest based on the face value of the bonds. These bonds are usually marketed to investors in \$5,000 denominations.

Generally, bonds are identified in two ways. The first way is how the bonds are secured. The second way is how the proceeds are to be used. The assets pledged to pay the bond owner (debt) secure bonds. The pledge is similar to collateral in a conventional mortgage. Secondly, the purpose of the bonds is also part of the bond description. For example, the "General Obligation (pledge) Improvement (purpose) Bond.

The City generally issues six types of bonds.

##### a) General Obligation Bonds

This bond (debt) is paid from property tax proceeds. This type of bond requires a referendum vote. Currently, only Fire Station One and Three represent outstanding obligations of this type of debt.

##### b) General Obligation (G.O.) Municipal State-Aid Road Bonds

This debt is paid from the Municipal State Aid that the City receives annually. This is state revenue generated from the gas tax and distributed to cities on a formula basis. The use of this funding is restricted to roads and road related uses.

c) G. O. Tax Increment Bonds

G.O Tax Increment Bonds are used to finance public or private improvements that meet the development/redevelopment requirements of the state and City policy. The amount of new tax revenue created by the development/redevelopment is used to pay the cost of the eligible expenditures of the development/redevelopment project. This financing method is usually proposed by the Housing and Redevelopment Authority as a means to finance a redevelopment or economic development (industry) activity.

d) G. O. Improvement Bonds

This is the most frequently used financing method by the City. All annual improvement projects (sewer, water, street, curb & gutter, alley, and sidewalk projects) are usually financed by Improvement Bonds. The City issues an improvement bond annually to finance improvements petitioned by residents or initiated by the Administration. Special assessments, the utilities, and property taxes are the major sources of revenue used to make these bond payments.

e) G. O. Revenue Bonds

The City pledges the property tax system as well as the revenue from the facility or enterprise. Should revenues fall below the level needed to make bond payments, the City will levy property taxes necessary to meet debt payments. These bonds are used to finance the Water Plant, the Wastewater Plant, and the Hydro Facility.

f) Revenue Bonds

The City rarely uses this type of bond because the interest rate on the bond is too high compared to G.O. Revenue Bonds. The reason for the higher interest rate is that only the revenue from the facility or enterprise is pledged as security to make the bond payment. If revenues fall below the level necessary to make bond payments, bond holders may not get paid. This is a higher risk investment for bond buyers.

g) Annual Appropriation Obligations (AAO)

The City has used this method for Whitney Center and the MAC expansion. Under this method, the City enters into a lease agreement with another party (lessor) to lease the asset. The lease payments are sufficient to pay the purchase price (debt) created by the lessor. This method usually has a higher interest rate because the lessor (or the lessor's investors) must rely on an annual appropriation being made by the governing body). This method was used for the MAC because the City does not own the land upon which the expansion occurred. We hold a license to use the land from the Federal Government. In the case of Whitney Center, the City did not have enough revenue from Whitney's operation to use G.O. Revenue Bonds.

2) City's Credit Rating

Springsted, the City's financial advisors, states, "The purpose of a credit rating is to provide an understandable measure of the degree of risk of an issuer's securities. The ratings are used by investor's to aid them in making investment decisions."

A city's credit rating is important because it affects the interest rate the city will pay on all forms of debt. The better the credit rating the lower the interest cost. The City uses two credit rating firms. They are Moody's Investor Service and Standard and Poor's Corporation. One or both of these firms will rate each bond the City issues. The rating is a product of reviewing growth and development in the City, existing debt, size of reserves, strength of the management team, size of the tax base or size of enterprise operation, etc. Standard and Poor's has rated the City AA- and Moody's has rated the City's credit at A-1. Below is the complete rating scale so you may compare the strength of the City's ratings.

Moody's	Standard & Poors
Aaa (Highest)	AAA
Aa1	AA+
Aa2	AA
Aa3	<b>AA-</b>
<b>A-1</b>	A+
A-2	A
A-3	A-
Baa-1	BBB+
Baa-2	BBB
Baa-3 (Lowest)	BBB-

To guide the City on debt as well as other financial matters, the City has adopted a policy on Finances of the City. In addition to debt, the policy covers revenues, budgeting, Capital Improvements, Investment, Accounting and Auditing, and



Contingencies, Reserves and Balances. Most of the information from the Finance Policy has been included in this Manual. However, copies of the complete Financial Policy are available from the Finance Department.

Questions or requests for financial information should be directed to the Finance Director at (320) 650-3373 or the City Administrator at (320) 650-3101.



# Appendix A

## **Ethics Policy**

Appendix B

**Council Rules**

**A,B,C's, of Parliamentary Procedure**

# Appendix C

## Boards and Commissions

Appendix D

**Reimbursement Policy**

Appendix E

**Organizational Chart**

**Administrative Code**

**Administrative Contacts List**

# *Learning the New Job*

## *An Orientation For Newly Elected City Officials*

*City of St. Cloud, Minnesota*

Office of the Mayor



