

Executive Summary

Committee as a Whole Work Session

Date: August 13, 2026

Meeting Start: Approximately 6:31 p.m.

Meeting Length: Approximately 46 minutes

Purpose: Committee discussion and work-session review of financial matters, capital projects, safety issues, personnel matters, and proposed legislation/administrative issues.

Attendance: Councilpersons Grant, Martin Paessun, Pinter, Camara (Absent: Councilperson Koss)

Also in attendance: Mayor Southard, Fiscal Officer Wilcheck, Chief Delp

1. Financial Update and July Financial Report

The Fiscal Officer reported that the July financial report had been distributed to Council earlier in the week and invited Council members to provide comments or questions.

Income Tax Collections

- Income tax collections were initially reported as **3.3% ahead of the prior year**.
- The most recent August distribution increased the year-over-year improvement to approximately **3.9%**.
- The Fiscal Officer indicated that he was not assuming the percentage would increase substantially further for the remainder of the year.

Northlake Court Project

The Committee discussed the Northlake Court project and the contract award to **Strouser**, which submitted the lowest qualified bid.

- Total project cost: approximately **\$211,000**
- Road work: approximately **\$83,000**
- Waterline work: approximately **\$128,000**
- The project will require portions of the existing roadway to be disturbed.
- Rather than leave patched pavement, the affected areas will be milled and repaved, including portions extending toward the Curwood/East Shore intersection.

The project cost is approximately **\$35,000 higher than the original \$175,000 estimate**, continuing a broader pattern of municipal construction bids exceeding preliminary estimates.

2. Pool and Concession Stand Financial Performance

The Committee reviewed year-to-date financial performance for the municipal pool and concession operation.

Concession Stand

- Through July, the concession operation was approximately **\$4,300 in the negative**.
- The Committee noted that the season was not yet complete and that final results would be available after September.

Pool

- Through July, the pool was approximately **\$542 in the negative**.

- The Fiscal Officer explained that the figures were being considered on a **cash basis**, reflecting actual revenues received and expenses paid.
- Council discussed whether membership revenue was being prorated; the Fiscal Officer clarified the accounting approach.

Members expressed cautious optimism that the pool's final operating loss could be substantially lower than in prior years, particularly because membership revenue had helped bring the operation close to break-even.

Pool Pump Motor

The Committee was also informed that the motor for the pool's main pump had failed.

- The motor was reportedly heavily corroded.
- The corrosion was attributed to chemical exposure in the pump-house environment.
- The exact repair/replacement cost was not yet known.
- A plan was discussed to move pool chemicals into the adjacent shed to reduce exposure to corrosive chemicals.
- This would require the Police Department to relocate materials currently stored in that shed.

3. Major Financial Discussion: Pool House and Pool Project Costs

The most significant discussion of the meeting concerned the potential cost of the pool-house and pool projects and the City's ability to absorb higher-than-anticipated construction costs. The Fiscal Officer specifically asked Council to begin establishing a financial threshold for the projects because recent bids have consistently exceeded estimates.

Concern Over Escalating Construction Costs

The Committee noted several examples where actual bids exceeded preliminary estimates, including:

- Northlake Court
- Northlake Road
- Garage work
- Municipal building work
- The Northlake Court project discussed that evening

Council members expressed concern that the same pattern could occur with the pool house and pool projects.

The pool-house project is currently estimated at approximately **\$650,000**, exclusive of approximately **\$90,000 in engineering/design-related costs already incurred or anticipated**.

Members discussed the possibility that a bid could come in substantially higher—for example, around **\$900,000**—and acknowledged that Council needs to determine in advance what level of additional expenditure would be acceptable.

Financial Capacity Discussed

The Fiscal Officer outlined several potential funding sources and limitations:

- Approximately **\$345,000 in grant funding** is available for the bathhouse/pool-house project.

- Approximately **\$350,000** has been set aside in a dedicated fund.
- The intention is to pay cash for the pool house if the project remains within the available funding.
- The pool project has approximately **\$1 million** already set aside in the project fund.
- The Fiscal Officer indicated that he was comfortable with approximately **\$2 million in bonds payable from income tax**, resulting in approximately **\$3 million** when combined with the existing project funds.
- An additional grant of approximately **\$500,000** may be available, although it is not guaranteed.
- Additional General Fund support could potentially be considered, but doing so could affect the City's ability to respond to emergencies and maintain other services.
- A property-tax-supported bond issue could potentially be considerably larger, but would involve voter approval and additional tax considerations.

Council Concerns

Council members emphasized that:

1. The City needs a clear understanding of its existing and future financial obligations.
2. Preliminary project estimates should not be treated as the likely final cost given recent bidding history.
3. Council should consider a meaningful contingency for cost escalation and change orders.
4. The community's ability and willingness to support additional taxation must be considered.
5. The pool should remain a community asset rather than becoming an unsustainable financial burden.
6. Council should establish financial boundaries **before** bids are received rather than attempting to determine affordability after a bid arrives.

One member characterized the recurring pattern of higher-than-estimated bids as a reason to effectively budget with a significant cushion below the maximum amount the City believes it can afford.

Bond/Engineering Status

The Committee was informed that the administration was still awaiting information regarding the pool project's bond/bid documents.

The expectation had been that the bid document would be issued in August. An updated response was still pending, and the administration indicated that any new information received would be distributed to Council.

Council acknowledged that even if it ultimately rejects a project bid, the City may still have financial obligations for engineering and other work already completed.

Overall Direction

No final spending ceiling was adopted during the work session. However, the discussion established a clear need for:

- A comprehensive financial picture of the pool and pool-house projects.
- Identification of maximum financially responsible project costs.

- Greater consideration of contingencies.
 - Continued exploration of grant and financing options.
 - A coordinated Council/administration discussion before committing to costs substantially above current estimates.
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4. Safety Committee — Basketball Courts

The Committee turned to safety matters, with the basketball courts identified as an immediate issue requiring a practical next step.

Basketball Court Configuration

The discussion focused on reopening the basketball courts while addressing an equipment problem.

- One basketball hoop was reported to be damaged.
- The group discussed putting one usable hoop/court back into service rather than keeping both sides closed.
- The preferred location discussed was the **west side**, although the usable side will ultimately determine the configuration.
- Staff were directed to assess the condition and make the necessary arrangements.
- A lock/cover mechanism was also being considered so that the court could be closed quickly if necessary.

The goal was to provide the community with access while balancing safety and the condition of the equipment.

5. Ponderosa Traffic and Safety Concerns

A substantial portion of the safety discussion concerned traffic patterns, speeding complaints, signage, and the configuration of the Ponderosa area.

Council members emphasized the need to move the matter forward because it has been discussed repeatedly without a final resolution.

Prior Work and Unresolved Issues

The Committee reviewed several previous efforts involving:

- Striping and pavement markings
- Traffic-control signs
- Stop-sign versus yield-sign considerations
- Potential traffic studies
- Placement of pylons
- Engineering recommendations

Members noted that prior efforts had stopped because there was not a clear or technically appropriate way to stripe and paint the area.

The Committee agreed that the history of previous decisions should be documented so future discussions do not repeatedly restart from the beginning.

Engineering/Traffic Consultant

The group discussed contacting **Peterson** to determine:

- What traffic-control measures would be appropriate.

- Whether a formal traffic study is necessary.
- What type of pavement markings could legally and practically be used.
- Whether the firm can perform the necessary analysis or recommend an appropriate traffic engineer.

The intent is to obtain an objective technical recommendation rather than continuing to debate the issue without sufficient information.

Speed Monitoring

Council requested additional speed data in the Ponderosa area.

The Police Chief explained that the City's dedicated speed-monitoring equipment had recently malfunctioned after data was downloaded.

- The equipment reportedly suffered an electrical failure.
- It may need to be shipped to Texas for repair.
- Because of the equipment problem, a traditional speed study cannot immediately be completed with that device.

As an alternative, the Chief suggested using one of the City's **speed-feedback signs** to collect information and provide motorists with visible speed feedback.

Council agreed that objective data would help determine whether the perceived speeding problem is occurring at the level reported by residents.

The Chief also reported that officers have conducted periodic speed enforcement in the area but have not observed the extreme speeds reported by some residents.

General Safety Approach

The Committee agreed that the issue should be approached using a combination of:

- Objective speed data
- Engineering analysis
- Resident concerns
- Police observations
- Review of prior studies and decisions

No final change to the traffic-control configuration was adopted during this work session.

6. Police Department Personnel

The Chief provided several personnel updates.

New Officers

- Two applicants received **conditional offers**.
- Both applicants accepted.
- Background/medical-related processing is underway.
- One applicant may be ready for Council action and swearing-in soon.
- The second applicant is experiencing a delay because the required medical appointment, including a stress test, is not available until September 22.
- The Department is exploring whether another qualified medical provider can conduct the required examination sooner.

Additional Applicant

The Department has received one or two additional applicants for the remaining position. Council members were advised to expect interview requests.

Retirement and Promotion

- **Lieutenant Tammy Phillips** retired effective **August 8, 2026**.
 - An acting lieutenant was scheduled to be formally promoted to lieutenant during the Council meeting that evening.
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7. Police Department Display Cabinet

The Committee received an informational update regarding a proposed display cabinet for Police Department memorabilia, including MPCA-related items and Village memorabilia.

Existing funds had previously been set aside for:

- Additional ventilation/air conditioning for a storage area; and
- Furniture for conversion of the wellness room.

Those projects had not yet used the allocated funds.

The Department proposed using a portion of those existing funds to purchase the display cabinet.

Direction

No objection was raised. The Department intends to proceed using the existing allocation without requiring a new appropriation, subject to the previously discussed funding parameters.

8. Street Trees / Tree Lawn Responsibility

The Committee discussed responsibility for maintaining and replacing trees located in tree lawns, particularly in newer residential sections.

Existing Issue

Several trees in the newer section reportedly have died.

There was uncertainty regarding whether the current code clearly establishes:

- Who is responsible for replacing a dead tree;
- Whether responsibility depends on whether the tree died naturally or was damaged;
- Whether property owners must replace all trees associated with their lots; and
- Whether the Village should manage replacement centrally.

Council recalled prior discussions concerning these issues and noted that the current code gives administration some discretion, but the language may not be sufficiently clear for consistent enforcement.

Proposed Assessment/Fund

One proposal discussed was an annual assessment of approximately **\$25 per affected property** to establish a dedicated tree fund.

Under the concept discussed:

- The property owner would be responsible for appropriate care/management of the trees.
- The Village would use the dedicated fund to replace trees that die from natural causes.

- A property owner could remain responsible for replacing a tree that was intentionally or negligently destroyed, such as by a vehicle.
- The approach could provide consistency in tree species and replacement standards.
- The assessment could potentially apply to areas where the Village has intentionally established street trees rather than being limited to one specific development.

The Committee noted that an assessment could be approximately **\$2.10 per month** at a \$25 annual rate.

Next Steps

The discussion did not result in final legislation.

Staff/Council will need to:

- Review the existing code.
- Determine exactly which properties/areas should be included.
- Clarify owner versus Village responsibilities.
- Determine the appropriate assessment mechanism and timing.
- Draft legislation if Council wishes to proceed.

9. Utility Cost Discussion

At the conclusion of the meeting, members briefly discussed rising household utility costs.

The Fiscal Officer explained that consumers can potentially reduce utility costs by comparing available retail suppliers through the Public Utilities Commission.

He noted that the Village actively monitors utility rates and attempts to control its own electricity and other utility costs.

This was primarily an informational discussion and did not result in Council action.

Key Takeaways

The August 13 work session was dominated by **financial planning and risk management**, particularly in relation to the pool and pool-house projects.

The most significant issues for Council moving forward are:

1. **Establishing a financially responsible ceiling for the pool-house project before bids are received.**
 2. **Determining the maximum sustainable cost of the broader pool project.**
 3. **Understanding the City's current debt obligations, available funds, bonding capacity, grants, and General Fund implications.**
 4. **Accounting for the recurring pattern of construction bids exceeding estimates.**
 5. **Obtaining objective engineering and speed data before making additional traffic-control decisions at Ponderosa.**
 6. **Moving forward with a practical basketball-court configuration while addressing damaged equipment.**
 7. **Continuing police hiring and onboarding efforts.**
 8. **Clarifying municipal/property-owner responsibility for street-tree replacement and evaluating a potential tree assessment/fund.**
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Overall Assessment

The work session underscored a growing need for **more disciplined long-range financial planning around major capital projects**. Council members generally supported completing important community projects but expressed concern that escalating construction costs, engineering expenses, contingencies, and future debt service could materially change the financial picture.

The Committee did not make a final determination on the maximum pool or pool-house expenditure. Instead, the discussion established that Council wants a clearer understanding of the City's financial capacity and the consequences of higher project bids before making further commitments.

The meeting also advanced several operational matters—particularly the basketball courts, Ponderosa traffic concerns, police staffing, and tree maintenance—but most of those issues remain subject to additional staff work, engineering review, or legislation.

Jeffrey Wilcheck, Fiscal Officer

Tiffany Southard, Mayor