



06-16-2025 CITY COUNCIL WORK SESSION MINUTES

June 16, 2025 at 5:30 PM

7701 County Road 110 West Minnetrista, MN 55364

1) CALL TO ORDER

Mayor Whalen called the meeting to order at 5:30 p.m.

Council present: Mayor Whalen, Council Members Reffkin, Lacy, Govern. Staff present: City Administrator Jasper Kruggel, Finance Director Brian Grimm, Director of Public Services Gary Peters, Assistant City Administrator Allie Polsfuss, City Clerk Ann Meyerhoff.

2) DISCUSSION ITEMS

a) Gillespie Center City Contribution Discussion

The Executive Direction of the Gillespie Center, Rhonda Nelson, has requested the City of Minnetrista participate in a cost participation agreement for senior activities at the facility.

City Administrator Kruggel gave an overview.

Council Member Lacy shared her passion for the center and the services that they offer the seniors and would like to have the City step up and give \$10,000 a year to support.

Mayor Whalen expressed concern over the use of public tax dollars to contribute to a nonprofit organization (the Gillespie Center), arguing that such contributions should be a personal choice, not a government decision. She explained that some residents supported the city's initial financial support, while others did not.

The original agreement, made by a past city council, was for a one-time contribution over 10 years, with several cities contributing \$110,000 annually to build an endowment fund projected to grow to \$3 million. The center itself was also supposed to raise \$110,000 per year for operations.

The organization is requesting additional funding now, especially when it's been stated they currently have \$4.7 million in investments and assets, and a \$3 million endowment, which could generate significant income (approx. \$210,000 annually at 7%).

She raised concerns about:

- Lack of clarity on specific senior programs funded by the contributions.
- Equity—why one nonprofit (like the Gillespie Center) gets public money, while others (like WeCAB or West Tonka Rec) do not.
- The need for a city policy on contributing to nonprofits.
- The financial necessity of the new funding request based on balance sheets.

The director of the Gillespie Center responded by explaining:

- Much of their funds are now spent on building maintenance, due to past neglect of preventative maintenance.
- They have shifted strategy to invest in maintenance to reduce long-term costs.
- Programming funds for seniors are limited because of these maintenance costs.
- There is no longer a dedicated capital improvement (CIP) fund, so they dip into the endowment for major expenses like HVAC or repainting the building.

Council Member Govern expressed concerns about the 10 year commitment.

Council Member Reffkin questioned that since we have already given the center money why are we not giving to another charity.

Mayor Whalen expressed frustration with the rationale behind a \$10,000 funding request, which was based on an estimate of \$1 per resident. She argued that this logic is flawed because:

- The actual population is closer to 9,200–9,300, not 10,000.
- Only 14% of residents are seniors, so the cost per senior would be more relevant if the funding is for a senior program.
- Simply using total population as a justification for the amount requested is not meaningful without a clear breakdown of what the funds would be used for.

Funding should be based on program costs, not arbitrary per-capita figures, especially if the benefit only applies to a small segment of the population.

Administrator Kruggel stated the statute:

- A City can appropriate money to support the facilities, programs, and services of a public or private, not-for-profit senior center or youth center

Mayor Whalen asked how many Minnetrista residents are really being served and what is the program that needs support and how much the cost will be. It hasn't been budgeted for this year but if there is a specific program that would otherwise not happen without funding bring back that information.

b) 2026 Yard Waste Disposal Service

City Administrator Kruggel stated that at the 2025 State of the city event there were a couple comments about the City offering yard waste disposal services to the residents of Minnetrista.

Staff has evaluated options to provide yard waste disposal services for residents of Minnetrista. It has been determined that offering the service utilizing city staff and property is not financially feasible. There is an option to utilize a Minnetrista business, The Mulch Store to allow for a no-cost option for residents. The estimated cost of entering into an agreement with the Mulch Store is \$13,000 annually.

If agreeable, staff would recommend building this amount into the 2026 budget, utilizing the stormwater and environmental funds as the funding sources.

Council Member Reffkin asked if this is something that residents could do with their garbage collector. Administrator Kruggel replied that residents are able to contract this on their own.

Council had a discussion and decided that they did not see this as a compelling need at this time.

c) Budget/Levy Considerations

Finance Director Grimm presented the 3 categories of items to talk about regarding both the general fund operations and the associated overall tax levy impacts:

1. Items that the City is committed to (general fund impact)
 - Compensation (non-union adjustments and union contracts)
 - Fire Contracts
 - Cafeteria Plan/other benefits
 - Inflationary impacts

Subtotal for this area - \$480,000 (projected 7.0% increase to levy)

2. Items to be addressed (general fund impact)
 - Addressing use fund balance in 2025 for 2026 and beyond

Subtotal for this area - \$40,000 (projected .50% increase to levy)

Total projected for general fund combined - \$520,000 (potential 7.5% increase to levy)

3. Items the City has been doing
 - Roads
 - Capital Equipment Plan

Total potential impacts – When adding the above numbers from the above three sections together the potential levy increase from an initial draft looks to be in the \$770,000-\$870,000 range. That would be in a range of about 10-12%. Last year's levy increase was a 9.4% increase when comparing 2025's final levy to 2024 final levy.

Grimm stated that he will bring back detailed information to the August work session.

Council had a discussion of possible ways to try and keep the levy down and will wait for more detailed information in August.

3) ADJOURNMENT

Motion by Lacy and seconded by Govern to adjourn the meeting at 6:33 p.m.

Motion passed 4-0. Absent: Council Member Vickery

Respectfully Submitted,

Ann Meyerhoff, City Clerk