CITY COUNCIL WORK SESSION MINUTES

June 15, 2026 at 5:00 PM
7701 County Road 110 West Minnetrista, MN 55364

Pursuant to Minnesota Statues, section 13D.02, one or more council members may participate remotely.

1) CALL TO ORDER

Mayor Whalen called the meeting to order at 5:00 p.m.

Council Present: Mayor Whalen, Councilmembers Reffkin, Vickery, Lacy, Govern. Staff; City Administrator Kruggel, Assistant City Administrator Bauman, Community Development Director Abel, City Clerk Meyerhoff (Remote)

2) DISCUSSION ITEMS

a) Land Lease for Cell Tower Discussion

City Administrator Kruggel started a discussion of a proposed cellular tower lease on City-owned property west of City Hall. He reported that a telecommunications vendor has been working with the City for over a year to identify a suitable location for a 150-foot tower, initially intended to serve Verizon, with the possibility of additional carriers in the future. Proposed lease terms include a two-year option period with a $2,000 upfront payment, followed by a 35-year lease at $2,000 per month with annual 3% increases and additional monthly revenue for each additional carrier located on the tower. Council members discussed the potential benefits of improved cellular coverage, concerns about the proposed tower location, visual impacts on neighboring residents, future land use considerations, and the length of the lease term. Questions were raised regarding comparable lease rates in neighboring communities, opportunities for future rent adjustments, and whether a conditional use permit process should be followed to allow for public input. Several Council members expressed discomfort with committing to a 35-year lease at the proposed rate and indicated interest in exploring a shorter lease term, periodic market-rate reviews, or increased compensation. Staff was directed to return to the vendor with Council's feedback regarding lease length, escalation provisions, and potential opportunities for future rent adjustments before bringing the matter back for further consideration.

b) Lift Assist Ordinance Review

Council reviewed the proposed Lift Assist Ordinance, which was developed following a previous work session and modeled in part after an ordinance from Maple Plain. Staff incorporated prior Council feedback by creating separate fee schedules for residential/independent living properties and assisted living facilities. For assisted living facilities, fees would be assessed on a facility-wide basis, with charges increasing based on the number of lift assist calls within a one-year period. Residential and independent living properties would be assessed on an individual-property basis, with the first three lift assists provided at no charge and fees applied thereafter. Council discussed concerns about potential hardships for residents who may hesitate to request assistance due to fees, noting that incidents involving injury and transport to a hospital would not be subject to lift assist charges. Staff explained that unpaid fees could be certified through the standard city process, with opportunities for Council consideration of fee forgiveness during certification proceedings or through resident requests.

Council also discussed clarifying the tracking period for lift assist calls, determining that a calendar year basis would be easier to administer and understand than a rolling one-year period. Staff reported that there are currently no independent living facilities in the city and that existing residential lift assist calls are not frequent enough to meet the proposed fee thresholds. Council expressed support for the ordinance revisions and directed staff to bring the ordinance forward for adoption at the next meeting, with placement on the consent agenda deemed acceptable.

The Council also discussed scheduling the city's July meeting and expressed a preference for holding the meeting on July 20 rather than the currently scheduled second Monday of the month.

c) Tobacco Ordinance Review

Council reviewed a draft Tobacco Ordinance developed following the previously established moratorium on tobacco shop establishments and expansions. Staff explained that the ordinance was prepared in consultation with legal counsel and structured to be as restrictive as permissible under Minnesota law. The proposed ordinance prohibits licensing businesses primarily engaged in the sale of tobacco products, effectively disallowing dedicated tobacco shops within the city. However, it would allow grocery stores, convenience stores, gas stations, or similar retail establishments, subject to City Council approval and applicable buffer distance requirements. Staff noted that existing local retail conditions make implementation unlikely to impact current businesses, as the city does not have gas stations and the current grocery store does not sell tobacco and has no expressed interest in doing so. Council expressed general support for the ordinance as presented and directed staff to place it on the consent agenda for consideration at the July 20 meeting.

d) Budget/Levy Considerations

Council discussed preliminary planning parameters for the 2027 budget, including union contract negotiations for 2027–2029, non-union compensation adjustments, fire contract considerations, benefits updates, and a comprehensive plan update. Staff noted anticipated inflationary pressures and outlined early estimates for personnel, benefits, and capital impacts, including potential increases tied to union agreements and health insurance contributions. Council discussed maintaining the City's fund balance target at approximately 40%, with general agreement that this level supports fiscal stability, especially given planned future bonding activities.

Discussion also focused on capital planning, including road funding and equipment needs. Staff noted current road fund balances of approximately $2 million, with ongoing annual levies and planned debt contributions for upcoming projects. Council considered options for structuring the levy, including balancing cash funding with equipment certificates, and discussed using expiring debt payments to offset new costs where possible. Preliminary capital improvement plan estimates were discussed, with early totals suggesting a potential overall levy impact in the $800,000 to $1 million range depending on final project prioritization.

Council also discussed staffing levels, noting no new positions requested for 2027 at this time, though future utility billing support needs may be evaluated. Police staffing and competitiveness of union contracts were briefly addressed, along with challenges in recruitment. Additional topics included increasing the contingency fund to approximately $50,000, current positive building permit revenue trends, and the importance of maintaining flexibility by setting a higher preliminary levy ceiling before finalizing budget decisions later in the year. Staff indicated that more detailed capital and budget information would be brought back to Council in August.

e) Water Utility Rate Adjustment Effective July 1, 2026

Council reviewed proposed updates related to water rate structure and billing transitions, including implementation of a revised monthly billing system beginning July 1 for water customers while non-water accounts would remain on a quarterly billing cycle. Staff explained that billing system reconfiguration would separate accounts by category to accommodate the transition, with monthly billing applied to water users and sewer/stormwater-only accounts continuing on quarterly statements. Preliminary rate modeling was presented, indicating an estimated average monthly water bill of approximately $155 for typical usage, based on updated base rates and tiered consumption levels. Staff noted this aligns with prior budget assumptions and remains generally consistent with regional comparisons, with the City's rates still competitive relative to neighboring communities.

Council reviewed the ordinance and fee schedule and identified a minor correction needed to clarify language in the commercial tier by adding the word "gallons." Discussion also confirmed the late fee structure, with a proposed 5% monthly late fee for monthly billing accounts and a 15% structure for quarterly billing. Council expressed general support for the billing transition and did not raise concerns regarding managing two billing cadences during the rollout. Members also discussed the potential for implementing a tracking mechanism to monitor usage and billing impacts following the transition, with agreement to begin baseline tracking either in July or August to support future analysis.

3) ADJOURNMENT

Motion by Lacy seconded by Reffkin to adjourn the meeting at 5:55 p.m.

Motion passed 5-0.

ADOPTED the 20th day of July 2026 by a vote of ______ Ayes and ______Nays

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Lisa Whalen, Mayor

ATTEST:

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Ann Meyerhoff, City Clerk