



## CITY COUNCIL WORK SESSION MINUTES

November 03, 2025 at 5:00 PM

7701 County Road 110 West Minnetrista, MN 55364

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### 1) CALL TO ORDER

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

Present: Mayor Whalen, Councilmembers Vickery, Lacy, Govern. Staff present: City Administrator Kruggel, Finance Director Grimm, Public Services Director Peters, Assistant City Administrator Bauman, City Clerk Meyerhoff. City Engineer Fauske. Absent: Cathleen Reffkin

### 2) DISCUSSION ITEMS

#### a) Storm/Surface Water Budget Discussion

Finance Director Grimm provided an update.

During the discussion, staff recommended maintaining the current stormwater rate of \$29 per quarter, noting that this rate has remained steady for several years and continues to support a healthy fund balance between \$800,000 and \$900,000. Council members discussed that, while the fund balance is relatively high compared to the annual expenditures of roughly \$500,000, it provides flexibility for future stormwater projects and unforeseen expenses. It was noted that even with planned projects for the coming year, the fund would only decrease by about \$80,000. Some council members expressed concern that the balance might be excessive, suggesting that funds should be used for necessary maintenance and improvement projects, such as culvert cleaning and stormwater pond maintenance. Staff also mentioned that upcoming discussions will address the city's responsibility for cleaning certain stormwater ponds located in HOA areas without active boards, potentially funded through the stormwater fund. The consensus was to keep the stormwater rate unchanged for now, monitor the fund balance annually, and consider adjustments or project allocations as needed to maintain a reasonable reserve level.

#### b) Recycling Fund Budget Discussion

Finance Director Grimm presented an update on the recycling fund, noting that the balance has steadily declined from approximately \$200,000 in 2019–2020 to around \$50,000–\$60,000 currently, with a projected year-end balance closer to \$30,000–\$40,000. This decrease is due to the recycling contract rate increase in 2020 and the city charging less than the contractual rate, along with additional administrative and cleanup day expenses. To stabilize the fund, staff recommended a \$2 per quarter increase in the recycling rate, raising it from \$16 to \$18 beginning in 2026. This adjustment would help offset the \$5.79 per household charge from Waste Management and cover associated operational costs, allowing the fund to remain balanced. Staff also confirmed that the city continues to receive SCORE grant funding to support recycling operations, though the portion allocated to organics collection has decreased as participation in that program remains limited. The proposed rate adjustment was described as modest and reasonable, particularly when considered alongside the previously discussed \$8 sewer rate increase, which together would result in an overall 6–7% rise in quarterly utility bills for residents.

c) Cable Fund Budget Discussion

Finance Director Grimm provided an update on the city's cable fund, noting that while it does not involve direct resident fees, revenues from franchise fees—primarily from Mediacom—have declined significantly over the past several years. Mediacom's payments have decreased from about \$15,000 per quarter to roughly \$7,000–\$8,000, with annual revenues now closer to \$30,000–\$40,000 compared to \$60,000–\$70,000 in prior years. Midco has begun contributing a small amount as its local service expands, but overall revenues continue to fall as more residents move away from traditional cable television toward streaming services, which are not subject to franchise fees.

The cable fund currently supports city communications efforts, including website maintenance, newsletters, and broadcasting equipment purchases, such as council chamber upgrades. Staff noted that the fund is currently operating at a deficit, and a transfer from the general fund may be necessary to balance it at year-end. Discussion included the possibility of eventually folding cable-related expenses back into the general fund if revenues continue to decline. It was explained that franchise fees are based on the number of video service accounts within the city—approximately \$2 per account per month—but as cable boxes are phased out in favor of streaming apps, these revenues are expected to continue decreasing over time.

d) Bayside Lane Drainage Update

City Engineer Fauske provided an update on the drainage issue affecting a residence on Bayside Lane, noting that this project dates back to an earlier city-approved stormwater installation from the early 2000s. Since the last council meeting, staff coordinated with a contractor specializing in this type of work and planned to meet on-site to review the problem area. The contractor provided a preliminary estimate of approximately \$15,000 for connecting the affected area to the existing stormwater system, though other utility estimates ranged both higher and lower. The primary goal is to address the localized flooding issue at one residence, identified as 925 Bayside Lane, which was built at a lower elevation and has experienced repeated drainage problems. Once the corrective work is completed, ownership and maintenance responsibility for the system will be transferred to the homeowners' association. Staff emphasized that this project is being pursued because it was originally approved as a city project; future requests of this nature would need to follow standard permitting processes and would not automatically qualify for city-funded improvements.

**3) ADJOURNMENT**

Motion by Vickery, seconded by Lacy to adjourn the meeting at 5:33 p.m.

Motion passed 4-0.

Respectfully Submitted,

Ann Meyerhoff, City Clerk