



CITY COUNCIL WORK SESSION MINUTES

October 06, 2025 at 5:00 PM

7701 County Road 110 West Minnetrista, MN 55364

1) CALL TO ORDER

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

Council present: Mayor Whalen, Council Members Reffkin, Vickery, Lacy, Govern. Staff present: City Administrator Jasper Kruggel, Finance Director Brian Grimm, Community Development Director David Abel, Director of Public Services Craig Squires, Director of Public Services Gary Peters, Assistant City Administrator Paula Bauman, City Clerk Ann Meyerhoff.

2) DISCUSSION ITEMS

a) 2026 Salary Discussion

During the City Council Work Session, council members and staff discussed the city's employee compensation structure, particularly the 2026 budget's proposed cost-of-living adjustment (COLA), which Council Member Reffkin suggested be more accurately termed a "market adjustment." Staff provided a history of the current pay plan adopted in 2022, which uses a step-grade system aimed at incentivizing longevity and maintaining market competitiveness. Currently, non-union employees move up a step annually until they reach the top step, while all employees receive a COLA on January 1, contingent on Council approval. Staff noted that the city's pay scale is generally aligned with the market, with current salaries averaging 102% of comparable cities, down slightly from 103% in 2022.

Councilmember Reffkin expressed concern over rising payroll costs, citing a \$200,000 annual increase in salaries without adding staff, projecting nearly \$1 million in increases by 2028. While most council members agreed the city offers competitive wages, there was debate over the sustainability of continuing 3% annual COLAs. Some members favored a 2% adjustment to manage long-term financial impacts while preserving employee compensation within market ranges. Others emphasized the value of long-term employees and the difficulty in recruiting qualified staff, noting that high retention is essential to maintaining service quality.

The Council also discussed the impact of compounding wage increases, wage compression—especially between police ranks—and potential refinements to the step structure to address longevity more effectively. The idea of conducting a full compensation or pay plan study was raised but ultimately met with mixed responses, given the existing data on comparable cities already available.

The consensus was to proceed with a 2% market adjustment by Councilmembers Reffkin, Vickery and Lacy. Mayor Whalen and Councilmember Govern supported the currently budgeted 3% market adjustment for 2026, while directing the Personnel Committee to further evaluate long-term changes to the compensation plan, particularly around step increases and longevity incentives. Mayor Whalen requested this be brought back to a council meeting for a formal vote due to the split. This would ensure

future adjustments remain financially sustainable while supporting staff retention and competitive pay practices.

b) Water Fund Budget Discussion

During the Water Fund Budget discussion, the council expressed concern about the city's heavy reliance on variable water usage for revenue, particularly given this year's wet summer and reduced usage from major consumers like the school, which has switched to a private well for irrigation. The group discussed the risk of shortfalls and the need for more stable, predictable revenue sources, agreeing that increasing the base fee may be a more effective and publicly acceptable option than introducing a separate treatment plant fee. A likely rate increase of 18–20% in 2026 was acknowledged as necessary to prepare for upcoming treatment plant costs, with the first interest payment due in 2027 and full payments beginning in 2028. To help residents manage costs and provide the city with more consistent revenue, there was unanimous support for switching to monthly billing, though it would not apply to rural accounts with minimal usage. Staff was directed to explore a phased implementation, possibly starting with a part-time billing staff member, and to prepare example bills at various rate levels, along with revenue projections based on different base fee scenarios (\$50, \$75, \$100). The council also emphasized the importance of clear public communication and supported sending a dedicated water-specific notice—separate from the general city newsletter—explaining the rate changes, the reasons behind them, and the shift to monthly billing, ideally by November.

c) Hardscrabble Update

The Hard Scrabble update focused on a proposed resolution to ongoing parking issues during construction in the neighborhood. Rather than implementing extensive no-parking signage or involving law enforcement for regular enforcement, the city will install a single sign at the entrance of Hard Scrabble Circle stating "Construction Parking Prohibited." All existing no-parking signs will be removed. Enforcement will shift away from police involvement and instead rely on residents to self-report issues. Complaints will be handled by City Hall, with the building department contacting permit holders to address violations. Police will only get involved if a road is completely blocked, in which case they can tow vehicles immediately for safety reasons. Day laborers and services like lawn care or tree work would be exempt from the parking restriction unless they cause obstructions. City staff and the police chief agreed this approach is more practical, reduces daily patrol burdens, and better aligns with the original enforcement intent. The council supported moving forward with this plan without a formal ordinance or public hearing, with the understanding that it may be adjusted based on how well it works.

d) Discuss Installation of Four-Way Stop at Lotus Drive and Sunset Lane

Over the past month, city staff received multiple complaints about poor visibility at the intersection of Lotus Trail, Sunset Lane, and Wolfberry Curve. Upon review, it was discovered that the landscaping and monuments present at the site exceeded what was originally shown in the approved development plans, contributing to the sightline issues. A traffic engineer was consulted, and based on technical criteria, a four-way stop was recommended to address the limited stopping sight distance. The proposed solution includes adding stop signs on Lotus Trail and accompanying "stop ahead" signs, at a cost of just over \$500 (excluding installation labor).

During discussion, council members largely supported the stop signs due to safety concerns. Some raised additional issues, including the placement of trees in the right-of-way, particularly a newer tree at the southwest corner that is expected to worsen visibility as it grows. Several members advocated for removing or relocating trees that block sightlines, noting broader citywide issues with trees too close to roads and sidewalks. The preference was to offer residents the option to relocate trees onto their own property rather than removing them outright. The item was slated for formal action later that evening, but consensus was reached during the work session to move forward with both the signage and addressing the problematic trees.

3) ADJOURNMENT

Motion by Reffkin, seconded by Lacy to adjourn the Work Session at 6:04: p.m.

Motion passed 5-0.

DRAFT