



**MINUTES  
CITY COUNCIL - WORKSHOP  
MAPLE PLAIN CITY HALL  
January 26, 2026  
5:30 PM**

---

**1. CALL TO ORDER**

Mayor Julie Maas-Kusske called the meeting to order at 5:30 PM

PRESENT: Mayor Julie Maas-Kusske, Councilmember Mike DeLuca, Councilmember Connie Francis, Councilmember Andrew Burak, & Councilmember Rochelle Arvizo

STAFF PRESENT: ABDO Finance Manager Jessi Sturtz, and Assistant City Administrator Kevin Larson

**2. ADOPT AGENDA**

Agenda Amendments

Prior to adoption, the following agenda items were proposed for removal: Item B – 5-Year Capital Improvement Plan / Finance Plan & Item D – Newsletter & Utility Billing. The removal was due to the absence of the City Administrator and the desire to avoid duplicative or incomplete discussion without full staff context.

Action

Councilmember Burak made a motion to approve the amended meeting agenda. Seconded by Councilmember Arvizo.

Voting Yea: Mayor Maas-Kusske, Councilmember DeLuca, Councilmember Francis, Councilmember Burak, & Councilmember Arvizo.

Motion Passed 5-0

**3. DISCUSSION**

A. 2026 Enterprise Fund Budget

**Staff Overview**

ABDO Finance Manager Sturtz introduced the 2026 Enterprise Fund Budgets as a workshop-only discussion item, explaining that Council would not be taking formal action and that final approval would occur at a future business meeting. ABDO

Finance Manager Sturtz presented the Water, Sewer, and Storm Sewer budgets and explained that this was Council's first look at the proposed numbers.

ABDO Finance Manager Sturtz stated that the City operates three enterprise funds and that the combined projected net revenue for 2026 is \$476,213. ABDO Finance Manager Sturtz emphasized that the budget incorporates assumptions from the 2023 Utility Rate Study, specifically Scenario 2, which Council previously approved. The rate increases applied were 8% for water and 3% for sewer and storm sewer.

ABDO Finance Manager Sturtz explained that, rather than basing projections on 2025 budgeted revenues, the 2026 budget was built using actual 2025 year-end revenue figures (as of December 31, prior to audit entries). ABDO Finance Manager Sturtz stated this approach was intentionally conservative, noting that revenues, particularly water sales, came in significantly lower than budgeted in 2025.

ABDO Finance Manager Sturtz walked Council through the summary slide showing revenues, expenses, and projected changes in fund balance for each enterprise fund, and explained that more detailed line-by-line information was included later in the packet. ABDO Finance Manager Sturtz indicated that questions could be addressed either at a high level or by reviewing individual line items.

### **Council Discussion**

#### **Water Fund – Revenues**

Council immediately focused on the decline in projected water revenues, noting that the City had budgeted approximately \$787,000 in water sales for 2025 but only realized approximately \$680,000. Council asked staff to explain why the City was “so far off” from its projections.

ABDO Finance Manager Sturtz clarified that the 2026 projections were calculated by taking the actual 2025 water sales and applying the approved 8% rate increase, rather than applying the increase to the higher 2025 budgeted amount. ABDO Finance Manager Sturtz explained they did not feel comfortable compounding projections off numbers that were not being realized, stating it “didn't sit right” to do so.

Council questioned whether audit adjustments could materially close the revenue gap. ABDO Finance Manager Sturtz responded that while audit entries would occur, they would not account for a \$150,000 difference, reinforcing the decision to base projections on actual usage.

Council expressed concern that the lower sales figures might indicate a broader issue, questioning whether the City's rate structure or assumptions needed to be revisited, given that the 2023 rate study was intended to keep the utility financially stable.

#### **Kwik Trip Impact**

Council then shifted discussion to the Kwik Trip development, noting that the water connection fee shown in 2025 was a one-time revenue and should not be assumed to recur. ABDO Finance Manager Sturtz confirmed that the 2026 budget did not apply an 8% increase to that connection fee, explaining that it reflected a one-time development event.

Council asked whether increased ongoing water usage from Kwik Trip, particularly the car wash, had been factored into the projections. ABDO Finance Manager Sturtz indicated that they had not yet included additional usage assumptions beyond existing data and were not aware initially that a car wash was part of the operation.

Council members noted that the car wash had only been open for a short time and during winter conditions, suggesting that water usage would likely increase significantly during warmer months. Council suggested pulling actual usage data from the first month of operation to better estimate future consumption. ABDO Finance Manager Sturtz acknowledged this and agreed that updated usage data would be helpful and could materially affect revenue projections.

#### Water Fund – Expenses

Council reviewed water fund expenses and asked about the increase in administrative costs. Staff explained that the increase was primarily due to the reallocation of audit, accounting, and shared service costs that were previously split with the Fire Department. With the Fire Department no longer operating as a City department, those costs were redistributed primarily to the Water and Sewer Funds.

ABDO Finance Manager Sturtz also highlighted a \$50,000 reduction in repair and maintenance expenses, explaining that the prior year budgeted \$100,000 but actual spending was closer to \$44,000. ABDO Finance Manager Sturtz stated they intentionally reduced the line item to better align with historical spending but noted Council could adjust it upward if desired.

Council acknowledged the explanation and noted that, despite administrative increases, overall water fund expenses declined.

#### Sewer Fund Discussion

ABDO Finance Manager Sturtz explained that the Sewer Fund projections applied the 3% rate increase called for in the utility rate study and were similarly based on actual 2025 revenues. ABDO Finance Manager Sturtz noted an overall decline in sewer revenues, largely attributable to one-time Kwik Trip-related revenues in the prior year.

Council did not request a line-by-line walkthrough but asked whether the same conservative approach was applied as with water. ABDO Finance Manager Sturtz confirmed that it was.

ABDO Finance Manager Sturtz highlighted a significant increase in administrative expenses, again tied to fire department cost reallocation, as well as an increase in other consulting services to better reflect actual spending levels, noting the City had exceeded budget in that category previously. ABDO Finance Manager Sturtz also noted an increase in debt service due to scheduled bond payments.

Council indicated they were comfortable with the explanation and did not raise further concerns regarding the sewer fund.

#### Storm Sewer Fund Discussion

ABDO Finance Manager Sturtz explained that the Storm Sewer Fund also reflected a 3% rate increase and a modest decline in revenues. Administrative costs increased for the same reallocation reasons discussed earlier.

Council asked whether the absence of capital expenditures in the storm sewer budget was intentional. Staff confirmed that it was consistent with the long-term plan and that no storm sewer capital projects were scheduled for 2026.

Council agreed with the approach and did not request changes.

### **Council Direction**

Council directed staff to obtain actual water usage data from Kwik Trip, including early car wash usage, and to use that information to refine water revenue projections. Council indicated that estimates should account for increased usage during warmer months. The Council requested staff to update the cash flow study for review.

Council expressed a desire to revisit the Enterprise Fund Budgets in additional workshops before final adoption and did not direct immediate changes to rates or expense allocations at this time.

#### **B. 5 Year CIP/Finance Plan**

Removed from Agenda – No Discussion. The topic will be rescheduled for a future workshop.

#### **C. Medina Water Agreement**

##### **Staff Overview**

Assistant City Administrator Larson noted that the City of Medina reviewed the water services contract and returned suggested changes and additions. Assistant City Administrator Larson walked Council through the three main items Medina raised so members could follow along in the packet: (1) proposed edits to Section 3 (water meter language), spells out the shared cost of installation and removes ‘any maintenance’ from the paragraph, (2) a “bridge” provision stating Medina would continue to meter and invoice until Maple Plain’s meters are installed, and (3) adding a Consumer Confidence Report provision requesting delivery of CCR-related information by April 1 each year. Assistant City Administrator Larson also noted Medina proposed clarifying language under Section 6 (repairs and maintenance) tied to interconnection points and shared costs as provided in Section 3.

The Council then proposed addressing the three items one at a time, starting with the first item regarding the removal of “ongoing maintenance” as a shared expense.

##### **Council Discussion**

Council focused primarily on Item 1: the water meter language and Medina’s removal of ongoing maintenance as a shared expense. The Council raised concern that the revised language looked like legal rewriting and asked whether the City’s attorney had reviewed it. Staff explained Jacob did not want to incur legal cost until Council provided direction, noting some changes might appear non-substantive but still raised concern because Medina’s attorney likely rewrote sections.

The Council emphasized that Maple Plain had already agreed, in good faith, to a 50/50 split for installation and maintenance even though Maple Plain initially preferred Medina to cover more. The Council expressed being shocked and disappointed that Medina’s revision came back removing the shared maintenance concept after prior discussions where Medina appeared to agree.

The Council discussed Medina’s rationale that the meters would be a capital asset of Maple Plain, and the Council responded that the only reason Maple Plain would install

that “asset” is for Medina’s benefit, not for Maple Plain residents, and therefore the maintenance cost should remain shared.

A Councilmember asked clarifying questions about the agreement text and whether Medina would be maintaining meters for homes versus the separate meters intended to track water delivered from Maple Plain’s system to Medina. Assistant City Administrator Larson clarified that the disputed “maintenance” issue concerned the meters Maple Plain would buy/install to measure service to Medina, not the individual house meters Medina maintains for its residents.

Councilmembers questioned why Medina returned with this change if an agreement had been reached previously. The Council described the prior meeting context, including directly asking Medina staff if the terms met their needs, and reiterated disappointment that the change was being reintroduced.

The discussion then turned to what the City can charge and the practical impact of losing maintenance cost-sharing. The Council recognized concern about being unable to recoup maintenance costs later if the agreement caps rates/charges.

The Council summarized the issue as potentially straightforward: telling Medina “thank you, but no” and returning to the previously agreed-upon 50/50 terms. Assistant City Administrator Larson noted the City’s prior letter included “pending” language so Maple Plain would not be locked in if Medina later attempted changes like this.

#### **Council Direction**

Council directed staff to send the agreement back to Medina and communicate that Maple Plain wants the agreement as originally agreed upon, with maintenance remaining a shared (50/50) expense.

#### **D. Newsletter & Utility Billing**

Removed from Agenda – No Discussion. The topic will be rescheduled for a future workshop.

### **4. COUNCIL REPORTS**

### **5. FUTURE WORKSHOP TOPICS**

A. Parking Regulations

B. Gateway Blvd Pedestrian Safety & Crosswalk Modifications

Mayor Maas-Kusske added 'Council Salaries' to future workshop topics

### **6. ADJOURNMENT**

Councilmember Francis made a motion to adjourn. Seconded by Councilmember DeLuca.

Voting Yea: Mayor Maas-Kusske, Councilmember DeLuca, Councilmember Francis, Councilmember Burak & Councilmember Arvizo.

Motion passed 5-0

Council Adjourned at 6:21 PM

I, Jacob W. Schillander, being duly sworn, depose and say:

That I am the City Administrator of the City of Maple Plain, and that the foregoing minutes are a true and correct record of the meeting held on the date indicated above at Maple Plain City Hall. I certify that the minutes accurately reflect all actions taken, including votes, motions, resolutions, and ordinances, and that they are in compliance with all applicable legal requirements.

Signed:



Jacob W. Schillander  
City Administrator

DRAFT