

OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the regularly scheduled meeting of the Spring Lake Park City Council Work Session was held on November 06, 2023 at the City Hall, 1301 81st Ave NE, Spring Lake Park, at 5:30 PM

1. CALL TO ORDER

MEMBERS PRESENT

Councilmember Ken Wendling
Councilmember Barbara Goodboe-Bisschoff
Councilmember Lisa Dircks

MEMBERS ABSENT

Mayor Nelson
Councilmember April Moran

STAFF PRESENT

Public Works Director Terry Randall, Public Works Director George Linngren, Administrator Daniel Buchholtz

OTHERS PRESENT

Tammy Omdal, Northland Securities

2. DISCUSSION ITEMS

A. Financial Management Plan for Utility Fund (*Buchholtz/Omdal*)

Tammy Omdal, Northland Securities, provided an overview of the Financial Management Plan for the Public Utilities enterprise fund. She stated that the objectives of the plan was to evaluate the revenue sufficiency of the fund and to determine if rate adjustments are needed to ensure revenue sufficiency.

Ms. Omdal stated that the revenue sufficiency objectives were to provide sufficient revenue to achieve year-end cash balances to cover the following: three months of operating expenses, the following year's debt service payments, following year pay-go capital acquisition, and reserves for future capital improvements.

Ms. Omdal noted that the City had not adjusted utility rates and fees for several years. She stated that, after reviewing the City's five year CIP and building an expenditure forecast for the next decade, rate increases were necessary over the next decade to ensure revenue sufficiency of the Public Utility fund.

Ms. Omdal stated that the Financial Management Plan proposed the following fees for 2024 through 2029:

Base (Fixed) Quarterly Fees							
		2024	2025	2026	2027	2028	2029
Fee Description	Customer Classification	Annual % Change					
Water - base charge	Commercial/All Other	5.00%	5.00%	4.75%	4.40%	4.00%	4.00%
Water - base charge	Residential	5.00%	5.00%	4.75%	4.40%	4.00%	4.00%
Sewer - base charge	Commercial/All Other	10.00%	9.00%	9.00%	8.50%	8.00%	8.00%
Storm - base charge	All Customers	5.25%	5.00%	4.75%	4.50%	4.00%	4.00%

Volumetric Rates Based on Quarterly Usage, Per 1,000 Gallons							
		2024	2025	2026	2027	2028	2029
Fee Description	Customer Classification	Annual % Change					
Water - Tier 1: first 9,000 gallons	All Customers	5.00%	5.00%	4.75%	4.40%	4.00%	4.00%
Water - Tier 2: 9,001-18,000 gallons	All Customers	5.00%	5.00%	4.75%	4.40%	4.00%	4.00%
Water - Tier 3: 18,001-27,000 gallons	All Customers	5.00%	5.00%	4.75%	4.40%	4.00%	4.00%
Water - Tier 4: 27,001-36,000 gallons	All Customers	5.00%	5.00%	4.75%	4.40%	4.00%	4.00%
Water - Tier 5: 36,001-45,000 gallons	All Customers	5.00%	5.00%	4.75%	4.40%	4.00%	4.00%
Water - Tier 6: over 45,001 gallons	All Customers	5.00%	5.00%	4.75%	4.40%	4.00%	4.00%
Sewer - Over 18,000 gallons	All Customers	10.00%	9.00%	9.00%	8.50%	8.00%	8.00%

Omdal noted that the proposed rate increases would increase utility rates for a residential property using 7,000 gallons per month by \$4.15/month. She stated that the City’s utility rates would still compare favorably to cities in the surrounding vicinity to Spring Lake Park.

Councilmembers discussed the plan and found it to be reasonable. Councilmembers thanked Omdal for presenting the Financial Management Plan.

B. Zoning Code Land Use Table Discussion (Nelson)

Administrator Buchholtz requested that discussion on this item be postponed until a future work session meeting due to Mayor Nelson’s absence.

3. REPORT

A. Council Reports

None

B. Administrator Report

None

4. ADJOURN

Acting Mayor Goodboe-Bisschoff adjourned the meeting at 6:15pm.

Barbara Goodboe-Bisschoff, Acting Mayor

Attest:

Daniel R. Buchholtz, Administrator, Clerk/Treasurer