



**MINUTES
CITY COUNCIL WORK SESSION
TUESDAY, OCTOBER 17, 2023
IMMEDIATELY FOLLOWING
THE SPECIAL COUNCIL MEETING
CITY HALL 2nd FLOOR BOARD ROOM**

Mayor Louismet opened the meeting at 7:04 PM. Councilmembers in attendance included: Bill Walsh, Heidi Hughes, Kevin Edberg and Dan Jones. Councilmember Engstran was excused. Staff members in attendance included: City Manager Lindy Crawford, Assistant City Manager Rick Juba, Finance Director Kerri Kindsvater and Assistant Finance Director Jessica Saari.

1. 2024 Non-tax Supported Fund Budgets / Fees

City Manager Crawford highlighted the recommendation to add both a communications specialist and facility maintenance technician beginning July 2024.

Staff gave an overview of the proposed phased changes to the Surface Water Fund and related surface water management fee which was implemented in 2020. The City is required to manage surface water through the State of Minnesota Separate Storm Sewer System (MS4) Permit. Planned surface water project examples include rain garden construction and maintenance, storm water pond sediment dredging and various other water quality improvement projects. The surface water management fee is also used to generate revenue to support future storm sewer infrastructure improvements. In response to project related questions by the Council, staff will prepare summary information on proposed surface water improvement projects for a Council information and understanding.

Staff presented recommended changes to the Water Fund and upcoming projects including improvements at the Water Plant, built in 1965, well rehabilitation, the addition of a generator at Well #3 and an improvement to the lime silo. Staff is recommending increases to the water consumption and infrastructure fee which funds water operations. As water consumption is reduced, rates will continue to rise as the cost to produce water continues to rise.

Refuse and recycling rates are proposed to be increased in 2024 in response to a 17% increase in the tipping fee charged by Ramsey/Washington Recycling and Energy, an annual increase from Republic Services for collection, and ongoing processing cost increases from Eureka Recycling. Staff is also recommending the addition of \$0.50/month recycling processing fee to pay for ongoing costs related to volatility in the recycling markets. The City has instituted this fee as necessary over the past five years when recycling processing becomes an expense rather than a source of revenue.

The License Bureau operations are budgeted to be closer to a cost neutral operation, but still projected to operate at a deficit in 2024. Revenues have increased due to efficiency by the staff, legislative funding changes and increase in customers due to the closer of the Maplewood Deputy Registrar Office. Credit was given to the License Bureau staff for handling the increased customer count with professionalism and grace. Staff will continue to seek opportunities to be more efficient in order to help the bottom line. After speaking with the State of Minnesota Passport Office, it is recommended to not pursue reopening a passport service center. City

Hall does not have the space to handle the demand and the level of staffing required by the State would limit any profit potential for the City.

Further discussion ensued about the recommended addition of a communications specialist. Currently, the City does not have any dedicated communications staff. Most metro cities between 20,000 and 36,000 population employ one – two dedicated communications staff. Staff reiterated the public’s expectations for timely data, transparency and follow up on social media. Staff also explained the inefficiencies that are currently in place regarding press releases, website maintenance, and the quarterly newsletter. Staff will prepare summary information on this proposal for Council information and understanding.

Adjourned 9:23 PM