

MINUTES

**1. CONVENE CITY COUNCIL WORK SESSION MEETING**

Mayor Labadie called the meeting to order at 5:32 P.M.

**A. Roll Call**

Present. Mayor Labadie; Councilmembers Labadie, Maddy, Sanschagrín, Gorham, and DiGruttolo; City Attorney Shepherd; City Administrator Nevinski; Parks and Recreation Manager Czech; City Clerk/HR Director Thone; Planning Director Griffiths; Director of Public Works Morreim; and City Engineer Budde

Absent: None

**B. Review Agenda**

**Maddy moved, Sanschagrín seconded, approving the agenda as presented. Motion passed 5/0.**

**2. PLANNING COMMISSION INTERVIEWS**

The Council conducted interviews with candidates for the open Planning Commission meeting, including asking questions about their background, history, past service to the city, and their overall experience.

**5:30 – Will Rouff**

**5:38 – Brandon Braithwaite**

**5:46 – Naomi Berg – did not attend.**

Mayor Labadie suggested that the Council table this item in order to come back to conduct the last interview later in the evening.

**Maddy moved, Sanschagrín seconded, tabling the Planning Commission Interviews until later tonight. Motion passed 5/0.**

**3. BUDGET – LONG-TERM FINANCIAL MANAGEMENT PLAN – NORTHLAND SECURITIES**

Finance Director Schmuck reminded the Council that the City had engaged Northland Securities to help pull together a Long-Term Financial Management Plan (LTFP). She reviewed the budget schedule, public engagement opportunities, and explained that Tammy Omdal from Northland Securities would be giving a more detailed presentation on the LTFP.

Tammy Omdal, Northland Securities, outlined some of her background and experience in public finance. She reviewed the LTFP and explained that it was not a budget and was intended to serve

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as an ongoing guide for managing the City's funds. She explained the study objectives for revenue sufficiency, levy, and rate calculations and outlined the approach of the study. She reviewed details of the LTFP related to new development, net tax capacity, City tax rate, City tax levy, projected City cash balances for funds, projected utility rates, comparison of utility rates with other cities, water rates, sanitary sewer rates, stormwater rates, recycling rates, capital project spending and sources of revenue, existing and planned new debt issuance, tax levy for debt service payments, outstanding debt, details within the General Fund, SCEC Fund, Debt Service Funds, Municipal State Aid (MSA) Fund, Street Improvement Fund, Park Capital Improvement Fund, Equipment Replacement Fund, and Community Infrastructure Fund. She explained that this was also an agenda item for the regular City Council meeting, where she would give an abbreviated presentation of the information she just shared.

Mayor Labadie explained that the Council typically did not take public comments during their Work Session meetings, but in order to allow more timely feedback, they would take comments now about the budget material that was just presented. She stated that anyone was welcome to send comments or questions to City staff, Council, or schedule a time to meet with staff to discuss the budget presentation.

Councilmember Sanschagrín asked if Ms. Omdal had seen other cities use this kind of report to identify potential cost savings. Ms. Omdal stated that she had seen it used in that matter and shared examples where councils had seen the long-term projections and had asked staff to look at their CIP or at the timing of staffing additions.

Councilmember Gorham stated that there was a spike in the CIP in 2029 and asked how that related to taking on debt. Ms. Omdal referenced table 4 of the CIP and Debt section and stated that there are a few larger projects in 2029, which is why there was a spike depicted. She stated that bonding for street improvements was assumed.

City Administrator Nevinski stated that he believed that the project would be the Grant Lorenz reclamation project.

Councilmember Gorham asked if there was anything safety-related that needed a fresh take based on Ms. Omdal's presentation. City Administrator Nevinski stated that staff had talked about taking a closer look at when projects needed to happen and if they were ready to do some of the bigger improvements, such as including a watermain in a street project. He stated that if they were not ready to make some of those improvements, that may change the scope of the projects.

Finance Director Schmuck explained that the requested action at the regular City Council meeting was to accept the LTFP from Northland Securities and explained that they would pass them along as tools and stated that she will be able to test and model different scenarios with this tool.

Councilmember DiGruttolo stated that she had some questions about some of the assumptions that were made and the sensitivity analysis. Councilmember Sanschagrín asked if the model assumed that the cost of debt is generally below inflation.

Finance Director Schmuck stated that Northland Securities also does bond issuance on a regular basis, so they took the existing debt spectrum in March of 2025 and added fifty basis points to it as the assumptions going forward. She explained that it was based on real-time debt issuance, and they had added the fifty basis points to be conservative.

Councilmember DiGruttolo asked if the data that was used to make assumptions about the net tax capacity and the growth was based on what the Met Council had imposed on the City for future growth.

Finance Director Schmuck clarified that they had stayed very conservative on that right now because many of those legislative decisions had not been made. She stated that they only based the assumptions on what has been determined and noted that for tax capacity, they utilized the County Assessor's office and their projections for the valuations. She stated that the city was trying to encourage public feedback and had done a significant amount of outreach to the public and reminded residents that there are open office hours on Tuesday afternoons and Wednesday mornings, but were also open to scheduling appointments outside of those hours.

Mayor Labadie asked for a motion to return the meeting to the Planning Commission Interviews agenda item.

**Maddy moved, DiGruttolo seconded, to remove the Planning Commission Interviews from the table. Motion passed 5/0.**

**#2 PLANNING COMMISSION INTERVIEWS – Continued...**

**6:30 – Beth Brown**

The Council conducted the final interview for the open Planning Commission meeting and asked questions about Ms. Brown's background, history, and experience.

**4. ADJOURN**

**Maddy moved, Gorham seconded, Adjourning the City Council Work Session Meeting of June 23, 2025, at 6:49 P.M. Motion passed 5/0.**

**ATTEST:**

  
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**Sandie Thone, City Clerk**

  
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**Jennifer Labadie, Mayor**