



CITY COUNCIL WORKSHOP MEETING MINUTES
THURSDAY, JULY 30, 2026

CITY COUNCIL MEETING TIME: 7:30 AM

1. CALL TO ORDER

Mayor Brad Spencer called the meeting to order on Thursday, July 30, 2026, at 7:30 AM

2. ROLL CALL

PRESENT: Mayor Spencer, Councilors Betts, Fisher, McCoy, Grotting

ABSENT: None

STAFF: City Administrator Kaltsas, Administrative Services Director Simon, Public Works Supervisor, Lehman, WHPS Director DuRose, City Engineer Representative

VISITORS: None

3. GENERAL ADMINISTRATION

A. 2027 Draft Budget Discussion

Staff presented the initial 2027 “all-in” draft budget and emphasized that the figures were preliminary and would be refined before the September 9 budget workshop. The current draft reflects a 14.37% increase in the total City operating levy and an 11.18% increase in the general fund levy. The estimated City tax rate is 34.22%, compared with 32.16% for 2026.

The primary budget drivers discussed were public safety and planned debt service. Police protection is currently projected to increase 10.77% and fire protection 15%. The debt levy also increases as previously planned. Council and staff discussed maintaining the gravel road program, including \$100,000 in City funding, as well as approximately \$69,000 in Transportation Advancement Account revenue and approximately \$30,000-\$36,000 in County Aid to Municipalities funding.

Other proposed items include \$40,000 for legislative lobbying, including continued Highway 12 advocacy and potential assistance with water infrastructure funding; \$20,000 to begin the Comprehensive Plan update due in 2028; a \$75,000 annual Public Works capital equipment

contribution; and a 3% cost-of-living adjustment, with health insurance increases continuing to place pressure on personnel costs.

Staff reviewed the City's healthy general fund balance and conservative revenue budgeting. Building permit revenue has exceeded budget in recent years and was identified as one area that could provide flexibility when refining the levy, while maintaining appropriate reserves. Council expressed a desire to keep the City's tax rate competitive with comparable communities and discussed targeting an overall levy increase below 10% if reasonable reductions or revenue adjustments can be identified.

WHPS Budget

West Hennepin Public Safety reviewed the preliminary police budget. Major cost increases are personnel-related, including anticipated wage adjustments, higher health insurance costs, and the ongoing cost of the eleventh officer after temporary aid funding expired. Personnel represents the majority of the department's operating costs, while non-personnel spending has generally been controlled.

The department's capital improvement plan remains on track and includes vehicle replacement, body cameras and other technology. Staff noted that two Flock cameras are currently in use and that holster sensors activate body cameras at an incident. Temporary public safety/COVID-related funds previously used to offset police capital costs are nearing depletion. The Police Commission will meet again in early September, and the budget will be further refined before the City's next budget workshop.

Fire Budget

Council discussed the preliminary 15% fire protection increase and requested additional review of the allocation formula, staffing needs, duty crews, administrative costs and the taxing district. The preliminary budget includes PERA relief but does not yet include the City's share of a future fire engine, estimated at approximately \$300,000 to \$325,000. Staff will review available fire equipment and public safety fund balances and continue discussions with West Suburban Fire District before the next budget meeting.

B. Miscellaneous Administration Updates

Sewered Residential Property Development / Water Feasibility Discussion

Staff and the City's engineering team reviewed water-service options associated with the proposed Airport/Hilltop Farm development. Earlier feasibility work estimated approximately \$8 million to upgrade and extend the Maple Plain water system, including storage and distribution improvements, or approximately \$12 million for a stand-alone City water plant and tower. The developer subsequently proposed approximately 240 homes served by municipal sewer and individual private wells.

Council discussed the risks and infrastructure needs associated with placing individual wells on relatively small lots. Fire protection was identified as a significant issue. The preferred concept

discussed was requiring the developer to install a looped water main and hydrants connected to Maple Plain for fire flow while homes would initially use individual wells. The water main could also provide a future connection opportunity if a municipal water system is needed later.

Additional concerns included well spacing and interference, groundwater conditions, setbacks, long-term monitoring and responsibility if neighboring or development wells are affected. Potential safeguards discussed included perimeter monitoring wells, minimum well depths, defined groundwater fluctuation limits, developer responsibility for corrective action, and provisions in the development agreement so future impacts are not absorbed by the City. Council also discussed establishing a utility or taxing district and a dedicated annual charge for fire-water maintenance and future water infrastructure.

Staff also discussed how the concept could affect other potential sewered development areas and the importance of avoiding fragmented utility systems. Council generally supported continuing to explore the concept, provided the developer is responsible for required water main/fire protection infrastructure and appropriate protections are established for the City and surrounding properties. Staff will obtain additional information regarding utility routing and costs and continue discussions with the developer and engineering team.

4. ADJOURNMENT

Motion by Betts, seconded by Grotting, to adjourn the workshop. Motion carried 5-0. The meeting adjourned at 8:42 a.m.

Respectfully submitted,

Amber Simon/Recording Secretary