

**APPROVED MINUTES
CITY COUNCIL
WORK SESSION
CITY OF WYOMING, MINNESOTA
OCTOBER 10, 2018
6:00PM**

CALL TO ORDER:

Mayor Lisa Iverson called the Regular Meeting of the Wyoming City Council for October 10, 2018 to order at 6:00 PM

CALL OF ROLL:

On a Call of the Roll the following members of the Wyoming City Council were present: Councilmembers Lisa Iverson, Linda Nanko/Yeager, Joe Zerwas, Don Waller, and Claire Luger

ABSENT: None

Also Present: Robb Linwood, City Administrator, Mark Erichson-WSB, Marty Powers, Public Works Superintendent, and Nick Dragisich, Springsted, Inc.

DETERMINATION OF A QUORUM:

PLEDGE OF ALLEGIANCE:

NEW BUSINESS:

1. Utility Rate Study

City Administrator Linwood – Gave a quick overview of the process to select Springsted, Inc. to conduct the Utility Rate Study.

Nick Dragisich, Springsted, Inc., - Reviewed the history of the sewer and water funds and cash reserves in the City. He stated that they felt the City should have three months of operating expenses in cash reserves at the end of each year as a minimum. He noted that they had taken into consideration projected growth as well as the capital improvement plans for the City and reviewed the assumptions they made when calculating the data. He stated that the operating expenses increased anywhere between 2% and 7%, employee costs for medical, dental, and life insurance has been trending at about 5% a year. He noted that workers compensation has also increased about 2% every year. He noted that there will be a transfer of \$175,000 from the sewer fund to the water fund in 2019 and 2020.

Council Member Nanko/Yeager – Stated that previously the City had levied \$150,000.

City Administrator Linwood – Stated that the City did do \$150,000 and after some of the rehab and the desire for due diligence, they wanted to make sure there was enough to cover some of the costs and they felt it was necessary to have that cushion in place.

Nick Dragisich – Stated that they completed a ten-year financial projection. He explained how they looked at costs for renewal or replacement of assets. He explained that they determined a 4.5% increase in the water utility and a 1.5% increase in the sewer utility would be needed.

Council Member Nanko/Yeager – Stated that with the last rate study the City was raising the price 10% a year and was still operating at a loss. She asked how the rates could only be raised 4.5% a year and have a positive outcome.

City Administrator Linwood – Stated that the City is still operative positively, this is just factoring in depreciation where, in the past, there have been shortfalls.

Council Member Nanko/Yeager – Stated that during the last rate study, the rates were locked in for 5 years and asked if, with the new information, the City would be locking in rates for one

year and then renewing every year.

Nick Dragisich – Stated that he still recommends locking in rates for 3 to 5 years but revisiting them if something changes, because it is difficult to make projections of what may happen. He suggested including language at the end of the resolution that states that the City has the right to revisit the rates based on actual performance. He noted that the rate impact to average customers over the next 5 years, they will see about \$1.31/month increase in their water bill and about \$0.92/month for the sewer bill, on average.

Council Member Nanko/Yeager – Noted that the City bills quarterly, so that amount will look a little larger to residents.

Mayor Iverson – Asked the audience members present for their opinion on this suggested increase in utility rates.

Nick Dragisich – Gave an overview of the surrounding cities and their rates and how they compare to the City.

Mayor Iverson – Asked if there was a way to project out regarding the upcoming development in the City because she feels most of them will be using City utilities. She asked if these developments will lower the overall rate for residents because there are more people coming on board.

City Administrator Linwood – Stated that they had used a .5% growth rate in their calculations but may be a good idea to revisit the numbers once the new developments come to fruition.

Nick Dragisich – Stated that generally, if a City doesn't have to spend additional money on the infrastructure more development and people using the system has a positive effect.

Council Member Zerwas – Reviewed a few of the plans for new lift stations and repair at the sewer plant and other CIP plans that are being planned by the Joint Sewer Planning Commission.

Council Member Waller – Asked how the rest of the Council felt about perhaps doing a larger increase in rate and locking it in for a longer period of time to get away from people saying that the rate is going up every year.

Nick Dragisich – Stated that he believes having the language in the resolution that allows the City to adjust, if necessary, will give the best of both worlds and not give people a large increase.

The Council discussed the average age of the current meters, planned replacement and installation of the new meters which are more accurate.

2. Pavement Management Study

City Engineer Erichson – Stated that his goal tonight it to give an overview of the most recent CIP and the ratings. He stated that he wanted to make sure that the Council's priorities are the same. He stated that there was an e-mail sent by a resident with a request to stripe on East Viking. He noted that there have been a lot of complaints regarding that stretch of road and the City knows something needs to be done. He stated that although there is less traffic on the roadway than the State standards recommend for striping, staff feels that East Viking should be striped. He noted that there is not funding in the budget to be able to stripe it in 2018 and it may be difficult to get it done this year because of weather constraints.

City Administrator Linwood – Explained that the City has received a few e-mails from Chisago City regarding Iris Avenue. He stated that Chisago City had patched a portion last year without a roller and there have been complaints about the crude manner the patching was completed. He stated that Chisago City has indicated that in 2019 they will be doing some sort of micro-

resurfacing of the roadway. He stated that the bid they had received was approximately \$25,000 and they have asked if the City is interested in partnering with them and staff feels it warrants more research to see if our staff believes that micro-resurfacing is a good plan for that roadway.

Mayor Iverson – Asked for a more clear understanding of micro-resurfacing.

City Engineer Erichson - Explained that it would basically be smoothing out the surface with a slurry solution with a giant squeegee. He stated that the main concern is that most of the patching they have done is probably going to get sheared off with the snow plows this winter. He stated that he feels it will need a closer look in the spring.

Council Member Nanko/Yeager – Asked who was responsible for plowing the street.

Public Works Director Powers – Stated that there was basically a “gentleman’s agreement” that whichever truck gets there first will plow the whole thing.

The Council discussed the conditions of the roadway along various areas of East Viking.

City Engineer Erichson – Stated that he will put together some potential cost calculations for an overlay or a mill project in his next staff report. He stated that the roadway ratings have been completed and noted when they were last completed in 2015, the rating for the City was a composite 70.5 and is now 72.3 which is good progress. He highlighted a few items that are on the CIP. He asked for input from the Council on the priorities on the CIP, or if they had heard any feedback from residents about other areas that should be included.

Public Works Director Powers– Stated that he has been getting a lot of complaints about 287th, and 242nd

Mayor Iverson – noted that along Goodwin many of the grates where the water is supposed to go have been set in too high and the water is not going into them like it should.

City Administrator Linwood – Noted that he had a recent business visit at the hospital and the Vice President was quite adamant that they would really like to see something done with Fairview. He stated that from a traffic impact they are seeing 45,000 emergency and urgent care visits, 5,000 surgeries, 4,000 admissions, 45,000 outpatient imaging procedures and about 20,000 rehab patients per year. He stated that the Vice President indicated that when patients are traveling by ambulance down Fairview they have been complaining about the condition of the road.

Public Works Director Powers – Explained some of the work that had been done on Fairview that definitely improved the looks, but he is unsure how it will last during the winter months.

Council Member Waller – Asked about gravel roads and plans for overlays.

Public Works Director Powers – Stated that he is budgeting and has plans to do 2 of these roadways per year.

City Engineer Erichson – Stated that staff has recently learned that Fairview Hospital is looking to add some internal sidewalks along both Fairview Boulevard and Fairview Avenue themselves. He asked if the Council wanted to move any of the projects up in priority, for example bump of the Fairview project and have the hospital tie in their sidewalk with the overall project.

The Council stated that they would like to have staff investigate trying to move up the Fairview project and the East Viking project.

MAYOR IVERSON ADJOURNED THE OCTOBER 10, 2018 “WORK SESSION” OF THE WYOMING, MINNESOTA CITY COUNCIL REGULAR MEETING AT 7:18 P.M.