

CITY OF ST. FRANCIS
CITY COUNCIL WORK SESSION AGENDA
St. Francis City Hall Fire Station 3750 Bridge Street NW
March 24, 2025
5:30 p.m.

1. CALL TO ORDER

The City Council Work Session meeting was called to order at 5:30 p.m. by Mayor Mark Vogel.

2. ROLL CALL

Members Present: Mayor Mark Vogel, Councilmembers Kevin Robinson, Sarah Udvig, Amy Faanes, and Joe Muehlbauer.

Also present: City Administrator Kate Thunstrom, Deputy Administrator-City Clerk Jenni Wida, Deputy Administrator-Public Works Director Paul Carpenter, Police Chief Todd Schwieger, Fire Chief Dave Schmidt, Finance Director Darcy Mulvihill, Water & Sewer Supervisor Parish Barten

3. AGENDA ITEMS

A. Canine Program

Police Chief Schwieger reviewed the Staff report in regard to the Police Department's potential implementation of a canine program.

Robinson shared that he did some research into this and contacted the League of Minnesota Cities to ask some of his questions. He noted he was concerned with bite instances, and they said they would get back to him with these statistics. He asked if this dog would be for reasonable force or apprehension. Schwieger said they would try to train the dogs for both situations.

Robinson asked if these dogs would also be trained to detect narcotics or explosives. Schwieger said yes for narcotics and likely not for explosives.

Robinson asked if any of the situations where they requested a canine in the past from a supporting city if there were multiple available for use. Schweiger said yes and noted the last time they were in need of one, two were available.

Police Sergeant Larson shared that he had just requested a canine a few weeks ago and there was not a canine available anywhere in Anoka County.

Robinson asked if all of the instances that they needed to call in a canine were successful. Schwieger shared that there have been successes with this, including finding a shooting suspect and a missing person who had disappeared.

Robinson asked why the trainer is willing to donate another dog. Larson explained

that when he told the trainer about the sponsorships and grant funding that they have for this program, he offered to cover whatever was not covered by these sponsors and grants.

Robinson asked about the trainer's credibility. Schwieger shared that he seems to be the best trainer in the area and they have spoken to many agencies that have used his services and are very pleased.

Robinson asked about the public's general perception with these canines. Schwieger shared that the public tends to appreciate the tool of the canine and the overall perception from the public is positive.

Robinson asked how they will budget for this in the future. He noted there is a lot of pressure on the handler of this canine. Schwieger noted that they would make sure the candidates for handlers know what they are getting themselves into. He said there are already officers who have voiced interest in this. He noted that the main ongoing cost will be the maintenance of the squad vehicle, training, and the shift differential for this position. He said they are estimating this on the high end to be an additional \$11,000 per year.

Robinson asked if now is the right time to add a canine to the department after they just added the drones last year. He said he is not opposed to this.

Udvig said they never know how long a dog will last. She asked about the process for replacing the canine if it gets injured. Schwieger explained that they are looking into insuring the dog in the event that something does happen. He noted that they would likely have to tie the cost of a new canine into the capital budget a few years out. He said he is not overly concerned with this as he knows that people would come forward to help the City if something were to happen to the canine.

Faanes asked about the work lifespan of a canine. Larson shared that it varies by dog and handler; however, it is typically around six to eight years.

Faanes asked if the handler was not available, if the dog would still be able to respond well to other officers, and if all officers would have some level of canine training. Schwieger explained that when the officers go through training they are being trained with the dog, and the dog would typically not respond to anyone other than their handler that they trained with.

Faanes asked what cities in the area have canine programs. Schwieger shared that all of the County Sheriff's Offices have canine programs, as well as Blaine, Princeton, Fridley, Coon Rapids, Lino Lakes, Columbia Heights, Elk River, and Forest Lake.

Faanes shared that she has children who attend the high school, and they occasionally have locker checks. She asked if the canine would be able to help in

the schools with this. Schwieger noted that these random checks have to be initiated by the schools and if this service was requested, they would consult the City Attorney before offering assistance.

Faanes asked if the community would be able to help name these canines. Schwieger said this would be a possibility. He noted that if they have someone who is offering to cover the cost of the canine then they would first give them the opportunity to name the canine if they wished.

Muehlbauer asked if there are any continual sponsors. Schwieger shared that the St. Francis Vet Clinic has offered to cover the cost of the annual vaccinations for the canines.

Muehlbauer asked if there is any kind of guarantee on these dogs. Larson said they would get the canines from overseas, and they would have a one year guarantee.

Muehlbauer asked if the handler would be able to have a relatively normal life and a family. Schwieger shared that they are looking at a German Shepherd for this dog and many canine handlers have families. He said it comes down to how the canine is trained and how they would react in their home life.

Muehlbauer asked what would happen to the canine if the handler quit. Schwieger said the dog would stay with the City and would have to be retrained with a new handler.

Muehlbauer asked what Schwieger is looking for from the Council this evening. Schwieger said they are looking for general direction and support from the Council. He shared that they would work through this process through the summer and hope to have the program in place by the fall, with the training complete by spring of 2026.

Muehlbauer shared his support for this as the costs do not seem too high. He asked if they would be seeking sponsorship for the annuals costs. Schwieger said they cannot solicit donations for this, as they are only able to solicit donations for events with a public benefit.

Mayor Vogel shared that he thinks this is something worth pursuing. He said he would like to see more information about the insurance for the canine, for bite instances, or if the canine were to be injured. Schwieger shared that there would not be an increase in insurance premiums to add a canine.

Mayor Vogel asked about insurance if they were to go on mutual aid calls with the canine. Schwieger said they would have to monitor this and make changes to the policy if needed, if they see a constant use of mutual aid that adds a risk for the officers and the canine.

Mayor Vogel asked how many dogs the Anoka County Sheriff's Office has. Schwieger said they have two or three.

Robinson asked how they will communicate this with the residents if they move forward. Schwieger shared that he would want to make sure everything was covered before they released it to the residents. He said he would communicate this to the residents shortly before the canines were put out on the street. He noted they would communicate this through social media.

The consensus of the Council was generally in support of a canine program.

B. Fire Inspector Pending Resignation/Replacement Considerations

Fire Chief Schmidt reviewed the Staff report concerning the pending resignation of Fire Inspector/Captain Sturzl and his replacement planning.

Udvig asked how many fire inspections are done per month. Schmidt shared that they currently average 10 to 12 inspections per month. He added that they typically have around a 50% reinspection rate. He explained that they try to educate on these inspections rather than jumping straight to enforcement, so if they find a violation, they work with the property owner to get the violation into compliance, that would require a reinspection to make sure it was taken care of.

Udvig asked if the long-term goal for this role is to transition to a full-time role. Schmidt said yes and explained that this was discussed as a part of past staffing discussions and was confirmed through the consulting process.

Udvig asked if Sturzl would just stay on through October as the Fire Inspector. Schmidt said he would also still report to calls while he was here.

Udvig noted that if they found someone to fill the position, Sturzl would be able to help train this individual during this time. She said she does not see an issue with allowing Sturzl to continue to work while living more than 10 minutes from the Station as long as he is keeping his training and percentages up.

Mayor Vogel asked how many people in the Fire Department are qualified to conduct a fire inspection. Schmidt said there are seven individuals who have their Fire Inspector 1 certification through the State, and one individual who has the Fire Inspector 2 certification through the State. He noted that all of these individuals work a normal day job, which would create a challenge. He shared they have an individual who would be interested in this role but would require some additional training. He stated the issue is not a lack of qualified individuals, it is finding someone who has daytime availability during the week.

Mayor Vogel asked how many full-time employees they currently have in the Fire Department. Schmidt said they currently have two full-time employees.

Mayor Vogel asked if the joint role of Administrative Captain is still being shared with the Fire Department and Administration. City Administrator Thunstrom shared that they have not utilized this role since the election.

Mayor Vogel noted that if the role is no longer a shared role with the Fire Department and Administration then it should be reclassified so they can have a true look at the cost of the Fire Department Staff expenses. He stated he would like to see the Fire Inspector position stay internal.

Muehlbauer noted that the Administrative Captain could potentially take over the responsibilities of the Fire Inspector if they are no longer needed in Administration. He asked about the probability that the Administrative Captain would be available for inspections. Schmidt explained that they will not be able to keep up at the same pace that Sturzl had been conducting inspections. He shared that the City has a good record of having significantly less dollar loss in fire losses when compared to other cities. He said they will not be able to replicate the repetition that they are currently operating at and everyone will have to help fill in the gaps of this role where they can.

Muehlbauer asked about the cost to outsource this position. Schmidt said he does not have this information.

Muehlbauer asked if Sturzl would be able to keep up his percentages to the level of every other firefighter by only working a few days a week after his move. Schmidt said they did some modelling, and it appears that he will be just fine on his percentages.

Muehlbauer shared that he has a hard time swaying from policy, as policies were put in place for a reason. He said he would like to see more information on the outsourcing of these inspections or the Administrative Captain's availability to take on the fire inspectors before making a decision.

Faanes asked how many businesses there are in the City that need to be inspected. Schmidt said there are 86 or 87 businesses.

Faanes asked if this number includes home businesses. Schmidt said yes and explained that the County requires licensed daycares to have inspections.

Faanes asked if there are some businesses that are inspected by the State rather than the City. Schmidt said yes and noted that schools and healthcare facilities are inspected by the State Fire Marshal. He shared that these businesses are called out by State statute.

Faanes asked if they have looked at the East Bethel study that was conducted last fall, and if they have considered a finding in this study that Fire Departments should

report to fewer medical calls and just respond to the major medical calls. She noted that she often hears that the Fire Department does not have enough people to do all of the work that needs to be done. She said she wants to make sure that they have really looked at ways to limit the amount of work that is done. Schmidt explained that he is not advocating for another full-time position, but rather providing this as an option to their current situation. He added that this discussion is not related to their run volume. He shared that the Fire Department is dealing with a lot of challenges that are outside of their control, including ambulance response times and the information being given to dispatchers. He said they want to provide the highest level of medical training and compassion on every call they respond to. He noted this position in question is a technical position and they want to figure out how to make the best of the current opportunity.

Faanes shared that if they make an exception to the policy for Sturzl then they would have to make similar exceptions for other people as well and she does not think this would be right. She noted that she knew of the Sturzl family's moving plans months ago and stated that training could have already been taking place. She said she would not be supportive of Sturzl staying on past his move, as they still have time to fill his role before then. She asked how the firefighter stipend works and if this covers the additional assigned tasks. Schmidt explained that the stipend typically covers the duty officer rotation requirements. He noted that they are paid their hourly rate for everything else.

Faanes asked about the potential outsourcing of these inspections to Metro West. Thunstrom explained that MetroWest is their building inspector company and they would not be fire inspections.

Mayor Vogel asked if there is a company that does fire inspections that they could contract with. Schmidt said he is not aware of any.

Faanes suggested they explore contracting with a nearby City for these fire inspections.

Robinson asked if they could split this role into two different positions: someone who conducts the fire inspections and someone who leads the education. Schmidt said yes; however, there would be a budget implication to this.

Robinson asked about the possibility of Sturzl forming an LLC as a contractor and if he could still work for the City as a contractor. Schmidt said he cannot speak for Sturzl but he does not think a two-hour drive one way would make a lot of sense just for fire inspections.

Robinson asked if there is anyone with Bethel's fire service that would be able to conduct these fire inspections. Schmidt said there may be someone with an interest in Bethel.

Robinson said he would like to stay away from bending policy rules. He noted that there are likely solutions they can find to cover the work being done by Sturzl within the department already.

Mayor Vogel asked what surrounding cities do for fire inspections. Schmidt shared that East Bethel has a full-time fire inspector, Nowthen has no fire inspections going on, and Andover is in a similar position where they are looking to bring on a fire inspector.

The consensus of the Council was to explore an internal candidate for the fire inspector role in a part-time capacity and not to allow Sturzl to continue to work out of policy once he moves.

C. Tax Increment Financing (TIF) Discussion

Thunstrom reviewed the Staff report in regard to the Tax Increment Financing and how it works.

Muehlbauer asked if the last project that used TIF did not go to the full term of the financing. Thunstrom said yes and explained that it is typical for these projects to refinance.

Muehlbauer said he is not a huge supporter of TIF; however, he is not against allowing this.

Robinson asked if the development would still pay for WAC and SAC. Thunstrom said yes and added that they would also pay development fees to give it a base tax plus 10%.

Robinson asked how many years the TIF would be. Thunstrom said it varies, but the maximum is 26 years. She said Ehlers would determine how many years are needed.

Finance Director Mulvihill explained that the TIF is like a loan, and every time they get taxes in, they have to turn around and give it back to the development. She noted the amount given back to them could allow them to pay off the loan quicker, but it cannot go longer than the term is set.

Robinson shared that he is also not a huge supporter of this, but he could go along with this.

Robinson asked if the interested developer seems like the best candidate for this property and the TIF. Thunstrom shared that the EDA is under a purchase agreement with a developer for this property. She noted that if this developer backed out of the deal, then the best use for the property would be a multi-family development. She said they could have someone else interested, or it could end

up sitting undeveloped, waiting for a developer to come along.

Thunstrom explained the difference between tax abatement and TIF and noted that with TIF, it guides rent limits; however, the market rents in St. Francis are lower than the rent limits.

Muehlbauer asked if the rent limits are only in place while the development still has TIF. Thunstrom said yes.

Robinson asked if another developer could also come in and ask for TIF. Thunstrom said yes and explained that there are four different uses for TIF that developers can apply for but it is up to the Council to decide whether or not to approve it. She noted that developers will also look at the market and determine if another apartment building would work in the City as an empty apartment building does no good.

Robinson asked if the City could be overburdened by too much TIF. Thunstrom explained that Ehlers has a pulse on all of these. She noted there is not a cap on how many TIF projects they can allow; however, it falls back on what is reasonable for budgets and the levy. She said they work very closely with Ehlers on guidance to ensure they are not putting themselves in a bad position.

Udvig said that she thinks this is worth looking into as they do not want this land to just continue to sit vacant. She stated she is not fully in favor of TIF; however, she acknowledged that this would be the place for it to be used. She added that they will need to be realistic about what other places may be asking for TIF if they approve this.

Mayor Vogel stated he does not have an issue with this being an apartment building; however, he is completely opposed to TIF. He said if he were to build a house himself on an open lot then the City would be getting ongoing taxes from this lot, and he would not get any help for investing in the City. He noted that the City would have to wait to get a return on this project, while private investors would not. He asked how much they sold this lot for to the developer. Thunstrom said it was sold for \$5,000.

Mayor Vogel noted that selling this lot for \$5,000 was enough of a tax break already. He stated that while the development would still be under TIF there would be more wear and tear on the roads, traffic, and other issues that are being funded by the City with no tax dollars coming in. He said if a project is not economically feasible, then it should not be on the taxpayers to subsidize this.

Faanes asked why they did not have this discussion prior to the EDA selling the property to the developer. Thunstrom explained that they discussed this about two years ago with the Council, and at that time, everyone was in favor of this project moving forward.

Faanes asked if the apartment building will be Section 8 given the rent limits. Thunstrom said no.

Faanes asked if anyone else had an opportunity to buy this property from the EDA. She asked how they marketed this property. Thunstrom said it has been for sale for five years for redevelopment, and they had previously reviewed a townhome development; however, this was turned down as it did not have enough units and would not make sense for this property.

Mayor Vogel asked if the \$5,000 purchase price is contingent upon the developer getting TIF. Thunstrom shared that if the financing for the property falls apart then the property would go back to the EDA.

Faanes noted that they talk a lot about the traffic in this area already. She asked how this would further affect traffic in the area with a 120-unit development. She said she would be concerned with putting new streets so close to this intersection. Thunstrom shared that both of the access points to this development would be on County roads. She stated the County has been involved in this from the beginning, and they do not see this intersection as an issue. She noted that all of the property has to funnel through the single access point on the road.

Robinson asked about the estimated value of this property. Thunstrom said she would have to do some research on this.

Robinson asked what the City is currently paying on an annual basis for this property. Thunstrom said the only responsibility of the City is to maintain the property and keep it clear but they do not pay any taxes on it.

Robinson asked about the estimated cost to put in the new road for this property. Public Works Director Carpenter said it would cost approximately \$1,100,000.

Mayor Vogel asked how much the City spent to purchase this property. Thunstrom said they spent under \$200,000 for acquisition and demolition. She said she would need to do some research to get the exact numbers.

Faanes asked why they purchased this property. Thunstrom shared that this was owned by a family and the property and building on it became dilapidated, and the EDA acquired it for future redevelopment.

Mayor Vogel said he does not think the City should be in the business of buying and selling land. He noted that the City has already made a large investment into this property and he thinks it would be too much to also give the developer TIF.

Carpenter explained that with this development they would have another 120 users in a small space for the enterprise fund.

Faanes noted that this would also help the schools with more students. She asked how many other projects in the City are currently on TIF or have been done with TIF in the last 10 years. Thunstrom said they have not done any other TIF projects in the last 20 or so years.

Faanes shared that she went to a meeting with the School District about the connection of Highway 47 and Bridge Street and the County said this intersection would fail by 2030 due to the traffic. She said she does not feel that it is the right time for this apartment building in this area due to the existing traffic concerns.

Udvig stated this lot will be used for high-density regardless. She said they need this high-density housing as the City does not have enough places for people to live. She explained that she is not a huge fan of TIF; however, she trusts Staff's judgement and the work that they have done.

Mayor Vogel shared that he would like more information on how the EDA functions. He noted that the lots that they have for sale do not have signs on them to generate interest. He said they have been sitting on some of these lots for years as they have not been marketed to the public.

Muehlbauer said he would be supportive of TIF for this project, as they just paid a lot of money to have the lot cleared, and he does not want that to have been done just for the lot to sit vacant.

Mulvihill noted that they will be discussing the water and sewer rate later in this meeting.

The consensus of the Council was not in favor of TIF for this property, with only Udvig and Muehlbauer in favor of moving forward.

Mayor Vogel noted that they can revisit this discussion after discussing the water and sewer rates.

D. Park Project Budget Priorities

Carpenter reviewed the Staff report concerning park projects and their budgetary priorities for the warming house and Rum River property.

Mayor Vogel asked what the existing park fund can be used for. Carpenter explained that the Council started setting aside funds in the levy for park projects.

Faanes asked what options they would use the funds from selling the old City Hall property. Thunstrom said it can go towards capital improvements or to retire debt. Mulvihill added that there are four categories of capital improvements: parks, buildings, streets, and equipment.

Faanes shared that she likes the idea of remodeling the warming house and making it a year-round facility. She noted that they could also have a community room in this building. Carpenter shared that they will be moving all previously scheduled room rentals from the old City Hall to the warming house to see how well this facility would work for a community room.

Mayor Vogel asked if the project at the warming house would increase its footprint. Carpenter explained that it would not increase the footprint but would put an overhang off of it and remodel it.

Faanes stated she would likely not be supportive of remodeling the Rum River location, as she does not see how this would work. She said she would prefer to see the remodeling done to the warming house.

Muehlbauer asked about the benefits for buying the Rum River location and then demolishing the existing building. Carpenter noted that the only benefit is to add park property.

Muehlbauer said he would prefer to do the remodel at the warming house.

Robinson agreed and noted that while the Rum River property would be nice to have, the price is not worth it. He added that all of the proceeds from selling the old City Hall do not need to go towards this remodel. He asked how many other parks need attention. Carpenter shared that he is currently in the process of putting together a realistic park CIP. He noted some of the parks can be stretched out a little longer than they are currently.

Muehlbauer asked about the cost to fix the Rum River Park, that is falling apart. Carpenter said they received a bid for \$55,000 in 2022. He noted that if they did the warming house remodel, they would still have funds left to fix this park as well.

Robinson asked how big the overhang would be on the warming house. Carpenter said it would be approximately 16 feet to the north of the building and have three picnic tables underneath.

Robinson said he would be in support of moving forward with the warming house remodel.

Mayor Vogel suggested that some of the funds they get from the sale of the old City Hall building should go into some capital improvement fund for the future.

Udvig shared that she is also supportive of moving forward with the warming house remodel, as they will be able to offer a community space along with this.

She noted that it would be great to purchase the property on Rum River Boulevard, but remodeling the warming house will give them more wiggle room to fund other park improvements.

Mayor Vogel asked where the park dedication funds will go for the two developments currently in progress. Thunstrom shared that park dedication is guided by State statute and has to go to new or expanding parks. She said park dedication funds cannot be used for the warming house remodel as this is maintenance of an existing facility.

Muehlbauer asked if they could use park dedication funds to buy the Rum River property as this would be expanding a park. Mulvihill said they do not even have enough park dedication funds to purchase this property.

Mayor Vogel stated they do not need more small parks that they cannot maintain. He said he would rather see them build up the park dedication fund so it can do bigger things rather than continue to add small parks.

The consensus of the Council was to move forward with the remodel of the warming house rather than purchasing the Rum River property.

E. Water and Sewer Rates

Thunstrom reviewed the Staff report in regard to the water and sewer rates.

Muehlbauer noted that part of the reason why they ended up in the situation they are in with the wastewater facility is because the Council at the time did not listen to Mulvihill talk about raising the rates. He added that they also reduced these rates by about 20%, which ended up draining the reserves.

Mayor Vogel said they should not be using the term 'reduce' but rather 'stabilize' as they will not be able to reduce these rates.

Mulvihill explained that she looks at the cash balance and seeing if this would cover 40% of the next year's costs, debt service, and capital improvements.

Muehlbauer asked about the grants to help people replace their water softeners. Carpenter explained that they have a set limit of chloride allowed at the plant by the Met Council, and the only way they can decrease chloride is at the warm treatment plant. He noted they are getting close to this limit and have been for a while. He said one of their biggest contributors to the chloride are water softeners as it puts salt directly into the wastewater.

Water & Sewer Supervisor Barten added that older water softeners are a high contributor to chloride. He said they are currently looking at implementing a chloride plan to buy them some time. He shared that there have been positive

results with similar programs in other places in the State.

Carpenter noted that there is no guarantee of the success of this program.

Mayor Vogel asked about the process that other cities have gone through for replacing these water softeners. Carpenter explained that they would look at targeting the older areas of town and determine how many softeners they would be able to do per year. He said this would include residential and commercial properties. He shared that they would give property owners a rebate towards the purchase of a new water softening system.

Muehlbauer asked how much these softeners typically cost brand new. Barten stated it would be approximately \$500 to \$1,000 installed.

Carpenter added that they would like to have one vendor appointed to do this for everyone in the City to keep it organized.

Muehlbauer said he does not like the unknowns in this, as they would be investing in something that would require residents to possibly have to spend an additional \$500 when the water rates are already high.

Thunstrom noted that with newer water softeners, the residents will see a huge reduction in the amount of salt they are buying.

Muehlbauer shared his support for trying this program if they can get people on board with it. He said his biggest fear with this project is convincing people to buy into it.

Carpenter asked about the total number of grant dollars that can be distributed. Thunstrom said they currently do not have any grant funding, and there is no guarantee they would get any. She shared that they can look into some grant opportunities for this; however, she thinks it is best to move forward as if they do not have a grant. She noted that if they plan to do this in 2026, they need to start communicating it to the residents and educating them now.

Mayor Vogel asked if they need to have an ordinance that guides any new water softener installs. Muehlbauer said they would likely have to. Carpenter added that there are cities that have passed ordinances that do not allow water softeners at all. He noted that they will likely need to pass some kind of ordinance in conjunction with this plan.

Muehlbauer said he likes the idea of implementing a chloride program. He asked about the cost for implementing the program for one year. Thunstrom shared that they have budgeted \$100,000 for three years.

Faanes shared that she also likes the idea of a chloride reduction program. She

said she would like to see the water and sewer rates not be raised by much.

Udvig stated they never want to have to increase their rates; however, being realistic, they have to increase them a little bit every year. She noted that the residents are never going to like that their rates increase but they have to keep the water treatment plant functioning and running smoothly.

Robinson asked if any other cities in the surrounding area are having similar issues with chloride. Barten shared that he had spoken to the city of Marshall, and they implemented a similar program with grant funding through the MPCA. He noted that this grant has since dried up, and the same funding would not be available for St. Francis. He said Marshall has seen positive results from this program.

Robinson noted that public education will be a big part of this, so the residents are aware. He asked how they would get full compliance from residents. Barten shared that he will be discussing this with the city of Marshall on how they vetted things throughout the process.

Robinson asked how many homes are currently using City water. Barten said there are 1,840 units.

Barten noted that one thing they will not be able to control when it comes to chloride is winter-time car washing. He shared that they will be receiving two portable samplers that they will be setting throughout the City to determine which areas are contributing to a lot of the chloride volume. He said they will be targeting the Zion Parkway area.

Robinson asked if they were not having this chloride issue when they would need to expand the water treatment plant. Barten shared that the water treatment plant is in good shape and is currently only utilizing 14% of the total capacity. He noted the biggest driver of the wastewater plant is the chlorides.

Mayor Vogel shared that he is fully on board with the chloride program. He said he also does not like the idea of raising water and sewer rates, but thinks it needs to be done.

Mulvihill explained that if they allow the TIF project to move forward, this would lower the expected water and sewer rates as they would add 120 units coming on to the system and sharing the costs. She added that the WAC and SAC will also help fund this. She noted that it is being considered to no longer allow bonds to be tax-exempt.

Mayor Vogel thanked all of Staff who have worked on this, as it has all been very helpful to help understand what is going on.

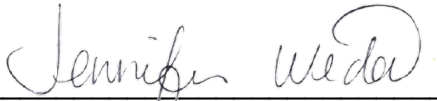
The consensus of the Council was to move forward with a chloride reduction

program.

There was no change in consensus from the Council concerning the TIF discussion.

4. ADJOURNMENT

There being no further business, Vogel adjourned the City Council Work Session at 8:32 p.m.



Jennifer Wida, City Clerk