



MINUTES

CITY COUNCIL WORK SESSION

October 23, 2023 - 6:30 PM
Lakeville Water Treatment Facility

1. Call to order, moment of silence and flag pledge

Mayor Hellier called the meeting to order at 6:30 p.m.

Members Present: Mayor Hellier, Council Members Bermel, Lee, Volk, Wolter

Staff Present: Justin Miller, City Administrator; Julie Stahl, Finance Director; Allyn Kuennen, Assistant City Administrator; Courtney Miller, Assistant to the City Administrator; Paul Oehme, Public Works Director; Mike Meyer, Fire Chief

2. Citizen Comments

None.

3. Discussion Items

a. Fire Department Facility Study by CNH Architects

Fire Chief Meyer provided background on the Fire Department Facility study completed by CNH Architects. The purpose of the study is to accommodate 24/7 staffing at all four locations. Since April, CNH Architects has met with staff monthly to discuss the current and future needs of the department. Chief Meyer introduced Quinn Hutson and Brooke Jacobson, representing CNH Architects. They provided an overview of the study's information gathering process. They discussed each station's current conditions and highlighted areas where the department's needs are not being met. Mr. Hutson and Ms. Jacobson provided several options that would improve each of the stations and better meet the department's needs. They also provided the cost estimates. CNH Architect's recommendations, based on the study, include:

- Short-Term Fix: Remodel Station 4, then Station 1
- Stations 2 & 4: Combined all new station approach
- Station 1: Addition and remodel approach
- Station 3: Addition and remodel approach

The Council discussed the recommendations and various costs. The Council directed staff to bring the study back to another work session, along with financing options, a tentative timeline, and a response to other questions and ideas raised by the Council.

b. PFAS Litigation

Public Works Director Oehme provided an overview of PFAS, a large group of

manmade synthetic chemicals that do not break down easily and can accumulate in the environment. PFAS have been detected in water sources worldwide, including in Lakeville, leading to concerns about their impact on human health.

Over the past several years, hundreds of lawsuits have been filed against the manufacturers of PFAS. Multi-District Litigation No. 2873 ("MDL") includes all the groundwater cases with PFAS contaminants that have been transferred to a U.S. District Court. The MDL involves 3M and DuPont, two of the largest PFAS manufacturers, to resolve claims about PFAS contamination in public drinking water. Virtually all public water systems that have PFAS detections in at least one of their supply sources will be eligible to receive funds to recover clean-up costs. Lakeville water has tested positive for small traces of PFAS, allowing the city to be part of the class action lawsuit. Mr. Oheme stated that the City has the option to opt out, object, or remain a class member. All eligible water systems will be automatically included in the settlements unless they opt out. Water systems that do not opt out will waive their right to pursue further litigation against 3M and DuPont for PFAS contamination.

The Council directed staff to move forward as a member of the settlement.

c. 2024 Proposed Liquor Fund Budget

Finance Director Stahl provided an overview of the proposed 2024 Liquor Fund budget and 10-year projections. She stated that, compared to the 2023 budget, the 2023 year-end estimate reflects a \$1.78M increase in sales and a \$583K increase in gross profit. Expenditures in 2023 are expected to come in \$81K above budget. The Liquor Fund is anticipated to end 2023 with a decrease in net position of \$5K versus the budgeted decrease in net position of \$440K. She stated that staff propose an increase to the 2024 sales and gross profit budgets to reflect the healthy sales in 2022-2023. The 2024 budget reflects the following increases in sales revenues: Heritage - 6.7%, Galaxie - 8.1%, Kenrick - 11.1%, Keokuk - 23.1%.

The Council directed staff to move forward with the proposed budget increase.

d. 2024 Proposed Utility Fund Budgets & Utility Rate Projections

Finance Director Stahl provided an overview of the proposed 2024 Utility Fund budget and proposed utility rates/projections to support the services provided by the city. She stated that the proposed rate changes for 2024 include a 3% increase to Water rates, 3% increase to Sewer rates, and 0% increase for both Street Lights and Environmental Resources.

The Council directed staff to move forward with the proposed budget.

e. 2024 Proposed Fee Schedule

Finance Director Stahl discussed the proposed changes to the 2024 Fee Schedule. She stated that staff reviews the fee schedule annually as part of the budget process to ensure that the city recovers its best estimate of costs incurred in providing services.

The Council directed staff to move forward with the proposed changes. A public hearing will be held on December 4, 2023 and the 2024 Official Fee Schedule will be

incorporated into the City Code with an effective date of January 1, 2024, unless noted otherwise.

f. 2023 3rd Quarter Financial Report

Finance Director Stahl provided an overview of the 2023 3rd quarter financial report and reviewed the General Fund, Communications Fund, Liquor Fund, Water Fund, Sewer Fund, Street Light Fund, and Environmental Resources Fund.

4. Items for Future Discussion

None.

5. Committee/ City Administrator Updates

Volk: Lakeville Arenas Board of Directors is working with contractors on a solution for the concrete at the ice rink.

Bermel: The Dakota 911 Board of Directors discussed routine business at its most recent meeting. The Board also discussed several outages of the administrative line. Dakota 911 received \$304,000 from the legislature that will go toward NextGen 911 readiness and cyber security costs.

Hellier: The city will receive \$59,000 from the dissolution of Dakota Broadband.

6. Adjourn

Respectfully Submitted,

Courtney Miller, Assistant to the City Administrator Luke M. Heller, Mayor