



MINUTES

CITY COUNCIL WORK SESSION

April 22, 2024 - 6:00 PM

Lakeville City Hall, Marion Conference Room

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

Mayor Hellier called the meeting to order at 6:00 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; Mike Meyer, Fire Chief; Todd Sellner, Assistant Fire Chief

2. Citizen Comments

Don Schuster, 19390 Iteri Avenue, addressed the City Council. He stated that he came to the December 11, 2023, City Council work session and spoke about a requirement for city services to be connected to his property. He requested follow up.

3. Discussion Items

a. Fire Station Study

Fire Chief Meyer provided an overview of the fire station study. He stated that at the October 2023 City Council work session, staff presented several options regarding the renovation of the existing stations or the construction of new fire stations to prepare the department for future staffing of stations. Since that time, staff has continued to work on the timing, funding, and construction of these improvements. He presented two options for the Council to consider. The first option, called Option D3, proposes the City purchase new land in the Dodd and Cedar Avenue area and construct a new "Station 5" that would serve the areas previously served by Fire Stations 2 and 4. This would provide the possibility for Fire Stations 2 and 4 to be eliminated. The cost estimate of Option D3, which includes renovation of Fire Stations 1, 2, 3, and 5, is estimated to be between \$60.4 and \$68.3 million. The second option, called Option D4, proposes the City demo and reconstruct Fire Station 2, beginning in 2025 with completion in 2026. The cost estimate of Option D4 is between \$51.6 and 59.6 million.

Council asked questions regarding land availability for Station 5 and the future of Stations 2 and 4 if Station 5 was built. Council discussed the pros and cons of both options. Council directed staff to move forward with Option D3.

b. Franchise Fees

Assistant to the City Administrator Miller and Finance Director Stahl provided an overview of the franchise fees report. At the February 2024 City Council work session,

staff presented information on franchise fees to the City Council. At that time, the Council reviewed the information, including franchise fee rate structures and potential funding targets. Since that time, staff compiled additional information from the utility companies that provides a clearer picture of possible revenues.

Council supports implementing franchise fees to help fund the FiRST Center and the construction of a new Fire Station. Council stated that educating the public will be key to implementing franchise fees. Council stated that it would like the franchise fees to generate between \$4 and \$5 million annually. Council directed staff to move forward with researching plan design options.

c. Local Preference in Contracting

Assistant City Administrator Kuennen provided an overview of local preference in contracting. He stated that at the annual City Council retreat in January 2024, the City Council requested staff to review the possibility of providing preference to local contractors or services when bidding for or proposing projects.

Council discussed the pros and cons of local preference in contracting, including possible limitations. Council directed staff to not move forward with local preference in contracting.

d. 2024A Debt Issuance

Finance Director Stahl and Jessica Green, Managing Director, Northland Securities provided an overview of the 2024A bond issuance that will fund the following projects: #24-02 - 2024 Street Reconstruction Project, #24-03 - Collector Rehabilitation, and Park Referendum Projects. The 2024A bond issuance is estimated to be \$22,365,000. They provided key dates for the 2024A bonds.

Council directed staff to move forward with the bond issuance.

e. 2023 4th Quarter Financial Report - General Fund

Finance Director Stahl presented the 2023 4th quarter financial report which shows variances between the amended budget as well as the estimated budget.

4. Items for Future Discussion

None.

5. Committee/ City Administrator Updates

Wolter - reported that I-35 Solutions Alliance meeting was cancelled

Bermel - attended the recent Liquor Committee meeting where they discussed sales, CBD products, and low theft. He added that the Heritage Liquor Store is outperforming its space. He shared that April 30 is National Therapy Animal Day.

Lee - stated that he met Human Resources Director Alissa Frey at a recent Personnel Committee meeting.

Hellier - thanked residents and business owners for coming to the State of the City. He stated that proposed legislation regarding city zoning and land use are not moving forward.

Volk - attended the recent Lakeville Arenas Board of Directors meeting. She stated that

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there will be an ice rate increase to \$10/hour

City Administrator Miller - reported sewer backup downtown that impacted the Arts Center

6. Adjourn

Motion was made by Volk, seconded by Lee, to adjourn. Voice vote was taken on the motion. Ayes - Hellier, Bermel, Lee, Volk, Wolter

The meeting was adjourned at 8:07 p.m.

Respectfully Submitted,

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