

**MINUTES OF THE WORKSHOP MEETING
CITY COUNCIL
LITTLE CANADA, MINNESOTA**

SEPTEMBER 13, 2023

Pursuant to due call and notice thereof a Workshop meeting of the City Council of Little Canada, Minnesota was convened on the 13th day of September, 2023 in the Council Chambers of the City Center located at 515 Little Canada Road in said City.

Mayor Tom Fischer called the meeting to order at 6:00 p.m. and the following members of the City Council were present at roll call:

ROLL CALL: In attendance were Mayor Fischer, City Council Members T. Miller, Gutierrez, Kwapick and D. Miller. Absent: None. Also present were: City Administrator Chris Heineman, Public Works Director Bill Dircks, Community Development Director Corrin Wendell, Finance Director Sam Magureanu, Community Relations Manager Laura Linehan, City Clerk/HR Manager Heidi Heller, and City Engineer Eric Seaburg.

REVIEW OF PROPOSED STORMWATER UTILITY FUND

The Public Works Director summarized the information provided at the Council Workshop in July about establishing a new Stormwater Utility Fund. He noted that almost all other metro area communities have a stormwater utility in place and use it to fund improvements and maintenance of the city's stormwater system, like rain gardens, ponds and ditches, and for the stormwater costs that are part of every street improvement project.

The City Engineer reviewed how the fees would be calculated for each classification of property and reviewed the impact for revenue in the total amounts of \$425,000, \$500,000 and \$625,000. The Finance Director explained that we currently utilize the Infrastructure Capital Project Fund (Fund 450) to pay for stormwater which is trending negative. He stated that by establishing a dedicated Stormwater Utility Fund, the Infrastructure Capital Project Fund will be able to maintain a positive fund balance.

Mayor Fischer asked Council members what total revenue amount they would be comfortable starting with and annual increase amounts they are comfortable with. There was Council consensus to begin with \$500,000 revenue collection in 2024 with 4% annual increases.

UPDATE ON PROPOSED GAS & ELECTRIC FRANCHISE FEE AGREEMENTS

The City Administrator explained that the City has had an electric franchise fee since 2003, which has not been increased since 2010. He stated the franchise fee agreement with Xcel expires in 2023 and the city is considering an increase to the electric franchise fee, and also potentially adding a gas franchise fee. These fees are added to gas and/or electric utility bills by the utility company and passed on to the city.

The City Administrator explained that franchise fees may be utilized for any purpose, and one of the strategic initiatives that currently has no funding source is gateway signage and wayfinding. Community Relations Manager Laura Linehan provided examples of gateway signage in other communities, including estimates for each type of sign and the implementation process.

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The City Administrator stated the current electric franchise fees brings in around \$360,000 and have been used strictly to pay for street projects. He explained that the City Council provided direction in July to increase the electric franchise fee collected by 50 percent to be commensurate with other communities and requested feedback from the City Council regarding the addition of a gas franchise fee to fund gateway signage and other projects.

T. Miller stated that it important to have funding sources for needed projects, but the City should be sharing information about these city fees on residents bills and how the funds are being used. D. Miller stated he would be in favor of a gas franchise fee to pay for street lights. Gutierrez stated she is in favor of the discussed fees. Kwapick stated he is in favor of the proposal for the electric franchise fees, but would only want a small gas franchise fee if it has a specific purpose. Fischer is not in favor of adding a gas franchise fee. The consensus was to increase the electric franchise fee by 50 percent and to include a gas franchise fee in the amount of \$100,000.

DISCUSS POTENTIAL DEVELOPMENT OPPORTUNITY

The City Administrator shared that the owner of the property located at 2828 Condit Street has approached the City regarding the potential purchase of the 3.24-acre property. The property owner has intended for his property to be part of a future redevelopment project, and the city owns five adjacent parcels which create a 4.6-acre redevelopment area. He reviewed a potential road realignment project that may utilize a portion of this land demonstrating its importance. The parcel is currently zoned General Commercial (C-1). If the City Council wishes to have a say in how this property develops, it may be a good idea to purchase the property. He stated the appraisal value for the property at 2828 Condit is about \$1.375 million.

The City Administrator explained that the City of Little Canada conducted an appraisal for the Industrial parcel located at 2884 Centerville Road. The appraisal was completed in September, and the current appraised value is \$969,000. Acquisition of this parcel is a strategic priority in the 2022 Strategic Plan and was identified for future public use in the Comprehensive Plan. He asked the Council for feedback on how to proceed with both of these properties.

T. Miller stated she would like to see the City buy 2828 Condit in order to be in control of what happens there. Fischer stated that the prices for property are not going to get any cheaper, and the city has been discussing purchasing the Centerville Road property for a long time so he definitely wants to pursue that property purchase. There was City Council consensus to direct staff to continue discussions for potential purchase of both properties.

There being no further business, the meeting was adjourned at 7:25 p.m.

Thomas Fischer, Mayor

Attest:

Christopher Heineman, City Administrator