The workshop meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Gunderson at 5:30 p.m.

The following members were present: Mayor Heidi Gunderson, Council Members: Craig Johnson, Patricia Youker, Greg Urban and Bob Morse. The following member was absent: None.

Also present were: City Administrator Kevin Watson, Assistant City Administrator Tim Sandvik, Planning/Community Development Director Nolan Wall, Public Works Director Jesse Farrell, Finance Director Bob Sundberg, Fire Chief Ed Leier, and Deputy City Clerk Peggy Aho.

Others present were: Michael Fischer, LHB.

1. **Overview of TIF from Michael Fischer, LHB.**

   City Administrator Watson introduced Michael Fischer, LHB. Fischer has been invited to facilitate a conversation with the City Council about Tax Increment Finance (TIF) as an economic development tool for cities. Fischer presented basic information on the various types of TIF Districts and addressed the most frequent questions and criticisms he has heard about TIF over the past 17 years. Watson noted that Fischer prepared the site analysis on the Garceau property and facilities assessments for the City.

   Fischer's PowerPoint presentation "A Conversation about TIF and Economic Development" included what is TIF, how to use TIF, building blocks of TIF, and different types of TIF districts. Fischer explained how TIF would affect a school district. He said that referendum market value goes up and down depending on market values. Watson said that one way for the City to increase the City's tax capacity is through increased redevelopment and property values and using TIF may help with that.

2. **Discussion of the Draft 2020 Budget**

   Public Works Director Farrell discussed his proposed budget for engineering, central garage, street maintenance, water utility, sewer utility and surface water utility funds. He noted a list of proposed CIP purchases for operating equipment and building and infrastructure maintenance, water, sewer and surface water utilities and the City's pavement management program. Farrell said that every dollar that he is asking for is for the purchase and care of equipment in order to take good care of our infrastructure.

   Council Member Urban asked if there are any rebuild options for the Vac Truck. Farrell replied no, and said that in discussing these purchases with staff, staff noted that this equipment is very abused and while the unit may look good on the outside, there is a lot of wear and tear on the equipment. Urban said that a town the size of Vadnais Heights can't have so many large pieces of equipment. Farrell noted that the City is constantly
needing to use the Jet Vac Truck with over 30 miles of sewer to maintain and that sharing it with another municipality or renting it would mean poor response time for emergencies. Urban asked if our current rates for the sewer funds account for the purchase of this equipment. Farrell responded yes, and said that previous Council's made the decision to raise rates to bring in the revenue for exactly these expenditures. This is the most important tool we have to help prevent sewage from backing up into property owners basements.

Mayor Gunderson said that some of these things we have funds available for some of these expenditures but she's worried that when take out a large amount of the fund balance to fill a need or void would it mean decreasing the fund balances of other funds. Finance Director Sundberg said that the sewer utility fund is the most robust fund of the utility funds that the City has. The City has been charging enough for years to cover the cost of the proposed equipment purchases for sewer, water and storm utility. Sundberg said that the City's General Fund is a fund that the City continues to struggle with to cover costs of needed CIP infrastructure. Sundberg said that after the water meter replacement project which was funded out of the sewer fund, will go down quite a bit, but there is still very ample fund balances for all proposed purchases. He said we have to be careful with the General Fund. Farrell noted that the biggest ticket item for the water fund is painting the water towers which should be done every 20 years, or one every 10 years. Largest liability on the sanitary sewer side is the lift station and our tools.

Watson said we talked about meeting next week to continue budget discussions. Gunderson asked what was left to cover. Watson said we need to continue the conversation of communications and public works. Council Member Johnson said he would like to begin looking at taking out every other one of the ash trees in City right-of-way along Highway 96 and begin replacing them with other tree varieties. Farrell said that he has been thinking about this issue and said that he had talked about a nominal increase to street maintenance to begin a modest ash tree removal program.

Gunderson said that the Council needs to meet again to talk about what we want to improve going forward or explore more options. She also thinks the Council should discuss putting that an additional $100,000 in for street improvements and what if anything we want to do with the franchise fees moving forward so that we can raise additional revenue to do more street improvements in the future. She said if we aren't going to make any increases to the budget for streets perhaps by increasing the franchise fee, we need to have a plan.

Council Member Morse said he would like the Council to authorize staff to looking at debt refinancing for the Commons because it may save the City some money. Sundberg said that he will call around and check rates.

City Administrator Watson said he reached out to peers on communications folks and got a quote from Goff Public and also reached out to CTV cable commission. He is planning on recommending them to do the City's web casting for our meetings. They are very
comparable to what else we can find for those services and they would also provide us with assistance and repairs. He plans on bringing a recommendation to the Council.

They also provide assistance on communications for social media, postings and content videos.

3. **Other**

The Council decided to meet on September 10th at 3:00 p.m.

Respectfully submitted,

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Kevin Watson, City Administrator