Workshop meetings are informal discussion style meetings that are open to the public. No official city business is conducted; therefore official minutes are not kept. The summary below is provided for informational purposes only. It has been generated from notes and is not a comprehensive report of workshop discussions and events.

Workshop called to order at 7:36 p.m. and adjourned at 7:47 p.m.

PARTICIPANTS:
Mayor Dingle; Council Members Foote, Swenson and Zenner, City Administrator Walsh, Finance Director Sommerland and City Clerk Ornquist.

SUBJECT(s):
Utility Rates

INTRODUCTION:
Based on the 2015 Utility Rate Study prepared by Northland Securities, the study proposes annual rate increases each year estimated at 2% for water and 3% for sanitary sewer. The City would need to evaluate on an annual basis what actual rate increase may be needed based on actual financial performance from year to year.

SUMMARY:
Finance Director Sommerland presented to the Council the following information:

- 2019 Quarterly Utility Rates
- Residential rate comparison with other communities based on 12,000 gallons per quarter.
- Quarterly Utility Rate Increase Scenarios—Water 2% and 4%, Sewer 3% and 6%

Sommerland informed the Council that there is a positive fund balance currently, however, the balances are lower than projected by the Study. She noted that another study will be needed next year.

The Council briefly discussed the minimum usage of 8,000 gallons, DNR comments with rate table, allocation of employee wages, upcoming capital improvements of street improvement projects and tower painting, and future maintenance expenses for the Water Treatment Facility.

RECOMMENDATION:
It was the consensus of the Council to increase rates of 2% for water and 3% for sewer.

Respectfully submitted,
Sharon Ornquist, City Clerk