



**Inver Grove Heights City Council**  
**Monday, January 13, 2025 at 6:00 PM**  
**8150 Barbara Avenue, Inver Grove Heights, MN 55077**

## **AGENDA**

**NOTICE TO RESIDENTS:** Individuals may submit written public comments in advance of the meeting by emailing comments to Rebecca Kiernan ([rkiernan@ighmn.gov](mailto:rkiernan@ighmn.gov)). Comments received prior to 12:00 p.m. on Monday, January 13, 2025, will be provided to the Council at or before the January 13, 2025 meeting.

1. **Call to Order**
2. **Roll Call**
3. **Approval of Agenda**
4. **Discussion Items**
  - A. Stormwater Utility Rate Study (City Project 2024-11)
  - B. 2025-26 Board and Liaison Appointments for Councilmembers & Staff
  - C. Discussion of 2025 Legislative Positions & Priorities
5. **Adjourn**

This document is available upon a three (3) business day request in alternate formats such as braille, large print, audio recording, etc. Please contact Rebecca Kiernan, City Clerk, at 651.450.2513 or [rkiernan@ighmn.gov](mailto:rkiernan@ighmn.gov).



## Request for Council Action

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**SUBJECT:**        **Stormwater Utility Rate Study (City Project 2024-11)**

**MEETING DATE:**    January 13, 2025

**ITEM TYPE:**        Discussion Items

**CONTACT:**         Brian Connolly, Public Works Director, 651.450.2571

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### **ACTION REQUESTED**

The Council is asked to receive a staff presentation regarding the need for and recommended approach to completing a Stormwater Utility Rate Study in 2025 and then provide feedback to staff.

### **BACKGROUND**

The City completed a utility rate study for water and sanitary sewer rates in 2023. The scope of work for that study originally included a review of stormwater utility rates as well, however it was subsequently determined through the review process that a stand-alone stormwater rate study would better address the equity challenges and shortcoming in funding for the City's stormwater utility needs. This is particularly true due to the complexities of the City's stormwater rates, which have a rate structure split between rural, urban, and Northwest Area (NWA) fees.

Funding for a stand alone study of stormwater rates was set aside in the Stormwater Operating Fund (Fund 530) in 2024, however several competing priorities and staff availability delayed the start until now. To prepare for the proposed study, staff have been working with the consulting firm Advanced Engineering & Environmental Services, Inc. (AE2S), who completed the initial water and sewer rate study in 2023, to verify the stormwater-related data analysis that was completed with the 2023 utility rate study, and to develop a scope of work for bringing the stormwater utility rate study to completion.

Staff's presentation will provide an update to the City Council, with a review of the following topics:

1. Stormwater Rate History
2. Peer Community Stormwater Revenues/Comparisons to Inver Grove Heights
3. Proposed Scope of Stormwater Utility Rate Study
4. Consideration of Establishing a Citizen Focus Group
5. Soliciting Proposals
6. Proposed Study Schedule

If the Council concurs with staff's recommendation to proceed with the study, a request for formal approval to enter into a contract for the work will be brought back to a future Council meeting, under the Consent Agenda.

### **FISCAL IMPACT**

N/A

## **RECOMMENDATION**

### **ATTACHMENTS**

1. 2025 Stormwater Rate Scope (DRAFT)
2. Charter for Citizen Focus Group (DRAFT)

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## Exhibit A: Scope of Work

### 1. Project Overview

#### 1.1. General Statement of Scope of Work

The delivery of this Contract will include an analysis of the City's stormwater utility needs in the future (15-year timeframe), and a proposed utility rate structure that is fair, equitable, reasonable to administer, and sufficient to fund the City's stormwater infrastructure needs. The effort is expected to result in a rate structure that is significantly different than the current version. To gain both feedback and solicit guidance and recommendation from the public, the project effort will include the creation and management of a Citizen Focus Group. At the end of the project, the rate study report and recommendations will be presented to the City Council for consideration and adoption.

#### 1.2. Project Overview

Initial components of the stormwater rate analysis were completed under a separate contract with AE2S in 2022-2023. That contract was intended to review the City's water, sanitary sewer, and storm sewer infrastructure needs, and provide guidance as to updating the rate structure. Upon initial analysis and discussion of the City's stormwater utility needs and existing rate structure, it was determined that a stand-alone stormwater rate study would better address the equity challenges and shortcomings in funding of the stormwater utility, particularly with respect to the City's split rate structure between the City's rural, urban, and Northwest Areas (NWA) fees.

Aside from rate adjustments that have been made annually to progressively close the disparities in rates between the NWA and the City's rural/urban fees, no additional changes have been made in the City's stormwater utility rate structure since 2022.

The City intends to contract separately with Ehlers, Inc. to review the City's development fee structure as it relates to water, sewer, and stormwater connection fees. Recommendations for adjustments to these development fees are anticipated to be received by June 30, 2025. The City will share with the Contractor the results of this study for long-term modeling purposes. ***This Contract is not anticipated to require the presentation or analysis of recommendations provided by Ehlers and should be wholly focused on the utility rates charged to property owners.***

Questions that this rate analysis should help answer include:

- What are the key issues with the current rate structure as it relates to fairness or equity for different types of property classifications within the City (rural vs. urban, new development vs. existing land use, variations among land use types, etc.)?
- Can a rate structure be established that improves fairness and equity for different types of properties and/or land uses, and can it be easily administered and/or explained to property owners?
- What other types of stormwater rate structures are being utilized (or are being implemented) in other communities of similar size or land use in Dakota County and/or the greater Twin Cities metropolitan area?

- How much money does the City need to bring in to adequately fund both current and future stormwater utility operational and capital needs?

The stormwater utility was established in 2012, and it was known at that time that the revenues would not be sufficient to address all stormwater management and capital improvement needs. The City has historically leveraged funds provided for its pavement management program to fund stormwater needs, primarily as part of roadway improvement projects. Starting in 2022, the City has implemented a policy to ensure that utility funding is utilized for utility improvements, both within and separate from the City's pavement management program. The implementation of this has resulted in significant stormwater utility funding shortcomings since 2022, and staff continue to work with the City Council to balance these needs and provide supplemental funding for stormwater capital improvements through various other funding sources (general fund, host community funds, franchise fees, etc.). It is generally desirable to the City that the stormwater utility can become self-sufficient to meet its long-term needs at within the 15-year time horizon of this study effort.

A new rate system should look to raise sufficient funding to address:

- All new MS4 permit requirements related to water quality management and retrofits, including possible additional staff to monitor and achieve these requirements.
- Challenges related to changes in design requirements (i.e., Atlas 14 and future precipitation modeling standards).
- Rehabilitation and repair costs identified in the City's storm system deferred project list (approximately \$20 million at the end of 2024).
- Storm sewer system rehabilitation and/or upgrades in conjunction with the City's Pavement Management Initiative and stormwater-specific capital improvement program needs.

### **1.2.1. Background Information Provided & Assumptions**

AE2S completed initial system data collection (GIS) and financial information (utility rates, development fees, and budgetary assumptions) in 2022 as part of the initial utility rate study effort. Updates to the City's managed stormwater infrastructure and financial information from 2023, 2024, and projections for 2025 will need to be added to/included with the previous data as part of this study effort.

The City will provide additional technical and financial information, including:

- Stormwater utility budget data from 2023 and 2024 (actual expended) and 2025 (budgeted) for the City's Stormwater Utility Operation Fund, Stormwater Capital Fund, and Northwest Area Stormwater Capital Fund (this fund will be merged with the Stormwater Capital Fund starting in 2025).
- 2025-2029 Capital Improvement Plan
- Draft 2026-2030 Capital Improvement Plan (estimated to be available in June 2025)
- Current and past Stormwater Utility Rates (2023, 2024, and 2025)

- Long-term capital needs for stormwater (updated since 2022 utility rate study effort)
- Utility billing collection data for stormwater for 2022, 2023, and 2024
- Past stormwater rate study data from third party consultants, including original rate establishment memos and reports from 2007-2012 (Ehlers and WSB)

City staff will provide information regarding alternative funding sources that may be available in both the short- and long-term to supplement stormwater funding needs. The City's CIP provides immediate funding needs for a 5-year time horizon, although much of the funding for the current stormwater projects has been through fund consolidation and one-time budget appropriations. Such appropriations may be necessary to meet annual funding needs in the future, and the Contractor will be required to work with City staff to include these funding sources in any final stormwater utility financing model.

### **1.2.2. Council Meetings**

The Contractor should expect to attend up to three (3) in-person City Council meetings and/or worksessions to provide status updates and be available to answer questions from the City Council. It can be expected that City staff will participate in providing review and assist in compilation of meeting presentations and may also participate in presenting to the City Council.

### **1.3. Project Deliverables**

**1.3.1.** The Contractor will provide electronic copies of all documents and source information produced during the preparation of the project.

**1.3.2.** The Contractor will:

- a. Provide PDF copies of a utility rate study report and/or technical memorandum, to include the following key components:
  - i. Revenue forecasting methodology and estimates for a 15-year forecasting timeframe.
  - ii. Summary of existing rate structure components, including any key performance metrics, issues/shortcomings, and noted areas where improvement could be made.
  - iii. Alternative rate structure options, including comparison with other communities, benefits/drawbacks of each option, and feedback from the Citizen Focus Group on each option.
    - A recommended rate structure should be identified, including reasons it was selected, benefits over existing and alternative rate structures, and noted means/methods it can be communicated and implemented.
    - Identify any drawbacks/issues that may be anticipated with the recommended rate structure implementation, including options and/or recommendations for public messaging.
  - iv. Revenue adequacy and future rate planning for the recommended rate structure, including noted assumptions, alternative funding sources considered and/or recommended, and future rate projections. This section

- should include key modeling requirements and anticipated revenue from utility rates and development fees, and any key issues/risks that should be considered now or in the future.
- v. Billing impacts and benchmarking to the recommended rate structure, including a comparison for a variety of current vs. future billing categories/classifications. Provide point-in-time comparisons to other peer communities over a 1-year, 5-year, and 10-year interval with assumed annual increases applied.
  - b. Provide digital copies (Microsoft Word or PDF) of all agendas and meeting minutes for regular project status update and Citizen Focus Group meetings. Meeting information shall include a list of attendees.
  - c. Provide a rate modeling program for the stormwater utility in a Microsoft Excel format, which can be utilized and updated by City Utility Billing staff in future years.
  - d. Provide summary report of the Citizen Focus Group meetings and discussions, to be included as an attachment/appendix to the above-noted utility rate study report/technical memorandum.
    - i. This should include key talking points, feedback from Focus Group members, noted areas of consensus or disagreement, and any key findings, analyses, and recommendations.
  - e. Provide public communications/engagement materials to inform existing rate payers of the proposed changes, anticipated to begin in 2025.
  - f. Based on the recommended rate option as identified in the utility rate study/technical memorandum, provide a cost estimate to provide ongoing assistance to the City in implementing a new stormwater rate structure in 2026 in the City's Utility Billing software.
    - i. Cost estimate should be anticipated to include both on-site and remote assistance.
    - ii. Cost estimate should also be anticipated to include some form of ongoing public outreach/notification/messaging regarding rate implementation.

## **2. Project Management**

### **2.1. Project Coordination and Administration**

- 2.1.1.** Project management includes work necessary for communicating and completing the project tasks on time and within budget. The Contractor may not reassign the project manager or their primary duties without the written consent of the City's project manager. The Contractor's staff must have the training and expertise necessary for the work tasks to which they are assigned.
- 2.1.2.** Meeting agendas should be provided at least two (2) business days ahead of scheduled project management check-in meetings. Meeting agendas and supplemental material for Citizen Focus Group meetings shall be provided at least one week prior to the scheduled Focus Group meeting.
- 2.1.3.** Meeting minutes/summaries must be submitted no later than three (3) business days after each meeting.

**2.1.4.** The Contractor will:

- a. Prepare a schedule to be used to track the progress of the updates and ensure the project goals are achieved.
- b. Prepare invoices accompanied by:
  - i. Progress report form (**Exhibit B**).
  - ii. Supporting data for direct expenses.
- c. Manage, coordinate, direct, and monitor subcontractor services, including reviewing progress reports, deliverables, schedule, and invoices.
- d. Update the City's project manager on the status of the project schedule, budget, and general status/progress at the weekly progress meetings.
- e. Store all deliverables in an organized electronic document management system and make deliverables available to the City's project manager as needed whether the file is incomplete, in draft form, or the final deliverable.
- f. Track issues and action items that develop during the project that either need resolution or implementation. The Contractor will review project issues and action items with the City's project manager at the weekly progress meetings.

**2.2. Project Meetings**

**2.2.1. Initial Meeting**

The Contractor will schedule and facilitate a project kickoff meeting to confirm the basic project objectives, solidify a work plan, and obtain consensus on the project requirements. The kickoff meeting will be held in-person at City Hall.

**2.2.2. Project Management Team (PMT) Meetings**

- a. The Contractor will facilitate monthly PMT meetings with the City's project manager and other personnel as identified by the City's project manager and other City staff. The PMT meetings are intended to provide a management-level view of project development. The Contractor should assume up to 10 PMT meetings over the duration of the Project. PMT meetings can be in-person, hybrid, or virtually (Microsoft Teams).
- b. One PMT meeting will be used to address the establishment of a Citizen Focus Group and to determine a schedule for Focus Group meetings, meeting discussion topics, and recommended supplemental information.
- c. Two PMT meetings will be used to review the progress of work and/or the draft utility rate study report and/or technical memo, and review presentation material/talking points for presentation of information to the City Council.

**2.2.3. Citizen Focus Group Meetings**

- a. The Contractor will facilitate up to eight (8) Citizen Focus Group meetings. These meetings will be held in-person at City Hall, or another location within the City of Inver Grove Heights. A hybrid option may be offered but should not be relied upon as being available for the Citizen Focus Group meetings.

- b. Meetings will be approximately 2 hours in length and be held on Tuesday evenings starting on May 20, 2025, and extending through September 9, 2025. Aside from the first meeting, meetings are anticipated to be held on the 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of each month during the summer. Adjustments to this schedule will be reviewed with input from both the Contractor and by majority approval of the Citizen Focus Group.
- c. See **Section 7** for more information regarding the Citizen Focus Group and meeting requirements.

### 3. Data Collection

#### 3.1. Past Data Review

Review past stormwater utility revenue and utility billing data.

- Update any previous assumptions from the 2022 utility rate study effort, including operating expenses for 2023, 2024, and 2025 (projected).
- Update any capital projections based on the 2025-2029 Capital Improvement Plan. Include any projections for 2030 that are provided by City staff as part of the 2026-2030 CIP development.

Review past stormwater utility rate development studies and past financial memos to understand the history and reasoning for the current stormwater utility rate structure.

#### 3.2. Existing Data Review

Review existing parcel classification data and, where applicable, parcel area and impervious surface area.

Review existing stormwater revenue and budget projections for stormwater operating and stormwater capital funds.

Review existing stormwater infrastructure data and condition analysis.

Assist City Utility Billing staff in performing an audit on our existing stormwater utility billing rates. A key component of this is to identify an approximate quantity of current stormwater utility billing rates that may be mis-classified.

### 4. Identify Expenses and Revenue Requirements

#### 4.1. Operating Expense Projections

Develop projected operating expenses for the next 15 years based on current and projected staff and budgetary metrics. Where applicable, provide correlation between current stormwater infrastructure condition and needed routine maintenance to determine an appropriate annual maintenance expenditure.

#### 4.2. Capital Expense Projections

Develop projected capital investment needs for the next 15 years based on current CIP and stormwater infrastructure data and condition analysis. Provide a correlation between current stormwater infrastructure condition and needed reinvestment to determine appropriate annual capital expenditures to maintain the system.

#### 4.3. Perform Rate Revenue Target Analysis/COSA Analysis

#### **4.4. Provide Development Fee Revenue Projections**

Development fee revenue should be based on existing development fees, or those recommended by Ehlers, Inc. and provided to the City.

### **5. Rate Design**

#### **5.1. Existing Rate Structure Review**

Review advantages and disadvantages of existing rate structure

- Review performance metrics of existing rate structure.

#### **5.2. Alternative Rate Structure Options**

Identify and articulate goals for a revised rate structure, soliciting feedback from City staff as needed.

Provide a minimum of three (3) alternative rate structure options for City staff and Citizen Focus Group review and discussion.

- Compare options to peer community rate structures.
- Identify benefits/drawbacks of each option with respect to fairness, equity, ease of implementation and management, etc.
- Perform sensitivity analysis on the alternative rate structure options to understand impacts to existing rate payers of each alternative rate option.

Through review with City staff and feedback from the Citizen Focus Group, a recommended rate structure should be identified (see **Section 7**).

### **6. Rate Recommendations and Financial Model**

#### **6.1. Rate Recommendation**

Provide a recommendation for primary rate structure for consideration following review with City staff, Citizen Focus Group, and the City Council.

- Identify reasons for the rate structure selection, benefits over the existing rate structure, and means/methods it can be implemented (internal to the City).
- Identify any drawbacks/issues that may be anticipated with the recommended rate structure implementation, including options and/or recommendations for public messaging (external communication).

#### **6.2. Revenue Adequacy Review**

Provide metrics on revenue adequacy and future rate planning for the recommended rate structure.

- Note assumptions, alternative funding sources, and future rate projections.
- Identify any drawbacks/issues that may be anticipated with the recommended rate structure implementation, including options and/or recommendations for public messaging (external communication).

#### **6.3. Rate Sensitivity Analysis**

Perform a rate structure sensitivity analysis. Identify specific bill impacts compared to the existing rate structure for a broad range of billing classification types.

Perform a rate comparison review and benchmarking against peer community rates, both within Dakota County, and throughout the Twin Cities metropolitan area.

- Focus of comparison should consider the diverse land use types in Inver Grove Heights, with a preferred comparison to communities with similar dichotomy between urban (within 2040 MUSA boundary) and rural (outside 2040 MUSA boundary) properties.
- Provide point-in-time billing comparisons to other peer communities over a 1-year, 5-year, and 10-year interval with assumed annual increases applied.

#### **6.4. Financial Model**

Provide a rate modeling program for the stormwater utility in a Microsoft Excel format, which can be utilized and updated by City Utility Billing staff in future years.

- Model should be created to provide a 15-year evaluation period.
- Model should consider alternative and “stop-gap” funding options identified by City staff to bridge any shortcomings in annual rate revenue that might be required to spread out rate increases over several years.

#### **6.5. Public Outreach & Messaging**

Provide public communications/engagement materials to inform existing rate payers of the proposed changes, anticipated to begin in 2025.

- The City has resources and staff to provide mailing, website and social media updates, but may request technical assistance in developing communication material for these platforms.
- Provide a “Frequently Asked Questions” component for rate payer inquiries focused on specific changes to the rate structure, and reasoning for the adjustments. May utilize existing City “Stormwater FAQ’s” as a basis for format and material.

### **7. Citizen Focus Group**

The City intends to create a Citizen Focus Group for the purposes of reviewing and providing feedback to City staff, the City Council, and the Contractor regarding the evaluation and implementation of potential rate structures. A draft Citizen Focus Group charter document is included in **Exhibit C** for reference. The City will solicit citizen participation and select individuals who provide a reasonable cross-section of current stormwater utility rate payers. The Contractor will be tasked with managing the Citizen Focus Group, and with assistance from the City’s Authorized Representative, will lead Citizen Focus Group meetings as described below.

#### **7.1. Focus Group Coordination**

Plan, prepare, and coordinate up to eight (8) Citizen Focus Group meetings over a 3-4 month period. The Citizen Focus Group will be made up of 8-12 individuals, including up to two (2) City Council members. The first meeting should include an icebreaker activity to introduce all Focus Group members. Subsequent meeting topics and discussion points should be identified and reviewed with City staff as part of the Citizen Focus Group planning efforts.

Meetings will require a formal agenda and may include supplemental discussion items. Agendas and supplemental information should be prepared a minimum of seven (7) days prior to the meeting and will be distributed by the City's Authorized Representative to the Citizen Focus Group members.

The Contractor will be required to provide meeting minutes/summaries following each Citizen Focus Group meeting within three (3) business days of each meeting. These meeting minutes/summaries will be distributed by the City's Authorized Representative to the Citizen Focus Group members.

## **7.2. Background and Supplemental Document Preparation**

Specific talking points and meeting agenda topics are anticipated to be reviewed and discussed by the Contractor and City staff at the time the Citizen Focus Group is established. Key discussion/talking points anticipated to be reviewed with the Citizen Focus Group include:

- The existing rate structure and history behind its establishment.
- Challenges/issues with existing rate structure, including shortcomings in funding for stormwater infrastructure needs, challenges with administration of it, and if applicable, inconsistencies in its application (see audit requirements in **Section 3.2**).
- Understanding current and future City infrastructure needs as it relates to stormwater infrastructure, including life cycle costs and relationship to Pavement Management Initiative and other Capital Improvement Projects.
- Review of preventative and ongoing maintenance and capital improvement needs (likely to include photos and presentation material from City staff).
- Understanding past financing needs for stormwater, and how much of past stormwater needs have been funded through utility rates, development fees, special assessments, stormwater taxing districts, and non-utility funding sources.
- Review of other community stormwater utility rate structures and, where applicable, revenue and expenditures, compared to Inver Grove Heights.

## **7.3. Present Alternative Stormwater Rate Structure Options**

A key component of the Citizen Focus Group review is to discuss alternative stormwater rate structures, and to provide feedback on such options with respect to fairness, equity, and long-term sustainability, with the feedback helping to provide guidance to City staff and the City Council regarding a final rate structure establishment.

The Contractor should expect to present information on each of the alternative rate structures as described in **Section 5.2**. The methodology for sharing this information

may be fluid and vary but should be written/presented in “layman’s” terms for the purposes of educating Citizen Focus Group members.

A component of this task should also include presentation of alternative funding methods that may be explored to provide additional stormwater utility funding until stormwater rates can be fully established to provide self-funding of the stormwater utility needs.

**7.4. Present Public Messaging Options**

Upon settling on a recommended stormwater rate structure, information regarding public outreach/education on the revised rate structure should be presented to, and discussed with, the Citizen Focus Group. The goal of this effort is to create messaging material that can be easily understood by the public, and to receive feedback from the Focus Group regarding the tone and simplicity of the messaging.

**7.5. Summary Report**

Provide summary report of the Citizen Focus Group meetings and discussions, to be included as an attachment/appendix to the above-noted utility rate study report/technical memorandum.

- Include key talking points, feedback from the Citizen Focus Group members, noted areas of consensus or disagreement, and any key findings, analyses, and recommendations.

**Exhibit B: Progress Report Form - City Project 2024-11 - Stormwater Utility Rate Study**

**For Invoice No.:** \_\_\_\_\_

City Contract No.: 23-27\_IGHMSA\_E\_WO\_37      Billing Period: from \_\_\_\_\_ to \_\_\_\_\_  
 City Finance ID: 2024-11

Contract Notice to Proceed Date: **February 10, 2025**  
 Contract Expiration Date: **June 30, 2026**

From: AE2S, LLC  
 Water Tower Place Business Center  
 6901 E. Fish Lake Road, Suite 184  
 Maple Grove, MN 55369

Contractor Project No.: **XXXXXXXXXXXXXXXXXX**

Notes	Description	Contract Value	Amount Billed to Date	Previous Amount Billed	Current Amount Due
	<b>Project Management</b>	XXXXXXXX			
	<b>Data Collection</b>	XXXXXXXX			
	<b>Identify Expenses &amp; Revenue</b>	XXXXXXXX			
	<b>Rate Design</b>	XXXXXXXX			
	<b>Rate Recommendations &amp; Financial Model</b>	XXXXXXXX			
	<b>Citizen Task Force</b>	XXXXXXXX			
	<b>Subtotal</b>	XXXXXXXX			
	<b>Total</b>				

Contractor's Project Manager \_\_\_\_\_

Date \_\_\_\_\_

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**Exhibit C: Citizen Focus Group Charter - City Project 2024-11 - Stormwater Utility Rate Study**

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**Exhibit D: Contractor Proposal - City Project 2024-11 - Stormwater Utility Rate Study**

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# Charter for the Citizen Focus Group on Stormwater Utility Rates (DRAFT)

## 1. Purpose

The Citizen Focus Group on Stormwater Utility Rates (hereafter referred to as the "Focus Group") is established to provide feedback to staff and the City Council of the City of Inver Grove Heights (hereafter referred to collectively as the "City") regarding the development, evaluation, and implementation of equitable and sustainable stormwater utility rates. The Focus Group will focus on balancing fiscal responsibility, maintenance and capital investment needs, regulatory compliance, and general community needs as it relates to the City's stormwater utility infrastructure.

## 2. Objectives

- Review the current stormwater utility rate structure and assess its fairness to property owners and effectiveness in meeting the City's stormwater management needs.
- Evaluate alternative rate structures and methodologies to ensure fairness, equity, and sustainability.
- Consider the impact of alternative stormwater utility rates on various property types (e.g., residential, commercial, industrial, etc.).
- Provide recommendations to the City for updating and/or modifying the current stormwater utility rate structure.

## 3. Membership

The Focus Group will consist of 8-12 members appointed by the City Council, representing a diverse cross-section of the community, including:

- Residential property owners
- Commercial and industrial property representatives
- Professionals with expertise in stormwater management, engineering, or finance
- At-large community members
- Up to two (2) City Council members

## 4. Roles and Responsibilities

- **Focus Group Members:** Actively participate in meetings, review provided materials and contribute to discussions and recommendations.
- **City and Consultant Staff:** Provide technical support, data, and resources necessary for informed decision-making. Guide discussions to ensure productive and inclusive dialogue. Set agendas and provide background information as needed for each meeting. Accept guidance and recommendations of discussion items from Focus Group members regarding meeting topics and content.

## 5. Meetings

The Focus Group will meet approximately eight (8) times on a bi-weekly basis starting on or after May 20, 2025, and extending through September 9, 2025. Meetings will be held on Tuesday evenings beginning at 6:00 PM, and last approximately 1.5-2 hours. Meetings will be held in-

person, although a hybrid in-person/virtual meeting format may be considered at the discretion of the Public Works Director based on meeting location and technical capabilities. Meetings will be open to the public, and agendas and minutes will be made available to the Focus Group members and the public. Adjustments to the meeting schedule will be determined by the City's Public Works Director and approved by a consensus from a simple majority of Focus Group members.

## 6. Deliverables

The Focus Group will produce the following:

1. A summary report compiled by the City's utility rate study consultant detailing key talking points, feedback from the Focus Group members, noted areas of consensus or disagreement, and any key findings, analyses, and recommendations.
2. A presentation to the City Council, to be delivered in conjunction with City staff and consultants with recommendations for modifications to the City's stormwater utility rate structure.

## 7. Timeline

The Focus Group will be established by resolution of the City Council no later than May 12, 2025, with the final summary report presented to the City Council in the fall of 2025.

## 8. Guiding Principles

- **Transparency:** Ensure that all discussions, data, and decisions are accessible and understandable to the community. Provide guidance and feedback regarding public outreach and messaging of any recommended changes to the stormwater utility rate structure.
- **Equity:** Strive to create a rate structure that is fair, equitable, and considers the diverse needs and impacts on the community.
- **Sustainability:** Prioritize long-term solutions that balance fiscal constraints with stormwater infrastructure maintenance and management needs.

## 9. Authority

The Focus Group serves as an advisory body to the City Council and does not possess decision-making authority. Recommendations provided by the Focus Group will inform the City Council's final decision on stormwater utility rates, but the Council retains the final authority to select and implement any changes to the rate structure or amounts.

## 10. Dissolution

The Focus Group will dissolve upon the acceptance of its final summary report by the City Council, but no later than December 31, 2025, unless otherwise determined by resolution of the City Council.



## Request for Council Action

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**SUBJECT: 2025-26 Board and Liaison Appointments for Councilmembers & Staff**

**MEETING DATE:** January 13, 2025  
**ITEM TYPE:** Discussion Items  
**CONTACT:** Kris Wilson, City Administrator, 651.450.2511

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### **ACTION REQUESTED**

The Council is asked to discuss and provide direction regarding Board and liaison appointments for 2025 and 2026. Staff will then prepare the necessary resolutions making the appointments for adoption on the Consent Agenda at the Council's January 27 regular meeting.

### **BACKGROUND**

Historically, each year in January, the Council appoints individual members, and some staff, to serve as liaisons or Board members to various groups and organizations that the City belongs to. Because it can take some time to get up to speed on the issues that come before these bodies, it is often helpful to have the same liaison appointed for at least two years in a row. Therefore, staff is recommending that this year appointments be made for a two-year timeframe, rather than just one. Additionally, two of the groups that the City previously appointed folks to have disbanded or merged with other organizations – including the Dakota Broadband Board and the IGH Yellow Ribbon Committee – leaving just five bodies to which appointments need to be made. Please note that one of those (the Northern Dakota County Cable Communications Commission or NDC4) has rotating two-year terms amongst its 7 member cities and both IGH terms run through the end of 2025, therefore no appointments are needed at this time.

The following is a summary of the most recent appointments to these roles and staff's notes regarding any known changes or offers of interest.

#### **Dakota 911 Board of Directors**

*(Meets 4 times per year on a Thursday morning. The dates for 2025 are Feb. 20, May 15, Sept. 18 and Nov. 20.)*

Current Board Member: Councilmember John Murphy  
Alternate: *Vacant*

**NOTES:** Councilmember Scales has expressed an interest in serving in this role for 2025-26. Councilmember Murphy had previously stated that he does not wish to be reappointed. That still leaves the City with a need to name an alternate.

#### **IGH Fire Relief Association Board of Directors**

Elected Official: Councilmember Sue Gliva  
Finance Director Amy Hove  
Fire Chief Judy Thill

*NOTES:* Finance Director Hove and Fire Chief Thill are recommended for reappointment. Staff does not know whether Councilmember Gliva wishes to continue or if there are any others interested in serving on this Board.

### **Municipal Legislative Commission Board of Directors**

*From the MLC Bylaws:* The governing body of the Commission is its Board of Directors. Each Member is entitled to appoint two (2) Directors. The Council of each Member shall appoint its two Directors, one of whom shall be the Member's City Manager or Administrator (the Member's "appointed Director") and the other of whom shall be the Mayor or another elected official from the Council of the Member (the Member's "elected Director").

Elected Director: Mayor Brenda Dietrich / Alternate: Councilmember Sue Gliva  
Appointed Director: City Administrator Kris Wilson

*NOTES:* Mayor Dietrich has expressed an interest in continuing on this Board. Councilmember T'Kach has also expressed an interest in being appointed as the representative to this Board.

### **River Heights Chamber of Commerce Local Issues**

Liaison: Councilmember Sue Gliva  
Alternate: Councilmember Tony Scales

*NOTES:* Councilmember Scales has expressed interest in continuing to serve as a liaison to the Chamber in this manner.

### **Northern Dakota County Cable Commission**

(2 yr. terms ending Dec. 31, 2025 – **no appointments required at this time**)

Elected Official Board Member: Councilmember Mary T'Kach  
Citizen Board Member: Regina Barr

### **Additional Appointment**

Local Government Information Systems (LOGIS) is a Joint Powers, intergovernmental consortium of Minnesota local government units. The mission of LOGIS is to "facilitate leading-edge, effective and adaptable public sector technology solutions through the sharing of ideas, risks and resources in a member-driven consortium."

As a member of the LOGIS consortium, and a user of several of their software and IT service offerings, the City is asked to have a Board member and an alternate appointed to the LOGIS Board by the City Council. Both positions are traditionally filled by staff. Currently, IGH's Board member is Police Chief Melissa Chiodo and the alternate is Commander Josh Otis. This appears to be a carryover from a time when the Police Department was the primary department within the City that utilized LOGIS's software and services. However, the City's use of LOGIS services has expanded and diversified in recent years to include multiple departments, as well as some components of the City's overall IT "backbone". Therefore, I am recommending that the City's Technology Manager be appointed as IGH's Board member and that the City Administrator be named the alternate to ensure we have a voting member should the Board member be unable to attend a meeting. Both the Technology Manager and the City Administrator have previous experience serving on the LOGIS Board at other points in their professional careers.

### **FISCAL IMPACT**

None.

**RECOMMENDATION**

Staff recommends that the Council support the recommended staff appointments and provide direction as to the elected official to be appointed to each of the various roles.

**ATTACHMENTS**

None



## Request for Council Action

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**SUBJECT:**        **Discussion of 2025 Legislative Positions & Priorities**

**MEETING DATE:**    January 13, 2025

**ITEM TYPE:**        Discussion Items

**CONTACT:**         Kris Wilson, City Administrator, 651.450.2511

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### **ACTION REQUESTED**

The Council is asked to discuss and provide direction regarding legislative positions and priorities for the 2025 Minnesota Legislative Session.

### **BACKGROUND**

The Minnesota Legislature is scheduled to convene for the 2025 session on January 14, 2025. The Legislature is required to develop and adopt a two-year budget for the State of Minnesota, and may also take up a capital bonding bill and a variety of policy legislation, much of which was left undone at the end of the 2024 session. However, it is currently difficult to predict what the focus or outcome of this year's legislative session might be, given differences of opinion over several vacant and/or contested seats in the legislature and an extremely close number of Republicans and Democrats in both the House and Senate.

To guide the official efforts of City staff and the work of the City's lobbyist, and to position the City to respond to whatever might develop over the course of the legislative session, the Council has traditionally adopted a written document outlining the City's legislative positions and priorities. A draft document for 2025 is attached for the Council's consideration and discussion.

One specific item the City has previously been asked to consider adding to its legislative positions and priorities is support for an effort by the Minnesota Association of Community Telecommunications Administrators (MACTA) to modernize funding for local access channels. This is an issue that former NDC4 Cable Commission / Town Square Television Executive Director Jodie Miller mentioned to the Council when asking for the City to consider an amended revenue sharing arrangement for current funding sources, which have been declining overall for several years. MACTA's one-page description of the issue and proposed legislative solution(s), is attached, along with a resolution of support adopted by the NDC4 Board last year.

### **FISCAL IMPACT**

### **RECOMMENDATION**

### **ATTACHMENTS**

1. DRAFT IGH 2025 Legislative Positions & Priorities
2. MACTA\_one-pager\_2024
3. NDC4 Resolution Supporting Legislation to Modernize PEG Funding 2-7-2024





## 2025 Legislative Priorities & Positions

### **Local Control**

Local government entities are closest to their constituents and most knowledgeable about their communities' needs and opportunities. Therefore, locally elected officials are in the best position to make decisions about city operations, finances, and regulations.

The City of Inver Grove Heights calls on the Minnesota Legislature to:

- A. Preserve local government authority for land use decisions, zoning, and regulatory controls.
- B. Support city authority to protect existing taxpayers and recover costs associated with development activity.
- C. Oppose fiscal limitations such as levy limits, fund balance restrictions, reverse referenda on the decisions of local government officials, or other limitations to the local government budget and taxation process.

### **State Bonding**

The City of Inver Grove Heights seeks state funding support, through bonding or other available resources, for the following project:

#### **Heritage Village Park: Phase 6**

The City seeks to complete the decades in the making development of Heritage Village Park with \$2,000,000 to predesign, design, construct, furnish, and equip capital improvements to Heritage Village Park, including an amphitheater, picnic shelter or shelters, a second restroom building, a parking lot expansion, nature play area, educational and interpretive nodes, a lawn game area, and heritage panels. Located on what was once blighted industrial land near the Mississippi River, the park is intended to serve as both a local and regional gathering place and spur private reinvestment in this older area of the City.

### **Common Interests of the City Government Community**

The City of Inver Grove Heights is an active member of the League of Minnesota Cities, Municipal Legislative Commission and Metro Cities and supports the legislative platforms of these organizations.

# PRESERVING QUALITY LOCAL COMMUNITY TELEVISION THROUGH SUSTAINABLE STATEWIDE FUNDING

## COMMUNITY TELEVISION IS A VALUABLE CITY SERVICE THAT IS CRITICAL TO INFORMING AND ENGAGING RESIDENTS ACROSS THE STATE

Community television programming keeps community members **connected and entertained**, from high school sports and city council meetings to newscasts and local events, **through public, education and government (PEG)** programming.

### **Benefits:**



**Covering news** - We report the hyperlocal stories of our communities, a public service not met by regional, state or national media.



**Engaging residents** - We provide neutral, unbiased coverage of public meetings, city services, and local elections - strengthening democracy with accessible, transparent and accountable coverage.



**Enriching lives** - We spotlight high school sports, parades, local concerts, and community events for viewers near and far, connecting them to the hometown action.

## ABOUT THE MINNESOTA ASSOCIATION OF COMMUNITY TELECOMMUNICATIONS ADMINISTRATORS

The Minnesota Association of Community Telecommunications Administrators (MACTA) is a statewide organization of communications professionals who **ensure the public has reliable access to information** about the communities in which they live, work, and play.

MACTA members **support television and streaming services that deliver local community programming to area residents**. MACTA's mission is to promote quality, hyperlocal community television programming and modernize its funding source for future sustainability.

## HOW IS COMMUNITY TELEVISION PROGRAMMING FUNDED?



Primarily through a cable franchise fee negotiated by cities with cable television providers as part of the contractual use of the public right-of-way



In some cases, through an additional PEG fee, which is negotiated between cities and cable television providers

## THE PROBLEM?

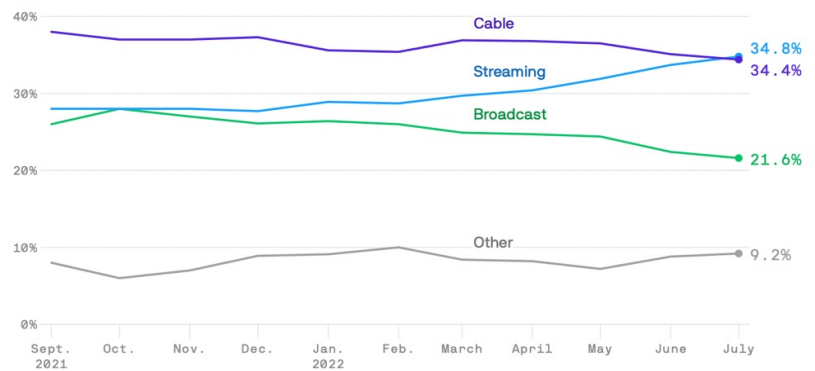
The 40-year approach of using the cable franchise fee as a community television funding stream is **no longer working**.

The video programming marketplace has changed significantly since the early 1980s when cable operators built the infrastructure needed for cable television and later, internet/broadband services.

It is this original infrastructure in the public right of way that now delivers most internet/broadband service – 72 million customers, or 69% of the market\*, in 2021.

## Share of total TV consumption, by type

For people ages 2+; Monthly, September 2021 to July 2022



Data: Nielsen; Chart: Axios Visuals

Fischer, Sara. "Streaming Surpasses Cable as Top Way to Consume TV." Axios, 18 Aug. 2022

**Subscribers are now abandoning traditional cable services and turning to broadband streaming services instead.** Referred to as cord-cutting, customers continue to use their original cable "cord" to access video via streaming, instead of the cable box. As cable subscribers drop, **so too does community television funding.**

Under current state law, many corporations that make a profit from using the public right of way or selling digital video streaming services are not required to compensate cities.

## MODERNIZING THE FUNDING SOURCE FOR COMMUNITY TELEVISION

Community television funding must be modernized to reflect marketplace changes.

- Option one: **Assess a fee on streaming services**, collected by local governments, for use by local public, education and government community television.
- Option two: In exchange for private use of the public right of way by broadband providers, **establish a broadband franchise requirement to generate compensation** for local government to use for funding local public, education and government community television.

## PROTECT HYPERLOCAL COMMUNITY TELEVISION PROGRAMMING!

Help MACTA preserve this vital connection to your local communities by modernizing the funding source beyond cable TV companies.

Let's brainstorm together the funding solutions that will keep this local and vibrant community connection thriving.



## MACTA LEGISLATIVE CHAIRS

### Karen George

QCTV/Quad Cities Cable  
Communications Commission

### Jodie Miller

Town Square Television/  
NDC4 Cable Commission

### Sam Temple

Northfield Public Broadcasting



**RESOLUTION NO. 2-07-2024**

**RESOLUTION IN SUPPORT OF STATE LEGISLATION  
TO MODERNIZE THE FUNDING STRUCTURE FOR LOCAL COMMUNITY “PEG”  
(PUBLIC / EDUCATION / GOVERNMENT) PROGRAMMING**

**WHEREAS**, the Northern Dakota County Cable Communications Commission (“NDC4”) is authorized by its seven Member Cities (Inver Grove Heights, Lilydale, Mendota, Mendota Heights, South St. Paul, Sunfish Lake and West St. Paul) to negotiate and manage the cable franchise agreements of the seven cities, to provide local government programming, and to contract with the non-profit corporation Town Square Television (“TST”) to provide local community Public Education and Government (“PEG”) access programming;

**WHEREAS**, NDC4 and TST provide essential local coverage of community events and issues, non-profits and charities, school sports and academic programs, business, chamber of commerce and tourism, school board, city, county and state government meetings, candidate information and election coverage, local history, public health and education, music, arts and other uniquely local programs that broadcast stations typically do not cover;

**WHEREAS**, in light of rapidly decreasing local print media, Town Square Television is the principal, and in some cities the only professional media source providing local video and posted online coverage;

**WHEREAS**, NDC4 and TST are funded through franchise fee and PEG fee support negotiated in the cable franchise agreements with local cable providers, which are currently limited to ONLY the revenues on traditional cable TV and NOT on streaming or internet revenues;

**WHEREAS**, NDC4 and TST are projecting an ongoing substantial loss of franchise fee and PEG fee revenues due to the marketplace trend of “cord cutting” (traditional cable TV subscribers migrating to multiple digital video service providers that are currently NOT required to support local community PEG programming);

**WHEREAS**, NDC4 and TST distribute essential local community programming on multiple platforms including cable TV, online streaming, and social media, to ensure access to all residents regardless of their income level or choice of technology; and

**WHEREAS**, “MACTA” (Minnesota Association of Community Telecommunications Administrators) and the “LMC” (League of Minnesota Cities) support legislation to *Modernize the Funding Structure for Local Community PEG Programming*.

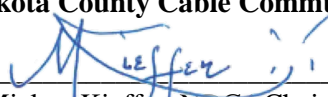
**NOW, THEREFORE, BE IT RESOLVED** that the NDC4 Cable Commission calls on the Minnesota Legislature to pass legislation in the 2024 Legislative Session to *Modernize the Funding Structure for Local Community PEG Programming* to provide an increase in financial support available to PEG programming for local communities; and

**BE IT FURTHER RESOLVED** that the NDC4 Cable Commission requests its Representatives and Senators for Districts 52B, 53A, 53B, and 65B to co-sponsor and support the passage of such legislation.

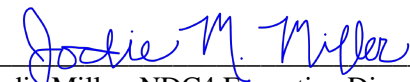
Passed and adopted this 7<sup>th</sup> day of February, 2024.

**Northern Dakota County Cable Communications Commission**

By:

  
\_\_\_\_\_  
Mickey Kieffer, NDC4 Chair

ATTEST:

  
\_\_\_\_\_  
Jodie Miller, NDC4 Executive Director