INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION
MONDAY, FEBRUARY 2, 2026, 6:00 P.M. – 8150 BARBARA AVENUE

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, February 2, 2026, in person. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Dietrich; Council Members: Gliva, Murphy, Scales, and T'Kach.
Staff In Attendance: Interim City Administrator Hiniker, Interim City Administrator Hiniker, Public Works Director Connolly, Finance Director Hove, Community Development Director Ziemer, Fire Chief Thill, City Attorney Nason, and Deputy City Clerk Malott

3. APPROVAL OF AGENDA:

Motion to approve agenda by Scales, second by T'Kach.
Ayes: 5
Nays: 0 Motion carried.

4. DISCUSSION ITEMS:

A. City Administrator Position Update

Dave Unmacht provided an overview of his recent work with the City, which included assisting with the City Administrator process, evaluating search proposals, and leading the position profile analysis. He noted that the position profile is a critical component of the recruitment process, as it synthesizes key information about the City, highlights major projects, and outlines qualities and attributes of the role that are not easily found through standard research. The profile will be used to support recruitment and marketing efforts, with no immediate action required by Council at this stage.

Information for the profile was gathered through interviews with the Mayor, Council Members, department heads, and administrative managers. Common themes were identified by analyzing consistent feedback across all interviews, with the intent to reflect shared priorities rather than individual perspectives. Council feedback on these themes and the associated wording will be important prior to finalizing the position profile.

The following 11 qualities and characteristics were identified, presented in no particular order:

1. Works effectively with the City Council, building trust and respecting roles
2. Builds, develops, and leads a dynamic organization
3. Professional and self-confident
4. Ethical and authentic leader with integrity
5. Organizational development and culture leader
6. Thoughtful, responsible, and decisive decision maker
7. Strategic thinker who understands visioning and planning
8. Experience leading a growing and developing City
9. Strong conflict resolution and negotiation skills
10. Collaborator who builds trust and external relationships in the community

11. Understands the importance of timely and effective communication

Major projects and priorities were also outlined as important for the incoming administrator. The Minnesota Hockey Hall of Fame project and the Central Maintenance Facility project were consistently identified as top priorities. Additional key focus areas include:

1. Vision and strategic planning
2. Compensation classification study
3. Future comprehensive plan update
4. Internal City policies and recodification of City code
5. Staffing capacity assessment, including strengths and areas of need
6. Federally mandated accessibility requirements
7. Development of a cohesive identity, brand, and communication strategy

These priorities are not intended to serve as a task list, but rather as areas the new administrator should become familiar with early in their tenure.

The next steps, including the transition of materials and information, are already underway. The final language and format of the position profile will be prepared by DDA at the direction of the Council.

Council Member Murphy asked where leadership development fits within the 11 themes, noting it was not clearly identified.

Dave Unmacht stated that leadership development falls under organizational development and culture leadership, including strengthening the organization, supporting professional development, building leadership capacity, and advancing strategic human resource initiatives.

Council Member T'Kach asked whether the theme of working effectively with the Council, building trust, and respecting roles should also directly include the community, noting its connection to the collaborator theme and emphasizing the importance of building community trust to support Council priorities.

Dave Unmacht explained that trust is reflected across three key areas: the relationship with the City Council as the foundation for success, trust built internally with staff, and trust within the community through collaboration and external relationships.

Council Member T'Kach emphasized the importance of relationships with the broader community, noting that beyond organized groups, everyday residents play a key role, and strong collaboration between staff and the community is essential.

Ms. Donabauer of DDA Human Resources, Inc. introduced herself and shared that she has been with DDA for over 8 years, with experience across City, County, and Private Sectors. Her background includes serving as a City Administrator, working in a City Clerk's office, and supporting a County Commissioner's office, along with leading over 70 executive searches, providing a strong understanding of both community and organizational needs.

The position profile was noted as well developed and aligned with expectations, with confirmation that it will return to the Council for further review to ensure it accurately reflects the community. Additional outreach with staff will be conducted to gather more context and incorporate further detail, particularly related to key projects.

The recruitment process will follow the proposed timeline, with weekly updates provided and ongoing availability for questions to ensure the Council remains informed and engaged throughout the process.

Mayor Dietrich asked about the next steps in the process.

Ms. Donabauer explained that she will continue coordinating with staff to gather additional context and assemble materials for the position profile, including reviewing the job description and salary information. Updated materials will be included in the Council packet for the February 23 meeting, where a draft profile will be presented for Council review and edits. Following that meeting, recruitment will begin immediately, with a 1-month advertising period. Ongoing updates will be provided throughout the screening process, including Council involvement in reviewing semifinalist candidates.

B. Central Maintenance Facility – Detailed Design Update

Public Works Director Connolly stated that Wold Architects and Engineers will present a detailed design update, including site and building plans, material finishes, sketches, and elevation drawings. Kraus Anderson will provide an overview of the project budget and contract schedule options. Amy Hove will review funding options, including prior discussions, updated information, and bonding strategies, with the discussion focused on Council feedback and determining next steps.

Mr. Jonathan Loose explained that the goals and objectives for the facility are guided by key principles, including balancing a functional and utilitarian design while maintaining visibility from major roadways and the broader City campus. Construction phasing is planned to allow continued Public Works operations throughout the project, with a strong emphasis on accessibility and safety, particularly within mechanical spaces. The design supports collaboration across departments while maintaining operational independence and includes modern interior workspaces with appropriate staff amenities. Site configurations are planned to accommodate current and future vehicle and equipment movement, address existing grade challenges, and consider potential future police needs such as training, a gun range, parking security, and site planning. Sustainable strategies will be incorporated in a cost-effective manner to provide long term benefits to the City.

Design development includes detailed site and floor plans. The site plan retains the existing facility for cold storage and positions the new central maintenance facility on a raised portion of the site with a retaining wall between the two. Parking for staff and the public is located to the north, while closing a portion of Babcock on the west side improves internal vehicle circulation and safety, particularly around the maintenance bays. Material storage, including bins and a salt shed, is located to the southwest, with access routes connecting the site to existing parking and storage areas on the east side.

Vehicle movement is designed to allow multiple access points, enabling traffic to circulate efficiently through and around the site with direct connections to surrounding roads. The design also addresses site challenges, including grading and elevation changes, by balancing soil movement and minimizing the use of retaining walls to control costs while maintaining functionality and safe operations.

The facility layout includes tempered vehicle storage on the east side, maintenance workshops and division specific spaces on the west side, and office space located in the northwest corner. Mezzanine areas are incorporated within the high bay spaces to provide additional storage and accommodate mechanical systems, offering a cost-effective solution without increasing the overall building footprint.

The office area includes a public entrance on the east side with access to conference rooms and a large training room, along with staff offices for supervisors positioned along the exterior. Interior workstations are designed for more flexible use by lead staff. Additional spaces include a lunchroom, as well as locker rooms and restrooms located near the transition between office and operational areas. Locker facilities are designed with individual changing and shower spaces to provide flexibility and support a more efficient and adaptable layout.

The maintenance area includes a range of vehicle bays, with smaller bays on the north side for pickup trucks, cars, and smaller equipment. Division specific spaces on the east side include muster rooms, workshops, and transition areas where staff gather before and after shifts. Additional utility storage is located to the north, while the south side includes a fabrication area and parts room to support mechanical operations.

Larger vehicle maintenance bays are located on the south side to accommodate plow trucks and other heavy equipment. Drive through bays on the east side allow vehicles to move efficiently between maintenance and storage areas without requiring additional maneuvering. The layout also includes a sign shop, paint room, and a drive through wash bay that connects directly to vehicle storage, improving efficiency and preventing freezing in colder conditions.

Council Member Murphy asked if the design includes four large vehicle bays.

Mr. Loose confirmed that the four large bays are included, noting that they appear different due to the use of varying lift types, such as drive on and rotary lifts, which are reflected in the graphics based on the specific equipment planned for those spaces.

Mr. Loose explained that the vehicle storage layout includes a combination of straight parking along the east and west sides and angled double spaces through the center, allowing vehicles with attached trailers to park without blocking drive aisles. This design improves operational efficiency by reducing the need to disconnect and reconnect trailers and reflects both current fleet vehicles and anticipated future equipment.

Mayor Dietrich asked whether there is adequate space for toolboxes within the central areas.

Mr. Loose stated that sufficient space is provided for tool storage, particularly within designated maintenance areas along the east side, where expanded walkways allow for improved organization, circulation, and safety compared to current conditions.

Council Member T'Kach asked where large seasonal equipment would be stored.

Mr. Loose explained that pallet racking will be installed along the exterior wall to accommodate seasonal equipment, supplemented by continued use of the existing building for additional storage, ensuring efficient access while maintaining clear space for vehicle movement.

The design emphasizes integrating the facility with the existing City campus by using materials and a color palette that complement nearby buildings while remaining appropriate for a public works function. Durable and cost-effective materials such as precast concrete and metal panels are used, along with translucent panels and glass to introduce natural daylight into workspaces and improve the overall environment.

Exterior and interior elements are designed to balance functionality with a cohesive and modern appearance. The layout supports clear separation between public access and operational areas while enhancing usability, circulation, and visibility. Interior spaces incorporate improved lighting, acoustics, and durable finishes to support daily operations and staff needs.

The facility also prioritizes staff functionality and comfort, including expanded gathering areas such as a larger break room, dedicated division workspaces, and flexible meeting and training areas. These spaces are designed to support collaboration, improve efficiency, and accommodate the full staff, addressing limitations of the existing facility while providing a more adaptable and practical work environment.

Council Member Scales questioned the exterior office design and asked whether the project could be phased, suggesting use of the existing building for storage.

Mr. Loose noted that phasing is possible but less cost effective with precast construction and would require further analysis, adding that maintenance spaces are more difficult to expand later than storage areas.

Council Member T'Kach asked about the placement of shared spaces and whether staff usage patterns and sunlight were considered.

Mr. Loose explained that site constraints and the need for accessible entry drove the layout, with sun exposure addressed through design elements such as window treatments.

Council Member T'Kach asked how "public" access to the training room is defined.

Mr. Loose clarified that it refers to external users such as other agencies, with potential for broader use in the future.

Connolly stated the training room is intended for Public Works operations and training, not public meetings, and is located near the entrance to maintain security while allowing access.

Council Member Gliva asked about the size of the training room, which was noted to be comparable to the example shown.

Council Member T'Kach asked whether muster rooms are dedicated or flexible.

Mr. Loose stated the spaces are designed to be flexible, supporting divisions while improving efficiency and reducing overall space needs.

Mr. Ken Francois of Kraus Anderson reported that project costs have continued to be refined, with totals decreasing from $53.45 million at predesign to $48.93 million at schematic design and $48.45 million at design development, driven by reductions in square footage and both construction and soft costs. Since last fall, construction costs have remained stable, with only a slight decrease as the building size and layout continue to be refined to meet operational needs.

The $48.45 million estimate reflects current dollars and includes construction and design contingencies as well as soft costs such as furniture, equipment, design fees, permits, and testing. While costs are stable today, inflation must be considered moving forward, with construction inflation projected at approximately 4% annually and applied to the midpoint of construction.

Based on these projections, total project costs are estimated at approximately $52.40 million by 2027, which is being used for funding discussions, and could increase to $61.31 million by 2031 if the project is delayed.

Mayor Dietrich asked what the bidding environment looked like in 2025.

Mr. Francois stated that recent projects have seen strong bidding activity, including a $45 million Woodbury Public Safety Building project that received over 180 bids and came in approximately 10% under budget, and a $10 million Park Grove Library project that received 162 bids and came in about 5% under budget, indicating a highly competitive market with strong contractor participation.

Council Member T'Kach asked whether bids are typically solid or if projects experience a high number of change orders.

Mr. Francois explained that while efforts are made to thoroughly vet bids and minimize change orders, outcomes vary by project. Some bidders may be eliminated during review to ensure proper scope and pricing, and while the goal is to limit changes during construction, change orders can still occur. He also noted that current favorable bidding conditions and inflation assumptions may change over time.

Council Member Murphy asked for clarification on the 4% inflation rate.

Mr. Francois stated that historical construction inflation has ranged from 3% to 5%, with 4% selected as a midpoint estimate.

Planning for the new Central Maintenance Facility will take place from February through March 2026, including Planning Applications, Planning Commission review, and Platting Approvals. Construction documents are scheduled to be completed between February and May 2026, a 3-to-4-month period, with consideration given to anticipated Minnesota Building Code changes in 2026. Bidding and contract award are expected to occur in Summer 2026 and will take approximately 1 month, assuming a single bid package for all phases. Construction mobilization is planned for Fall 2026; however, if bidding extends beyond July 2026, mobilization will shift to Spring 2027.

Connolly stated that the project must go through the City's planning process, like a private development, including review by the Planning Commission and a public hearing. Coordination with planning staff is already underway to ensure the current plans align with all requirements before moving forward.

The process will include Planning Commission review and recommendation before returning to the Council for final consideration. However, because the City is both the applicant and decision maker, there is flexibility in timing and the ability to extend the process as needed, unlike typical statutory timelines required for private developments.

It was recommended that final Council approvals not occur until the project is ready to proceed, to avoid unnecessary costs or the need to repeat the process if timelines change. Early Planning Commission engagement remains important to confirm compliance, while maintaining flexibility to adapt if conditions, plans, or regulations change.

The project timeline extends from 2025 through 2028 and follows a phased sequence beginning with schematic design from June through October 2025, followed by design development from October 2025 through January 2026. Construction documents will be completed between February and May 2026, with bidding and contract award occurring from June through July 2026. Material procurement is scheduled from July through September 2026, followed by construction of the new building from September 2026 through December 2027. Construction of the existing building will then take place from January through April 2028.

The risk review identifies several factors that may impact the project. Inflation is expected to increase costs by approximately $2.2M annually. Building codes, which are updated every six years, are anticipated to change in 2026, while energy codes, updated every three years, are expected to change in 2027. If the project is delayed, some level of redesign should be assumed to accommodate these updates, with potential cost impacts that are currently unknown but could be significant, particularly related to energy code updates. Seasonal construction conditions, especially during winter, may also affect scheduling and bid outcomes, making the timing of construction mobilization an important consideration in the event of any project delays. The current bidding environment is favorable, with strong contractor interest and competitive pricing; however, future conditions remain uncertain and could shift due to market changes or global impacts. Additionally, amendments to the professional services agreements may be necessary depending on the duration of any delay, significant scope modifications, redesign efforts, and increases in construction costs, including inflationary impacts on labor and materials consistent with industry trends in professional services.

Council Member T'Kach asked about potential future building code changes and whether it would be beneficial to design beyond current minimum standards, given the long-term lifespan of the facility and the opportunity to evaluate cost versus long term value.

Mr. Francois explained that while code changes are anticipated, requirements must be met as they evolve, and designing significantly beyond current standards can increase costs without clear benefit. In some areas, such as energy efficiency, designs often already exceed minimum code, but other changes may impact materials or structural requirements without necessarily improving performance. Ongoing design efforts consider potential changes while maintaining alignment with the established budget.

Council Member T'Kach emphasized the importance of avoiding future costs by ensuring the building remains functional over its lifespan.

Connolly noted that future code changes are uncertain and not yet defined, and that projects are typically designed to current standards with awareness of potential updates. Timing allows for progression under current codes, with typical transition periods providing flexibility, and the potential for changes remains a known risk.

Council Member Gliva asked about the cost of site work, including grading and retaining walls.

Mr. Francois stated that total site costs are approximately $6.5 million, including earthwork, utilities, paving, and related infrastructure. He noted that significant improvements in site design have reduced earthwork from approximately 120,000 cubic yards to about 61,000 cubic yards, contributing to overall cost savings.

Mr. Loose added that while the project includes substantial site work, the ratio of site costs to building costs is consistent with similar projects.

Connolly reported that the retaining wall design has been scaled back from previous plans and the volume of dirt and soil requiring removal and disposal will be reduced also.

Finance Director Hove provided an overview of funding discussions held throughout 2025, noting that a draft report outlining potential bond scenarios was presented to the Council on February 24, followed by a May 5 review from the City's financial advisor, Ehlers, on the process for issuing General Obligation CIP Bonds. A public hearing was held on July 28 on the project and proposed bonds, after which the City received a valid petition with more than 2,000 signatures requiring a voter referendum. On October 6, the Council reviewed the process and timing for proceeding with GO CIP Bonds, including petition and reverse referendum considerations, and discussed the potential use of a Citywide Sales Tax. Lease Revenue Bonds were identified as the only viable option to finance the project if the intent is to move forward in 2026.

Costs to date have been funded through Fund 437, the Central Maintenance Facility Fund. A total of $3.8 million from the Host Community Fund between 2021 and 2023 has supported initial land acquisition, farm building demolition, the CMF needs analysis, and final design. To date, $1,908,000 has been spent, including $730,000 for land and farm demolition, $177,000 for the needs analysis study and report, and $1,001,000 for final design. An additional $1,344,000 is under contract, including $1,144,000 for construction documents and $190,000 for procurement and bidding, bringing the total committed amount to $3,252,000.

Council Member Scales asked whether being under contract for construction documents means the City is fully committed to proceeding.

Connolly explained that the City is under contract with Wold and Kraus Anderson through the bidding phase, which generally reflects a commitment, but options remain depending on Council direction. These could include pausing or terminating the contracts, though there may be associated costs if delays or changes are requested. The City is not obligated to incur costs for phases that do not proceed, but decisions will depend on timing and Council direction.

Mayor Dietrich asked if the farm demolition site was previously used for fire department training.

Connolly confirmed that training did occur at the site prior to demolition.

Previous funding discussions related to CIP Bonds included the potential issuance of GO bonds for $58,000,000, as identified in the Bond CIP, compared to an original estimate of $50,850,000 and a mid-range estimate of $56,220,000. The bonds were structured as 20-year bonds to be issued in two increments in 2026 and 2027. The total estimated impact to a median valued residential property was projected to range from $252 to $287 annually, depending on the total amount of bonds issued, with the increase spread over the two-year issuance period. By comparison, the City's 2026 tax levy increase of 5.74% resulted in an approximate $90 increase in property taxes for a median valued property.

Council Member T'Kach asked whether the estimated $252 to $287 annual cost would be spread over 20 years and how it would be structured if issued in two bond phases.

Hove explained that if the bonding is split, the first year would include approximately half the amount, with the full annual debt payment reached in the following year. The approach is intended to level out the bonding rather than issuing significantly different amounts in separate years.

Council Member T'Kach asked if the full amount would remain consistent after the initial years and whether inflation would impact the payment.

Hove confirmed that once the debt is issued, the payment is fixed, like a mortgage, and does not increase due to inflation.

Council Member T'Kach asked how the debt levy would interact with future levy increases.

Hove explained that the debt levy would increase when the bonds are issued and then remain stable at that level until debt is paid down. Existing debt levels have remained flat for several years, and while this would increase the levy, it would stabilize until older debt begins to roll off in future years.

Mayor Dietrich asked how the City's 2026 tax levy compares to other Dakota County cities.

Hove stated that the City had the lowest levy increase in Dakota County for 2026 and noted that other cities undertaking similar facility projects have experienced levy increases ranging from approximately 10% to 16%, which informed the strategy to phase bonding and minimize impacts.

Council Member Murphy asked what interest rate was assumed for the bonds.

Hove indicated an assumed rate of approximately 5% to 5.2%.

A financial review of potential internal funding sources includes several identified sources. The Host Community Fund includes $4,000,000, along with $2,416,124 in redistributed TIF funds, both of which are also being considered for HHOF. The Central Equipment Fund provides $2,500,000, with excess fund balance potentially available as an interfund loan for HHOF land acquisition. The Closed Bond Fund includes $44,000 and is planned to be spent down and closed. The Risk Management Fund, at $500,000, and the Technology Fund, at $250,000, are both intended for spend down of fund balance. The City Properties Fund includes $340,200 and is also being considered for HHOF. The Water Capital Fund includes $1,000,000 that could be allocated to the project. Park Acquisition and Development funds, including $1,400,000 in ARPA funds, are currently designated for a new NWA park investment. The CMF Fund Balance (Fund 437) includes $540,000 in unencumbered funding.

Council Member Scales asked for clarification that the amounts shown are not the total funds available, but rather what could be allocated.

Hove confirmed that the figures represent amounts that could be utilized and do not reflect drawing the funds down to zero.

Council Member Gliva asked about the total amount available outside of the funds not already in consideration for another project.

Hove answered with an estimate of about $5,000,000.

Council Member Murphy expressed concern regarding the inclusion of $1.4 million that has been discussed for many years, noting disappointment that commitments to children and families have not yet been fulfilled.

Council Member T'Kach noted that approximately $5 million could potentially be applied toward the project but questioned how that aligns with broader priorities for the Host Community Fund, including other community needs such as public safety facilities, stormwater, and pavement management, and indicated that those priorities have not yet been fully discussed by the Council.

Hove explained that staff provides an annual long-range plan for the Host Community Fund, which has supported areas such as sewer, stormwater, and community center needs. Use of these funds reduces future availability, as once spent they are no longer available beyond ongoing annual revenues. The intent of presenting these options is to provide flexibility in funding approaches, including reducing the debt levy impact, while allowing the Council to determine priorities and direction.

Hove presented an example scenario to reduce the amount of bond issuance by lowering the total from $58M to $40.6M, based on an estimated net project cost of $52.4M in 2027, less $1.2M already expended on design development (Fund 437), and the use of $10.6M from internal funding sources. The bonds would be structured as 20-year bonds issued in two increments in 2026 and 2027, resulting in an estimated increase of approximately $183 annually for a median valued residential property, spread over the two-year issuance period. This reflects a reduction from prior estimates of $252 to $287 and can be compared to the City's 2026 tax levy increase of 5.74%, which resulted in an approximate $90 increase in property taxes for a median valued property.

Mayor Dietrich noted that the City is in a unique position this year without a strategic planning session and thanked staff for the explanation regarding the Host Community Fund. Clarification was requested regarding misinformation that the original bond issuance was $61 million and whether that figure had been considered.

Hove explained that the $61 million figure likely referred to an earlier total project cost estimate, which was reduced to a $58 million bonding amount after accounting for approximately $3 million in available project funds.

Mayor Dietrich confirmed that the $61 million estimate did not include a police component and clarified that the valid petition received included just over 2,000 signatures, not 20,000.

Council Member T'Kach expressed appreciation for efforts to reduce project scope and cost but noted that the Council has not had sufficient discussion with the community regarding priorities for the Host Community Fund, emphasizing the importance of broader community input.

Council Member Scales stated that the Host Community Fund has historically been used to reduce the tax burden on residents and cautioned against treating it as discretionary funding for non-essential projects.

Council Member T'Kach acknowledged that perspective but noted there may be opportunities to invest in additional community amenities beyond basic needs.

Council Member T'Kach asked about the impact of delaying the project, including how inflation could affect costs and property tax impacts.

Hove explained that while exact figures would require updated bond scenarios, current estimates provide a reasonable benchmark, with a potential $2 million annual increase still falling within the previously discussed range of impacts.

Council Member Gliva asked about the cost comparison between Lease Revenue Bonds and GO Bonds.

Hove noted that while Lease Revenue Bonds may carry slightly higher interest rates, the required levy structure results in a relatively neutral impact compared to GO Bonds.

Further discussion clarified that GO Bonds require a 105% levy to account for potential tax delinquency, while Lease Revenue Bonds allow for more flexibility, with any excess funds contributing to bond reserves.

Connolly added that final bonding amounts will align with the established project budget, including contingency, and unused contingency funds would remain available depending on the bonding structure.

Council Member Murphy asked whether the assumed interest rate reflects the City's bond rating.

Hove confirmed that the estimates assume the City's favorable AAA rating, while also noting potential variability in interest rates depending on market conditions.

Council Member T'Kach asked how the reverse referendum process factors into the overall funding approach.

Connolly stated that two current options were identified. Option 1 to move the Central Maintenance Facility project forward now would require Wold Architects and Kraus Anderson to continue with final bid documents as soon as possible. This work is already under contract and can proceed immediately, with a June 2026 deadline to release documents for bidding. The bid document compilation phase represents the most expensive portion of the design process at approximately $1.1M. Staff are requesting Council action regarding the funding mechanism, including direction to use Lease Revenue Bonds through a formal resolution. This would signal the Council's intent to utilize Lease Revenue Bonds for financing and authorize staff to proceed with bond counsel work in conjunction with final design. The Council may also consider reducing the bond amount using internal funds and can determine the final bond amount at the time of approval in Fall 2026. Further discussion may be guided by any additional information the Council wishes to review.

Option #2 involves pausing the CMF Project and presents several potential paths forward. The first option is to take no action, which would require staff direction regarding how and when to proceed. The second option is to move forward under the current GO CIP Bond Referendum, up to $58,000,000, with timing aligned to either the August primary or November general election; however, the current referendum is considered unlikely to succeed, and if it fails, the same request cannot be brought back for 180 days. The third option is to initiate a new public hearing and resolution for GO CIP Bonds after August 28, 2026, which marks one year from the original referendum petition; this approach may include the use of internal funds to reduce the bond amount but would still be subject to a reverse referendum, even at a lower amount. The fourth option is to proceed with Lease Revenue Bonds, which could also incorporate internal funds to reduce the overall bond amount and does not have a specified timeframe or funding limitations.

Option #2, which pauses the CMF Project, also requires additional direction from Council on several key items. Council guidance is needed on when to proceed with next steps, including the preparation of construction documents, with potential timing options of Fall 2026 or Winter 2027, as well as whether there are specific triggers that would prompt advancing a Council decision. Direction is also requested on whether to use internal funds to offset or reduce the overall bonding value. In addition, Council input is needed on implementing a coordinated public outreach effort, including updating the website with next steps and project schedule, identifying whether the funding approach will change between GO CIP Bonds and Lease Revenue Bonds and the rationale for that decision, and determining what information should be shared with the public and how that engagement should occur.

Council Member Murphy asked whether Option 2.4 reflects a lack of time to consider internal funds and why that approach is not included under Option 1.

Connolly clarified that Option 1 focuses on lease revenue bonds, while Option 2 allows for their use later without advancing the decision immediately.

Council Member Murphy noted that internal funds appear to be included under Option 1 and questioned the distinction.

Council Member Scales opposed using lease revenue bonds at this time, citing concerns with the reverse referendum process and uncertainty in the project cost. He emphasized the need for stronger community engagement and suggested continued outreach, including an open house and exploring phased construction options. He noted several unanswered questions remain.

Council Member Murphy stated the project is a critical need and significantly overdue, with rising costs. He supported further information on lease revenue bonds and using internal funds to reduce overall costs.

Council Member Gliva stated initial opposition to lease revenue bonds based on community feedback, noting approximately 2,000 residents expressed concerns out of 17,000 to 18,000 voters. Residents generally support the need for a new building but question the scale. Perspective has shifted toward supporting lease revenue bonds as a necessary long-term investment, with continued uncertainty on whether to proceed now or wait until July.

Council Member T'Kach asked what the purpose is of waiting until July.

Council Member Gliva indicated a preference for a defined and reasonable timeframe, suggesting a mid-year or approximately six-month period.

Council Member T'Kach stated there is general agreement on the need for a long-term community asset but raised concerns about multiple unknowns, including potential costs related to the Hockey Hall of Fame, land acquisition, a future fire station, and stormwater impacts. Concern was expressed about the number of competing priorities and unclear total financial impact. Support was noted for pausing to better align all information, consider outcomes of the legislative session, and improve community outreach by clearly communicating the value, efficiency, and safety benefits of the project.

Council Member Scales stated that rising costs alone should not drive decision making, noting that using that logic would justify purchasing everything immediately rather than evaluating timing and affordability.

Council Member Murphy emphasized the distinction between need and want, stating the maintenance facility is essential for core City services such as road maintenance, vehicle repair, and employee safety, while other projects are secondary. He noted the issue will persist if delayed.

Council Member Scales added that the reverse referendum must be addressed as part of the decision-making process.

Council Member T'Kach asked whether analysis has been done on future tax capacity growth, including potential impacts from development, and how that might reduce costs over time.

Hove stated that annual projections include modest assumed growth in tax capacity when calculating median value property impacts. She noted that no detailed modeling has been completed based on specific developments or timelines due to uncertainty, though some data exists on potential future development and fee collections without assumptions on timing.

Council Member T'Kach noted that using modest growth assumptions is appropriate and avoids overcommitting based on uncertain projections.

Mayor Dietrich acknowledged the work completed to date and noted that earlier public engagement was limited. She emphasized the need for improved communication, including consideration of a public relations effort to better explain the project and address misinformation. Support was expressed for pausing until the legislative session concludes, recognizing associated costs, while reaffirming that the project remains a long-standing need and expressing support for lease revenue bonds.

Council Member T'Kach asked whether the referendum petition signatures become invalid after August 28.

Interim City Administrator Hiniker explained that while the signatures still reflect prior input, the one-year period would lapse, allowing the City to initiate a new GO CIP bond referendum process.

Council Member T'Kach asked if a new petition effort would be required.

Interim City Administrator Hiniker confirmed that a new set of signatures would be needed to reverse a future GO bond referendum.

Connolly stated that multiple funding options remain available and additional information can be provided to support decision making. He noted that Option 1 does not appear to have support and that Council may be leaning toward another option with a timeline aligned to the end of the legislative session.

Mayor Dietrich noted consensus around exploring lease revenue bonds and suggested focusing first on areas of agreement before addressing remaining decisions.

Council Member T'Kach noted key timing considerations related to the Hockey Hall of Fame land purchase, including deadlines in July and October, and asked how those timelines may impact the decision.

Interim City Administrator Hiniker stated that upcoming work sessions will focus on funding strategies for the Hockey Hall of Fame, including use of internal funds and potential sales tax options. She noted these discussions will help clarify how resources may be allocated between infrastructure and economic development projects, as well as determine an appropriate amount of internal funding to reduce bond issuance for the Central Maintenance Facility.

Council Member Scales expressed concern that the proposed timeline does not allow sufficient time for community engagement or to fully understand project costs and develop an accurate estimate.

Council Member T'Kach agreed, noting that outcomes from the legislative session could significantly impact funding decisions and will require additional time to evaluate.

Mayor Dietrich suggested engaging a public relations firm to help establish a timeline and approach for effectively communicating information to residents.

Interim City Administrator Hiniker added that cost and scope of such an effort could be evaluated as part of that option.

Council Member T'Kach suggested identifying gaps in public understanding and using a public relations approach to address them.

Mayor Dietrich expressed interest in receiving a recommendation from a public relations firm, including timeline, while noting a preference to avoid extended delays and considering alignment with the end of the legislative session.

Council Member Murphy noted the process may take significant time but supported obtaining input from a public relations firm to better understand expectations.

Council Member T'Kach indicated additional time may be needed beyond the legislative session to evaluate outcomes and potential funding scenarios.

Interim City Administrator Hiniker stated staff will not move forward immediately with lease revenue bonds and noted potential consideration later, depending on timing, public engagement, and additional analysis. She added that feedback suggests refining information, including potential staging, rather than restarting the project.

Mayor Dietrich asked whether there is majority support for requesting additional information to guide next steps.

Council Member Gliva questioned whether the project scope could be reduced and asked if all elements are necessary at the current scale.

Interim City Administrator Hiniker stated that future communication efforts, whether internal or through a public relations firm, will focus on clearly explaining the need for the proposed scope to support Council discussions with residents.

Council Member T'Kach raised concerns about how to address the approximately 4,000 petition signatures and how a public relations effort would communicate potential decisions regarding a referendum.

Mayor Dietrich stated there is not majority support to place the question on the ballot and does not support the additional expense.

Council Member T'Kach noted that if a referendum is not pursued, a strong public education effort is necessary to explain the decision to residents.

Mayor Dietrich agreed that improved communication is needed and acknowledged it was not handled effectively earlier.

Council Member T'Kach added that referendums of this type are unlikely to succeed without significant public understanding and support.

Interim City Administrator Hiniker clarified that challenges with a referendum are not specific to this project but reflect the broader difficulty of gaining support for public infrastructure funding, which can be less tangible and harder to communicate.

Council Member T'Kach noted concerns from residents about trust and perception, stating that lease revenue bonds may be viewed similarly and will require direct engagement to address.

Interim City Administrator Hiniker stated staff will evaluate options for a public relations effort, including cost and timeline, and provide recommendations to improve communication, explain the project need, and explore ways to reduce overall costs.

Council Member T'Kach acknowledged efforts to reduce scope and cost and suggested additional strategies such as phased construction.

Council Member Murphy asked whether a public relations firm had been engaged.

Interim City Administrator Hiniker confirmed no firm has been hired and stated staff will research options and report back. She added that communication will need to extend beyond work sessions to clearly explain next steps and responses to the petition.

Council Member T'Kach suggested targeted outreach to petition signers, potentially through direct mail, to provide information, acknowledge concerns, and gather feedback.

Connolly questioned the purpose of hiring a public relations firm, noting uncertainty about whether the intent is to inform, persuade, or gather feedback, and emphasized that project information is already available with no final Council decision made.

Interim City Administrator Hiniker explained the intent would be to communicate the project need, scope, and rationale more clearly and intentionally in an accessible and transparent way, not to seek input on design.

Mayor Dietrich added that a public relations effort would serve as a tool to better articulate the need and address misinformation, not to sell the project.

Council Member T'Kach suggested offering tours of the existing facility to help residents better understand current conditions and the need for the project. She noted confusion in the community regarding multiple projects and emphasized the importance of clearly communicating costs and priorities. She added that if staff capacity is limited, hiring a public relations firm may be appropriate.

Mayor Dietrich emphasized the need for consistent messaging among Council Members to avoid misinformation and ensure alignment,

Connolly noted that Council Members T'Kach and Scales were involved in the design process and that design work is complete. He stated the project can be paused while remaining prepared to move forward when direction is provided and confirmed no recommendation to proceed in the near term without a funding decision. He also asked whether a public relations effort would be limited to this project or expanded to broader City initiatives.

Mayor Dietrich stated the City is only in the early stages of exploring a public relations firm and has not decided on whether to proceed.

Connolly noted that the scope of a public relations effort depends on Council goals, whether focused solely on the maintenance facility or expanded to include other potential projects.

Mayor Dietrich clarified that the current discussion is limited to the maintenance facility, with other topics such as the Hockey Hall of Fame to be addressed separately, and no current plans identified for a new fire station.

Council Member T'Kach noted a prior study regarding a potential fire station and added that residents have questioned whether the existing facility could be repaired or expanded as a temporary solution, suggesting that information should be revisited and clearly communicated.

Connolly stated that prior studies and analysis, including evaluation of phasing and renovation options, have been completed and are available, noting that revisiting earlier decisions would require restarting the process. He emphasized that Council has continued advancing the project to refine costs and details and that clearer direction is needed to support next steps.

Council Member Gliva acknowledged that Council previously supported moving forward but is now responding to resident feedback following the reverse referendum.

Connolly reiterated that the project need remains and that Council must decide based on available information and community input.

Council Member Murphy emphasized the responsibility to represent the entire community and questioned the value of hiring a public relations firm, noting similar projects moved forward without one and expressing concern about further delays.

Council Member Scales stated willingness to decide but indicated uncertainty about whether the current scope and cost are appropriate, raising concerns about design elements and potential phasing.

Council Member T'Kach expressed confidence that additional outreach could improve public understanding and support, noting the importance of bringing the community along given multiple concurrent projects.

Council Member Murphy reiterated the need to make a timely decision and questioned whether additional outreach would significantly change public opinion.

Hiniker stated staff will return with options for broader communication efforts, including potential use of a public relations firm or internal strategies, along with insights from other cities' experiences.

5. ADJOURN:

Motion to Adjourn at 8:53 p.m. by T'Kach, second by Gliva.
Ayes: 5
Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Tammy Greenlee