



MEMORANDUM

DATE: September 15, 2025

To: Honorable Mayor & City Council

CC: Dave Bennett, Director of Public Works/City Engineer; Jeff Schroepfer, Police Chief; Mikayla Schmidt, Interm Community Development Director; Lynette Peterson, City Clerk; Michelle Mahowald, Communications & Human Resources Director; Natalie Draper, Director of Library; Brenda Angelstad, Finance Director; Chris Hood, City Attorney

From: Ben Martig, City Administrator

RE: "Supplemental Agenda Background Memo" for September 16, 2025 No. 1.

Summary Report:

The following is an update on agenda items as supplemental background agenda information made available for Tuesday September 16, 2025:

1. 25-512 Review of Proposed Utility Rates and Related Study.

Please see the attached presentation and updated rate study. The updated rate study had an error in the Scenario B option for the wastewater rates that did not account for the proper amount of debt service. The option was updated that requires the trunk sewer extension to the Northwest Industrial Area wait until 2029 to be completed. This is still not the staff recommended option.

2. 25-511 2026-2027 Budget Worksession.

Please see the attached updated presentation. Slides #30-34 have been added. These slides include an alternative 12% levy option and information on professional services.