



City of Northfield

City Hall
801 Washington Street
Northfield, MN 55057
ci.northfield.mn.us

Meeting Minutes - Final City Council

Tuesday, September 14, 2021

6:00 PM

Police Department

Work Session

6:00 PM - REGULAR AGENDA

CALL TO ORDER

Mayor Pownell called the meeting to order at 6:03PM.

Present: 7 - Council Member Clarice Grabau, Council Member Suzie Nakasian, Council Member Brad Ness, Council Member Jessica Peterson White, Mayor Rhonda Pownell, Council Member Jami Reister, and Council Member George Zuccolotto

REGULAR AGENDA

1. [21-530](#) Presentation and Discussion of Water System Study.

Justin Wagner introduced the Northfield Water System Study. Seth Peterson from Bolton & Menk was also in attendance for the presentation. Peterson discussed the purpose of the study, the health-based guidance regarding manganese detected in City water samples, Bolton & Menk projections of water demand for the next 20 years, current well pumping capacity, and current water storage capacity. He then detailed water treatment options (gravity filtration, gravity filtration with lime softening, and gravity filtration with reverse osmosis). City Engineer and Head of Public Works Dave Bennett further discussed the treatment options resulting in less water waste during the filtration process. Councilors Grabau and Ness asked for clarification on treatment and filtration options. City Administrator Ben Martig asked Justin to further discuss health issues in infants regarding water with higher levels of manganese. Councilor Nakasian asked how water softeners affect manganese levels, which Peterson discussed. Martig asked how home filtration affects water quality, which Peterson expanded on. Mayor Pownell asked about the cost of installing reverse osmosis in homes. Peterson explained he was not an expert but estimated placing one on the kitchen sink would only be around \$1000. Mayor Pownell clarified her question, explaining her concern with low-income residents not being able to afford personal reverse osmosis systems. Councilor Peterson White questioned the health concern around higher levels of manganese for pregnant women. Councilor Grabau asked how Northfield's water usage compares to other communities. Peterson said that it is average, although Northfield had more commercial use. He also noted that the City's usage is more balanced than in some communities. Councilor Nakasian asked why the manganese was found in the water. Peterson stated that it is naturally occurring and not a result of industry or commercial use.

Peterson continued with the presentation, further discussing treatment alternatives. He then presented what Bolton & Menk looked at for new water treatment system locations. They identified three possible areas, which Peterson discussed in more detail. He addressed the water treatment facility's current issues, including lack of space and equipment spread across multiple sites. He then discussed sustainability regarding a new location, including the need for land for a solar field. Peterson showed how many employees would need to be added for each treatment option and discussed each

option's construction costs and annual cost breakdown. Peterson then presented financing options for new systems. He also gave a detailed analysis of estimated user rates and positive impacts on users. Peterson concluded his presentation with recommendations for going forward, a sample implementation process, and the next steps.

Council was then given a chance to ask questions. Councilor Grabau asked how most cities are proceeding regarding filtration and softening. Peterson said they are all handling it differently, with most doing some level of gravity filtration. Councilor Nakasian asked for clarification on annual maintenance, which Peterson further expanded on. Councilor Nakasian then asked how townships figure in with anticipated growth. Peterson explained that growth was estimated in their presentation, but they did not anticipate where that growth would come from. There was a brief discussion regarding rural water, specifically along the Interstate 35 corridor. Martig pointed out that an additional benefit of a new facility would be to withstand severe weather better, as well as power outages. He then asked about community solar garden options and if that was an option. Peterson said it was not explicitly looked at in their report but could be an option. Councilor Grabau asked Martig and Peterson how public engagement would look. Peterson explained that with recent changes, in-person and online could both be viable options. Councilor Zuccolotto asked about the impact of filtration on residents. Peterson said they would notice a difference, but there could be a delay of about a month, and there will be additional flushing needed. Wagner expanded on this further.

Councilor Nakasian commented that she encouraged that all public engagement include basic water information that goes beyond the details of the building placement. Councilor Reister commented on possible pushback from the community for the Spring Creek option due to its wide use. Councilor Nakasian asked if all three options need to be presented to the public and if there is a reason to include all possibilities. Wagner commented that the Spring Creek site was purchased in the 1970s specifically for this use, and that is why it was included in the evaluation of sites. Councilor Ness asked about the price differences among the Hall Avenue and Sibley sites. Peterson explained it was due to the location of wells. Martig asked for clarification of new well viability. Councilor Ness asked about the limitations of new wells. Peterson and Wagner explained how well #3 in two aquifers might eventually have to be closed and a new well drilled. Mayor Pownell asked to see cost savings for industrial users and asked which neighboring cities are adding or have recently put in new water treatment equipment/facilities. Bennett explained which neighboring cities are on the same system as the City's current system. Councilor Ness asked how close regulation is to requiring filtration systems. Peterson explained that the EPA would drive that, but requirements are some time off. Wagner said the Department of Health is within 2-5 years from beginning a study to look into this. The Council had no further questions.

2. [21-531](#) 2022-2023 Budget Worksession.

Martig introduced the budget portion of the meeting. He discussed the compensation study and benefits comparison the City has undertaken. He explained that there is a deadline next week where Council needs to set a preliminary levy number which can be decreased but cannot be increased. He also explained that the public would be receiving tax statements based on this number. Martig introduced three levy options that staff has focused on and presented slides showing tax base changes and median home values in Northfield. He then detailed each levy option, including positions that are included, current debt payments, and impacts on homeowners. He then showed how Northfield compares with similar peer groups regarding 2021 total levy and cost per resident and how each levy option would impact that comparison.

Staffing requests were presented to Council next. At the request of the Council, Martig presented staffing additions from 2016-2021. 2022 staffing requests, initially presented at the August 10th Council work session, were briefly reviewed. Community Development Director Mitzi Baker gave more details on the Community Development position suggested by Council at an earlier meeting. Baker explained that the position could take two directions. One direction could focus on planning and engagement that would allow the department to be more proactive instead of reactive. Another focus could be economic development and expanding into areas the department does not currently have the capacity to handle. Martig expanded further on this regarding strategic expansion.

Martig announced that the City did receive the Emerald Ash Borer Grant, which was discussed at the last work session but was not confirmed. Further information will be forthcoming. Bennett explained that it had not been found in Northfield, but it was only a matter of time.

Martig reiterated that the budget process is slightly delayed due to the wage and benefit study and labor contract review. He also stated that the Federal Recovery Act Funding had not been initiated, which could be used for some projects. Martig detailed the budget schedule for the rest of 2021 with approval of the levy and budget to be completed on December 17th. Martig recommended the initial levy be the highest option, giving the Council more options in determining the budget.

Council was then given the time for questions. Councilor Ness commented on tax capacity and the levy. He also asked if it is common to use other funds (stormwater, garbage, etc.) for positions. Martig explained that it is possible but must be justified, such as utilizing them for the Public Works Director. Councilor Ness asked if the franchise fee is included in the numbers presented on the slides. Councilor Nakasian asked about staffing recommendations and using EDA funds to fund positions. Baker explained that it would have to be added to the budget because it is not currently included for new positions, and the EDA would have to approve. Martig explained that there is not a lot of flexibility with the EDA budget, but the City could pick up some items currently paid through the EDA. Councilor Grabau asked if the second Community Development position changes the first proposed position. Baker said it comes down to what their department most needs, and the first position is what they need. The question is how a second position would affect the first position if both were approved and how a second position would affect current positions, allowing employees to take on more. Martig stated he believes the first Community Development position should be the priority over the second position, given that it will ease demands on current employees. Councilor Grabau asked for clarification on the Public Works Engineer position and how it will affect contracted work. Bennett stated that it would mostly be tied to ongoing projects and would allow more in-house work that is currently not feasible, but some work will still need to be contracted out. Mayor Pownell asked which departments are most heavily utilized for new development. Martig stated it was Community Development (Economic Development and Planning) and Engineering, which are tied together closely. Mayor Pownell asked for more clarification on the homestead residential property slides and why higher value homes are not included. Martig explained that due to lack of time, higher-value residential homes and commercial properties are not included but had been discussed for future year budget discussion. Mayor Pownell stated that the impact on seniors and lower-income would be the most, but development could ease that burden and asked if the industrial and commercial growth is average. Martig stated that he believes Northfield has the ability and opportunity to grow industrially and commercially due to its location to Interstate 35, although some improvements could be used. He also noted the positive aspects of two well-known colleges and the workforce that could come from those. Councilor Nakasian stated that a statistical basis for growth would be

helpful in conversations like this. She also noted the City needs a position focused on increasing revenue and capitalizing on the City's capabilities, which is a critical issue. Martig said it is crucial how the City defines economic growth.

Mayor Pownell moved the conversation from questions to comments regarding the levy options. Councilor Peterson White concurred with Councilor Nakasian's previous statements. She stated there was a staffing shortage, and the City is currently limited by what can be done. She also indicated concern with too many people being priced out of Northfield and stated that the focus should be on investment and affordable housing prices, which tie back to increased staffing. She indicated she did not believe we need all staffing requests, but at this point, levy options B or C should be chosen not to limit future options. Councilor Ness agreed that options B or C should be selected now but hopes it is not the final number. He asked about specific positions, but Martig explained that no particular positions are tied to the levy options. At this point, they are all on the table and will be determined going forward.

Councilor Nakasian stated that choosing a higher option and then lowering is the trend in past years. She also said she would favor B or C. Councilor Zuccolotto concurred with previous Councilors and stated he would prefer option C. Councilor Reister also agreed with options B or C for the preliminary levy due to the flexibility they allow. Councilor Grabau agreed that options B and C are the options. Mayor Pownell discussed levy increases over from 2016 to 2022 using a standard increase versus the actual increases over the years. She stated that each time the valuations of homes go up, some community members are negatively impacted, such as low-income families and those on fixed budgets. She stated that she supports and advocates for both community development positions. The Council had no further questions.

ADJOURN

The meeting adjourned at 8:35PM.

This was adjourn.

Yes: 7 - C. Grabau, C. Nakasian, C. Ness, C. Peterson White, Mayor Pownell, C. Reister, and C. Zuccolotto