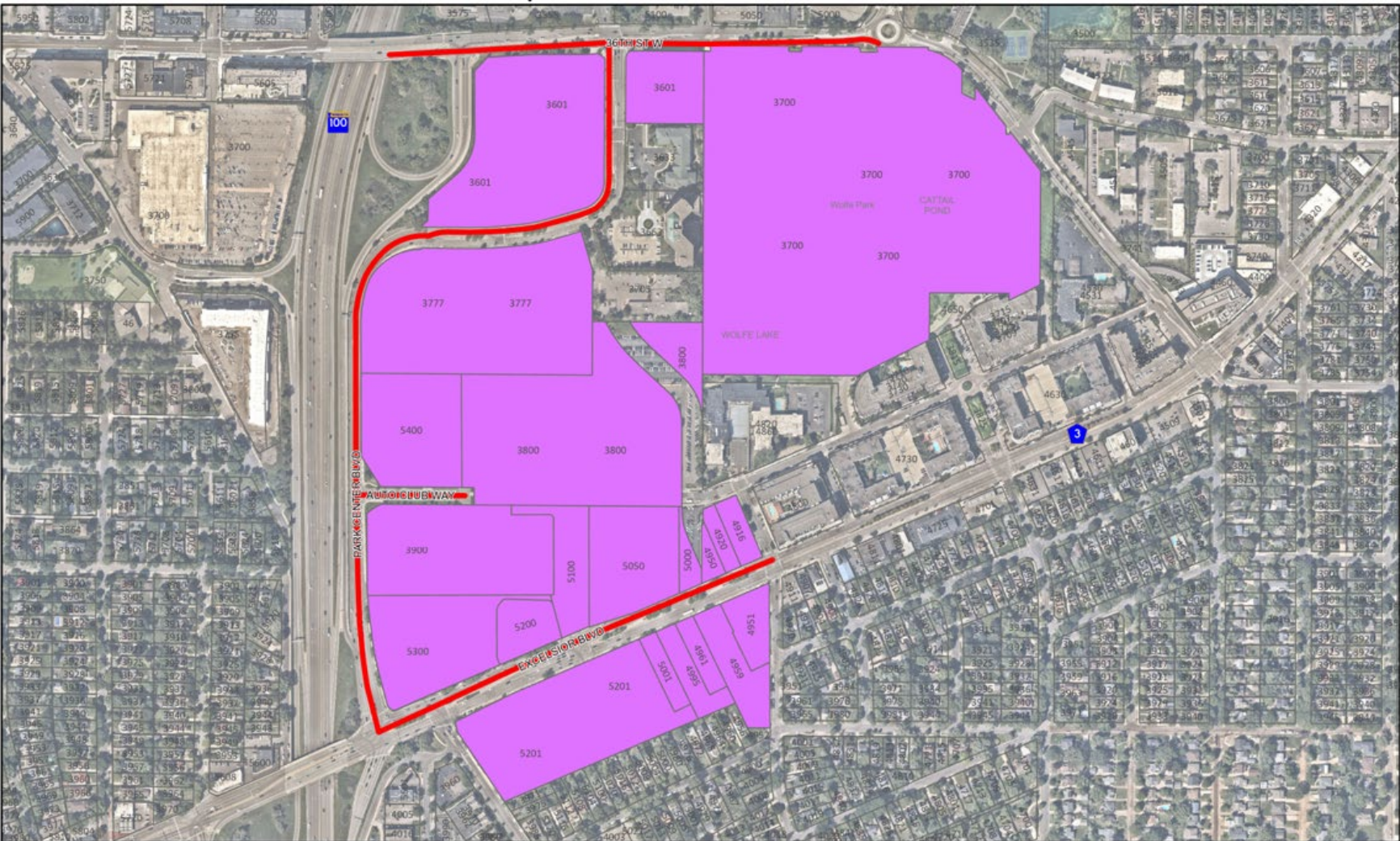


Public hearing:
Special Service Districts 1-6
2027 budget and service charges, District 1 extension
August 17, 2026

Special service district background

- Six special service districts (SSD) in the city
 - ✓ Created in business districts where owners desire a higher level of service
 - ✓ Creation starts with business owners petitioning the city
 - ✓ City pays the cost of infrastructure installation; owners pay for annual maintenance and upkeep costs
 - ✓ SSD terms are 10-years in length; extended through petition by property owners in 10-year increments
 - ✓ City staff provides administration services for the SSDs



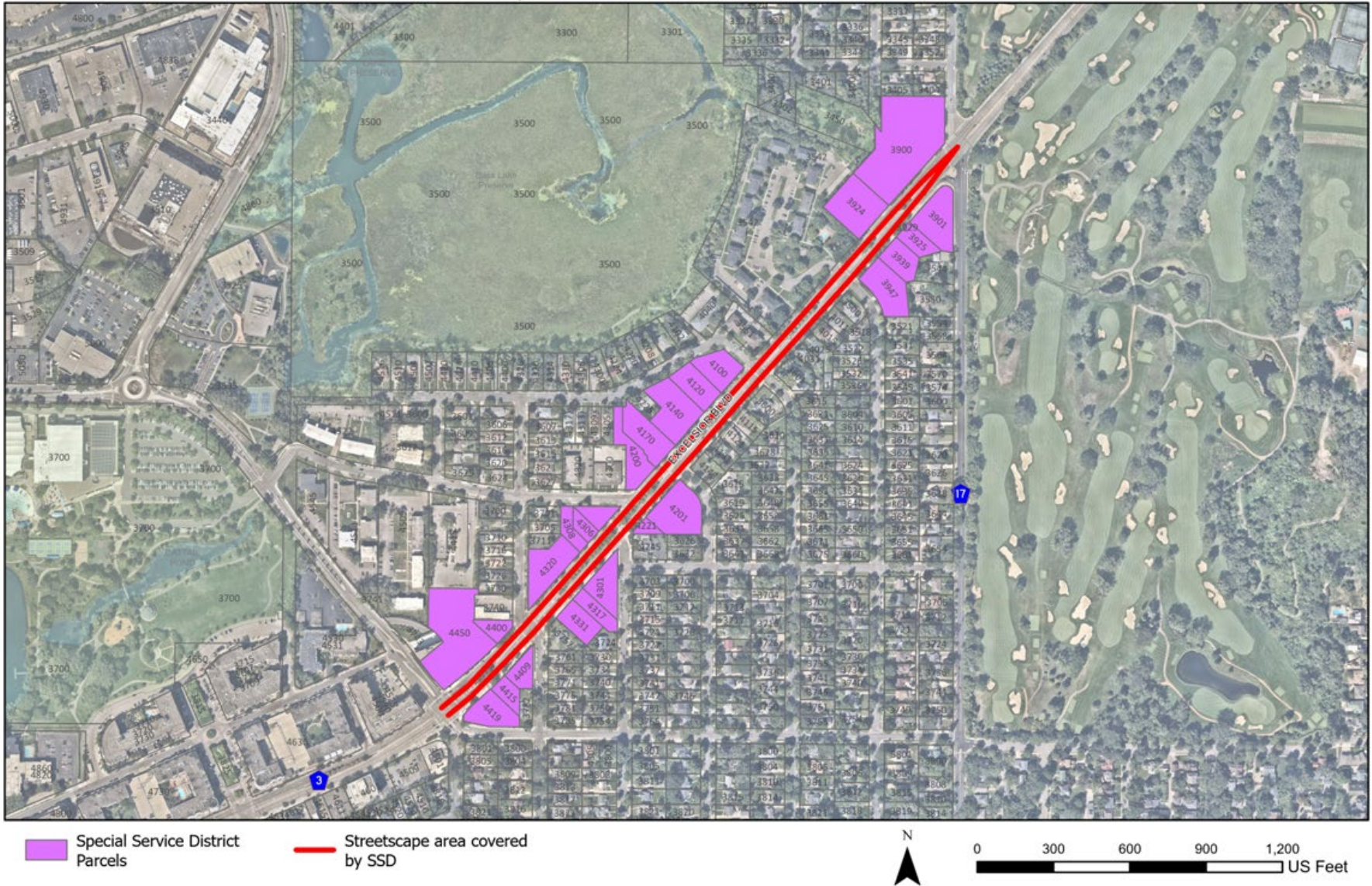
 Special Service District
Parcels

Streetscape area covered by SSD



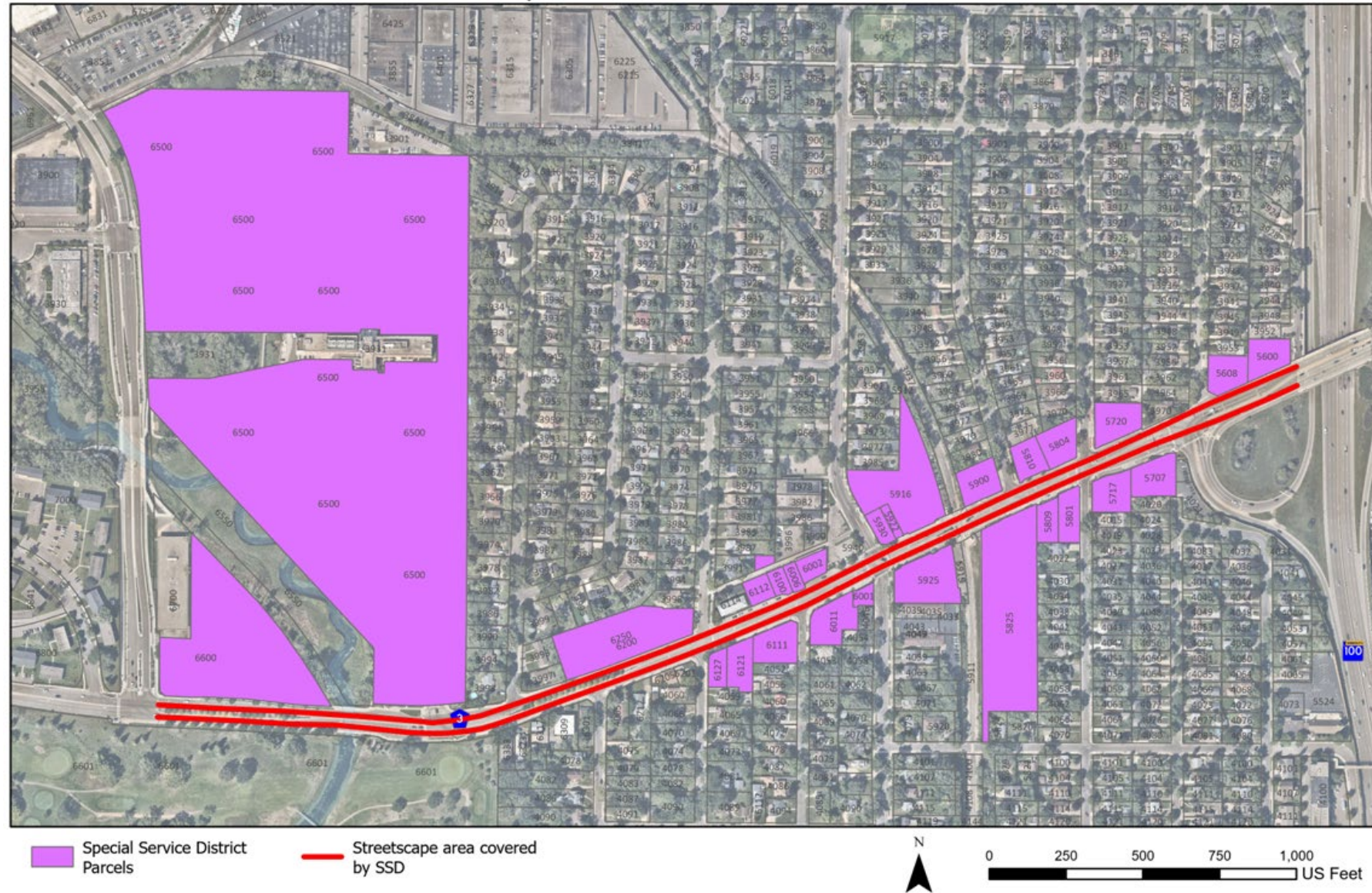
Category	US Fees
Category 1	300
Category 2	600
Category 3	900
Category 4	1,200

Special Service District # 2

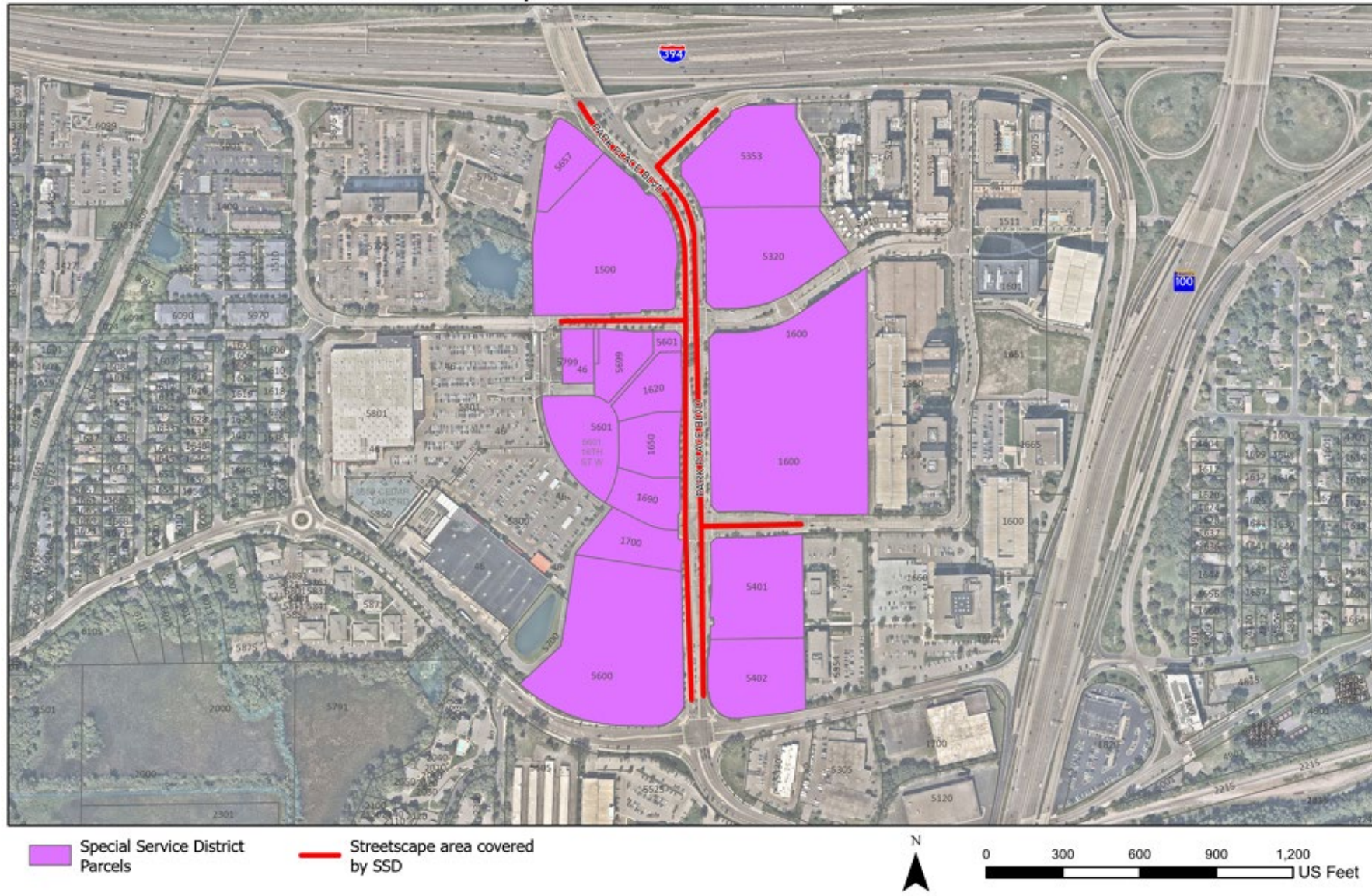




Special Service District # 4



Special Service District # 5



SSD Components

Infrastructure

- Landscaping
- Decorative street and pedestrian lighting, bus shelters and fences
- Raised planting boxes
- Banners and banner poles
- Bollards and obelisks

Major services provided

- Sidewalk snow removal
 - SSDs 1 and 3 only
- Landscape and irrigation maintenance
- Banner installation
- Decorative tree lighting installation
 - SSDs 1 through 5 only
- Infrastructure maintenance

2027 budget and service charge

(summary comparison to 2026)

SSD 1

- Budget is \$117,196; no increase
- Service charge is \$117,196; no increase
- *Note: City property included at fee of \$31,482 additional \$1,993 contribution from Parkshore Senior Campus, LLC*

SSD 2

- Budget is \$52,137; no increase
- Service charge is \$52,137; no increase
- *Note: City property included at fee of \$58*

SSD 3

- Budget is \$56,686; no increase
- Service charge is \$56,686; no increase

SSD 4

- Budget is \$29,591; no increase
- Service charge is \$29,591; no increase
- *Note: City property included at fee of \$872*

SSD 5

- Budget is \$35,126; no increase
- Service charge is \$35,126; no increase

SSD 6

- Budget is \$23,442; \$3,960 decrease
- Service charge is \$19,793; no increase
- *Note: EDA/TIF admin budget property included at \$1,814 fee*

Property owner notices

- July 28: Budget, service charges and public hearing notice sent to property owners
- July 30 and Aug. 13: Public Hearing Notices published in the Sun Sailor
- Staff received one comment from a property owner in SSD 4 who was supportive of the district funded maintenance and service fee.

Policy question & Recommended action

- Recommended action: Open public hearing, take testimony, and close the public hearing.
- Policy question: Does the city council have questions regarding the Special Service Districts No.1 - 6 budgets and property owner service charges?

Next steps

- On Sept. 8, 2026, the city council will be asked to adopt individual resolutions for each district setting the 2027 budgets and service charges, recertifying SSD 1 for a ten-year period and directing staff to certify the annual service charges to Hennepin County.

Next steps (continued)

- By Sept. 13 staff mails a notice of veto rights to all owners in SSD 1. Owners have until Oct. 23 to veto the reauthorization of the ten-year service charges. If fewer than 35% file a veto, the service charges will remain in place.
- In November, the city certifies the 2026 assessments (service charges) to Hennepin County.

2027 Fee Adoption First Hearing

Joe Olson: deputy finance director

Policy Questions

Recommended action: Motion to approve first reading of ordinance adopting fees for 2027 and set second reading for Sept. 22, 2026.

Policy consideration: Is the council supportive of the proposed fees?

Timeline



Fees eliminated in 2027

- Duplicate DVD, 5+ copies (ParkTV Program): program very rarely used
- Duplicate video USB (ParkTV Program): program very rarely used
- Open hockey admission: removed from ROC, still able to participate at Rec Center
- Open hockey ten punch pass: removed from ROC, still able to participate at Rec Center
- Printing size 24 x 36:
- Energy Benchmarking: state took over the program

New Fees in 2027

- Printing sizes 24 x 24 and 22 x 34

Questions?

Police Advisory Commission

Presented by: Karl Gamradt & Saul Eugene
Staff Liaison: Matt Blomsness

Policy question

Does the council have any work direction for this commission?

Workplan summary

Workplan Item	Status Update	Completion Timeline
Continue to host and refine Community Conversations with the SLP PAC	The PAC just approved a new format for Community Conversations focusing on 3 key topics: 1) Traditional vs Community-Oriented Policing, 2) Behavioral Health & Domestic Violence Response, and 3) DHS Response.	Ongoing
Outreach to other cities' public safety advisory groups	This item has been de-prioritized in favor of other work plan initiatives.	
Youth recruitment & involvement	A system for receiving service credits was established through SLP schools. It is currently unknown if any other youth commission members have been informed or offered the opportunity for credit.	Completed
Community Survey	Students from the Humphrey School presented a survey and implementation suggestions. The PAC still believes a broad community survey should be performed, though there was some discussion regarding the appropriateness of timing earlier this year during Metro Surge.	
Bylaws	Work with City to update bylaws from 2003 and ensure they comport with practice & City Ordinance (e.g. presence of the Secretary position within our bylaws).	Suggestions to Council November

2027 Utility Proposed Rates

Joe Olson: deputy finance director

Utility Fees

- Cost recovery is an essential part of rate related increases
- Key Factors include:
 - Capital related work in the utility funds
 - Operational related expenses
 - Variables including consumption and garbage cart sizes

Staff Recommended Utility Rate Increase

- Water – 7.0%
 - 2026 rate increase – 4.5%
- Sanitary Sewer – 3.5%
 - 2026 rate increase 4.5%
- Storm Water – 1.5%
 - 2026 rate increase 4.5%
- Solid Waste – 7.5%
 - 2026 rate increase 5.75%

Estimated Bills for Residents (Quarterly Bill)

- Billing Period 4-20-2026 to 7-30-2026
 - Water/Sewer Consumption 7 units (750 gallons = 1 unit)
 - 30 gallon **every week** cart size
 - Water \$68.43 → \$73.22
 - Sewer \$59.79 → \$61.88
 - Storm \$33.37 → \$33.87
 - SW \$108.42 → \$116.55
 - Quarterly Bill increase 5.75% \$270.01 → 285.52
- Billing Period 1-29-2026 to 4-22-2026
 - Water/Sewer Consumption 3 units (750 gallons = 1 unit)
 - 30 gallon **every other week** cart size
 - Water \$58.27 → \$62.35
 - Sewer \$40.07 → \$41.47
 - Storm \$33.37 → \$33.87
 - SW \$75.99 → \$81.69
 - Quarterly Bill increase 5.62% \$207.70 → 219.38

Estimated Bills for Residents (Quarterly Bill)

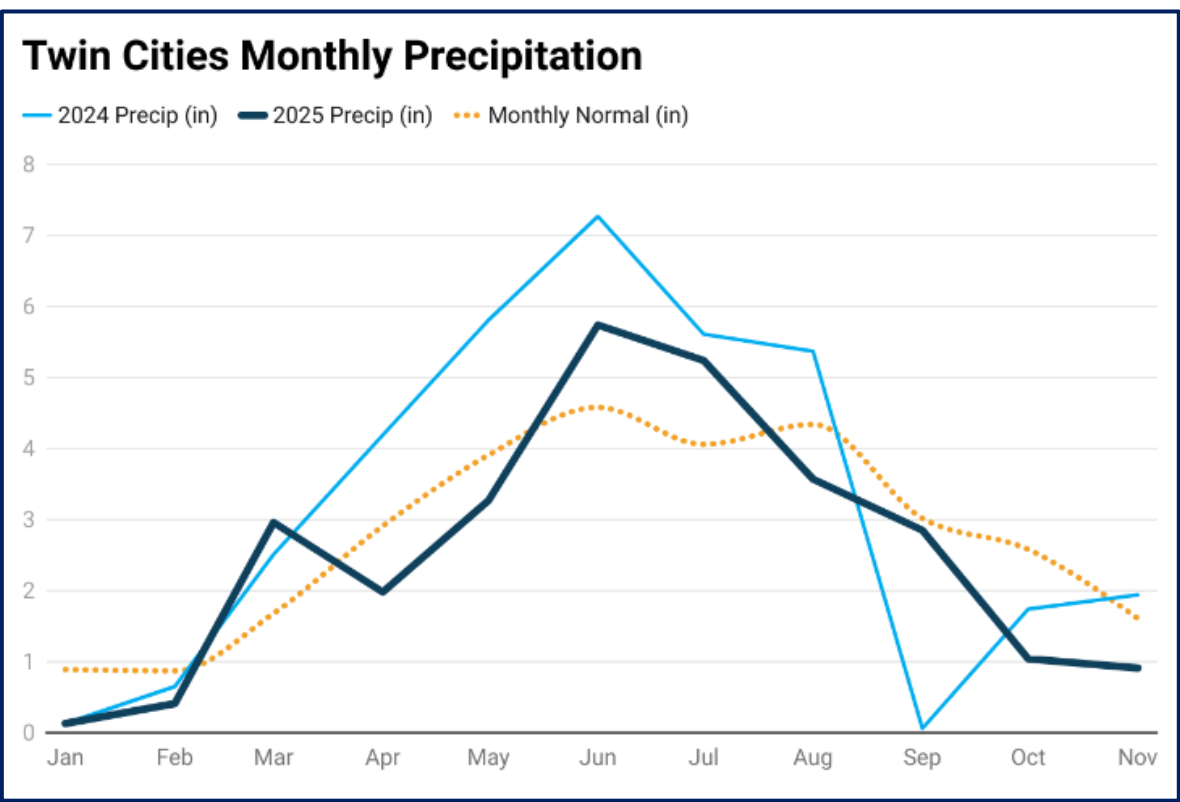
- Billing Period 1-29-2026 to 4-22-2026
- Water/Sewer Consumption 13 units (750 gallons = 1 unit)
- 60 gallon every week cart size
- Water \$83.67 → \$89.53
- Sewer \$89.37 → \$92.50
- Storm \$33.37 → \$33.87
- SW \$154.34 → \$165.92
- Quarterly Bill increase 5.84% \$360.75 → 381.81

- Billing Period 2-23-2026 to 5-20-2026
- Water/Sewer Consumption 15 units (750 gallons = 1 unit) (sewer 8)
- 90 gallon every week cart size
- Water \$89.65 → \$95.93
- Sewer \$64.72 → \$66.99
- Storm \$33.37 → \$33.87
- SW \$235.65 → \$253.32
- Quarterly Bill increase 6.31% \$423.39 → 450.11

Water

Water

- Table to the left shows precipitation levels throughout the Twin Cities Metro
- Table to the right shows consumption levels from citywide use
- 2024 precipitation levels were high resulting in a low level of consumption



		2022	2023	2024	2025
Water	Block Summary	Consumption	Consumption	Consumption	Consumption
Water	Block Charge	1 809,694.76	810,591.06	768,764.27	777,312.02
Water	Block Charge	2 278,423.24	287,772.94	248,855.73	253,782.98
Water	Block Charge	3 312,463.00	366,953.00	233,858.00	260,857.00
Water	Surcharge	1 537,489.00	534,826.00	496,733.00	518,576.00
Irrigation	Surcharge	1 128,502.00	140,481.00	101,066.00	117,974.00
Sewer	Surcharge	1 1,655,405.20	1,616,462.00	1,530,148.00	1,588,753.00

Cash Balance History - Water

FY22	FY23	FY24	FY25
\$7,162,790	\$4,728,558	\$6,546,815	\$6,194,047

Water CIP Project Listing for 2027 - 2030

40271000 - Street - Local pavement management (Area 5)

40271050 - CI Street - Excelsior & Grand area

40281000 - Street - Local pavement management (Area 6)

40281100 - MSA Street- Oxford & Louisiana infrastructure investment

40287000 - County - Minnetonka Blvd (Xylon to TH100)

40288000 - MnDOT - Hwy 7 crest vertical curve flattening (SP 2706-257)

40291000 - Street - Local pavement management (Area 7)

40301000 - Street - Local pavement management (Area 8)

40301050 - CI Street- Wayzata- Zarthan- 16th corridor project

40307000 - County - Minnetonka Blvd (Chippewa Rd to Aquila)

40311000 - Street - Local Pavement Management (Area 1)

40311700 - Bridge - 34th Street @ Minnehaha Creek

40321000 - Street - Local Pavement Management (Area 2)

53275002 - GAC Replacement (WTP1)

53275003 - Water Treatment Plant Rehab, WTP10

53285001 - Water Well Rehab (SLP13)

53285002 - Water Treatment Plant Rehab, WTP1

53295002 - Water Well Rehab (SLP14)

53295003 - Forcemain Replacement

53295004 - GAC Replacement (WTP1)

53305001 - Water Treatment Plant Rehab

Water

- How is billing calculated
 - There is a fixed meter service fee billed quarterly for residential and monthly for commercial
 - Water billing is based on consumption, the city offers 3 tiers for billing
 - The greater amount of usage leads to an increased rate
- The proposed fee increase for water is 7.0%
 - Key factors
 - Cost for both capital and operational related expenses have increased
 - Cash/Investments are currently at a level that should be maintained
 - With significant capital outlay, a raise in rates over inflation are needed for funding

Sanitary Sewer

Cash Balance History - Sanitary Sewer

FY22	FY23	FY24	FY25
\$3,725,923	\$4,990,412	\$5,501,707	\$6,119,517

Sewer CIP Project Listing for 2027 - 2030

40271000 - Street - Local pavement management (Area 5)

40271050 - CI Street - Excelsior & Grand area

40273000 - Sanitary sewer- Lining

40273100 - Sanitary sewer - Oregon LS #7

40281000 - Street - Local pavement management (Area 6)

40281100 - MSA Street- Oxford & Louisiana infrastructure investment

40283000 - Sanitary sewer- Lining

40287000 - County - Minnetonka Blvd (Xylon to TH100)

40291000 - Street - Local pavement management (Area 7)

40293000 - Sanitary sewer - Lining

40301000 - Street - Local pavement management (Area 8)

40301050 - CI Street- Wayzata- Zarthan- 16th corridor project

40303000 - Sanitary sewer - Lining

40307000 - County - Minnetonka Blvd (Chippewa Rd to Aquila)

40311000 - Street - Local Pavement Management (Area 1)

40313000 - Sanitary Sewer - Lining

40321000 - Street - Local Pavement Management (Area 2)

Sanitary Sewer

- How is billing calculated
 - There is a fixed sewer service fee billed quarterly for residential and monthly for commercial
 - Sewer billing is based on consumption, unlike water, there is 1 billing tier
- The proposed fee increase for water is 3.5%
 - Cash/investments balance has increased over these past years allowing the rate increase less than prior year of 4.5%
 - Metropolitan Council municipal wastewater charge fee preliminary charge increasing 7.22% to \$6,102,762 (the majority of operating related costs are MWC charges)
 - CIP related projects on the sewer infrastructure planned ahead

Storm Water

Cash Balance History – Storm Water

FY22	FY23	FY24	FY25
\$2,944,002	\$3,277,453	\$4,017,211	\$5,383,765

Storm Water CIP Project Listing for 2027 - 2030

40270003 - Concrete replacement

40271000 - Street - Local pavement management (Area 5)

40271050 - CI Street - Excelsior & Grand area

40271500 - Alley construction

40274000 - Storm - Shelard Basin Rehabilitation

40280003 - Concrete replacement

40281000 - Street - Local pavement management (Area 6)

40281100 - MSA Street- Oxford & Louisiana infrastructure investment

40281500 - Alley construction

40284000 - Storm- Keystone Park water quality improvements

40284200 - Storm - Filter maintenance

40290003 - Concrete replacement

40291000 - Street - Local pavement management (Area 7)

40291500 - Alley construction

40294000 - Storm - Webster Park water quality improvements

40300003 - Concrete replacement

40301000 - Street - Local pavement management (Area 8)

40301050 - CI Street- Wayzata- Zarthan- 16th corridor project

40301500 - Alley construction

40304000 - Storm - Hampshire & Otten Park ponds rehabilitation

40310003 - Concrete Replacement

40311000 - Street - Local Pavement Management (Area 1)

40311700 - Bridge - 34th Street @ Minnehaha Creek

40314200 - Storm - Filter maintenance

40321000 - Street - Local Pavement Management (Area 2)

Storm Water

- How is billing calculated
 - There is a fixed stormwater service fee billed quarterly for residential and monthly for commercial
- The proposed fee increase for storm water is 1.5%
 - Cash/investments have increased significantly over the past 4 years
 - The city has received significant revenue from non-ub billing. Grant revenue received for capital related projects
 - With the increase in cash, a rate increase less than inflation is recommended

Solid Waste

Cash Balance History – Solid Waste

FY22	FY23	FY24	FY25
\$3,227,675	\$3,048,293	\$2,654,501	\$2,210,430

Residential Cart Sizes July 2023 vs July 2026

Type	2026 July	2023 July	2026 - 2023 July	Cart Change	Note
Solid Waste - 20 Gallon EOW	0	207	-100%	(207)	cart size no longer offered
Solid Waste - 20 Gallon	0	646	-100%	(646)	cart size no longer offered
Solid Waste - 30 Gallon EOW	837	299	180%	538	
Solid Waste - 30 Gallon	4,160	3,856	8%	304	
Solid Waste - 60 Gallon	5382	5295	2%	87	
Solid Waste - 90 Gallon	1,794	1,847	-3%	(53)	
Solid Waste - 120 Gallon	44	47	-6%	(3)	
Solid Waste - 150 Gallon	25	26	-4%	(1)	
Solid Waste - 180 Gallon	58	76	-24%	(18)	
Solid Waste - 270 Gallon	8	13	-38%	(5)	
Solid Waste - 360 Gallon	2	2	0%	-	
Total Residential Carts	<u>12,310</u>	<u>12,314</u>			

Solid Waste

- How is billing calculated
 - There is a fixed solid waste service fee billed quarterly for residential and monthly for commercial based on the cart size selected
- The proposed fee increase for water is 7.5%
 - Cash/Investments saw a 4-year decline of a total 31.5%
 - 2024 rate increase was 45.0%, 2025 increase 5.75%, 2026 rate increase 5.75%, shows operating expenses exceeded revenue. This requires an increase an increase above the service agreement with our vendors
 - Residents have switched to smaller carts that have generated less revenue for the city
 - There is no CIP, all expenses that are supported are operating expenses

Questions?