



**CITY COUNCIL
WORK SESSION MINUTES
LARGE CONFERENCE ROOM
Monday, June 29th, 2026
at 4:30 P.M.**

ROLL CALL: Councilors Geissler, LeBlanc, Peterson, and Mayor Boucher

ABSENT: Councilor Hjelle

CITY STAFF: John Mulder, City Administrator; Kevin Orme, Director of Finance and Administration; Joe Wicklund, Assistant City Administrator; Gunnar Johnson, City Attorney

OTHERS: 4 visitors (there was no sign in sheet)

DISCUSSION ITEMS

1. Road Improvement Program/Assessment Policy: The Road Improvement Program Special Assessment Policy was included in the packet. John Mulder explained the history of the program and the road conditions inventory. The following projects had been completed since 2020:
 - 2020 – Alexander, Carlson, Johnson, Portland Roads, Hermantown Road between Stebner and Okerstrom, and the streets in the Hermantown Marketplace.
 - 2021 – Sundby & Swan Lake, Lavaque Junction
 - 2022 – No projects
 - 2023 – Ugstad Road from Hwy to Maple Grove and including a portion of Arrowhead Road near the schools.
 - 2024 – Hermantown Road from Ugstad to Hwy 2 including Old Midway Road.

The City has assessed just over \$3 million over those projects. The levy would be 4% higher if the projects would not have been assessed but put on the general levy. Going forward \$1,000,000 in assessments on a project would be between 1% and 2% increase for each project.

The Council discussed perhaps having different assessment amounts for different types improvements (addition of curb, gutter, & sidewalk), different classification of roads (through roads versus distinct neighborhoods), and improving citizen engagement on the type of road projects.

The consensus was to proceed with the Lightning Drive/Getchell Road project, and not have residential assessments but have commercial assessments. The Stebner Road project needs more discussion particularly as it relates to the timing of the project with the proposed improvements to Blatnik Bridge.

2. Financial Management Plan/2027 Preliminary Budget Discussions: Director of Finance and Administration Kevin Orme talked about some of the pressures on the 2027 general fund budget that aren't specific to any specific department increases.

LGA reduction – 100,000

Legal new contract

Inflation

Assessment reduction debt service Hermantown Rd – 51,000

Fichtner deficit – 170,000

Ladder Truck – 161,000

Keeping the tax rate the same is going to be difficult.

Assuming a 5% growth over the next 10 years, maintaining the tax rate at the current rate would mean that there would be no room for improving local roads, Capital Improvements would have to stay at the current \$500,000 each year (and no maintenance on City Hall) no new staff, and eliminate the current budgeted contingency.

We will schedule a work session on the budget later in the process.

3. Recess to July 6th, 2026 City Council Meeting: Following the discussion, the City Council recessed the meeting at approximately 5:40 p.m. until Monday, July 6, 2026.

ATTEST:

Mayor

City Administrator