

**Hastings, Minnesota
City Council Workshop
June 17, 2024**

The City Council of the City of Hastings, Minnesota met in a workshop on Monday, June 17, 2024, at 5:30 p.m. in the Community Room at the Hastings City Hall, 101 East 4th Street, Hastings, Minnesota.

Members Present: Mayor Fasbender, Councilmembers Haus, Lawrence, Leifeld, Pemble, and Vihrachoff

Members Absent: Councilmember Fox

Staff Present: City Administrator Dan Wietecha
Assistant City Administrator Kelly Murtaugh
Finance Manager Chris Eitemiller
Assistant Finance Manager Ashley DeBernardi

Mayor Fasbender called the workshop to order at 5:30 pm and welcomed councilmembers and staff, indicating that this is the second Council workshop to discuss the 2025 budget. Wietecha reviewed the first meeting, which gave the presentation on foundational information. The second workshop was scheduled to finish presentation materials and offer additional time for discussion.

Wietecha reviewed the projections for the water fees in the coming decade if the City is fully responsible for the cost of PFAS mitigation. Wietecha then presented projections for levy (maintaining services, without 2025 tax capacity information) and water rates (building treatment facilities).

Council discussion on understanding the projections, projects, and impact on residents. Discussion on the possibility to access treated water for all residents following the construction of the first treatment plant.

Wietecha reviewed the funding options that may help reduce the financial burden on city residents and when we might hear about the decisions. Discussion on potential future access to 3M Settlement funds. He explained that funds are also being sought for other projects and commitments that may help alleviate the burden on the City. The City may also be able to scale back the project to delay nitrate filtration installation.

Communication and transparency will continue to be an important tool in addressing PFAS mitigation and the budget for the coming years. It may be helpful to include water rates from other cities in Dakota County for comparison. Continue communication out to residents about timing of Water Treatment construction project. Continue the message that the City did not cause the problem but that the City has been working very hard to address the issue. Continue to refer to resources from the experts and consult the City's website. Help residents understand what portion of utility bill would be affected by the increase in water rates.

Council discussed the delay construction of Water Treatment Plant #1 until early 2025. While all are anxious to get the project started, pausing until February 2025 for the bid process allows for possible decisions on recent funding applications, potential increases to water rates continue as part of the overall budget discussion for January implementation, and offers more time for communication and transparency with residents. Delay will not add much time to completion since construction would pause during winter months. Council supported delaying bid process to February 2025.

Council discussed low/no cost options for temporary treatment. The City will continue providing information for residents to help with individual decisions about in-home filtration options. Discussion about using Plant #1 when built and access state contract pricing for residents. While the City can gain access to state contract pricing, water is available at or lower than that price locally. There may be interest on the part of non-profit partners to assist with fund-raising/distribution program to provide filters to low-income families, if desired.

Within the budget process, Wietecha indicated that staff will propose cuts/delays as part of their budget requests. Council discussed a continuing need to attract and retain employees and maintain a level of public safety. We still have a City to run and delays of some projects may cause more issues. Council was also concerned about services “not going backward” while water rates and taxes increase. Council expressed support for the Fire Department, awaiting results of the space needs study.

ADJOURNMENT

Workshop adjourned at 6:55 p.m.

Mary D. Fasbender, Mayor

Kelly Murtaugh, City Clerk