



CITY COUNCIL WORKSESSION AGENDA

Monday, September 28, 2026

4:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Worksession meeting of the Grand Rapids City Council will be held on Monday, September 28, 2026 at 4:00 PM in the City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

ROLL CALL:

BUSINESS:

1. Review of Street Franchise Fees and Storm Water Utility Rates

DEPARTMENT HEAD REPORT:

2. Engineering/Public Works - Matt Wegwerth

REVIEW OF REGULAR AGENDA:

ADJOURN:

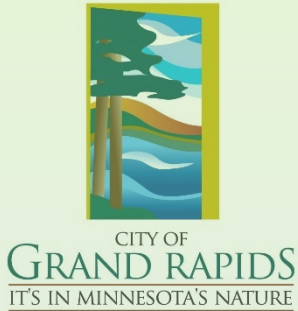
Attest: Kimberly Gibeau, City Clerk

Franchise Fee Review

Work Session

September 28th, 2026

GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE



Franchise Fee Review

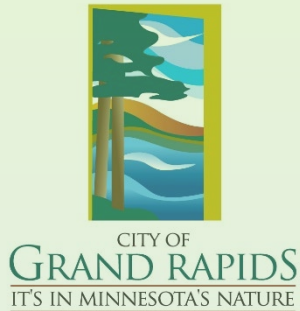
Street CIP Funding

Background

- Electric Franchise Fees were implemented in September of 2025
- Rates are shown below:

	Amount per	
	Account per Month	
Customer Classification	2025	2026
Residential	\$1.25	\$2.50
Commercial / Industrial (all customers)	2.50%	5.00%
Maximum amount per month	\$2,000	\$4,000

- Collections have averaged \$68,000 / month
- To date, collections have totaled \$583,356 through June 2026
- Projected total collections at the end of 2026 is \$960,000



Franchise Fee Review

Street CIP Funding

Street CIP Fund Balance

- Levy buy down payment - \$118,333

	2025 Levy Payable 2026 Amount	2026 Levy Payable 2027 Amount	2027 Levy Payable 2028 Amount	2028 Levy Payable 2029 Amount	2029 Levy Payable 2030 Amount	2030 Levy Payable 2031 Amount	2031 Levy Payable 2032 Amount	2032 Levy Payable 2033 Amount
Levies for Infrastructure:								
2009 Improvement Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
2010 Improvement Bonds	-	-	-	-	-	-		
Adjustment for Debt Study	(120,000)	(75,000)	(25,000)	-	-	-		
2011 Improvement Bonds	60,309	-	-	-	-	-		
2012 Improvement Bonds	124,165	123,784	-	-	-	-		
2013 Improvement Bonds	104,522	109,864	113,854	-	-	-		
2014 Improvement Bonds	163,345	164,363	165,077	165,476	-	-		
2016 Improvement Bonds	150,184	152,284	149,029	151,024	152,914	149,102		
2017 Improvement Bonds	167,670	168,352	168,641	168,765	168,555	168,001	167,093	
2017 Refunding Imp Bonds	-	-	-	-	-	-		
2018 Impr & CIP Bonds	140,690	142,677	144,507	140,929	137,351	144,089	139,999	146,213
2019 GO/Abatement Bonds	85,114	137,057	133,591	136,532	134,116	136,952	134,305	131,660
2020 GO St Reconst Bonds	163,331	165,720	168,005	164,935	167,115	165,283	168,534	166,293
2021 AbtmnVGO	102,939	100,918	98,897	102,126	99,960	98,385	102,060	100,380
2021 Fire Hall GO Bonds	304,579	203,909	203,096	302,138	306,285	306,705	307,020	307,230
2023A St. Reconstruction	215,670	114,883	113,832	117,770	115,933	119,082	116,458	218,820
2024B Eqpt Certificates	62,108	64,995	62,370	59,745	62,370	60,060	-	
2025A St. Reconstruction	311,220	313,845	315,945	312,270	313,583	314,370	314,633	314,370
Franchise Fee buy down	(118,333)	(118,333)	(118,333)	(118,333)	(118,333)	(118,333)	(118,333)	(118,333)
	-	-	-	-	-	-	-	-
Total Levies-Infrastructure	\$ 1,917,513	\$ 1,769,319	\$ 1,693,511	\$ 1,703,376	\$ 1,539,849	\$ 1,543,696	\$ 1,331,769	\$ 1,266,633
Levy (Increase)/Decrease		\$ (148,195)	\$ (75,808)	\$ 9,866	\$ (163,527)	\$ 3,847	\$ (211,927)	\$ (65,136)



Franchise Fee Review

Street CIP Funding

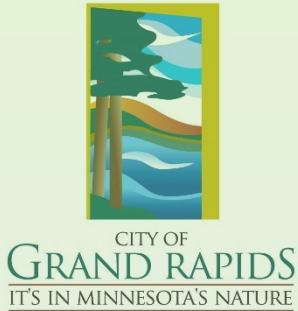
Item 1.

Street CIP Fund Balance

- Deducting the levy buy down in 2026, projected balance 1/1/27 is \$840,000
- Deducting the levy buy down in 2027, projected balance prior to any collections is \$720,000

Street CIP Needs

- 2027: Block 19 Improvements: \$1,000,000
- 2028: Sylvan Bay Phase 2: \$2,000,000



Franchise Fee Review

Street CIP Funding Options

Proposed Increases:

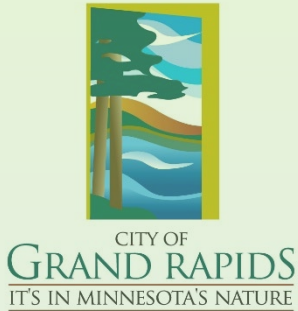
Residential - \$4.00 / month

Commercial /Industrial – 6.0% of monthly bill (max of \$5,000/month)

Residential Home will pay **\$48**/ year.

Would generate approximately \$1,000,000 per year to fund street projects.

As prior years Improvement Bonds are paid off, could consider bonding for larger projects.



Franchise Fee Review

What's Next?

- To implement a rate increase, 90-day notice is required to utility companies
- If approved, notice will be given of proposed increase

Schedule:

September 28th Work Session – Rate Review

September 28th Council Meeting – Consider approving rate increase

September 29th – Notify franchisees of proposed rate increase

January 1st, 2027 – Rate increase implemented



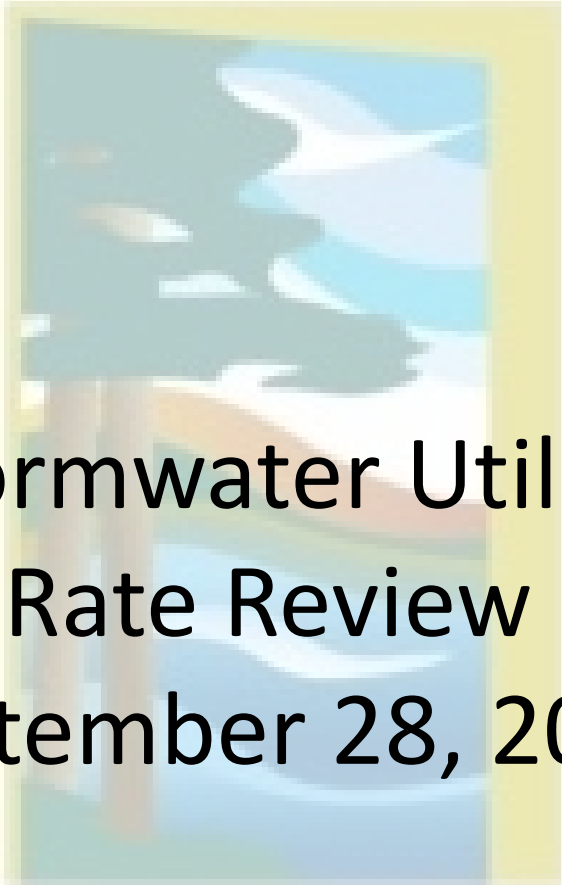
Franchise Fee Review

Street CIP Funding

September 28th, 2026

Item 1.





Stormwater Utility Rate Review September 28, 2026

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Stormwater Utility Rate Review

September 28, 2026

Stormwater Utility – Why do we need to review rates?

- Costs continue to increase
 - 2027 budget forecasts a \$40,000 shortfall
 - 24% Of PW Budget is paid by SWU
- Maintenance needs
 - Clean/maintain stormwater facilities
 - Rehabilitation of rain gardens
 - Catch basin / pipe repairs
- Equipment needs – Over \$725,000 in the next three years
 - Street Sweeper
 - Snow Plows
 - Loader mounted Snow Blower
- Last increases were from 2024-2026

Land Use	May 1, 2024	Jan 1, 2025	Jan 1, 2026
Single-Family	9.25	9.75	10.25
Multi-Family	33.81	35.64	37.46
Commercial	51.78	54.58	57.38
Industrial	51.78	54.58	57.38
Institutional	45.92	48.41	50.89

Stormwater Utility Rate Review

September 28, 2026

Budget Worksheet (if rates stay the same)

	Budget	Projected		
	2026	2027	2028	2029
Expenditures				
Stormwater CIP	\$200,000	\$200,000	\$200,000	\$200,000
SWU Expenditures	\$802,386	\$885,549	\$910,827	\$937,515
Total	\$1,002,386	\$1,085,549	\$1,110,827	\$1,137,515
Revenues				
SWU Revenues	\$1,002,500	\$1,044,586	\$1,044,586	\$1,044,586
Additional Revenue Required (projected)	\$114	-\$40,963	-\$66,241	-\$92,929
Land Use	2026	2027	2028	2029
Single-Family	10.25	10.25	10.25	10.25
Multi-Family	37.46	37.46	37.46	37.46
Commercial	57.38	57.38	57.38	57.38
Industrial	57.38	57.38	57.38	57.38
Institutional	50.89	50.89	50.89	50.89

Stormwater Utility Rate Review

September 28, 2026

Item 1.

Budget Worksheet

Storm Water Utility	FY24	FY25	FY26	FY27	FY28	FY29
Budget Summary	Actual	Actual	Budget Adopted	Budget DH Request YearTotal	Budget DH Request YearTotal	Budget DH Request YearTotal
CITY WIDE	\$ -	\$ -		\$ -	\$ -	\$ -
PAYROLL	\$ 305,888	\$ 312,722	\$ 418,031	\$ 436,724	\$ 461,901	\$ 488,589
SUPPLIES	\$ 51,036	\$ 64,161	\$ 108,000	\$ 109,500	\$ 109,500	\$ 109,500
OTHER CHARGES & SERVICES	\$ 203,027	\$ 275,336	\$ 476,355	\$ 539,326	\$ 539,426	\$ 539,426
EXPENDITURE ACCOUNTS	\$ 559,950	\$ 652,219	\$ 1,002,386	\$ 1,085,549	\$ 1,110,827	\$ 1,137,515

****\$485k increase****

***Main increases are payroll and equipment needs**

Stormwater Utility Rate Review

September 28, 2026

Proposed Rate Changes

	Budget	Projected		
	2026	2027	2028	2029
Expenditures				
Stormwater CIP	\$200,000	\$200,000	\$200,000	\$200,000
SWU Expenditures	\$802,386	\$885,549	\$910,827	\$937,515
Total	\$1,002,386	\$1,085,549	\$1,110,827	\$1,137,515
Revenues				
SWU Revenues	\$1,002,500	\$1,095,541	\$1,146,497	\$1,171,974
Additional Revenue Required (projected)	\$114	\$9,992	\$35,670	\$34,460
Land Use	2026	2027	2028	2029
Single-Family	10.25	10.75	11.25	11.50
Multi-Family	37.46	39.29	41.12	42.03
Commercial	57.38	60.18	62.98	64.38
Industrial	57.38	60.18	62.98	64.38
Institutional	50.89	53.37	55.85	57.09

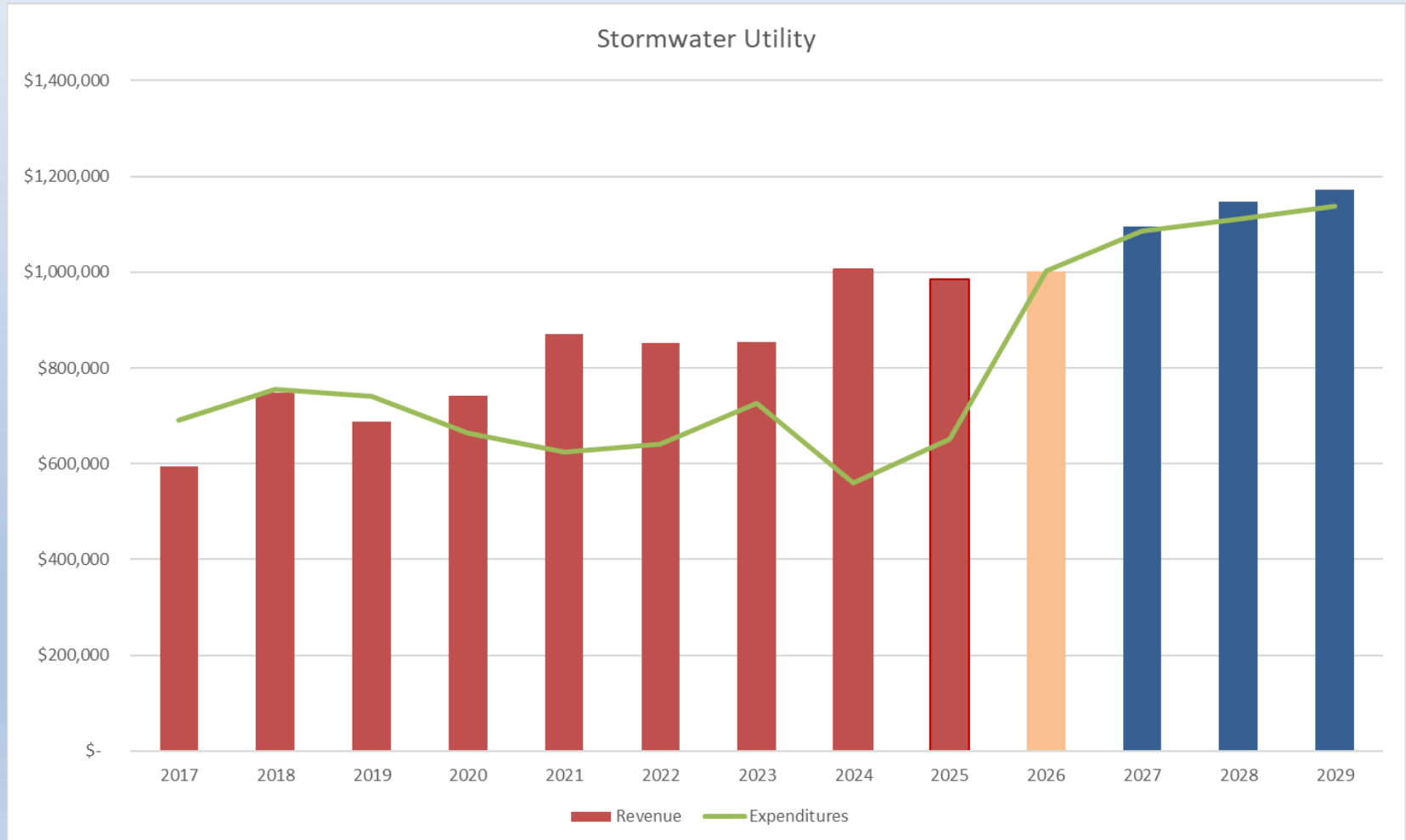
- \$0.50 increase each of next two years
- \$0.25 increase in 2029
- \$1.25 total increase over 3 years for single-family home

Stormwater Utility Rate Review

September 28, 2026

Item 1.

Historical Data



Stormwater Utility Rate Review

September 28, 2026

Comments / Questions?



Department Head Report

Engineering / Public Works Department

September 28, 2026

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Engineering Department Details

Item 2.

Staffing

Aurimy Groom, Clerical (shared employee with Community Development)

Dominic DeGuisseppi, Engineering/Public Works Tech; Stormwater Specialist

Matt Wegwerth, Public Works Director / City Engineer

Offices

Engineering / Stormwater Staff – City Hall

Public Works Staff – Public Works Service Center

Matt – Public Works Service Center

Permit Overview

Right of Way Permits

- **66 permits - 2026**
- 148 permits - 2025
- 133 permits - 2024
- 116 permits – 2023
- 172 permits – 2022

Stormwater Permits

- **47 permits - 2026**
- 51 permits - 2025
- 33 permits - 2024
- 38 permits – 2023
- 39 permits – 2022

* All permits can be applied for online

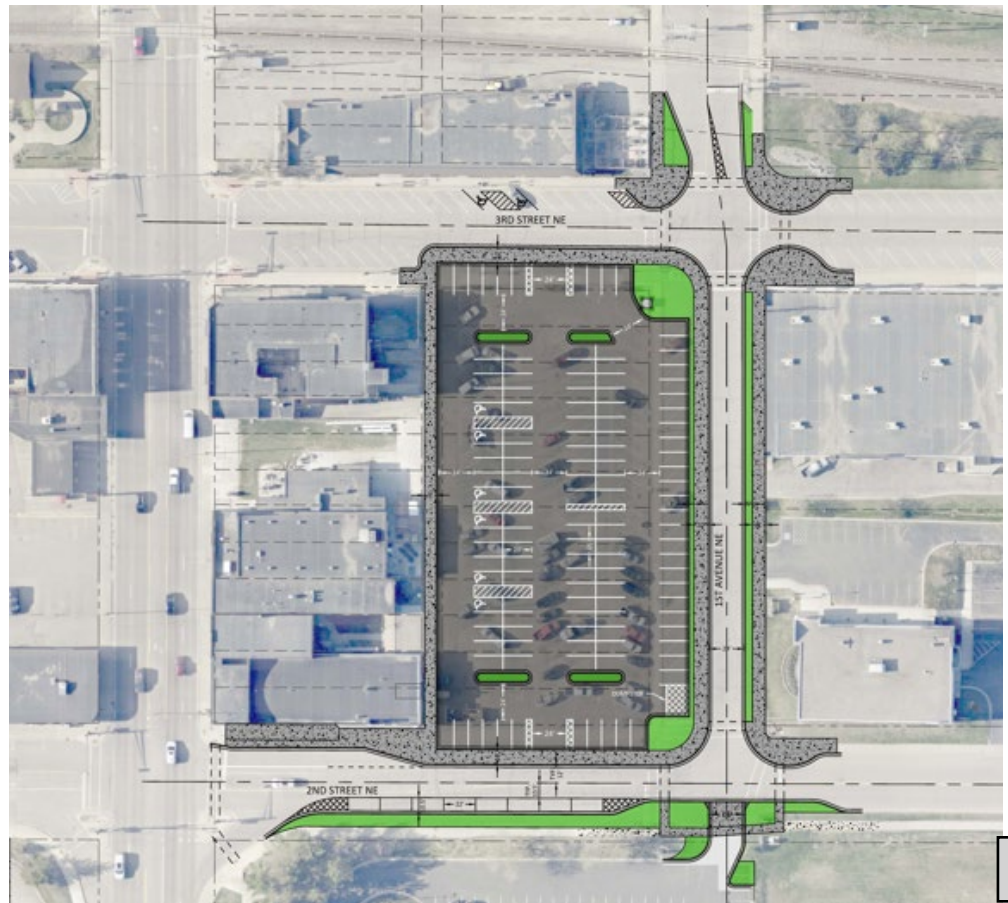




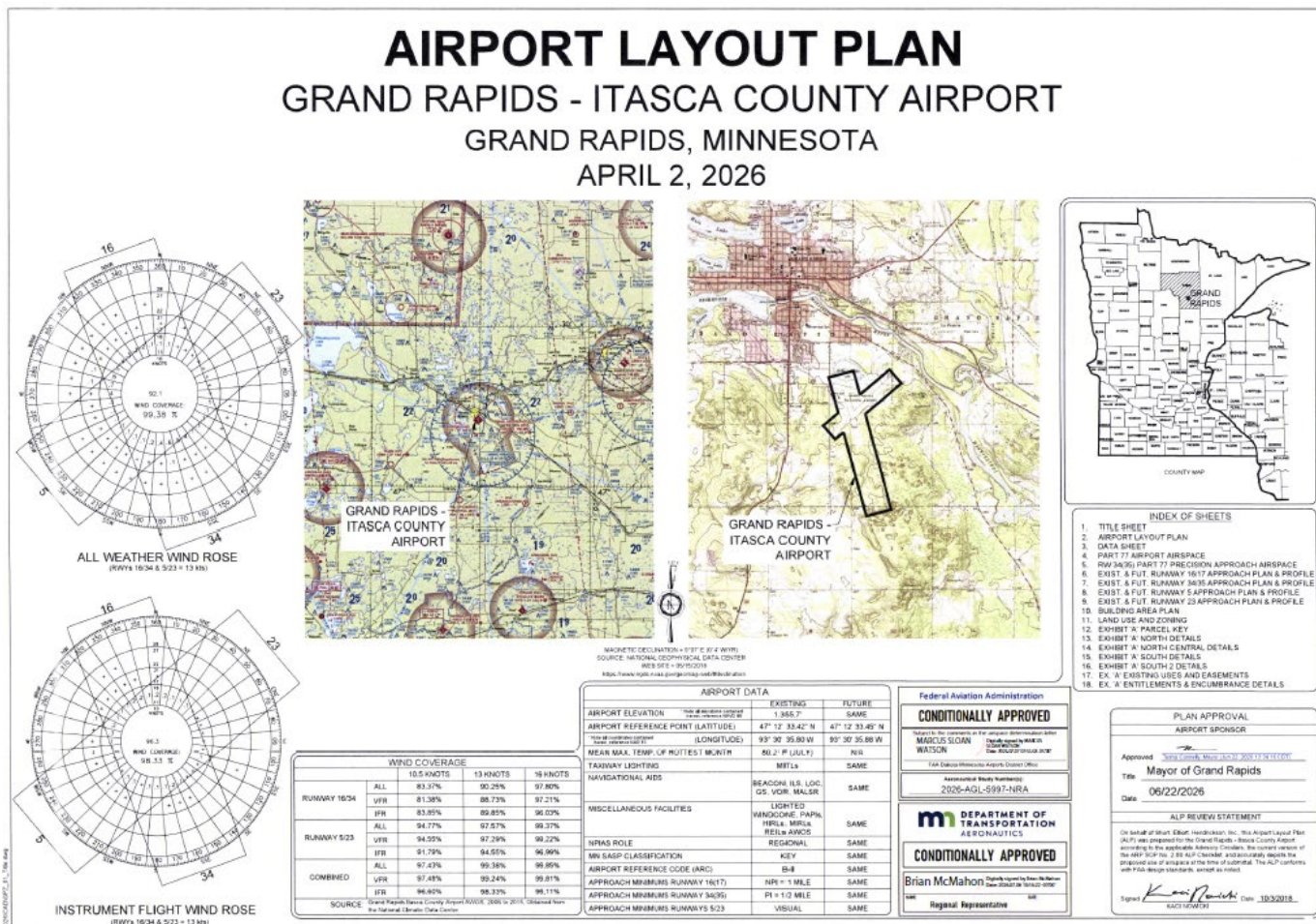
Engineering Projects

Block 19 Parking Lot Improvements

- Currently in Design Phase
- Construction planned in 2027



Grand Rapids / Itasca County Airport



Airport Projects

**Taxilane Extension
(2027 construction)**

**Taxiway A North
Reconstruction – Ph 2
(2027 construction)**

**Taxiway A South
Reconstruction – Ph 1
(2026 construction)**





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Item 2.

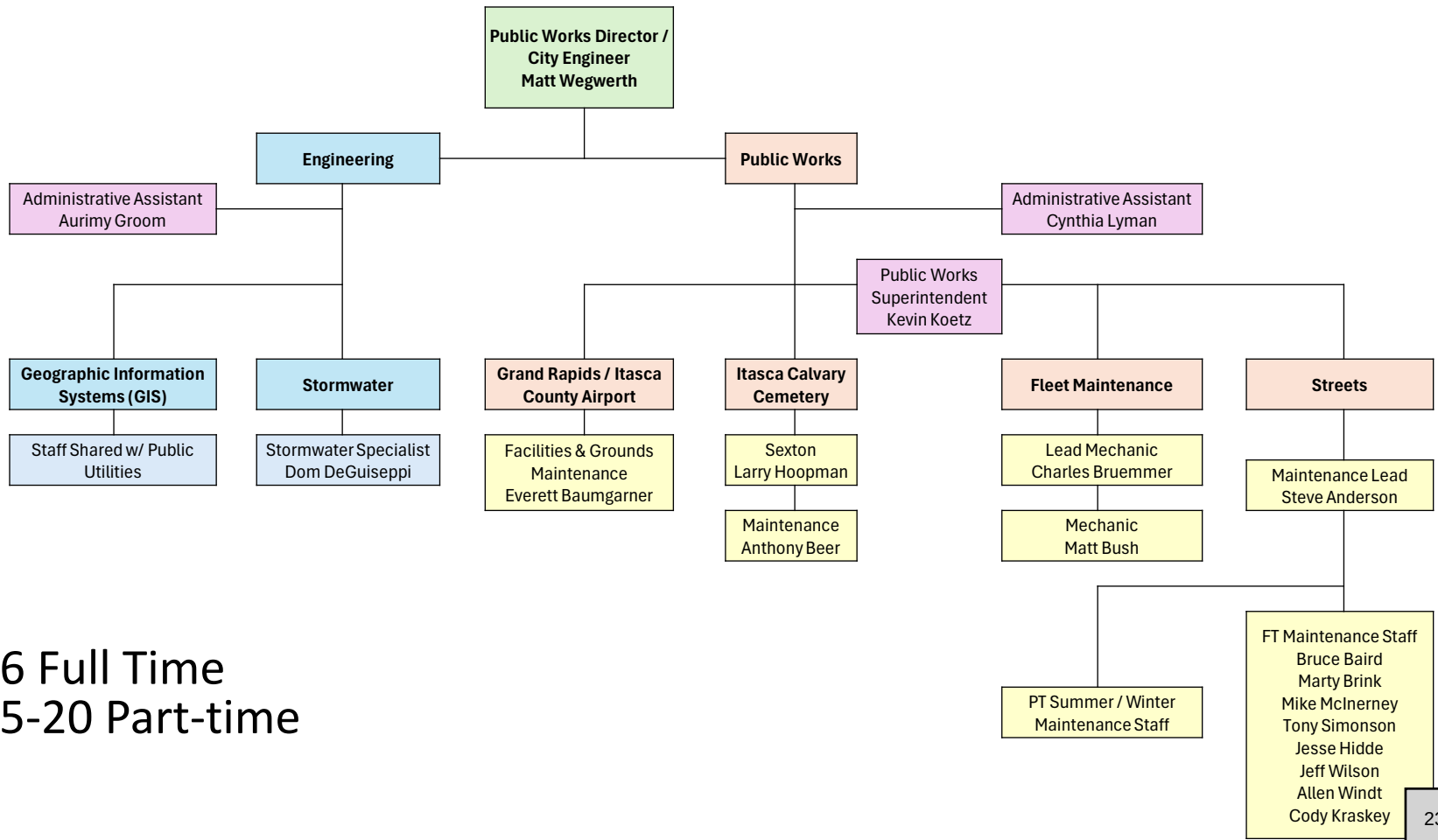
Airport Equipment



Replacement Front-End Loader is
on order (early winter delivery)

Public Works Department Details

Item 2.



16 Full Time
15-20 Part-time

Public Works

Winter Maintenance

2025/2026 Total snow fall was **39.0"**

2024/2025 – 47.4"

2023/2024 – 27.8"

2022/2023 – 88.7"

30-year Avg – 53.5"

This winter ranked 26th lowest on record

The most winter snowfall was 100.4" (1970-71)

The least winter snowfall was 20.1" (1917-18)



Public Works

Winter Maintenance

State of MN Road Salt Contract

Treated Salt

	<u>Actual</u>	<u>Budget</u>
2025/2026 =	231 T	250 T
2024/2025 =	314 T	200 T
2023/2024 =	157 T	200 T
2022/2023 =	231 T	200 T

Untreated Salt

	<u>Actual</u>	<u>Budget</u>
2025/2026 =	554 T	500 T
2024/2025 =	547 T	450 T
2023/2024 =	432 T	450 T
2022/2023 =	430 T	400 T

	<u>Price per ton</u>	
<u>Season</u>	<u>Untreated</u>	<u>Treated</u>
22/23	\$ 75.05	\$ 144.85
23/24	\$ 76.80	\$ 92.11
24/25	\$ 79.87	\$ 95.79
25/26	\$ 82.51	\$ 104.41
26/27	\$ 91.59	\$ 175.66



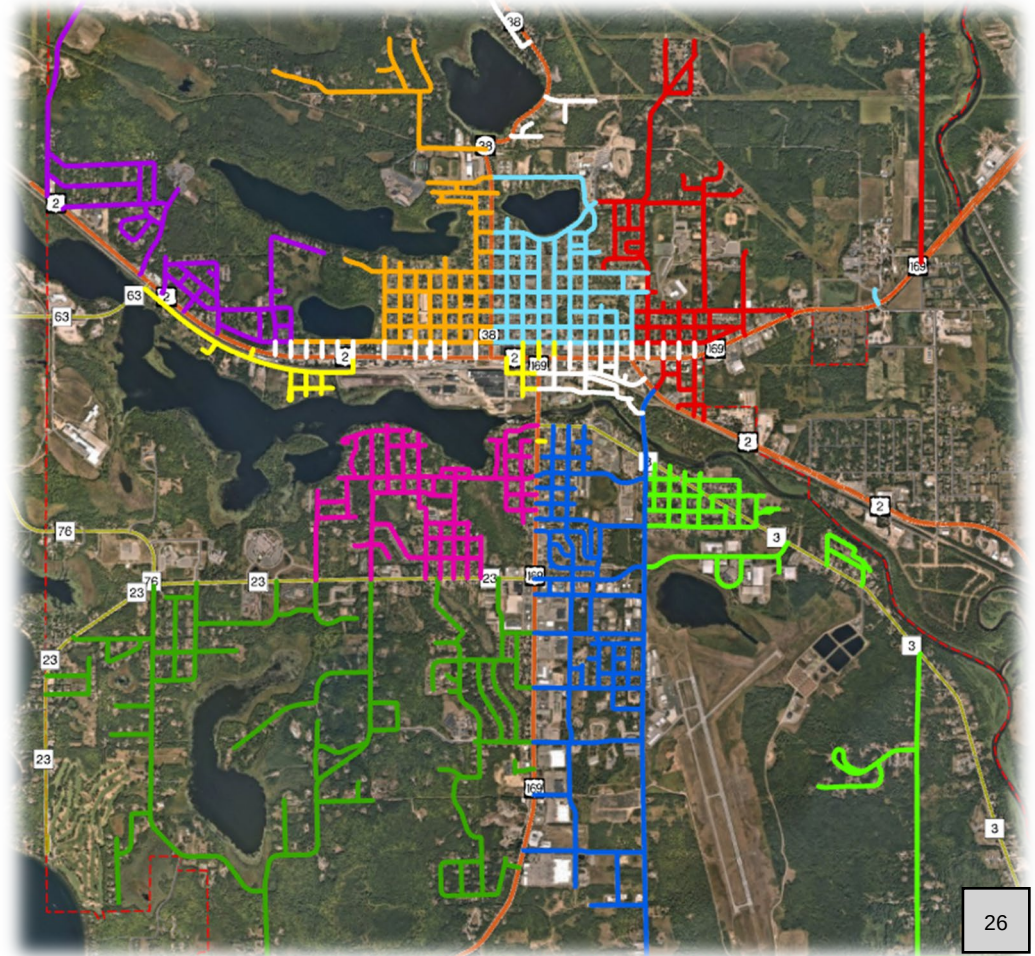


Public Works

Winter Maintenance

Roadway Routes

- City divided into 10 areas
- Each area has an assigned truck/driver



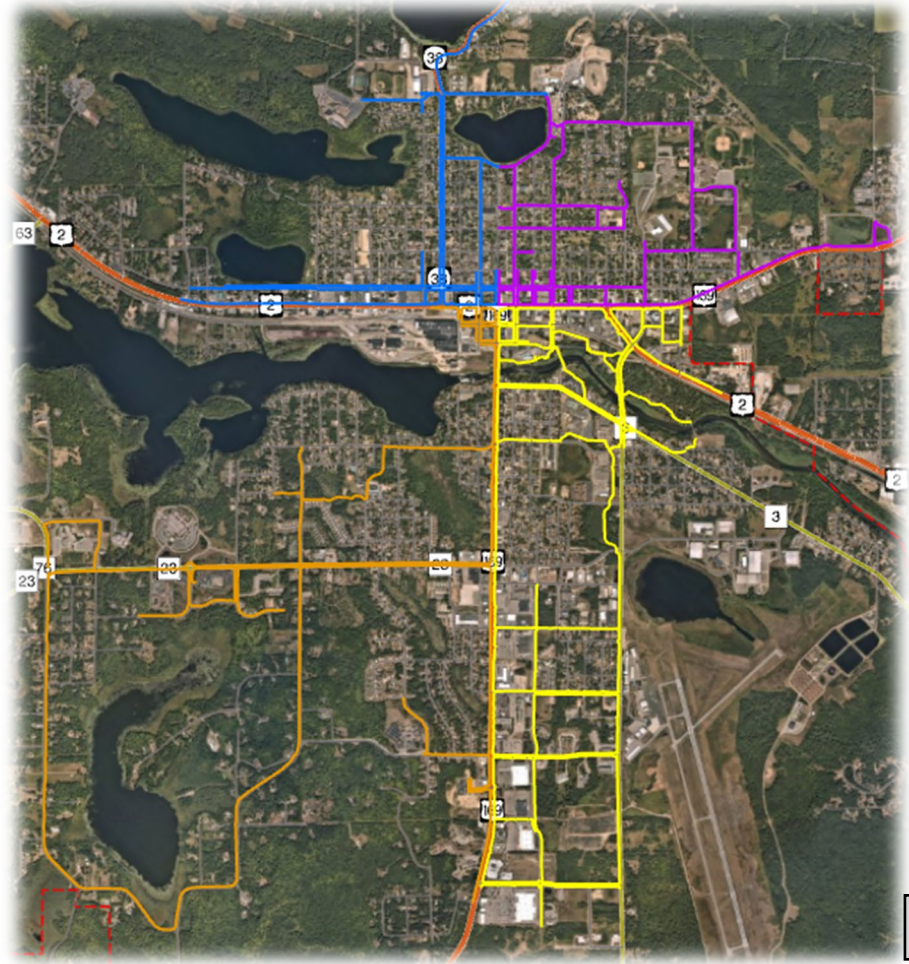


Public Works

Winter Maintenance

Sidewalks/Trails

- City divided into 4 quadrants
- Not all are cleared
- City ordinance requires property owners to clear walks



Public Works Projects

Downtown Improvements

- Stop signs and bumpouts at 5th Street NE / 2nd Avenue NE
- Improved intersection safety



Public Works Projects

Downtown Improvements

- Sidewalk and pedestrian ramp replacements



Public Works Projects

Compost Site

- New site on Airport Road
- Clean leaves and grass clippings only!



Public Works Projects

Emerald Ash Borer

- EAB has been found in the City
- Be aware
 - Wood
 - Bark
- Contact you feel infected
- Don't Tr
- www.mda.state.mn.us/eab



Public Works Projects

Emerald Ash Borer – Tree Diversity Project

EAB Management Plan

- Created Mgmt Plan
- Removed and disposed of diseased trees
- Plant 125 new trees
- Diversified inventory (6 new tree species)





Public Works Projects

Community Wide Streetscape



Public Works

Advertising Signs

Per City Ordinance:
Signs are not
allowed in the
public right-of-way
or on public
property



