

- MINUTES -
CHASKA CITY COUNCIL
DECEMBER 2, 2024

1. Call to Order

The meeting was called to order by Mayor Windschitl at 7 p.m.

2. Pledge of Allegiance

3. Roll Call

Roll call was taken. Present: Mayor Windschitl and Councilmembers Grau, Hatfield, Hubbard, and Huang.

Absent: None.

Also Present: Matt Podhradsky, City Administrator; Noel Graczyk, Administrative Services Director; Krista Mark, Communications Coordinator; Elise Durbin, Assistant City Administrator; and Nate Kabat, Community Development Director.

4. Adopt the Agenda

Motion by Councilmember Hatfield, second by Councilmember Hubbard to adopt the agenda as presented. Motion carried.

5. Visitor Presentation

Mayor Windschitl encouraged all community members to stay off ponds and lakes. Woodbury has had two water rescues already.

Mayor Windschitl pointed out Councilmember Huang has been serving the City since joining the Planning Commission in 2009 and the City Council in 2018. He also served as Chair for the SouthWest Transit Board, Chair of Suburban Transit, and participates in the Metropolitan Area Water Advisory Committee. He is an asset to the community. Mayor Windschitl thanked Councilmember Huang for his commitment to the City and his active involvement.

Councilmember Hubbard agreed it has been a pleasure to work with Councilmember Huang. He is thoughtful, analytical, and an effective communicator.

Councilmember Hatfield noted her appreciation of Councilmember Huang's experience and background with Planning Commission. Councilmember Grau thanked Councilmember Huang for his thorough review of the bills.

City Administrator Podhradsky agreed Councilmember Huang is thoughtful, thorough, and attentive.

Mayor Windschitl added it is noble for Councilmember Huang to step down and prioritize his family's needs.

Councilmember Huang explained it has been a joy to work with the Council. There have been fruitful conversations filled with respect. The community members and Staff have also made the experience worthwhile.

No one wished to address the Council.

6. Approve Previous Meeting Minutes

6.A. Approve the November 18, 2024 City Council Meeting Minutes

Motion by Councilmember Hubbard, second by Councilmember Hatfield to approve the minutes of the November 18, 2024 City Council meeting.

Motion carried.

7. Consent Agenda

Motion by Councilmember Grau, second by Councilmember Hatfield to approve the Consent Agenda Items A through B:

- A. Adopt Resolution No. 2024-93 Authorizing Issuance and Sale of \$11,300,000 General Obligation Bonds, Series 2024B

Motion to ratify the completed sale of the Chaska General Obligation Bonds, Series 2024B.

- B. Approve 2025 Business License Renewals

Motion to approve the 2025 Business Licenses to include games of skill, refuse haulers, massage therapists, massage business, tobacco sales, solicitors/peddlers/transients effective January 1, 2025 through December 31, 2025.

Motion carried.

8. Action Items

8.A. Truth in Taxation Public Hearing-2025 Tax Levy and Budget

City Administrator Podhradsky introduced the item to the Council and provided a presentation on it.

Councilmember Hatfield pointed out the Chaska library serves a community beyond Chaska. Councilmember Hubbard added the library has grown to provide more than just books.

Mayor Windschitl asked if Staff have gone back to the County regarding the sales tax and funding a library improvement. Chaska shouldn't carry the burden for the County. Councilmember Hatfield stated a County Commissioner stated the County doesn't need a library in Chaska. Mayor Windschitl stated the culture needs to change. Chaska doesn't lose anything by asking.

Mayor Windschitl opened the public hearing at 8:51 p.m.

Randal Gast, 3016 Fairway Drive, explained he doesn't have a median-priced home. The presentation didn't mention anything about cyber security. As a retired individual, he is highly susceptible in the cyber security world. The Council likely has little knowledge in IT. Last year, Ridgeview Hospital was hit with a ransom demand. Chaska will be hacked. He encouraged the

City to consider cybersecurity funding. He shared other examples of poorly handled cyber security issues.

Councilmember Huang pointed out his day job is an IT Program Manager. Mr. Gast stated Councilmember Huang is an exception, and his fellow Councilmembers don't listen to him when he speaks about cyber security.

Councilmember Huang noted he has spoken in length with Staff regarding cyber security issues, so they are well-aware of the topic.

Mr. Gast stated the average tax increase is on average \$10,000 for 119 homes near the Golf Course. He provided additional statistics about the property tax impacts within his neighborhood.

Mayor Windschitl added Staff is required to complete cyber security training.

Leah Sheveland, 2961 Canyon Road, stated she ran for Council to increase representation. Her neighborhood can afford their increasing taxes. Her mortgage company called her to tell her that they will be increasing her mortgage payments because the taxes increased so much. Both this year and the previous year, the property taxes increased around \$500. When she moved in less than a decade ago, her property taxes were under \$6,000, and they are now close to \$10,000. While her family can afford the increases, others are not as fortunate. Chaska used to be an affordable community, and everyone was welcome regardless of income. She encouraged the Council to consider tax impacts on all community members and to better communicate plans and initiatives to the public.

Mayor Windschitl stated Chaska has done more communication regarding public building improvements than any other City. The Council has been extremely transparent. Ms. Sheveland noted the Council can educate newer community members. Mayor Windschitl pointed out they cannot make community members pay attention.

Councilmember Hubbard added the City responded to community feedback and spread out the project over four years in consideration of inflation. Councilmember Huang reiterated the numerous community engagement efforts the Council and Staff have initiated.

Councilmember Hubbard explained the Council is working to have hard conversations now to promote affordable projects and prepare for future generations of Councilmembers and residents.

Councilmember Hatfield pointed out there are people promoting division in the community, but they don't have the best interest of Chaska in mind. They are misinformed and spread incorrect information. She encouraged community members to seek out the truth from public documents, Staff, and other City representatives.

City Administrator Podhradsky noted only about 20 percent of the City's budget is funded by taxes.

Councilmember Hatfield explained the Council was elected to sit through hours and hours of presentations and make difficult decisions.

Councilmember Huang added residents prefer to digest summarized information rather than hearing each and every detail. It is difficult for the Council and Staff to distill such detailed, thought-out projects and efforts into a tidbit the public would care to understand.

Councilmember Hubbard quoted Councilmember Hatfield, "When you know more, you do better." The Council has to balance the various perspectives. There is no perfect community for all people. They aim to facilitate consistent, fruitful City services without getting luxe.

Councilmember Huang stated he has a table that calculates inflation amortization. For example, a \$40 million building may cost \$45 million after five years. Waiting five years also increases the loan amount. In the scenario of waiting five years to build a \$45 million building, the City would be responsible for an additional \$8.3 million for the loan.

Mayor Windschitl stated the roof leaks among other issues. They wanted to push back the project, but it wasn't the best decision financially. No one wants higher taxes, and the City should have planned lower increases over time to prepare for such projects. The timing is also difficult. After the recession, there was the pandemic. COVID-19 has changed the construction world. Overall, he has been comfortable with the decisions he has participated in throughout his time on Council.

Councilmember Hatfield pointed out the issues are not unique to Chaska. No one wants higher taxes, but the Council must consider both the present and long-term tax impacts.

Councilmember Grau added values and the City services used are personal to each individual, and the Council cannot accommodate all preferences.

Councilmember Hubbard thanked Ms. Sheveland for her comments and encouraged more residents to participate in City happenings. She noted that additional community members participate in different ways such as one-on-one meetings with Councilmembers, emails, and the like.

Mayor Windschitl closed the public hearing at 9:44 p.m.

Motion by Councilmember Huang, second by Councilmember Grau to establish December 16, 2024 as the date to consider the adoption of the 2025 budget and final tax levy.

Motion carried.

8.B. Public Hearing: Adopt Ordinance 2024-1052 Establishing 2025 Development Fees, Planning Application Fees, Building and Fire Permit Fees

City Administrator Podhradsky introduced the item to the Council and Community Development Director Nate Kabat provided a presentation on it.

Mayor Windschitl asked if the rates are comparable to neighbors. Community Development Director Kabat confirmed the proposal is comparable to existing rates of nearby cities.

Councilmember Hatfield asked how the City knows which homes are being bought for rentals. City Administrator Podhradsky stated they can obtain a list of properties that are not homesteaded. Those properties can be contacted regarding licensure. Councilmember Hatfield noted the importance of single-family homes being inspected to promote safety in Chaska.

Community Development Director Kabat pointed out that relying on the Fire Department would help inform the Fire Department of community needs and build capacity for firefighters.

Councilmember Huang asked how homesteaded properties used for Airbnbs are counted. Councilmember Hatfield stated only one property can be homesteaded. However, utility billing could also be reviewed for long-term stays.

Councilmember Huang noted some homes are rented out for a one-time situation such as a golf tournament. City Administrator Podhradsky stated those would be difficult to track, but it is likely fewer than they think.

Mayor Windschitl opened the public hearing at 9:53 p.m.

No one wished to address the Council.

Mayor Windschitl closed the public hearing at 9:54 p.m.

Motion by Councilmember Hubbard, second by Councilmember Huang to adopt Ordinance 2024-1052, establishing the 2025 Development, Planning Application, Building Inspection, and Fire Fees.

Motion carried.

9. Bills

9.A. Accounts Payable Claims Roster 2-12-2024

The Council requested further information about bills on pages 7, 18, and 19.

City Administrator Podhradsky provided further information regarding those bills.

Motion by Councilmember Huang, second by Councilmember Grau to approve the bills as presented. Roll call was taken. Voting aye: Councilmembers Hatfield, Hubbard, Huang, Grau and Mayor Windschitl. Voting nay: None

Motion carried.

10. Other Business

10.A. City Administrator's Report

10.A.i. Bi-Weekly Report 2-12-2024

10.B. Business Update

Councilmember Hatfield:

- Noted she participated in Small Business Saturday, and it was very popular.
- Stated Hometown Holiday will be December 7, 2024.
- Pointed out the Dueling Pianos event on December 12, 2024 is sold out.

Councilmember Hubbard:

- Noted she also participated in Small Business Saturday.
- Stated the Human Rights Commission is accepting nominations for their award through December 12, 2024. The nomination forms are available online.
- Explained the closing date for Boards and Commissions applications is December 20, 2024. There are a number of open positions.

Councilmember Huang:

- Pointed out three of the five Councilmembers started off serving on Commissions.
- Attended the Chaska High School production of *Annie*, and it was very entertaining.
- Stated the Santa Parade is December 18, 2024.
- Added there will be a one-night choir on December 17, 2024. The performance will be a free event.
- Noted Chaska was included on a list of Best Small Cities in America and ranked 12th in Minnesota.
- Asked for an update on the Cooper site. City Administrator Podhradsky stated the owner is working on financing. Community Development Director Kabat added Staff has reason to believe the KFC is structurally unsound, and it has been communicated to the property owner.

Councilmember Grau:

- Asked for an explanation on how City's holiday lights are paid for. City Administrator Podhradsky stated the 100 Club holds a fundraiser to pay for the holiday decorations throughout the community.
- Agreed the *Annie* production was well-done.
- Pointed out there are a number of volunteer-run organizations that help make Chaska what it is. He thanked the community volunteers for their contribution to the City.

Mayor Windschitl:

- Stated Chanhassen has a *Christmas Story* production coming up.
- Asked for an update on the Public Safety building. City Administrator Podhradsky explained several days were lost due to the summer's weather, and they haven't been able to catch up.
- Noted Savannah Way opened up.
- Pointed out there is a Chaska Santa in town that collects toys for children.

11. Adjourn

Motion by Councilmember Huang, second by Councilmember Grau to adjourn the meeting at 10:34 p.m.

Motion carried.