

## CITY COUNCIL WORK SESSION – AGENDA #37

If you need these materials in an alternative format or need reasonable accommodations for a City Council meeting, please provide the City with 72-hours' notice by calling 763-424-8000 or emailing Josie Shardlow at [josie.shardlow@brooklynpark.org](mailto:josie.shardlow@brooklynpark.org).  
Para asistencia, 763-424-8000; Yog xav tau kev pab, 763-424-8000.

***Our Vision: Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.***

### ***Our Brooklyn Park 2025 Goals:***

***• A united and welcoming community, strengthened by our diversity • Beautiful spaces and quality infrastructure make Brooklyn Park a unique destination • A balanced economic environment that empowers businesses and people to thrive • People of all ages have what they need to feel healthy and safe • Partnerships that increase racial and economic equity empower residents and neighborhoods to prosper • Effective and engaging government recognized as a leader***

- A. **CALL TO ORDER – Mayor Hollies Winston**
- B. **GENERAL INFORMATION**  
None.
- C. **DISCUSSION ITEMS/GENERAL ACTION ITEMS – These items will be discussion items but the City Council may act upon them during the course of the meeting.**
  - C.1** Wage Comparison Study
  - C.2** Homeowners Associations – What is the City's role?
    - A.** Handout from Community Associations Institute – MN
  - C.3** 610 Corridor Development Study Zoning Approach
    - A.** Floor Area Ratio Resources
  - C.4** Utility Rates Study
- D. **VERBAL REPORTS AND ANNOUNCEMENTS**
  - D.1 COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS**
  - D.2 CITY MANAGER REPORTS AND ANNOUNCEMENTS**
- E. **ADJOURNMENT**

# City of Brooklyn Park Council Work Session

<b>Meeting Date:</b>	October 2, 2023	<b>Originating Department:</b>	Administration
<b>Agenda Item:</b>	C.1	<b>Prepared By:</b>	Sarah Kriewall, HR Director
<b>Agenda Section:</b>	Discussion Items/ General Action Items	<b>Presented By:</b>	Sarah Kriewall David Drone and Associates
<b>Item:</b>	Wage Comparison Study		

## Summary:

The City of Brooklyn Park last completed a compensation study in 2014. We have selected David Drone and Associates, consultant Tessia Melvin, to conduct a comprehensive compensation study and create new job descriptions for all job titles in the organization. Preliminary compensation study information and project next steps will be provided and discussed.

**Attachments:** N/A

# City of Brooklyn Park Council Work Session

<b>Meeting Date:</b>	October 2, 2023	<b>Originating Department:</b>	Community Development
<b>Agenda Item:</b>	C.2	<b>Prepared By:</b>	Zach Kramka, Asst to the City Manager
<b>Agenda Section:</b>	Discussion Items/ General Action Items	<b>Presented By:</b>	Zach Kramka, Kim Berggren, Community Development Director
<b>Item:</b>	Homeowners Associations – What is the City’s role?		

## Summary:

*Brooklyn Park 2025*, the City’s organizational strategic plan, emphasizes the importance of creating “a united and welcoming community, strengthened by our diversity”. Since approximately 40% of Brooklyn Park residents live within a Homeowners Association (HOA), these entities can have a significant impact on how residents experience their neighborhood.

Staff will present background information on HOAs in Brooklyn Park and how staff currently support and interact with residents within HOAs. In addition, a local attorney who focuses on HOA legal issues will be there for additional context and to answer questions.

## Resources:

Chapter 515B. Minnesota Common Interest Ownership Act  
<https://www.revisor.mn.gov/statutes/cite/515B>

## Attachments:

C.2A Handout from Community Associations Institute – MN

## **Tips for Addressing Problems in an Association**

### **Contact the Board of Directors**

The first step to address problems with your CIC association is to notify the board of your concerns. Although an association may hire agents such as a management company, the board governs the association and should be aware of issues and concerns that involve the community. Thus, if you seek information or have an issue with your CIC, make the board aware of the matter. If it withholds information or does not respond, ask the board under what authority it is acting.

### **Attend Meetings and Participate**

Many decisions regarding the association's operation are made through the majority vote of owners at association meetings. Minnesota law requires that an association meeting be held at least annually, and special meetings may also be called. Accordingly, to make your voice heard, you should attend meetings and cast your vote on issues, including electing the board.

### **Talk to Other Owners**

Because unit owners comprise the association, you may find that you can accomplish a great deal simply by speaking with others in your association about your concerns or ideas. Other concerned owners may be willing to join you in contacting the board or may help determine whether other action is necessary.

### **Conciliation Court**

If your dispute with the association involves an amount less than the \$15,000 maximum judgment allowed in conciliation court, you may wish to consider filing a claim in conciliation court, also known as small claims court. This Office's brochure, Conciliation Court: A User's Guide to Small Claims Court, provides information regarding filing a claim in conciliation court.

### **Contact a Private Attorney**

If other methods do not accomplish the desired result, you may wish to speak with a private attorney about your concerns. The laws affecting CIC associations can be complicated, and a private attorney familiar with these laws is in the best position to advise you of your legal rights and potential avenues of recourse.

### **Contact BBB**

Similarly, the aggrieved homeowner can contact better business bureau at 651 699 1111 to register the complaint.

For more information concerning CICs, you may wish to contact the following organization:

Community Associations Institute

Minnesota Chapter

P.O. Box 390181

Edina, MN 55439

Email: [ced@cai-mn.com](mailto:ced@cai-mn.com)

Tel: 612-504-0567

[www.minnesotahoa.com](http://www.minnesotahoa.com)

# City of Brooklyn Park City Council Work Session

<b>Agenda Item:</b>	C.3	<b>Meeting Date:</b>	October 2, 2023
<b>Agenda Section:</b>	Discussion Items	<b>Prepared By:</b>	Paul Mogush, Planning Director
<b>Resolution:</b>	N/A	<b>Presented By:</b>	Paul Mogush
<b>Attachments:</b>	1		
<b>Item:</b>	610 Corridor Development Study Zoning Approach		

## Overview/Background:

At the August 28 regular meeting, the City Council approved an amendment to the 2040 Comprehensive Plan consistent with the goals of the development moratorium. The next step is to enact zoning map and text changes that implement the Comprehensive Plan amendment. The Planning Commission will consider those changes at its regular meeting on October 11, and the City Council will consider the changes on first reading on October 23.

At the October 2 Council work session, staff will provide a preview of the recommended approach to the zoning changes and seek feedback and questions. The discussion will focus on establishing a minimum acceptable level of development through a minimum floor area ratio. Staff assembled several resources to inform the conversation about minimum FAR (attached).

**Budgetary/Fiscal Issues:** N/A

## Attachments:

C.3A Floor Area Ratio Resources

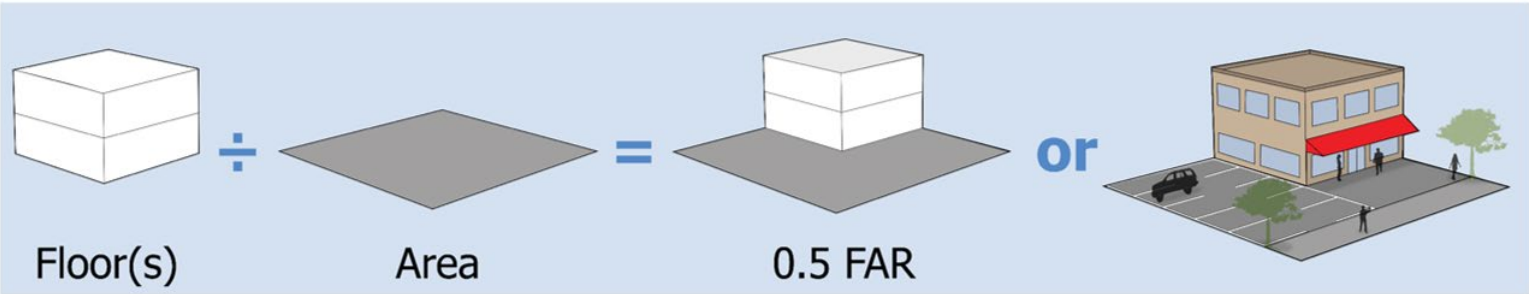
# Resources for determining minimum FAR in the new Mixed Use zoning district

# Scale

Objective	Current Guidance	Proposed Guidance
Ensure that individual parcels and the area as a whole are <b>not underdeveloped</b> , which would be counter to the Council’s goal of increasing value	None	Establish minimum development intensity standards to ensure efficient use of land (Minimum Floor Area Ratio)

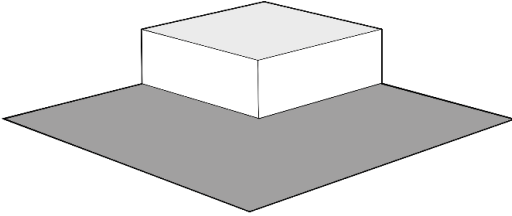
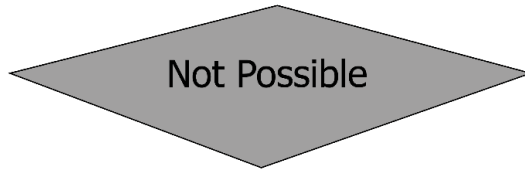
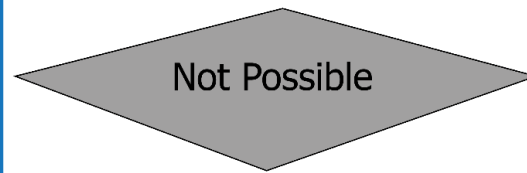
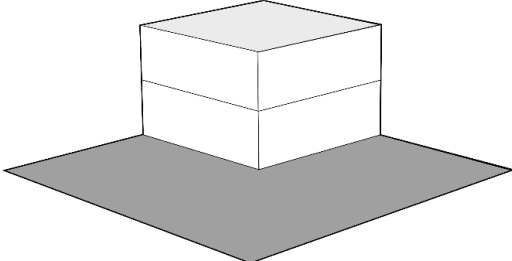
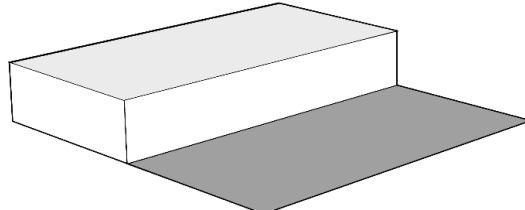
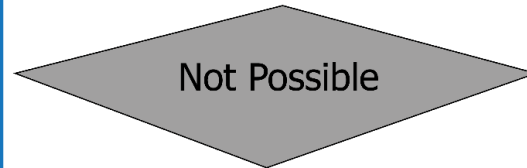
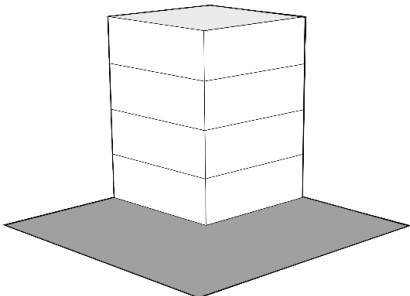
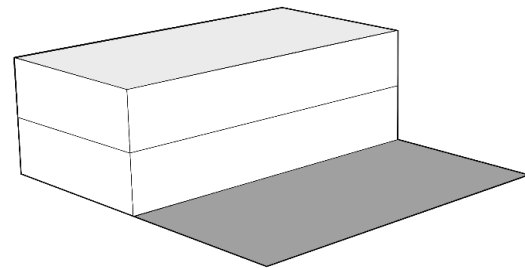
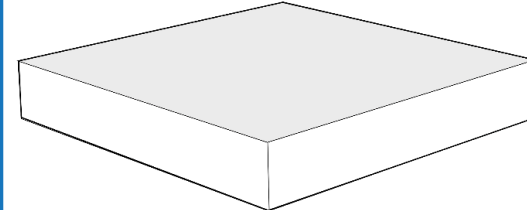
# FAR

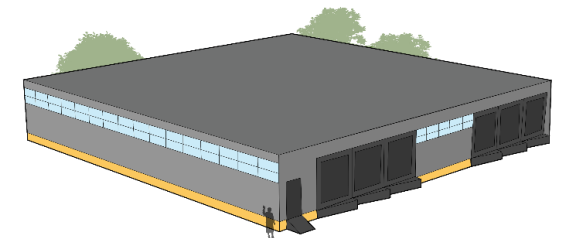
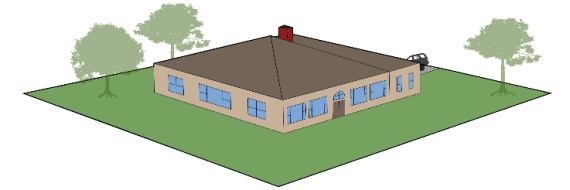
## Floor Area Ratio





FAR is a tool cities utilize to regulate the density of buildings and is often used with other tools like setbacks, required open space, and maximum building footprint

	<b>25%</b> Building footprint	<b>50%</b> Building footprint	<b>100%</b> Building footprint
<b>0.25</b> FAR			
<b>0.50</b> FAR			
<b>1</b> FAR			



# Model 1.5: Medium-High Density



- **References:**  
Edison  
Apartments  
(City of  
Roseville)
- **Land Uses:**  
Commercial,  
Residential,  
Office, Parks,  
Parking

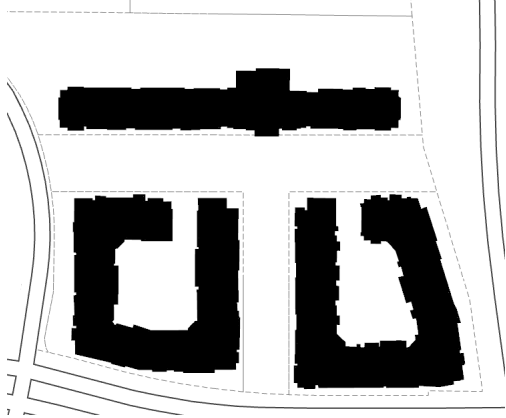
# Comparing Apples-to-Apples

Feasibility Analysis Summary - July 24, 2023	Model 1	Hybrid Model 1.5	Model 2	Model 3A (2017 Small Area Plan)	Model 3B (2040 Comp. Plan)
Range of Heights	4 - 7 stories	2 - 7 stories	1 - 5 stories	1 - 2 stories	1 - 2 stories
Housing (units)	4,905	3,371	2,020	374	741
Affordable Unit Count	736	506	303	56	111
Housing (SF)	4,494,400	3,087,836	1,850,320	387,468	768,417
Housing %	67%	61%	63%	28%	60%
Retail (SF)	194,023	194,026	143,984	236,300	66,006
Retail %	3%	4%	5%	17%	5%
Office (SF)	0	0	30,085	0	0
Office %	0%	0%	1%	0%	0%
Park/Public Space	91,000	91,000	91,000	159,890	0
Parks %	1%	2%	3%	12%	0%
Total Parking	8,605	7,460	3,706	2,638	2,023
Parking Square Footage	1,936,125	1,678,468	833,850	593,479	455,175
Parking %	29%	33%	28%	43%	35%
Total Development Square Footage	6,715,548	5,051,330	2,949,239	1,377,137	1,289,598
FAR	3.56	2.68	1.56	0.73	0.68
Total Development Model Cost	\$1,734,693,776	\$1,231,700,240	\$654,744,800	\$216,123,087	\$275,167,012
Total Up-Front Affordable Housing Subsidy	\$41,832,291	\$28,703,074	\$17,199,706	\$5,335,620	\$10,581,480
Total Up-Front Public Parking Subsidy	\$81,758,333	\$70,306,905	\$4,632,500	\$0	\$0
Annual Property Tax Revenue (City)	\$9,540,816	\$6,774,351	\$3,601,096	\$1,188,677	\$1,513,419
Value/Acre	\$40,062,212	\$28,445,733	\$15,121,127	\$4,991,295	\$6,354,896

# FAR in Brooklyn Park

# 610 West Apartments (Built)

	610 West Apts. (Built)
FAR (no parking)	1.77
FAR (with parking)	2.16
Lot Size (sq ft)	377,279
Lot Size (acres)	8.66
Gross Square Footage (no structured parking)	669,060
Gross Square Footage (with structured parking)	818,282
Stories (no structured parking)	4
Units	480
Units Per Acre	55
Zoned Units Per Acre	12 to 50
Value Per Acre	\$11.6M
Structured Parking	492
<i>Underground</i>	492
<i>Above Ground</i>	0
Surface Parking	210
Total Parking	702



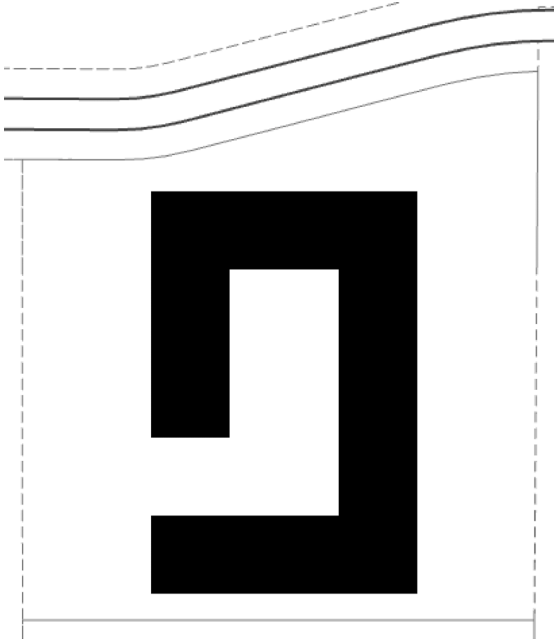
# 610 West Apartments (Proposed Addition)

	610 West Apts. (Proposed)
FAR (no parking)	0.61
FAR (with parking)	0.75
Lot Size (sq ft)	161,172
Lot Size (acres)	3.7
Gross Square Footage (no structured parking)	98,926
Gross Square Footage (with structured parking)	120,755
Stories (no structured parking)	4
Units	115
Units Per Acre	31
Zoned Units Per Acre	7 to 25
Value Per Acre	-
Structured Parking	58
<i>Underground</i>	58
<i>Above Ground</i>	0
Surface Parking	164
Total Parking	222



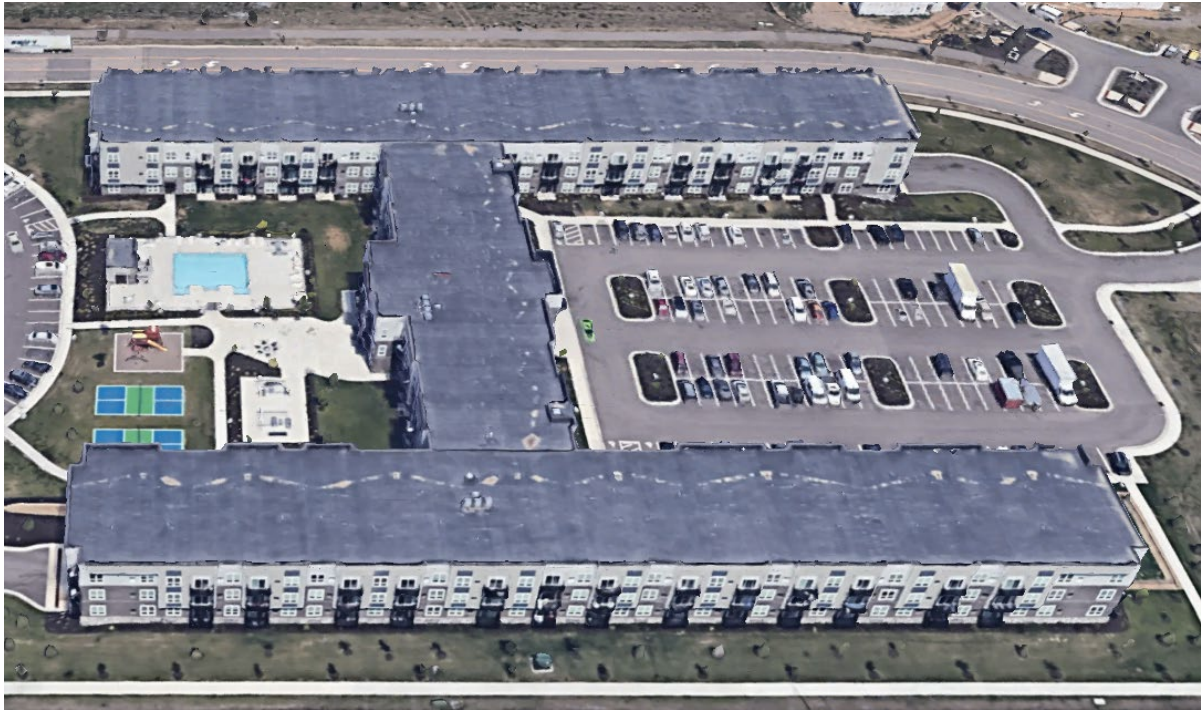
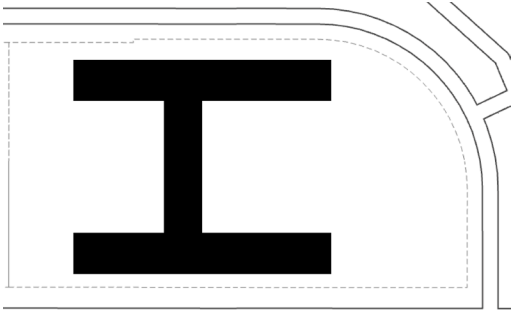
# Kipling Apartments

	Kipling Apts.
FAR (no parking)	0.81
FAR (with parking)	1.08
Lot Size (sq ft)	196,410
Lot Size (acres)	4.51
Gross Square Footage (no structured parking)	158,885
Gross Square Footage (with structured parking)	212,723
Stories (no structured parking)	3
Units	146
Units Per Acre	35
Zoned Units Per Acre	7 to 25
Value Per Acre	-
Structured Parking	148
<i>Underground</i>	148
<i>Above Ground</i>	0
Surface Parking	108
Total Parking	256



# Urbana Court Apartments

	Urbana Court
FAR (no parking)	0.19
FAR (with parking)	0.25
Lot Size (sq ft)	326,793
Lot Size (acres)	7.5
Gross Square Footage (no structured parking)	61,636
Gross Square Footage (with structured parking)	82,181
Stories (no structured parking)	3
Units	207
Units Per Acre	28
Zoned Units Per Acre	12 to 50
Value Per Acre	\$5.9M
Structured Parking	218
<i>Underground</i>	218
<i>Above Ground</i>	0
Surface Parking	187
Total Parking	405





# Urbana Place Senior Living

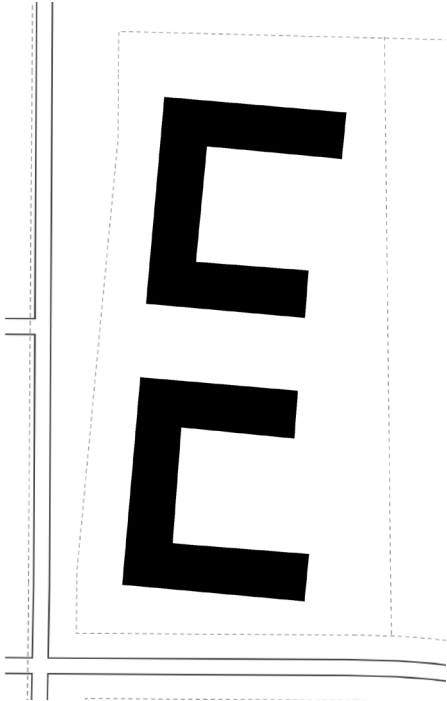


	Urbana Place
FAR (no parking)	0.21
FAR (with parking)	0.26
Lot Size (sq ft)	128,643
Lot Size (acres)	2.95
Gross Square Footage (no structured parking)	26,968
Gross Square Footage (with structured parking)	33,710
Stories (no structured parking)	4
Units	103
Units Per Acre	35
Zoned Units Per Acre	12 to 50
Value Per Acre	\$6M
Structured Parking	52
<i>Underground</i>	52
<i>Above Ground</i>	0
Surface Parking	40
Total Parking	92



# Decatur North & South Apartments

	Decatur North & South
FAR (no parking)	0.72
FAR (with parking)	0.84
Lot Size (sq ft)	339,768
Lot Size (acres)	7.8
Gross Square Footage (no structured parking)	243,714
Gross Square Footage (with structured parking)	284,846
Stories (no structured parking)	6
Units	350
Units Per Acre	45
Zoned Units Per Acre	12 to 50
Value Per Acre	-
Structured Parking	443
<i>Underground</i>	239
<i>Above Ground</i>	204
Surface Parking	218
Total Parking	661



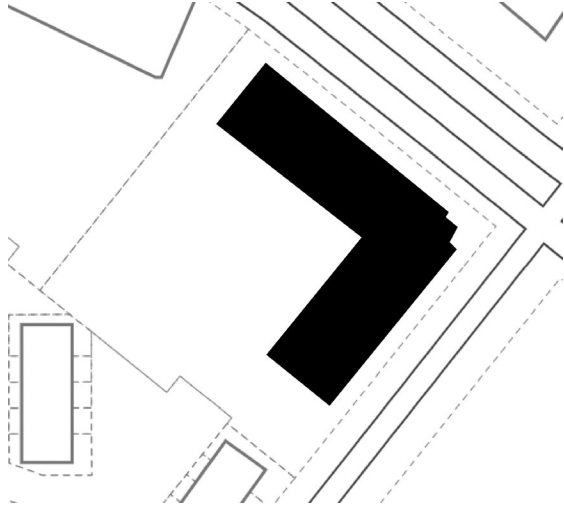
# Tessman Ridge Phase I

	Tessman Ridge
FAR (no parking)	0.92
FAR (with parking)	1.10
Lot Size (sq ft)	111,114
Lot Size (acres)	2.55
Gross Square Footage (no structured parking)	102,040
Gross Square Footage (with structured parking)	124,876
Stories (no structured parking)	4
Units	75
Units Per Acre	29
Zoned Units Per Acre	12 to 50
Value Per Acre	-
Structured Parking	70
<i>Underground</i>	70
<i>Above Ground</i>	0
Surface Parking	84
Total Parking	154



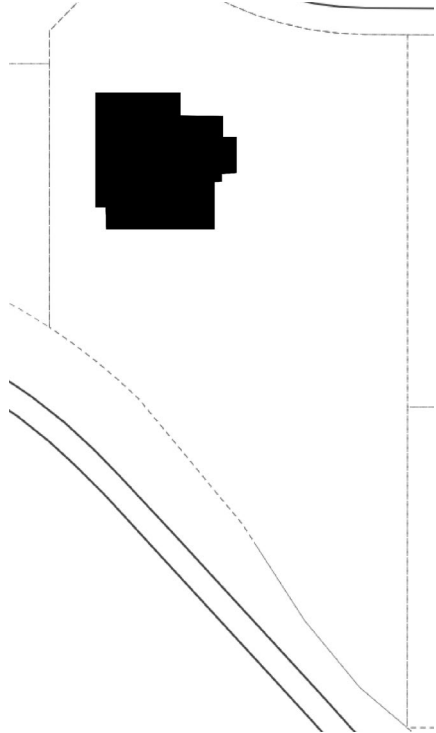
# Village Creek

	Village Creek
FAR (no parking)	1.47
FAR (with parking)	1.78
Lot Size (sq ft)	74,488
Lot Size (acres)	1.71
Gross Square Footage (no structured parking)	109,858
Gross Square Footage (with structured parking)	132,530
Stories (no structured parking)	5
Units	83
Units Per Acre	49
Zoned Units Per Acre	9 to 50
Value Per Acre	\$9M (projected)
Structured Parking	64
<i>Underground</i>	64
<i>Above Ground</i>	0
Surface Parking	65
Total Parking	129



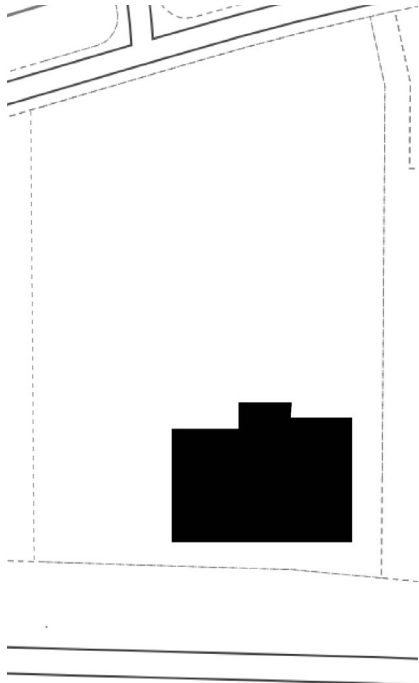
# Twin Cities Orthopedics

	Twin Cities Orthopedics
FAR (no parking)	0.18
FAR (with parking)	-
Lot Size (sq ft)	220,333
Lot Size (acres)	5.06
Gross Square Footage (no structured parking)	39,700
Gross Square Footage (with structured parking)	-
Stories (no structured parking)	2
Units	-
Units Per Acre	-
Zoned Units Per Acre	-
Value Per Acre	\$1.26M
Structured Parking	0
<i>Underground</i>	0
<i>Above Ground</i>	0
Surface Parking	196
Total Parking	196



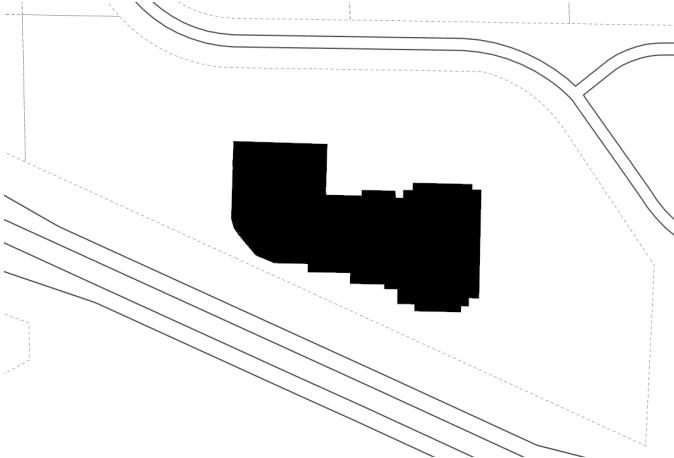
# 610 Medical

	610 Medical
FAR (no parking)	0.25
FAR (with parking)	-
Lot Size (sq ft)	165,528
Lot Size (acres)	3.8
Gross Square Footage (no structured parking)	42,000
Gross Square Footage (with structured parking)	-
Stories (no structured parking)	2
Units	-
Units Per Acre	-
Zoned Units Per Acre	-
Value Per Acre	\$1.98M
Structured Parking	0
<i>Underground</i>	0
<i>Above Ground</i>	0
Surface Parking	214
Total Parking	214



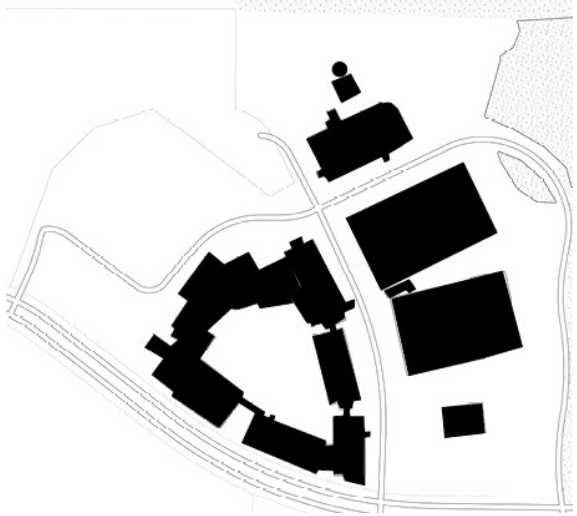
# Marriot Northwest

	Marriot Northwest
FAR (no parking)	0.62
FAR (with parking)	-
Lot Size (sq ft)	472,868
Lot Size (acres)	10.86
Gross Square Footage (no structured parking)	294,455
Gross Square Footage (with structured parking)	-
Stories (no structured parking)	1 to 8
Units	-
Units Per Acre	-
Zoned Units Per Acre	-
Value Per Acre	\$1.47M
Structured Parking	
<i>Underground</i>	
<i>Above Ground</i>	
Surface Parking	
Total Parking	



# Target North Campus

	Target Campus
FAR (no parking)	0.50
FAR (with parking)	0.74
Lot Size (sq ft)	3,025,500
Lot Size (acres)	69.46
Gross Square Footage (no structured parking)	1,521,356
Gross Square Footage (with structured parking)	2,224,762
Stories (no structured parking)	1 to 8
Units	-
Units Per Acre	-
Zoned Units Per Acre	-
Value Per Acre	\$1.27M
Structured Parking	
<i>Underground</i>	
<i>Above Ground</i>	
Surface Parking	
Total Parking	





# Noble Park & Ride Proposal

	Park & Ride Proposal
FAR (no parking)	0.86
FAR (with parking)	
Lot Size (sq ft)	301,595
Lot Size (acres)	6.92
Gross Square Footage (no structured parking)	260,082
Gross Square Footage (with structured parking)	
Stories (no structured parking)	
Units	188
Units Per Acre	27.16
Zoned Units Per Acre	
Value Per Acre	
Structured Parking	
<i>Underground</i>	
<i>Above Ground</i>	
Surface Parking	329
Total Parking	329

**Rental Homes 159**

Parking Stalls 210 stalls

Affordability 15% of units @ 60%AMI

**For-Sale Homes 44**

Parking Stalls 88

Affordability 15% of units @ 60%AMI

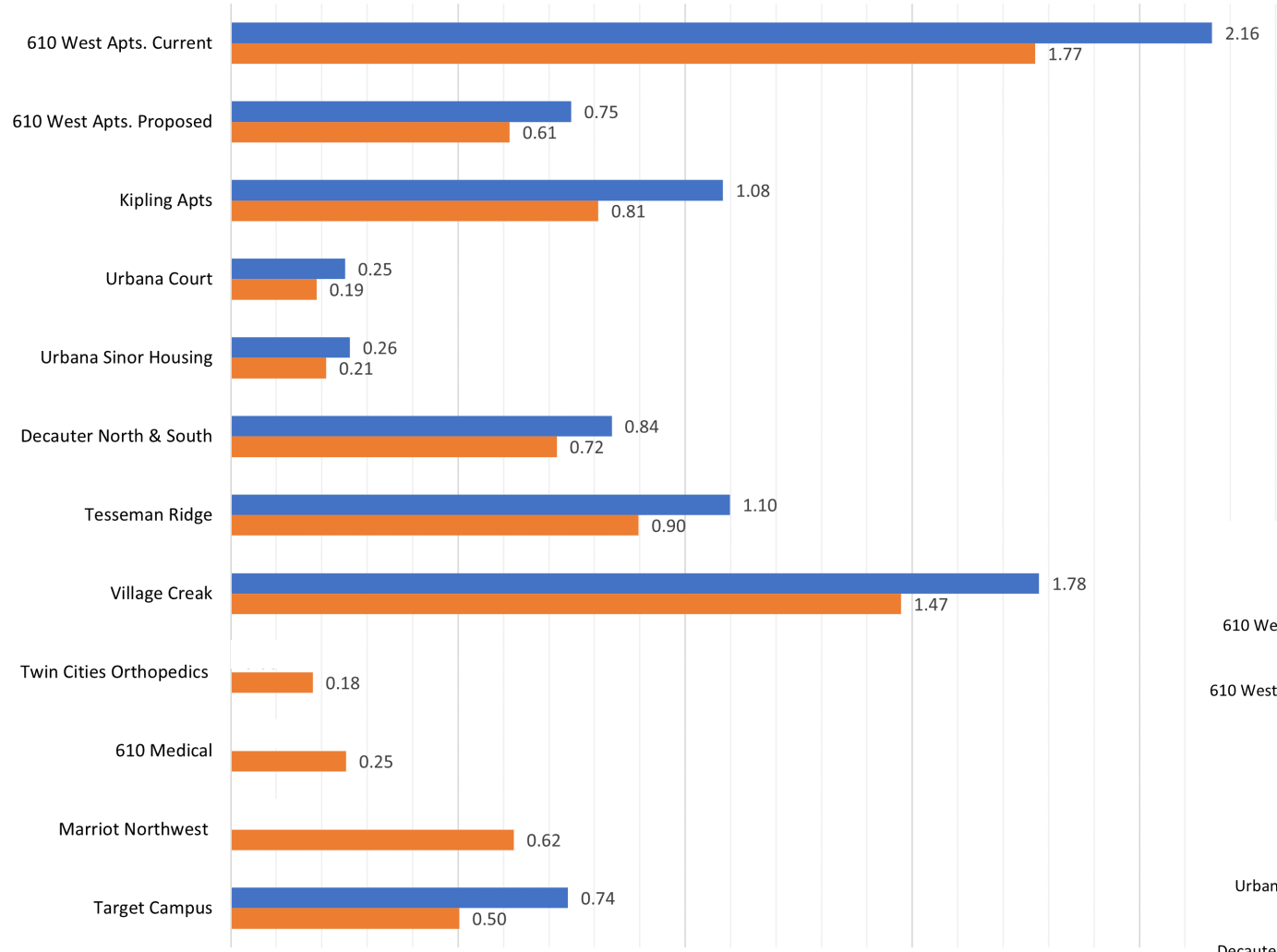
**Commercial Space 10K SF**

Parking Stalls 30 stalls

PARK AND RIDE SITE PLAN

**FAR in Brooklyn Park**

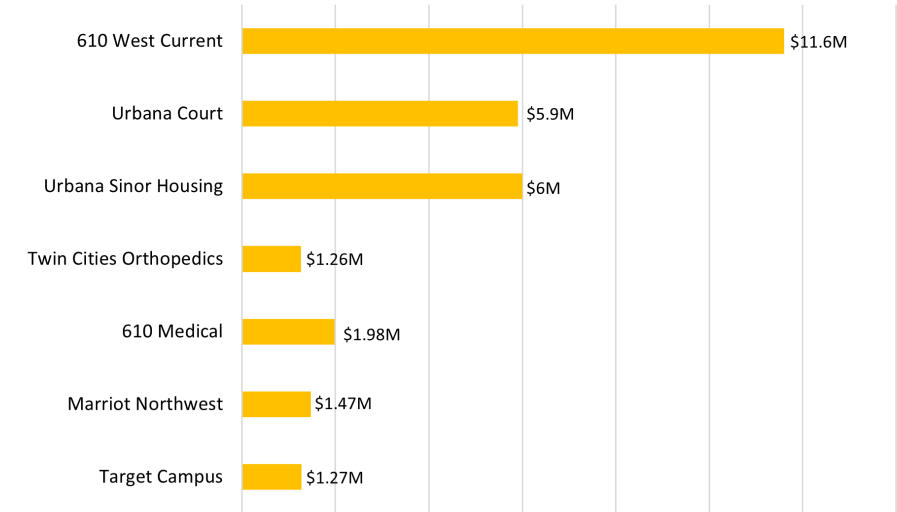
■ FAR without Structured Parking
 ■ FAR with Structured Parking



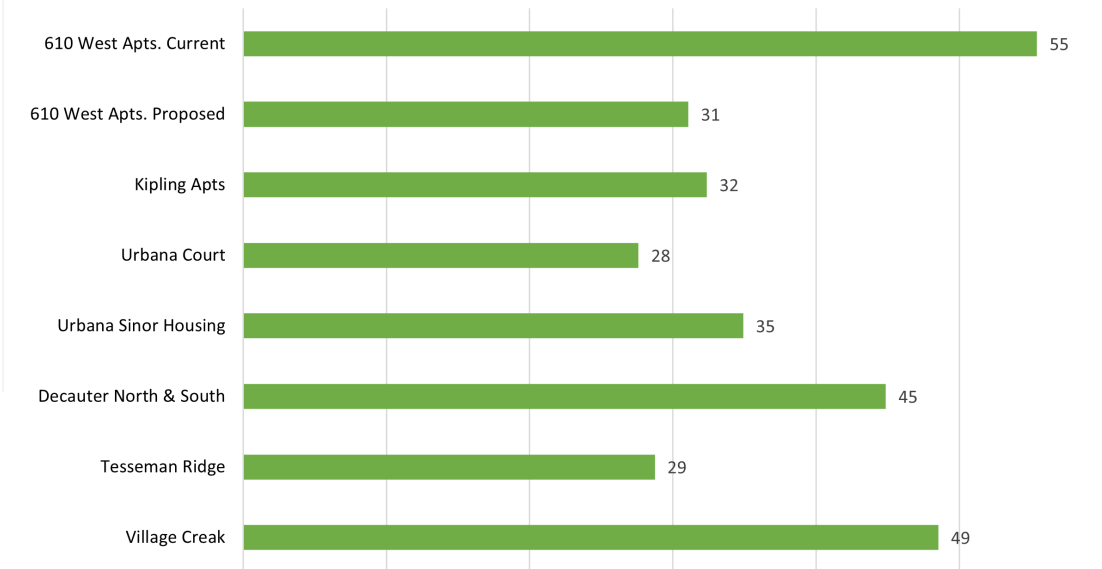
**C.3A Floor Area Ratio Resources**

**Value Per Acre**

Page 21



**Units Per Acre**



# Comparison Graphs

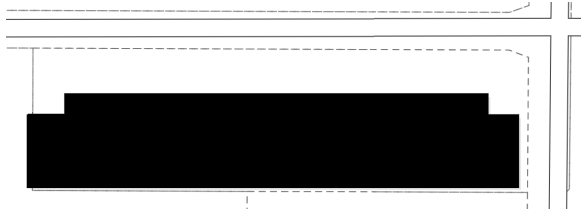
# Full Table

	610 West Apts. (Built)	610 West Apts. (Proposed)	Kipling Apts.	Urbana Court	Urbana Place	Decatur North & South	Tessman Ridge	Village Creek	Twin Cities Orthopedics	610 Medical	Marriot Northwest	Target Campus
FAR (no parking)	1.77	0.61	0.81	0.19	0.21	0.72	0.90	1.47	0.18	0.25	0.62	0.50
FAR (with parking)	2.16	0.75	1.08	0.25	0.26	0.84	1.10	1.78	-	-	-	0.74
Lot Size (sq ft)	377,279	161,172	196,410	326,793	128,643	339,768	113,692	74,488	220,333	165,528	472,868	3,025,500
Lot Size (acres)	8.66	3.7	4.51	7.5	2.95	7.8	2.61	1.71	5.06	3.8	10.86	69.46
Gross Square Footage (no structured parking)	213,071	98,926	158,885	61,636	26,968	243,714	102,040	109,858	39,700	42,000	294,455	1,521,356
Gross Square Footage (w structured parking)	290,847	120,755	212,723	82,181	33,710	284,846	124,876	132,530	-	-	-	2,244,762
Stories (no structured parking)	4	4	3	3	4	6	4	5	2	2	1 to 8	1 to 8
Units	480	115	146	207	103	350	75	83	-	-	-	-
Units Per Acre	55	31	32	28	35	45	29	49	-	-	-	-
Zoned Units Per Acre	12 to 50	7 to 25	7 to 25	12 to 50	12 to 50	12 to 50	12 to 50	9 to 50	-	-	-	-
Value Per Acre	\$11.6M	-	-	\$5.9M	\$6M	-	-	-	\$1.26M	\$1.98M	\$1.47M	\$1.27M
Structured Parking	492	58	148	218	52	443	70	64	0	0	-	-
<i>Underground</i>	<i>492</i>	<i>58</i>	<i>148</i>	<i>218</i>	<i>52</i>	<i>239</i>	<i>70</i>	<i>64</i>	<i>0</i>	<i>0</i>	<i>-</i>	<i>-</i>
<i>Above Ground</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>204</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-</i>	<i>-</i>
Surface Parking	210	164	108	187	40	218	84	65	196	214	-	-
Total Parking	702	222	256	405	92	661	154	129	196	214	-	-

# FAR in Peer Cities

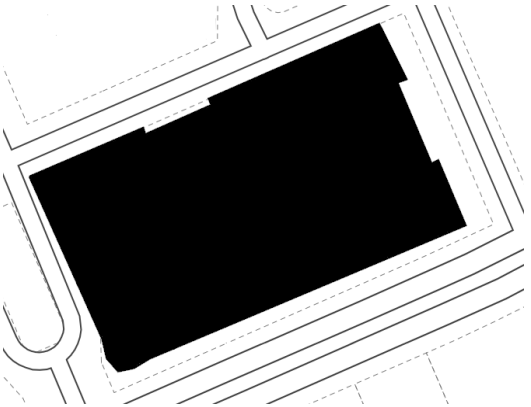
# Bloomington

	Penn-American	PA Focus Area
FAR (no parking)	1.55	2.41
FAR (w parking)	1.57	-
lot size (sq ft)	5,188,538	35,719
lot size (acres)	-	0.82
gross sq footage (no structured parking)	8,054,584	86,172
gross sq footage (with structured parking)	8,140,846	-
# of Stories (building)	1 to 15	4
# of Stories (parking)	2	-
# of Stories (hotel)	-	-
Value Per Acre	-	\$20.20M



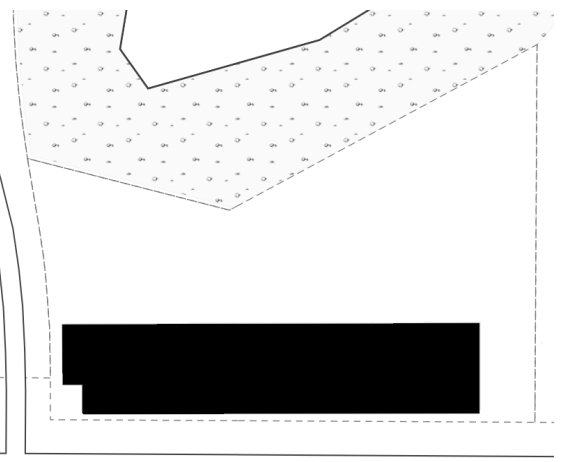
# St Louis Park

	Excelsior & Grand	E&G Focus Area
FAR (no parking)	2.88	1.85
FAR (w parking)	3.20	2.57
lot size (sq ft)	499,058	116,740
lot size (acres)	-	2.68
gross sq footage (no structured parking)	1,437,575	216,332
gross sq footage (with structured parking)	1,598,873	300,047
# of Stories (building)	4 to 5	4
# of Stories (parking)	3	3
# of Stories (hotel)	-	-
Value Per Acre	-	\$18.22M



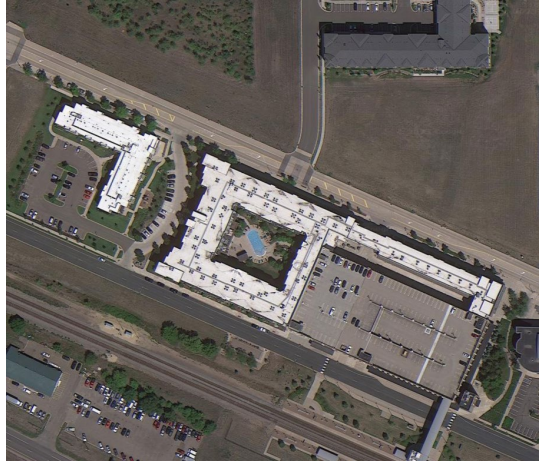
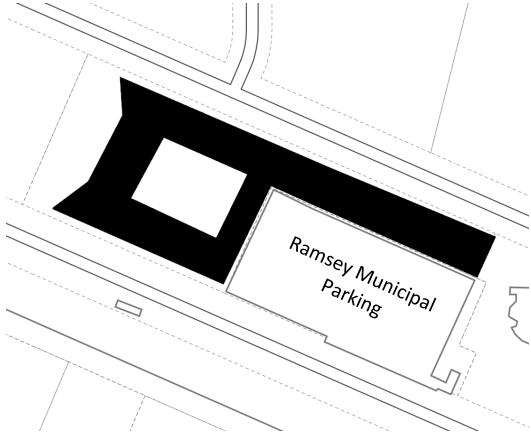
# Maple Grove

	Arbor Lakes	AL Focus
FAR (no parking)	0.44	0.56
FAR (w parking)	0.47	-
lot size (sq ft)	25,082,130	87,120
lot size (acres)	-	2.00
gross sq footage (no structured parking)	11,118,906	48,572
gross sq footage (with structured parking)	11,737,092	-
# of Stories (building)	1 to 5	2
# of Stories (parking)	3	-
# of Stories (hotel)	-	-
Value Per Acre	-	\$2.16M



# Ramsey

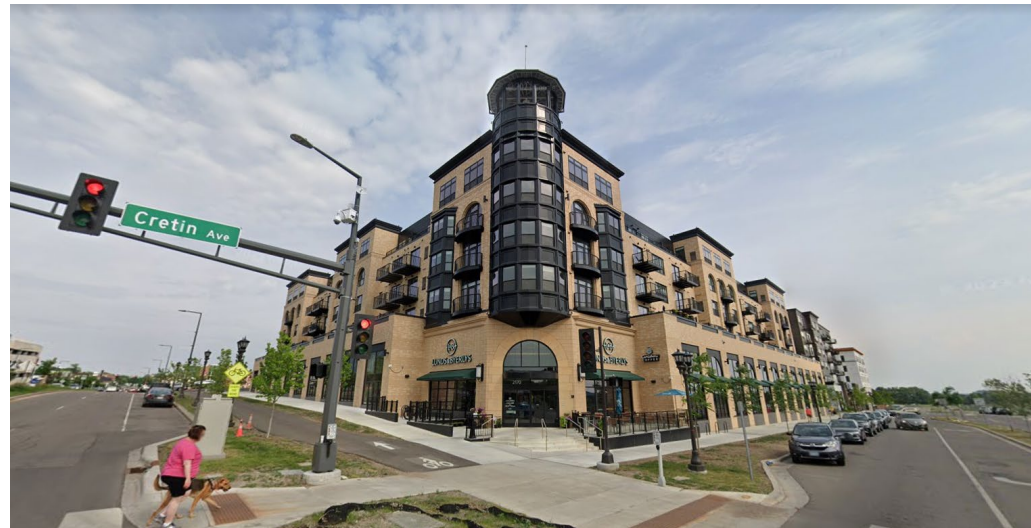
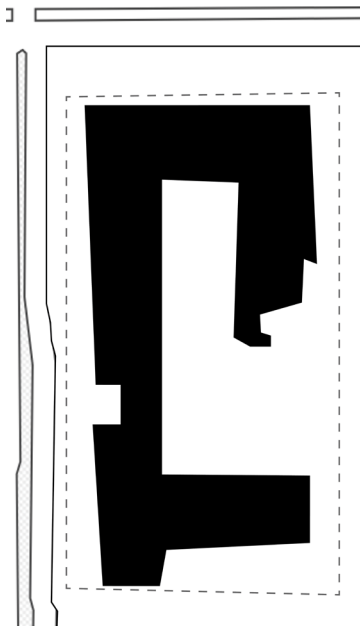
	The Cor
FAR (no parking)	2.76
FAR (w parking)	-
lot size (sq ft)	131,987
lot size (acres)	3.03
gross sq footage (no structured parking)	363,840
gross sq footage (with structured parking)	-
# of Stories (building)	4
# of Stories (parking)	1 (below)
Value Per Acre	\$14.1M





# St Paul

	Lunds & Byerly's Highland Bridge
FAR (no parking)	4.08
FAR (w parking)	-
lot size (sq ft)	115,434
lot size (acres)	2.65
gross sq footage (no structured parking)	470,916
gross sq footage (with structured parking)	-
# of Stories (building)	4 to 6
# of Stories (parking)	1 (above)
Value Per Acre	\$27.2M



# Peer City Research Zoning

# Bloomington

## Tools

- Min Max FAR
  - Min Building Floor Area (BFA)
  - Max Impervious Surface Area
  - Min Site Width
  - Min Site Area
  - Min Max Density
  - Setbacks
  - **No max height**
- FAR was implemented within each zoning district ranging from 0.2 to 2.0 (excluding residential)
  - Premiums are used to increase FAR (within HX-R district)
    - Retail and service use bonus, below grade parking bonus, plaza or park bonus, affordable housing bonus, public art bonus, sustainable design bonus
  - In HX-R district **underground and structured parking in not included in FAR**

Renderings of Penn-American Phased Development

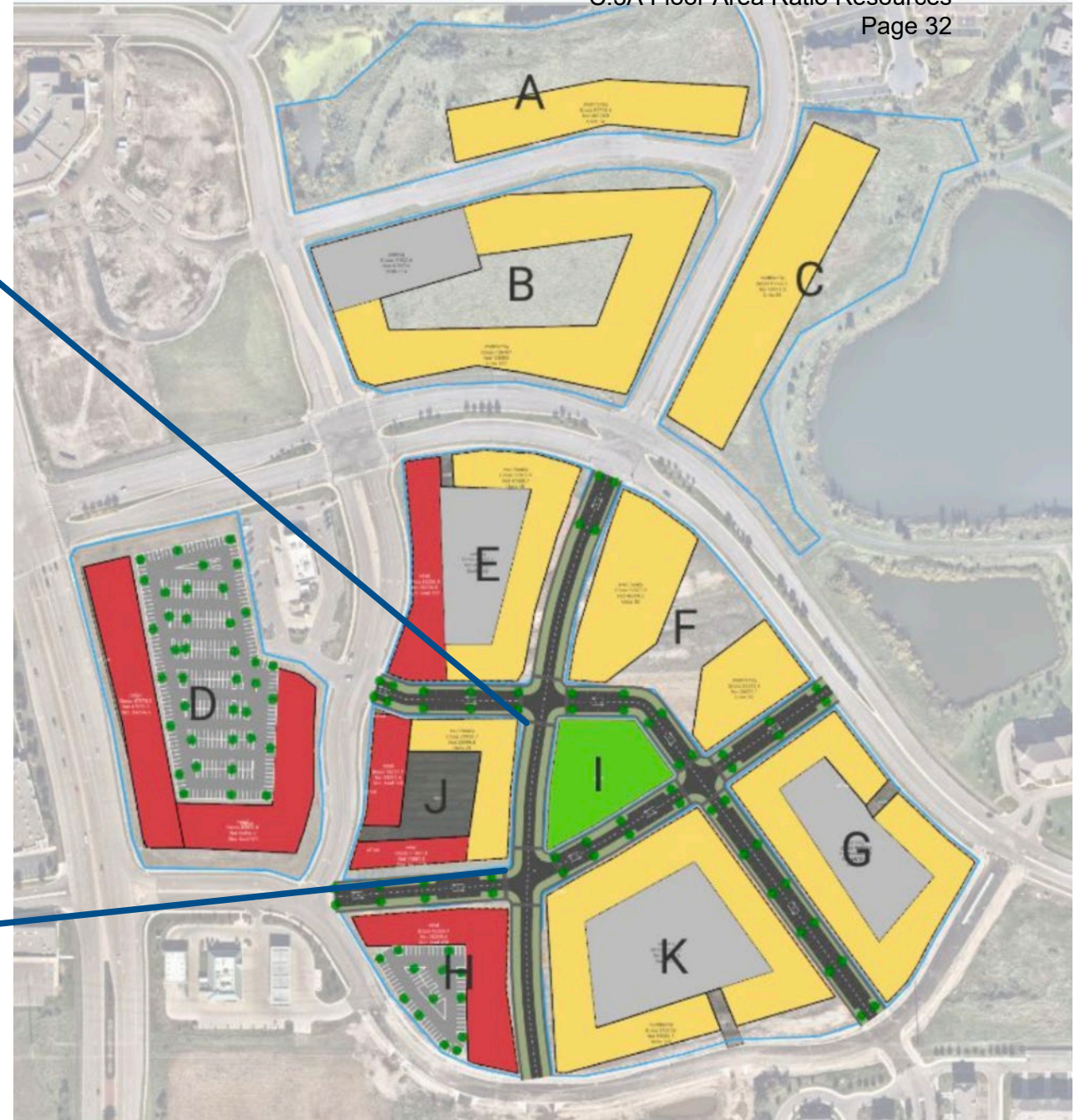
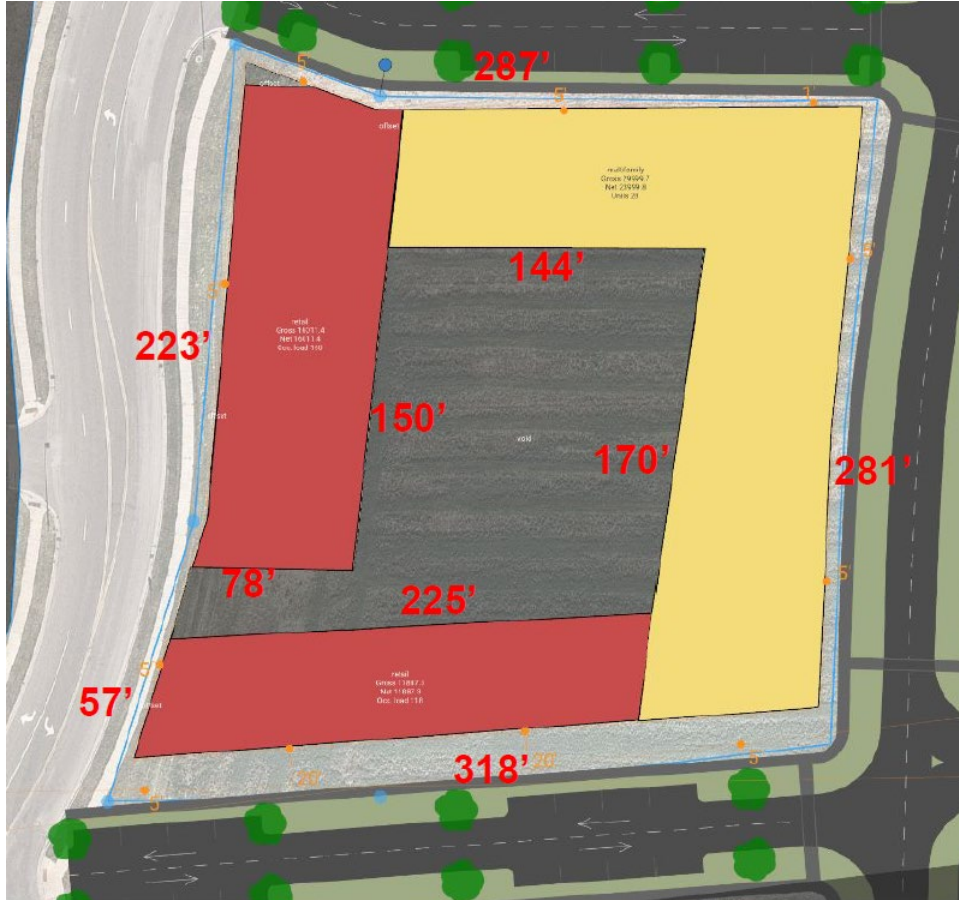


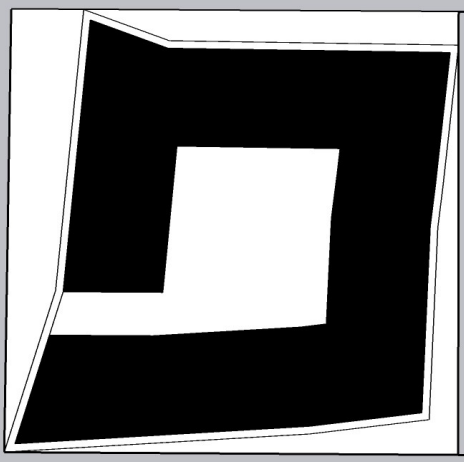
Zoning District	Minimum Required Nonresidential Floor Area
B-4	Floor area ratio - 0.10
C-2	Floor area ratio - 0.20
C-3	Floor area ratio - 0.25
C-4	Floor area ratio - 0.20
C-5	Floor area ratio - 0.25

Zoning District	FAR		BFA
	min	max	min
B-1		0.5	1,000 sq ft
B-2		0.5	3,000 2,000 for restaurants
B-4	0.2	0.5 (0.2 with residential)	4,000
C-1	0.4	1.0	20,000
C-2		0.5	20,000 6,000 for restaurants and convenience facilities
C-3	0.5	1.0	20,000
C-4	0.4	2.0	20,000 6,000 for restaurants
C-5	1.0	1.5	20,000

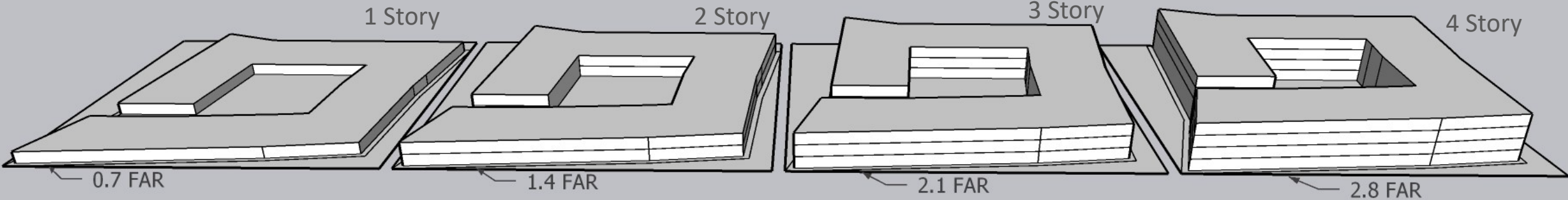
# Range of FAR

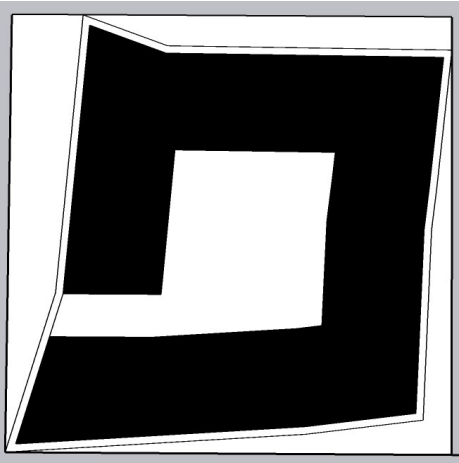
# Site



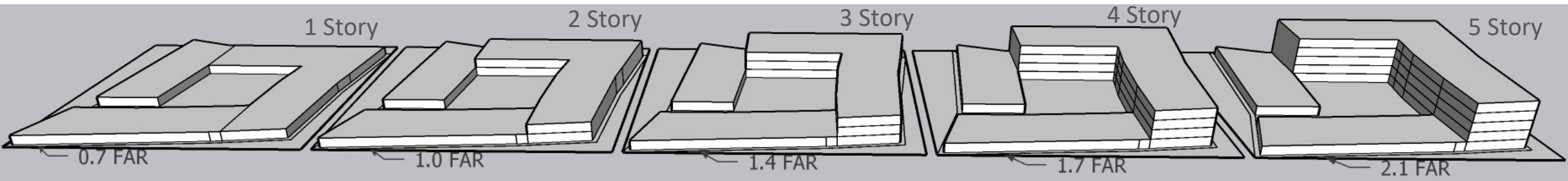


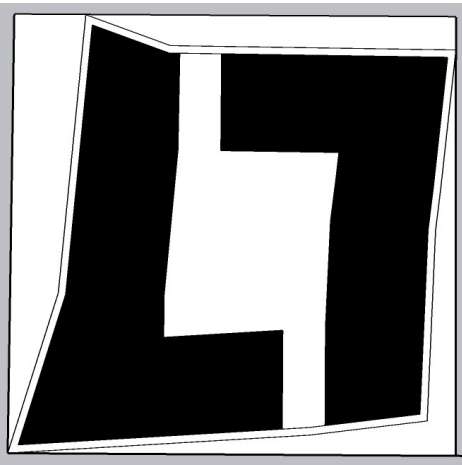
# Large Footprint #1



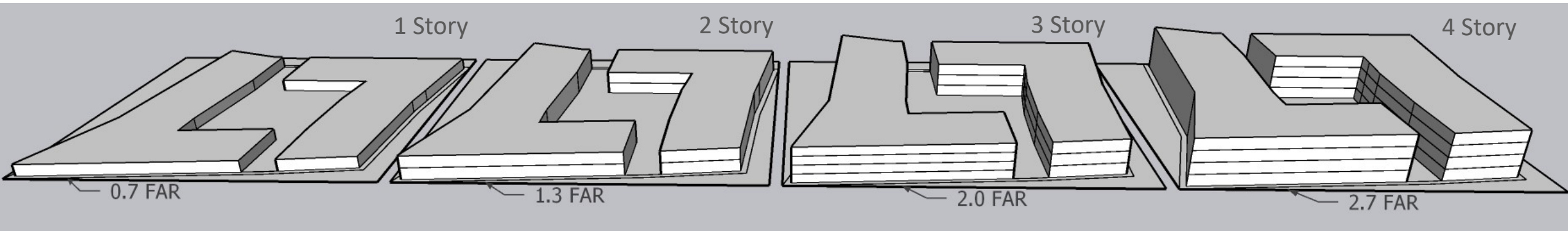


# Large Footprint #2

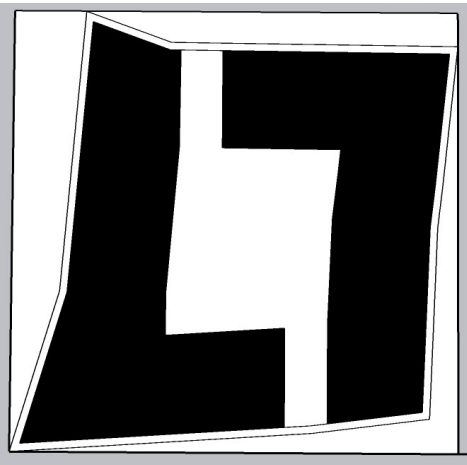




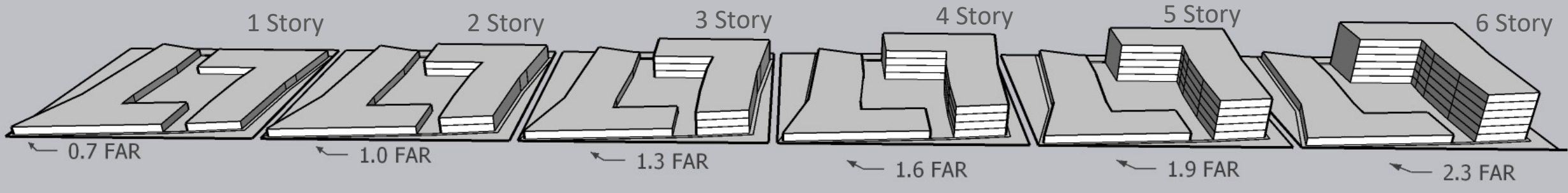
# Medium Footprint #1

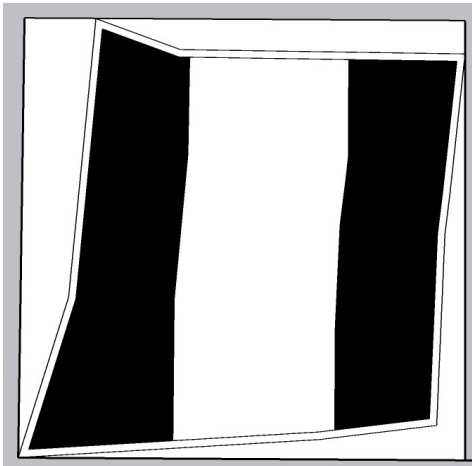




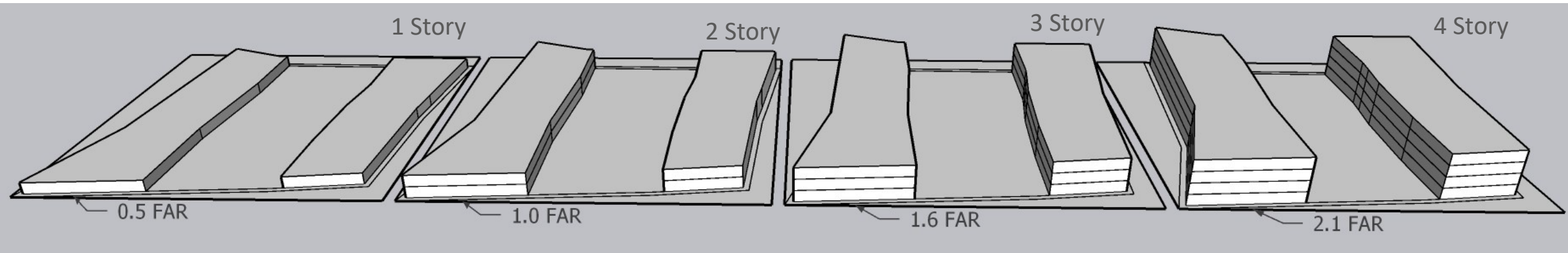


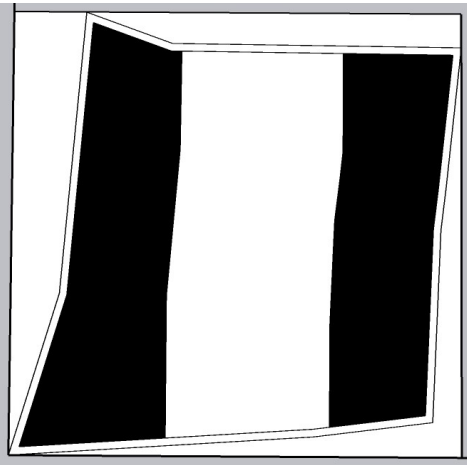
# Medium Footprint #2



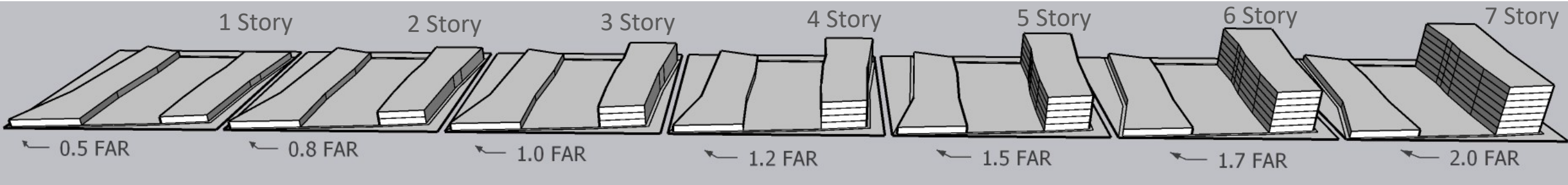


# Smaller Footprint #1





# Smaller Footprint #2



# City of Brooklyn Park Council Work Session

<b>Meeting Date:</b>	October 2, 2023	<b>Originating Department:</b>	Operations and Maintenance
<b>Agenda Item:</b>	C.4	<b>Prepared By:</b>	Dolly Lee, Asst. Finance Director Dan Ruiz, O&M Director
<b>Agenda Section:</b>	Discussion Items/ General Action Items	<b>Presented By:</b>	Dan Ruiz
<b>Item:</b>	Utility Rate Discussion		

## Summary:

Our goal for this discussion is to:

- ✓ Review sanitary sewer, storm sewer and street-signal light utility rate cost drivers such as general operations, reconstruction, inflation, and capital improvements
- ✓ Discuss rate recommendations
- ✓ Determine next steps to conduct a public hearing and implement potential rate adjustments

## Sanitary Sewer Utility

Brooklyn Park's sanitary sewer system serves approximately 23,100 customers and collects more than two billion gallons of sewage annually. The system consists of 270 miles of sewer main, 7 lift stations, and over 6,300 manholes. Sewage treatment is provided by Met Council Environmental Services (MCES) and is billed as a contractual service to the City.

Sanitary sewer rate increases are needed to fund capital projects, ongoing operations and increases in the (MCES) disposal charges. MCES charges have gone up 37% or approximately \$2.1M over the last three years while our rates have only gone up 5% each year. A larger than normal rate increase is necessary to cover the large MCES rate increases and prepare us to keep pace with future MCES rate increases. MCES charges represent approximately 70% of our sanitary sewer expenses.

## Storm Sewer Utility

Brooklyn Park has a typical suburban storm sewer system consisting of 213 miles of storm conduits, 7,879 catch basins, 1,506 manholes, 28 miles of creeks and ditches and nearly 600 storm water ponds. The purpose of this system is to control storm water to:

- Protect people and property
- Reduce insurance risks
- Improve property values
- Improve surface water quality
- Provide for safe traffic flow

It costs money to provide the storm sewer system. The utility method collects revenue through service charges based on the use of the property. Property owners pay for storm water management and maintenance costs in proportion to the amount of storm water runoff contributed, not on the value of their property.

Storm sewer rate increases are needed to fund capital projects, comply with our Municipal Separate Storm Sewer System (MS4) permit, dredging ponds, replacing storm water infrastructure and ongoing operations.

## Street-Signal Light Utility

Brooklyn Park has a typical street/signal lighting system consisting of approximately 4,448 street lights and 12 traffic signals. The Street-Signal Utility is run as an enterprise fund dedicated for operations, replacement, and installation of both street lights and traffic signals.

Street lights are a combination of City-owned, Xcel Energy-owned and privately-owned lights. The traffic signals are Hennepin County, MnDOT and City owned, with the City responsible for all electric power and

street light maintenance on all traffic signals. The City replaces approximately 20 street light poles each year and adds lights as warranted/necessary.

Street lighting's primary purpose is to provide adequate light for the prevention or reduction of accidents. Street lighting also protects pedestrians by allowing more freedom and security to walk at night. Traffic signals are justified by a defined system of MnDOT warrants that include traffic counts, turning movements and accident experience.

Street-signal light rate increases are needed primarily to fund capital projects, such as the installation, maintenance, and replacement of traffic signals, and ongoing street light expenses and operations.

Following is a summary and overview of the key issues related to the utility rate analysis:

- As per the City Charter and ordinances, the storm sewer, street-signal light and sanitary sewer utilities are enterprise funds and operate as "self-sustaining businesses" with rates and charges that cover full costs of production, distribution/collection, replacement and sales.
- Current sanitary sewer, storm sewer and street-signal light rates and charges annual adjustments end December 31, 2023.
- A philosophy to study utility rates and charges every three to five years has been practiced since 1994.
- This rate analysis is based on estimated cash flows and ending cash balances and minimum working capital and capital replacement reserve funding needs.
- Minimum working capital target equals ninety days of operating expense plus annual debt service plus one year of depreciation.
- Maximum capital replacement reserve target equals no more than accumulated depreciation of system assets.
- Inflation has contributed to higher-than-normal expenses, which need to be accounted for in rate recommendations.
- Capital expenses from the 2024-28 Capital Improvement Plan, 2024-28 Capital Equipment Plan and estimates for major maintenance needs have been included in the analysis.

**Primary Issues/Alternatives to Consider:** N/A

**Budgetary/Fiscal Issues:**

The intent of this sanitary sewer, storm sewer and street-signal light rate analysis is to recommend rates and charges for the next four years (2024 through 2027). The rates and charges are recommended to be effective January 1, 2024. The implementation of the recommended rates and charges will provide adequate funding for the sanitary sewer, storm sewer and street-signal light operating/maintenance costs and the capital projects included in the capital improvement plan.