



City Council Conference Meeting

October 13, 2025

5:30 PM

Fridley City Hall, 7071 University Avenue N.E.

Agenda

Agenda

- [1.](#) Resolution No. 2025-135, Approving and Authorizing Entering into a Memorandum of Understanding with Patrol Officers (Local #119) for the City of Fridley Public Safety Department
- [2.](#) Discussion and Updates on Health Insurance, Disability & Life Insurance, and Minnesota Paid Leave
- [3.](#) 2026 Proposed Utility Budgets/Rates Discussion

Accessibility Notice:

- If you need free interpretation or translation assistance, please contact City staff.
- Si necesita ayuda de interpretación o traducción gratis, comuníquese con el personal de la ciudad.
- Yog tias koj xav tau kev pab txhais lus los sis txhais ntaub ntauv dawb, ces thov tiv tauj rau Lub Nroog cov neeg ua hauj lwm.
- Haddii aad u baahan tahay tarjumaad bilaash ah ama kaalmo tarjumaad, fadlan la xiriir shaqaalaha Magaalada.

Upon request, accommodation will be provided to allow individuals with disabilities to participate in any City of Fridley services, programs or activities. Hearing impaired persons who need an interpreter or other persons who require auxiliary aids should contact CityClerk@FridleyMN.gov or (763) 572-3450.



AGENDA REPORT

Meeting Date: October 13, 2025

Meeting Type: City Council Conference Meeting

Submitted By: Rebecca Hellegers, Director of Employee Resources
Ryan George, Director of Public Safety

Title

Resolution No. 2025-135, Approving and Authorizing Entering into a Memorandum of Understanding with Patrol Officers (Local #119) for the City of Fridley Public Safety Department

Background

As we continue to evaluate the operational needs of our organization, the City identified a gap in day-to-day leadership within our specialized units in the Police Division, specifically the Detective and School Resource Officer (SRO) units. The City met with union representatives to discuss the addition of a Corporal position as a specialty assignment within the Patrol Union contract, Local #119.

The Corporal role is intended to enhance supervisory support, improve workflow efficiency, and provide consistent direction within these units. This position will not replace existing supervisory roles but will serve as a leadership bridge, offering mentorship and operational oversight in areas that benefit from additional structure.

The Memorandum of Understanding (MOU) outlines the addition of the Corporal position and outlines the compensation structure assigned to the role, which is set as seven percent (7%) differential pay. The MOU has been reviewed and tentatively agreed upon by both parties.

Financial Impact

The financial impact of the proposed MOU in 2025 has been accounted for in the contract for the School Resource Officers with the Fridley Public School District and through offsets in the budget due to police vacancies. In 2026, amounts will be adjusted according to the provisions of the contract.

Recommendation

Staff recommend the approval of Resolution No. 2025-135, Approving and Authorizing Entering into a Memorandum of Understanding with Patrol Officers (Local #119) for the City of Fridley Public Safety Department.

Focus on Fridley Strategic Alignment

- | | |
|--|---|
| <input type="checkbox"/> Vibrant Neighborhoods & Places | <input type="checkbox"/> Community Identity & Relationship Building |
| <input type="checkbox"/> Financial Stability & Commercial Prosperity | <input checked="" type="checkbox"/> Public Safety & Environmental Stewardship |
| <input checked="" type="checkbox"/> Organizational Excellence | |

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Attachments and Other Resources

- Resolution No. 2025-135
- Memorandum of Understanding Between the City of Fridley and Law Enforcement Labor Services, Inc., Local #119

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Resolution No. 2025-135

Approving and Authorizing entering into a Memorandum of Understanding with Patrol Officers (Local #119) for the City of Fridley Public Safety Department

Whereas, the Law Enforcement Labor Services, Inc. as bargaining representative of the Patrol Officers, Local #119, of the City of Fridley (Union), has presented to the City of Fridley (City) requests relating to the wages of Patrol Officers of the Public Safety Department of the City; and

Whereas, following an internal evaluation of departmental needs, the City has identified the benefit of establishing a specialty position titled "Corporal" to enhance day-to-day direction and guidance within the Detective and School Resource Officer (SRO) units; and

Whereas, the Corporal position is intended to promote leadership development, improve operational efficiency, and support supervisory functions without altering the existing chain of command; and

Whereas, representatives of the Union and the City have met and negotiated in good faith and were able to reach an agreement to formally incorporate the Corporal position into the current labor agreement; and

Whereas, the Memorandum of Understanding has been reviewed by City staff and is recommended for approval.

Now, therefore be it resolved, that the City Council hereby approves the Memorandum of Understanding between the City of Fridley and the Patrol Union, Local #119, to establish the Corporal specialty position within the Police Division and the Mayor and the City Manager are hereby authorized to execute the agreement and any related documents.

Passed and adopted by the City Council of the City of Fridley this 13th day of October, 2025.

Dave Ostwald – Mayor

Attest:

Melissa Moore – City Clerk

MEMORANDUM OF AGREEMENT
Between the City of Fridley and
Law Enforcement Labor Services, Inc., Local #119

This Memorandum of Agreement is entered into between the City of Fridley (hereafter “City”) and Law Enforcement Labor Services, Inc., Local #119 (hereafter “Union”).

WHEREAS the City and the Union are parties to a collective bargaining agreement (hereinafter “Agreement”) in effect from January 1, 2025, to December 31, 2026, providing for the terms and conditions of employment for certain Officers working for the City; and

WHEREAS the City has determined that a new assignment should be added to Article 36 of the Collective Bargaining Agreement.

WHEREAS the City has offered, and the Union has agreed, to the wage changes noted below;

NOW, THEREFORE the following wage changes will be made to Article 26 of the collective bargaining agreement.

Article 36. Pay for Investigators, School Resource, Rental Housing Officers, Drug Task Force Investigators, K-9, and Special Operations Units

In addition to receiving the five (5%) percent differential pay, Employees assigned as Investigators, School Resource, Rental Housing Officers, Drug Task Force Investigators, K-9, and Special Operations Units shall be eligible for the overtime provisions of the contract applicable to Police Officers.

Officers assigned as Corporal will receive seven (7%) percent differential pay and shall also be eligible for the overtime provisions of the contract applicable to Police Officers.

This Memorandum of Agreement represents the full and complete agreement between the parties regarding this matter.

Signatures:

We hereby recommend approval of this agreement.

For the City of Fridley

David Ostwald, Mayor (Date)

Walter Wysopal, City Manager (Date)

Rebecca A. Hellegers, Human Resources Director (Date)

Ryan George, Public Safety Director (Date)

FOR LAW ENFORCEMENT LABOR SERVICES, INC.

Sean McKnight, LELS Business Agent (Date)

Matthew Pinotti, Steward (Date)



AGENDA REPORT

Meeting Date: October 13, 2025

Meeting Type: City Council Conference Meeting

Submitted By: Rebecca Hellegers, Director of Employee Resources

Title

Discussion and Updates on Health Insurance, Disability & Life Insurance, and Minnesota Paid Leave

Background

Employee Resources will provide updates on the status of the health insurance information, the short- and long-term disability plans, life insurance, and Minnesota Paid Leave.

Financial Impact

Recommendation

Focus on Fridley Strategic Alignment

- | | |
|---|---|
| <input type="checkbox"/> Vibrant Neighborhoods & Places | <input type="checkbox"/> Community Identity & Relationship Building |
| <input checked="" type="checkbox"/> Financial Stability & Commercial Prosperity | <input type="checkbox"/> Public Safety & Environmental Stewardship |
| <input checked="" type="checkbox"/> Organizational Excellence | |

Attachments and Other Resources

-

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.



AGENDA REPORT

Meeting Date: October 13, 2025

Meeting Type: City Council Conference Meeting

Submitted By: Joe Starks, Finance Director/City Treasurer

Title

2026 Proposed Utility Budgets/Rates Discussion

Background

Staff and the City Council will continue to discuss the 2026 Proposed Utility Budgets and Rates, and items to be discussed will include consumption and revenue projections, assumptions used, factors impacting the budgets/rates, capital projects and potential rates for 2026.

Focus on Fridley Strategic Alignment

- | | |
|---|---|
| <input type="checkbox"/> Vibrant Neighborhoods & Places | <input type="checkbox"/> Community Identity & Relationship Building |
| <input checked="" type="checkbox"/> Financial Stability & Commercial Prosperity | <input type="checkbox"/> Public Safety & Environmental Stewardship |
| <input checked="" type="checkbox"/> Organizational Excellence | |

Attachments and Other Resources

- Presentation 9.22 Conference Meeting

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

UTILITY FUNDS OUTLOOK AND OBJECTIVES

2026 BUDGET

SEPTEMBER 22, 2025



OVERVIEW

- Assumptions for all Utility Funds
- Water
- Sanitary Sewer
- Stormwater
- Solid Waste Abatement (Recycling)
- Next Steps and Other Considerations, Objectives, Guidance



WHAT ARE UTILITY FUNDS?

- Separate funds (enterprise funds) used to account for the revenues and expenses of providing essentially utility services such as water, sewer and stormwater
- Operates like a business in that they are self supported through user fees
- Operates independently from the general fund, which is supported by property tax revenue



UTILITY FUNDS

2026 BUDGET IMPACTS AND ASSUMPTIONS



ASSUMPTIONS/IMPACTS ON ALL UTILITY FUNDS Item 3.

- Personnel Services
 - Planned progression through the City's compensation plan and market adjustments/reclassifications
 - 4% COLA/General Increase
 - Step added to City's compensation scale
 - Health Insurance
 - MN Paid Family Leave

- Capital
 - No ARPA funds to fund capital projects moving forward
 - ARPA funds allowed the City to stabilize rate increases while paying for capital needs
 - Impact of Tariffs on Capital Expenditures/Projects – much uncertainty could be a cost to the City

WATER UTILITY FUND

2026 BUDGET IMPACTS AND ASSUMPTIONS



IMPACTS ON WATER UTILITY FUND

- Anticipated Locke Water Treatment Plant (WTP) Upgrade
 - \$5.8 mil. project between 2025 & 2026
 - Eligible for low interest financing from MN PFA – 2.7%
 - Eligible 50% loan forgiveness (\$2.9 mil.) due to emerging PFAS contaminant designation
 - Projected \$2.9 mil. in proceeds in 2025 and same in 2026
 - Projected \$201,700 annual repayment beginning in 2026/27 for 20 years
- Other Debt Service
 - 2016A Water Revenue Bonds paid off in 2031 (approximately \$300k annually)
- Consumption Trends
 - Loss of 3 major water users (Rich Products & Aramark in 2024, BAE in 2025 (December))
 - Conservation
 - Weather patterns (wet years)
- Other considerations
 - Drinking Water Regulations – Lead/Copper Rule, PFAS and other contaminant standard changes
 - Higher fund balance is prudent due to the age of water infrastructure

WATER UTILITY RATE INCREASE TREND

	2021	2022	2023	2024	2025
Rate Increase	3.00%	3.00%	3.00%	3.00%	5.00%

Rates set for 2022 and moving forward as part of 5-year plan. 2025 rate set in anticipation of Locke Park WTP project.



SANITARY SEWER UTILITY FUND

2026 BUDGET IMPACTS AND ASSUMPTIONS



IMPACTS ON SEWER UTILITY FUND

- Metropolitan Council Environmental Services (MCES) Fee
 - 12.88% increase for 2026 (\$747,506 increase)
 - Since 2022, has increased 25.7% (\$1,340,409)
 - Average increase over last 5 years has been 7.5%
 - MCES charge is over 80% of fund's operating expenditures
- Debt Service
 - N/A
- Capital
 - No ARPA funds to fund capital projects moving forward
 - ARPA funds allowed the City to stabilize rate increases while paying for capital needs
 - Fund capital improvements solely with cash on hand or open to issuing debt?
- Consumption Trends
 - Loss of 3 major water users (Rich Products & Aramark in 2024, BAE in 2025 (December))
 - Conservation
 - Weather patterns (wet years)
- Higher fund balance is prudent due to the age of sanitary sewer infrastructure and volatility of charges from MCES
- Recommended rate methodology: minimum increase = 80% of MCES increase
 - 10.30%
 - Rates set for 2024/2025 were approximately 80% of MCES increase



SEWER UTILITY RATE INCREASE TREND

	2021	2022	2023	2024	2025
Rate Increase	3.00%	3.00%	3.00%	4.50%	5.00%

Rates set for 2022 and moving forward as part of 5-year plan. 2024/25 rates set to align with MCES increase (i.e. 80% of MCES increase)



STORMWATER UTILITY FUND

2026 BUDGET IMPACTS AND ASSUMPTIONS



IMPACTS ON SEWER UTILITY FUND

- Debt Service
 - N/A
- Capital
 - No ARPA funds to fund capital projects moving forward
- Other Considerations
 - Higher fund balance is prudent due to the age of storm water infrastructure and the potential for emergency events (flooding, etc.) within the City

STORMWATER UTILITY RATE INCREASE TREND

	2021	2022	2023	2024	2025
Rate Increase	3.00%	10.00%	10.00%	10.00%	10.00%

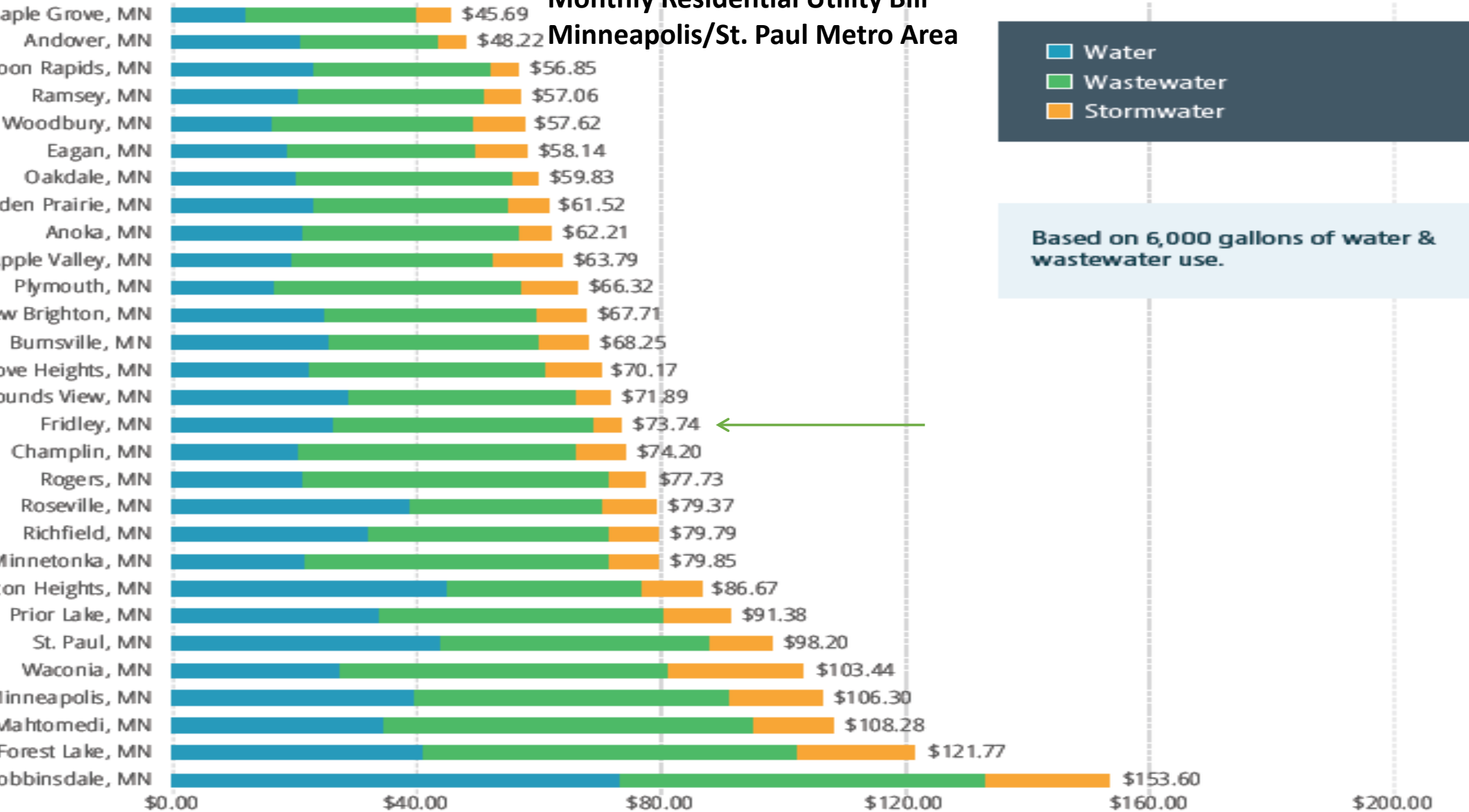
Rates set for 2022 and moving forward as part of 5-year plan.



MINNEAPOLIS/ST. PAUL METRO AREA

Monthly Residential Utility Bill Minneapolis/St. Paul Metro Area

Item 3.



SOLID WASTE ABATEMENT (RECYCLING) FUND

2026 BUDGET IMPACTS AND ASSUMPTIONS



IMPACTS ON RECYCLING FUND

- City received updated recycling rate from Republic Services, which will go into effect on May 1, 2026
 - 2026 recycling charge will be \$3.75 per household up from \$3.72 per household
 - Yearly average is \$3.74 (\$3.72 for 4 months, \$3.75 for 8 months)
 - Down from \$3.81
- Rate can fluctuate based on pickup/processing charges and value of recycling commodities



NEXT STEPS AND OTHER CONSIDERATIONS

2026 BUDGET IMPACTS AND ASSUMPTIONS



PROPOSED 2026 BUDGET CALENDAR

- September 22 Discuss Proposed 2026 Budget and Utility Rates with Council
- October 13 Discuss Proposed 2026 Budget and Utility Rates with Council
- October 27 Discuss/Approve Proposed 2026 Budget and Utility Rates with Council
- November 10 Discuss/Approve Proposed 2026 Budget and Utility Rates with Council, If Needed



THANK YOU! QUESTIONS?

