

**MINUTES
OF THE EDINA CITY COUNCIL
WORK SESSION
COMMUNITY ROOM, CITY HALL
TUESDAY, MARCH 17, 2026
5:30 P.M.**

1.0 CALL TO ORDER

Mayor Hovland called the meeting to order at 5:30 p.m.

2.0 ROLL CALL

Answering roll call were Members Agnew, Pierce, and Mayor Hovland. Members Jackson and Risser were absent.

Staff in attendance: Scott Neal, City Manager; Chad Millner, Public Works Director/City Engineer; Ross Bintner, Engineering Services Manager; Nathan Kaderlik, Public Works Assistant Director-Utilities; Josh Wagner, Utilities; Perry Vetter, Parks & Recreation Director; Michael McBride, General Manager-Liquor Operations; Kersten McManamon, Marketing Manager; Jennifer Bennerotte, Communications Director; Jake Miller, I.T. Specialist; and Sharon Allison, City Clerk.

3.0 MEETING TOPICS

3.1 STATE OF THE UTILITIES

City Manager Neal introduced the State of the Utilities presentation as an educational overview of utility operations beyond typical budget discussions. Public Works Director/City Engineer Chad Millner introduced staff, and Engineering Services Manager Ross Bintner explained the presentation would focus on service levels, revenue trends, and capital investment timing.

Bintner outlined the customer-focused approach to utilities, including service benefits, community engagement, and alignment with the City's mission and values. He described system structure and emphasized utilities as foundational to modern life. He reviewed key trends impacting operations, including rising inflation and construction costs, increased regulatory requirements, flooding impacts, aging infrastructure, climate-related pressures, and declining winter water usage due to efficiency improvements.

Bintner discussed strategies focused on improved data collection, monitoring customer usage, and balancing long-term operational risks. Utility rates were updated in 2022; however, revenue has declined since the pandemic due to usage variability influenced by weather patterns. Bintner noted that most sanitary sewer revenue is passed through to the MetCouncil and highlighted efforts to reduce inflow and infiltration.

In response to Council questions, staff indicated they are not currently forecasting the replacement funding gap but are focused on revenue trends. Millner stated that capital priorities focus on lift stations, with remaining funds allocated as needed. Bintner identified areas requiring upgrades to meet modern standards, including increased pipe capacity for fire flow, noting that Lincoln/Londonderry, a known under-capacity area, were not included in the presentation.

Bintner emphasized that higher rate increases do not necessarily result in higher revenue and highlighted upcoming capital cost pressures. Discussion included the challenge of timing infrastructure replacement with redevelopment and other opportunities and rising project costs. City Manager Neal noted that infrastructure needs are often not visible until failures occur.

Council discussed the value of modeling different rate scenarios and clearly communicating tradeoffs to residents. Bintner expressed a preference for proactive, planned investments over reactive emergency repairs.

3.2. EDINA LIQUOR OPERATIONS UPDATE

City Manager Neal introduced the liquor operations update, noting it would provide a summary of recent performance. Parks and Recreation Director Perry Vetter introduced staff and acknowledged Finance's support.

Liquor Operations General Manager Michael McBride reviewed operational impacts over the past year, particularly construction-related disruptions. He said the Grandview store experienced significant sales declines due to access limitations and a temporary closure, though sales have begun to recover. Additional construction impacts are anticipated in 2026. Similar effects were noted at the Southdale location, while the 50th & France store saw increased sales following nearby project completion.

McBride reported that overall sales trends are improving in 2026 compared to 2025, though broader industry trends show declining alcohol consumption and changing customer preferences, including increased demand for mid-tier products and non-alcoholic beverages. While final 2025 audit results are pending, staff expect a net profit.

McBride described staffing challenges following the pandemic, and efforts to improve retention through increased wages, benefits, and restructuring, which were later scaled back due to changing market conditions and cost pressures. Staffing costs were reduced by approximately \$1 million.

McBride outlined ongoing revenue strategies, including transitioning to third-party delivery services, adjusting inventory to align with consumer trends, monitoring potential impacts of THC regulations, increasing community event participation, rebuilding customer base following construction disruptions, and implementing a loyalty program. Vetter noted the importance of community engagement in demonstrating how liquor revenues support City services.

Council discussion highlighted shifting consumer trends and feedback regarding product assortment. Council suggested further discussion at the task force level. Council also inquired about potential impacts of the proposed social district on the 50th & France location; staff indicated analysis is ongoing, though the proposal is not expected to advance in 2026.

4. ADJOURNMENT

Mayor Hovland adjourned the meeting at 6:48 p.m.

Respectfully submitted,

Sharon Allison, City Clerk

James B. Hovland, Mayor

Minutes approved by Edina City Council, April 7, 2026. Audio copy of the work session available.