

COUNCIL WORK SESSION OCTOBER 25, 2021

Pursuant to due call and notice thereof, a Council Work Session of the North Mankato City Council was held in the Council Chambers on October 25, 2021. Mayor Dehen called the meeting to order at 12:00 pm. The following were present for roll call: Council Members Norland, Oachs, Whitlock, Steiner, Mayor Dehen, City Administrator Harrenstein, Finance Director McCann, and City Clerk Van Genderen.

Receive and Discuss the Proposed 2022-2026 Capital Improvement Plan

City Administrator Harrenstein reported the discussion would focus on the Capital Improvement Plan 2022-2026, which includes Capital Facilities and Equipment planned expenditures and planned indebtedness.

Finance Director McCann reported the 2022-2026 CIP is approximately an \$8.9 million increase over the 2021-2025 CIP. This includes increasing the Caswell Indoor Recreation Project from \$5.5 million in the 2021-2025 CIP to \$17.0 million in the 2022-2026 CIP due to the latest cost estimates and anticipation of being awarded \$8.5 million in matching funds from the State of Minnesota. In 2021, \$9.15 million in sales tax bonds were issued to complete phase 1 and phase 2 of the Caswell Regional Sporting Complex Updates and Expansion. Of this amount, it is estimated \$6.5 million will be available to match the state funds, and the remaining is proposed to be funded with an abatement bond. Other projects include the various street improvements and staggering when large ravine improvement projects could occur. The increase of \$8.3 million is the result of a decrease of \$120,070 in the Capital Facilities and Replacement, an increase of \$150,000 in the Pavement Management Plan due to an increase of \$50,000 a year, a decrease of \$100,000 in the Parks Management Plan due to a decrease of \$50,000 a year, an increase of \$111,800 in the Water Fund improvements due to water tower painting, a \$1,500 increase in the Sewer Fund for improvements and \$8,825,000 increase in the major capital improvements due to the Caswell Park Improvements.

Finance Director McCann reviewed the 2022-2026 Proposed Cash Expenditures, which included a decrease of \$120,070 between the 2021-2025 CIP and the 2022-2026 CIP. Finance Director McCann reviewed the 2022-2026 proposed bonding expenditures. In 2022 proposed expenditures include \$2.6 million for Caswell Park Phase #1, \$1.5 million for McKinley Avenue, \$1.2 million for LorRay Drive, and \$8.5 million for the Caswell Park Fieldhouse. He noted that the LorRay Drive project would be closer to \$4 million, but only \$1.5 million of the local funds was included in the CIP. He noted that the Caswell Park project includes both the local and the state funding and requested direction if the entire LorRay Drive project cost should be included in the CIP. Mayor Dehen stated that the total LorRay Drive amount should be included for clarity, transparency, and continuity. Finance Director McCann reviewed the total anticipated expenditures for each year, noting the five-year total for debt expenditures is \$31,981,250.

Finance Director McCann reviewed the Parks Plan, which includes \$300,000 in Parks Funding. He reviewed the proposed projects, including Lady Bug Lake improvements, Pleasantview Park Shelter, Wheeler Park Bandshell improvements, North Ridge Park Shelter, Benson Park Natural Play area, and additional improvements. Council Member Steiner questioned the paving of Old Belgrade Hill as a recreation trail. City Administrator Harrenstein noted that the City posted cameras along the trail and found that 30 to 50 people were noted utilizing the trail as a recreation trail and not as a utility maintenance road. City Administrator Harrenstein commented that the project is a few years out, and discussion could be held on if the trail should be paved. Council Member Steiner noted some residents who lived along the trail did not want it paved.

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Finance Director McCann reviewed the proposed 2022-2026 Streets Plan, which includes scheduled mill and overlay projects with approximately \$500,000 a year budgeted to the plan. He reviewed the Sewer Capital Improvement and Maintenance Plan with a yearly budget of roughly \$295,000. The Water Capital Improvement and Maintenance Plan has a projected budget of between \$155,000 to \$480,000 based on planned wells and water filters maintenance. City Administrator Harrenstein noted that both the Water and Sewer improvement plans purchase vehicles scheduled into the plan. He noted the vehicles purchased with utility fund money are utilized in the utility departments, but vehicles are scheduled out to other departments as needed.

City Administrator Harrenstein commented that the City had seen success with its maintenance and reconstruction projects and plans to continue the efforts. He noted the recreational projects in the next five years are a continuation of City efforts to develop and enhance the City's regional contributions. City Administrator Harrenstein reported Fallenstein Field plans a splash pad, and staff will bring designs before Council. Mayor Dehen commented that there is a large donation associated with the splash pad.

Council Member Norland moved, seconded by Council Member Oachs, to adjourn the Council Work Session at 12:42 pm.

Mayor

City Clerk