

Pursuant to due call and notice thereof, a Council Work Session of the North Mankato City Council was held at the Police Annex at 1001 Belgrade Avenue on August 12, 2019. Mayor Dehen called the meeting to order at 12:45 p.m. The following were present for roll call: Mayor Dehen, Council Members Oachs, Whitlock, Steiner, Norland, City Administrator Harrenstein, Community Development Director Fischer, Finance Director McCann, City Engineer Sarff, and City Clerk Van Genderen.

**Discuss 2020-2024 Capital Improvement Projects**

City Administrator Harrenstein reported the CIP is informed by the Strategic Plan and a discussion of the Strategic Plan will be reviewed later in the meeting. As the City moves into the Budget season, a review of the CIP and Strategic Plan will help the Council identify items to include in the Budget and help determine the Tax Levy. He reported a Debt Study was conducted in 2013 which led to the repayment schedule of 3.16 million dollars being paid back from the Debt Service Fund to the General Fund, the Water Fund, and the Sewer Fund. The repayment schedule was laid out in Resolution No. 62-13. The General Fund will be paid back in 2021, and the Water and Sewer Fund final payments will be in 2023. Working within these constraints and remaining resources in an effort to maintain a tax rate based on new growth and growth in the tax base, staff recommended \$1.5 million in annual borrowing; this increased to \$2 million in 2016. With normal annual borrowing amortized for 15 years, this amounts to an average of \$30 million in outstanding debt each year (not including utility, TIF, or sales tax debt). In order to catch up on deferred maintenance from the recession, large set-asides were made for capital facilities and equipment purchases. Several plans have been created that also require large set-asides of cash including the Pavement Management Plan and the Parks Plan, along with additional plans being considered such as the Sidewalk Master Plan, Safe Routes to School Plan, Public Art Plan, and the Belgrade Master Plan. If, or when a recession hits, the Council will need to look at reducing capital spending. The City has also increased water and sewer rates which have allowed for cash replacement of equipment. Items to consider in the future includes technology, facilities master plan, continued neighborhood maintenance with sidewalks and streets and ravine repair and maintenance. The Sales Tax was extended by voters in 2016 and authorized by the Legislature in 2018. At this time the City Council has requested 10.5 million dollars in bonding appropriation for recreational improvements at Caswell.

Mayor Dehen suggested the following items for consideration in the 2020 CIP.

1. Belgrade Avenue. Which includes lighting and pedestrian walkability improvements.
2. Harrison Avenue. Harrison Avenue is the next in President's row for reconstruction consideration.
3. Safe Routes to School with a trail from Benson Park to Dakota Meadows and a review of the crossing at Howard Drive.
4. Bluff Park Overlook-possibly consider the retaining wall at Mary Lane and the Bluff to Lake Street trail.
5. Ravine Maintenance.

Finance Director McCann reported discussion would include the Caswell Park Indoor Recreation Center and Caswell Park improvements, the Public Works building and continued maintenance and repairs to the ravines.

Mayor Dehen noted several Benson Park improvements would be completed in 2019, so the City can focus on Bluff Park in 2020 and turn attention to the Public Works building in 2021. He also noted the positive response to the Spring Lake Swim Facility and that while the City should focus on streets and services, there should be a balance with fun. He noted the maximum tax levy needs to be set by the end of September but can be reduced when the final levy is passed in December. He noted

North Mankato had reduced the tax levy by 4% in the last five years and the Council wants to remain mindful and be good stewards of our citizens' tax money. Mayor Dehen concluded by noting the comments presented would help provide a broad overview of the upcoming budget discussion.

**Strategic Plan Review**

City Administrator Harrenstein reported the Strategic Plan action steps were created by Department Heads in 2015 and adopted by City Council. The action steps are above and beyond routine Department duties, and the document helps plan where the City is going. He briefly reviewed the current plan, noting that many of the items are either in the works or completed. Mayor Dehen suggested City staff prepare a proposal identifying areas of concern or interest and present those ideas to the Council. The Council can review those ideas and respond to the action steps which will help inform the 2021 budget.

Mayor Dehen closed the Council Work Session at 1:15 p.m.

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Mayor

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City Clerk