# 2026

# ANNUAL BUDGET



City of Mankato

Leading the way...

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August 22nd , 2025

Dear Honorable Mayor Massad and Members of the City Council,

Pursuant to the Mankato City Charter and Minnesota Statutes, the City Manager hereby submits to the City Council the preliminary Fiscal Year 2026 Budget for all funds of the City of Mankato.

Minnesota law requires local governments to establish a preliminary tax annually in September of each year. Similar to previous years the preliminary tax levy is the maximum the levy can be set by the City Council and is utilized to notice the taxpayer of potential changes in property taxes. After the preliminary levy is set, the levy may not increase (only decrease) prior to final adoption. The 2026 preliminary levy built into the attached budget is set at $26,245,324 or a 4.7% increase from prior year. The city's tax capacity increased only 1.5% necessitating the tax rate to increase to a proposed 40.77%. The approved 4.7% percent levy increase results in an increase of $1,178,028 to the levy. The increase in tax capacity and resulting collections will ensure a continued high level of municipal services and responsible capital improvement program that Mankato residents and businesses have come to enjoy. It should be noted that this is the second year of a two-year budget, reasonable modifications have been made to address current financial conditions and organizational initiatives.

In 2026, the City Council will notice proposed increases in cost of service, water and sewer rates. The increases are projected to address increases in operating expenditures in these respective funds, growing capital replacement needs in utilities, including the wastewater upgrade project which started in 2024, and provide the reasonable fund balance reserves necessary to maintain high quality credit ratings for debt service reserves and maintain positive cash flow for all operations. While still sufficient, you will note a scaled down five-year capital project plan as we strive to meet staff capacity loads and financial reserve targets. In total, 2026 includes 81 projects programmed compared to our average of just over 100 annually.

The City Council and community members are encouraged to review the document carefully as it not only capsulizes the financial strategy for Mankato's budget but also shows resource allocation amongst the City's 79 services. I look forward to working with you, staff, and the community of Mankato, as we dig deeper into the 2026 proposed budget over the ensuing months.

Respectfully submitted,

Susan MH Arntz
City Manager

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# Table of Contents


**INTRODUCTION** . . . . . **7**

**BUDGET OVERVIEW** . . . . . **25**

**PROPERTY TAX ANALYSIS** . . . . . **45**

**GENERAL FUND (1000)** . . . . . **55**

**SPECIAL REVENUE FUNDS (2000)** . . . . . **63**

**ENTERPRISE FUNDS (6000)** . . . . . **67**

**INTERNAL SERVICE FUNDS (7000)** . . . . . **83**

**DEBT SERVICES** . . . . . **99**

**SURFACE TRANSPORTATION CIP** . . . . . **111**

Street Projects . . . . . 113

**CAPITAL REPLACEMENT** . . . . . **167**

Mankato EDA Capital . . . . . 169

Mankato EDA - Housing . . . . . 177

Blue Earth County EDA - Housing . . . . . 189

IGC Capital Replacement Fund . . . . . 201

All Seasons Arena . . . . . 217

Information Technology Capital Replacement . . . . . 225

Mass Transit . . . . . 241

Public Safety Building Replacement Fund . . . . . 261

Public Safety Fire Equipment . . . . . 283

Public Safety Police Equipment . . . . . 289

Facilities Capital . . . . . 299

Parks Capital Replacement Fund . . . . . 327

Water Capital Improvement Fund . . . . . 347

Wastewater Plant Capital Improvement Fund . . . . . 375

WW Collections Capital Improvement Fund . . . . . 391

Stormwater Capital Fund . . . . . 395

**SALES TAX CIP** . . . . . **405**

Sales Tax - Airport . . . . . 407

Sales Tax - Civic Center . . . . . 441

Sales Tax - Parking . . . . . 463

Sales Tax - Riverfront Park . . . . . 475

Sales Tax - Special Projects . . . . . 479

**GENERAL FINANCIAL POLICIES** . . . . . **483**

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# Introduction

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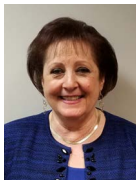
# City Council Contact Information

## Elected and Appointed City Officials



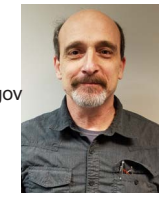
Najwa Massad
Mayor
nmassad@mankatomn.gov
507-387-8693
Current term through 2026



Mike Laven
President, Serves at-large
mlaven@mankatomn.gov
507-720-8674
Current term through 2028



Michael McLaughlin
Serves Ward 1
mmclaughlin@mankatomn.gov
507-720-1093
Current term through 2026



Dennis Dieken
Serves Ward 2
ddieken@mankatomn.gov
507-345-3320
Current term through 2028



Kevin Mettler
Serves Ward 3
kmettler@mankatomn.gov
507-995-0070
Current term through 2026



Jenn Melby-Kelley
Serves Ward 4
jmelby-kelley@mankatomn.gov
507-720-8787
Current term through 2028



Jessica Hatanpa
Serves Ward 5
jhatanpa@mankatomn.gov
507-613-8067
Current term through 2026



Susan MH Arntz
City Manager
sarntz@mankatomn.gov
507-387-8695
Appointed by the City Council

**Service Departments**

| | | |
|---|---|---|
| Civic Center | Eric Jones and Brian Sather | Co-Directors |
| Community Development | Mark Konz | Director |
| Public Safety | Jeremy Clifton | Director |
| Public Works | Jeff Johnson | Director |

**Administrative Support Departments**

| | | |
|---|---|---|
| Administrative Services | Parker Skophammer | Director |
| Human Resources | Sheila Huber | Director |
| Public Information and Community Engagement | Paul David | Director |




## Vision

Leading the way as a vibrant, diverse, regional community.

## Leadership Philosophy

We belong to an organization that cares about making a positive difference in the lives of others. Our work is challenging and has purpose. We listen and engage with each other and our community.

We are empowered and trusted to make good decisions that align with Public Service Principles and Core Values. Our organization is committed to investing in and developing each other. We will recognize and celebrate our collective achievements and individual accomplishments.

## Public Service Principles

***Responsive***
Prompt to respond and serve.

***Efficient***
Highest performance at greatest economy.

***Greater Good***
Serve for the good of the community and region.

***Innovation***
Embracing new ideas and methods to improve service delivery.

***Open***
Spirit of accessibility in policy making and operation.

***Neighborly***
Concern and compassion for others.

## Core Values

***Positive attitude***
We take a positive approach, show initiative and a willingness to improve. We take pride in the work we do.

***Accountability***
We take responsibility for our actions and the completion of our work.

***Respect***
We treat everyone with courtesy and dignity and value their perspectives, acknowledging our differences.

***Teamwork***
Together, we collaborate on ideas and share information, resources and responsibility for the best possible outcomes.

***Integrity***
We lead by example by being honest, doing the right thing and following through. Our actions reflect our words.

**Employee motto:**
**Work hard. Have fun.**

Mankato is one city, one brand. All staff operate and provide internal and external customer service using the same shared core values. Values are basic and fundamental. It's how employees show up for work, work together as a team, and how internal working relationships are built and strengthened. This is the Mankato way.

While values may seem easy to define, each term can mean different things to different people. Employees have helped determine examples (below)of visible actions for each of the city's core values.

## Positive attitude

- Approach each interaction positively.
- Visibly acknowledge others.
- Tell someone they did a great job.
- Look for solutions instead of obstacles.
- Offer assistance and keep trying when encountering problems.

## Accountability

- Take responsibility for and pride in the work you do.
- Follow through on all commitments made.
- Provide clear expectations and timelines.
- Respond timely to any form of communication.

## Respect

- Actively listen. Some examples: avoid interrupting, listen to what others have to say before sharing viewpoint and maintain eye contact.
- Minimize technology use during interactions. Some examples: avoid use during meetings or conversations and turn on vibrate or silent.
- Treat everyone as the most important person you will see today.
- Remain open-minded and acknowledge value of different ideas.

## Teamwork

- Share resources, knowledge and expertise with others.
- Encourage and support others to do their best work.
- Contribute your thoughts and ideas in meetings.
- Take pride in being a part of the City of Mankato team.
- Do your part to help work move forward in the best possible way.
- Ask and offer to help.

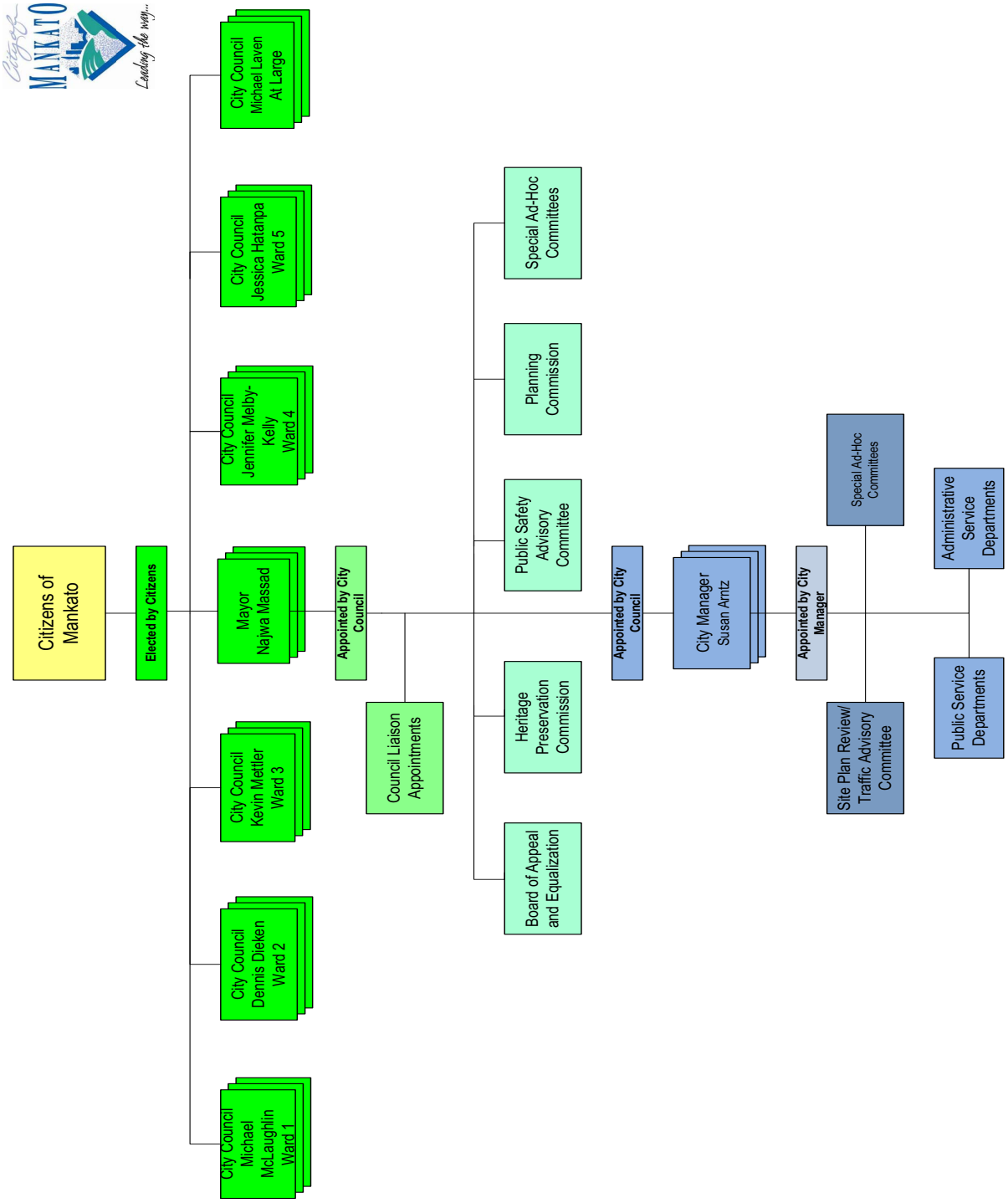
## Integrity

- Always do the right thing even when no one is watching.
- Admit mistakes, and offer solutions. We're all human.
- Create an environment where it's safe for people to admit mistakes.
- Do what you say.

City of MANKATO

*Leading the way...*

# Org Structure



# Budget Calendar

| | |
|---|---|
| Mar 24th – Apr 4th | Budget/CIP Overview to all Departments/Divisions |
| May 31st | Submission of Proposed Operating & CIP Projects Due (April 4th– May 31st) |
| Jun 2nd - Jun 30th | FY 2026 Internal Budget/Capital Review |
| Jun 23rd | 2026 Budget Strategy & Initiative Council Discussion |
| Jul 1st - Aug 21st | Assembly of FY 2026 Budget Document |
| Aug 22nd | FY 2026 Proposed Budget Document Sent to Council |
| Aug 25th | Council Work Session:<br>♦ Review of proposed budget focused on property tax supported funds and a preliminary estimate of the property tax levy |
| Sept 8th | Review of Proposed Levy Options |
| Sept 18th | FY 2026-2030 CIP Bus Tour (5-7 p.m.) |
| Sept 22nd | Last (final) Council Meeting opportunity to adopt a preliminary 2026 Payable property tax levy for certification to Blue Earth County and Nicollet County |
| Sept 25th | Public Open House for FY 2026 CIP (Council Chambers 6-7:30 p.m.) |
| Oct 6th | FY 2026 Budget Work Session<br>♦ General Fund & Special Revenue Fund |
| Oct 22nd | Planning Commission to review and provide comment on proposed 5-year (FY 2026-2030) CIP |
| Nov 3rd | FY 2026 Budget Work Session:<br>♦ Enterprise Funds<br>♦ Community Partnership Annual Reports (Greater Mankato Growth, Visit Mankato, City Center Partnership) |
| Nov 24th | FY 2026 Budget Work Session:<br>♦ Community Partnership Annual Reports (Southern MN Initiative Foundation, Twin Rivers Council for the Arts and Mankato Diversity Council)<br>♦ Internal Service Funds |
| Dec 1st | Budget Hearing/Truth in Taxation meeting and adoption of 2026 Payable final property tax levy amounts and FY 2026 budget |
| Dec 8th | Final Council Meeting if needed |

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*Photo by Jessica Hanevik, Mankato*

# CITY OF MANKATO

# Community Profile 2025

City of Mankato

*Leading the way...*

# MANKATO

**Recognized as one of the best small cities in America!**

Located in the scenic Minnesota River Valley and an hour and a half from Minneapolis-St. Paul, Mankato is the centerpiece of a prosperous, progressive, and culturally rich region. Mankato has earned several livability awards, making it an excellent place to work, play, live and raise a family.

# ECONOMY

Mankato's economic diversity and growth leads Minnesota and is among the top in the nation. Mankato has a population of 46,459 with a contiguous urban population area of 103,566. There is a trade area population of more than 288,000; and there are 1.2 million people who live within 60 miles. Mankato is the region's commercial, industrial, educational, health care and technology center. The region's stability is supported by an ever-growing agricultural economy.

# AMENITIES

The city has all of the amenities and resources of a large city while at the same time providing the peace of mind and quality of life associated with small town America. The city is renowned for its natural beauty. Rivers, lakes, ravines, bluffs, natural prairies and forested areas offer breathtaking landscapes and provide a scenic backdrop for an area of rich cultural heritage steeped in historical significance.

# EDUCATION

The public K-12 school system provides educational opportunities for pre-kindergarten through grade 12. The Greater Mankato Area hosts five superb higher education institutions. Enjoying superior health care provided by Mayo

# RECREATION

Recreational and cultural opportunities exist for all ages and interest levels. The River Valley and area lakes offer a broad range of activities for the outdoor enthusiast, including biking, skiing, kayaking, fishing, and boating. As a regional arts center, residents enjoy national touring artists, symphony orchestra, and a culture rich in heritage, historical significance, and art. For the sports enthusiasts, the higher-education institutions are known for their nationally ranked sports teams.

# AT A GLANCE

# TAX PROFILE

## Parcels

- Mankato has a total of 13,311 parcels.
- With a population of 46,459 Mankato's total parcel count includes both rented and owned residences, commercial and industrial zones, agricultural plots, and tax exempt properties.

## Taxable Market Value

- The 2024 market value was estimated at $5.03 billion.
- The 2025 market value was estimated at $5.06 billion, staying basically flat.

## Net Tax Capacity

- The final Net Tax Capacity (NTC) for 2025 was $63,440,213 (net of TIF)
- In 2026, the estimated NTC is
- $64,379,898 (net of TIF) which is a 1.5% change from the year prior.

- The "tax capacity value" is determined by multiplying the taxable market value of the property by the statutory percentage rates (also called class rates) for the specific classification(s) / use(s) on the property

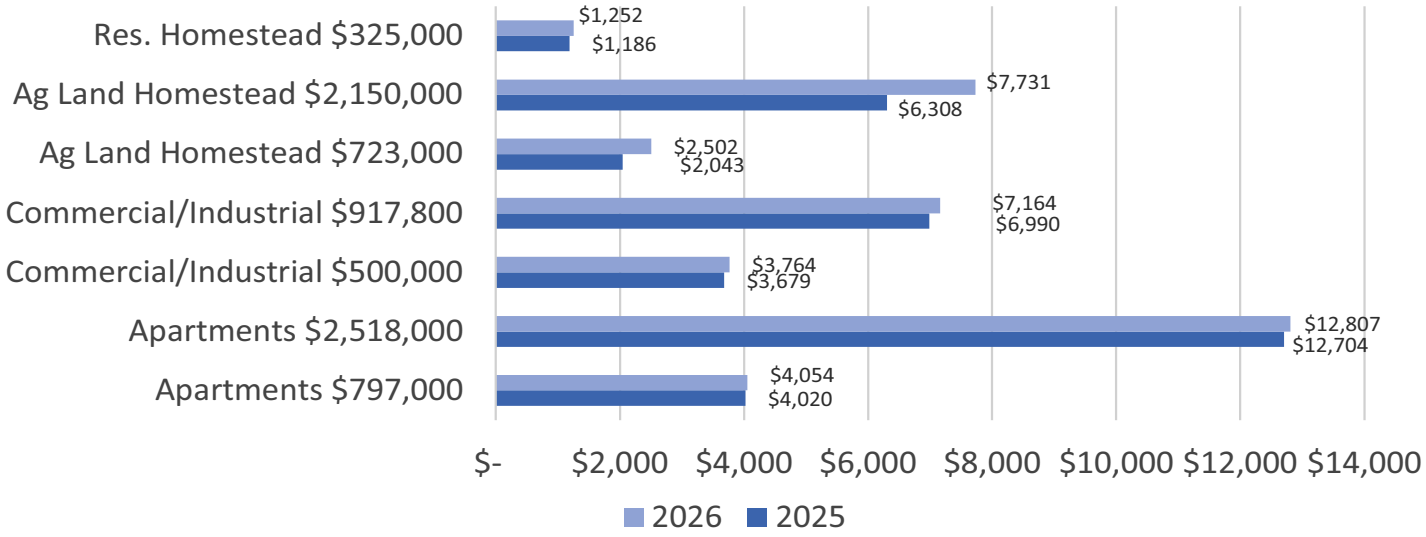
## Tax and Levy Rate

- In 2025, the City of Mankato tax levy was budgeted at $25,067,296.
- In 2026, the City of Mankato tax levy is budgeted at $26,245,324 which is a change of 4.7% with an amount change of $1,178,028

- In 2025, the City of Mankato tax rate was 39.37%
- In 2026, the City of Mankato tax rate is proposed to increase to 40.77%

# AVERAGE TAX IMPACTS

## PAY 2025 VS. PAY 2026




**Residential Homestead** – This property class realized minor value increases citywide with a larger decrease in new construction compared to the previous assessment year. An average-valued property ($325,000) will see a tax increase of about $66 (5.56%) on the city portion due to the levy dollar increase provided there is no new construction.

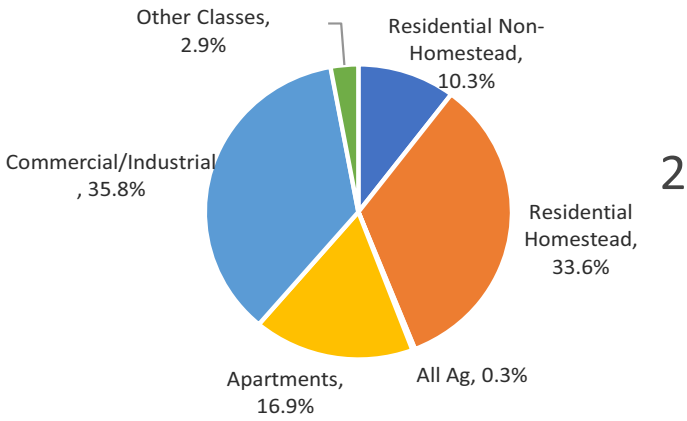
**Commercial/Industrial** -This property class overall realized a slight valuation decrease citywide along with a decrease in new construction amounts compared to last year. An average-valued property ($917,800) will see an increase of about $174 (2.49%) on the city portion of property taxes provided there is no new construction. A more modest commercial property valued at $500,000 would see a city-portion tax increase of approximately $85 (2.31%).

**Apartments** - This property class's values decreased with an increase in new construction. An average-valued property ($2,518,000) will see an increase of about $103 (0.81%) in city taxes. This assumes there was no new construction on an individual basis. A more modest apartment property valued at $797,000 would see a city-portion tax increase of approximately $34 (0.85%).

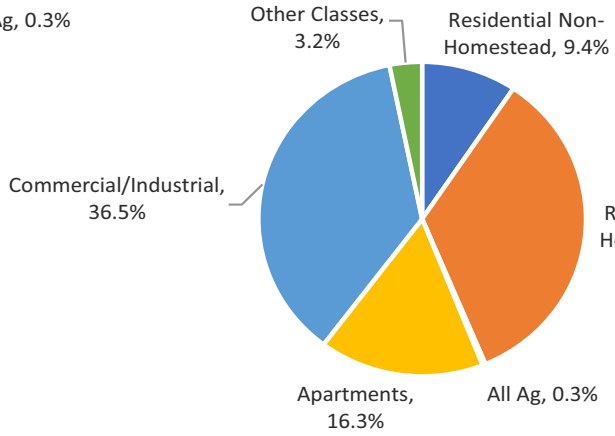
**Agricultural Land** - This property type is included in the graph above for informational purposes; however, it is a smaller portion of the city's property tax pie so detailed analysis is not significant enough to be meaningful.

# NET TAX CAPCITY BY MAJOR PRIORITY TYPES

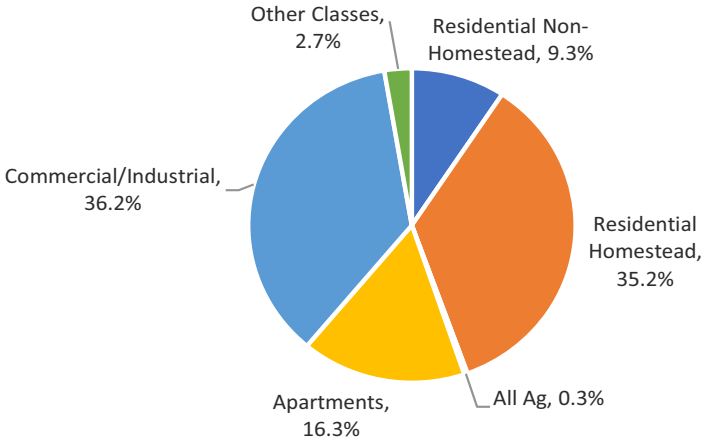
The 2026 "property tax pie" in Mankato is approximately 1.5% larger than last year.




2026




2025




2024

# TOP TEN OVERALL

## TAXABLE MARKET VALUE - 2024

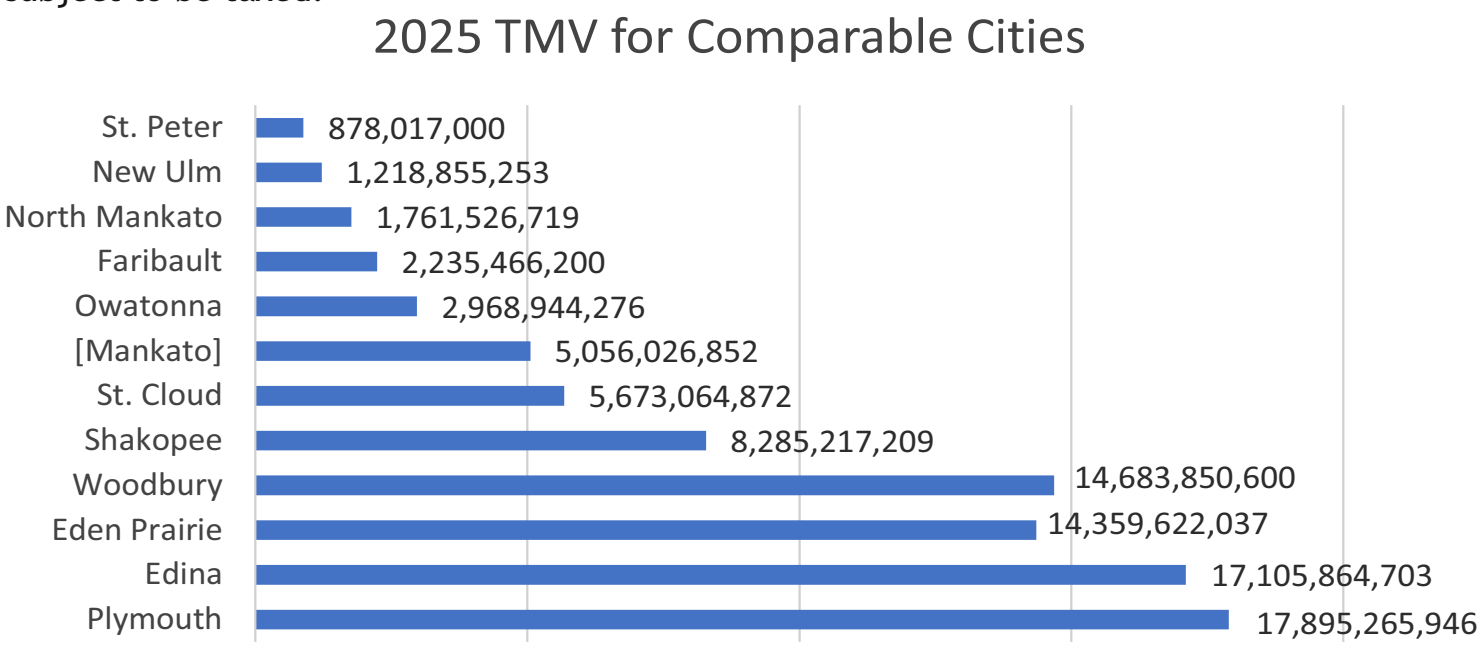
| Name of Entity | Class | NTC | Taxable Market Value ($) |
|---|---|---|---|
| Highland Hills Apartments LLC | Apartments | 907,292 | 72,583,400 |
| BT Mankato Student Housing DST | Apartments | 760,988 | 67,441,500 |
| EWR Mankato Woodside Apartments LLC | Apartments | 777,236 | 62,178,800 |
| KB Grove at Mankato DST | Apartments | 745,093 | 59,607,300 |
| Ringheim Family LP | Apartments | 602,956 | 46,675,400 |
| Augusta Parks of Mankato LLC | Apartments | 470,737 | 37,658,900 |
| Monks Road Associates LLC | Apartments | 453,766 | 36,301,300 |
| River Hills Mall Realty Holding LLC | Commercial | 676,132 | 33,881,600 |
| WAL-MART Distribution Center | Industrial | 530,966 | 26,585,800 |
| Johnson Outdoors | Industrial | 465,616 | 23,318,300 |
| **Total** | | **6,390,782** | **466,232,300** |



# HOW DO WE COMPARE?

## TOTAL MARKET VALUE

A property's total market value is its estimated market value without any tax exemptions, deferrals, or value exclusions that apply. For example, many homeowners have a Homestead Market Value Exclusion, which reduces the amount of home value that is subject to be taxed.

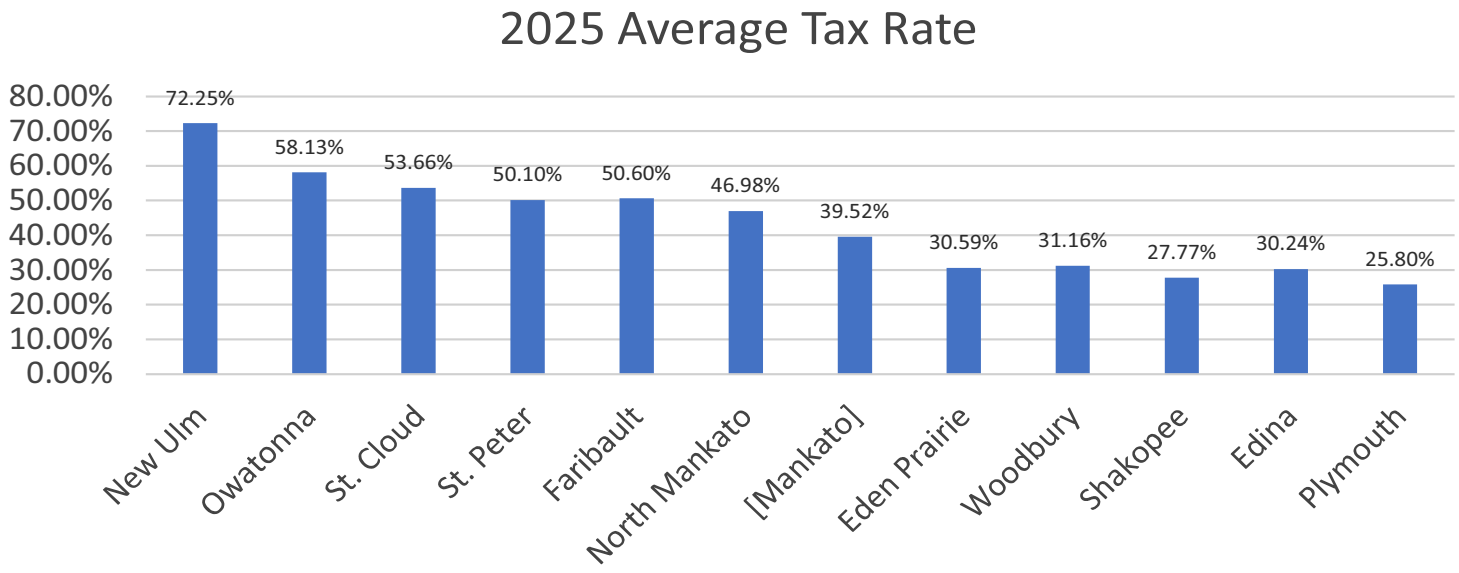



| Metropolitan Statistical Area (MSA) | 2023 Core City Population | 2023 MSA Median House Value | 2023 MSA Median Household Income | 2023 Core City Unemployment Rate | 2023 MSA Unemployment Rate | 2022 MSA Core City, Retail Sales per capita | MSA GDP 2022-2023 % Growth |
|---|---|---|---|---|---|---|---|
| Duluth | 87,680 | $208,900 | $71,067 | 2.5% | 3.5% | $17,982 | 4.19 |
| Mankato | 45,742 | $255,000 | $74,722 | 2.2% | 2.3% | $43,996 | -0.4% |
| Moorehead | 45,202 | $276,600 | $75,523 | 1.9% | 2.1% | $12,336 | 3.60% |
| Rochester | 122,413 | $284,600 | $89,675 | 2.1% | 2.3% | $23,596 | 3.16% |
| Saint Cloud | 71,013 | $254,200 | $75,670 | 3.2% | 2.9% | $25,343 | 0.22% |
| **Comparative Rank** | **4th** | **3rd** | **4th** | **3rd** | **2nd (T)** | **1st** | **5th** |

# HOW DO WE COMPARE?

## TAX LEVY RATE - Pay 2025

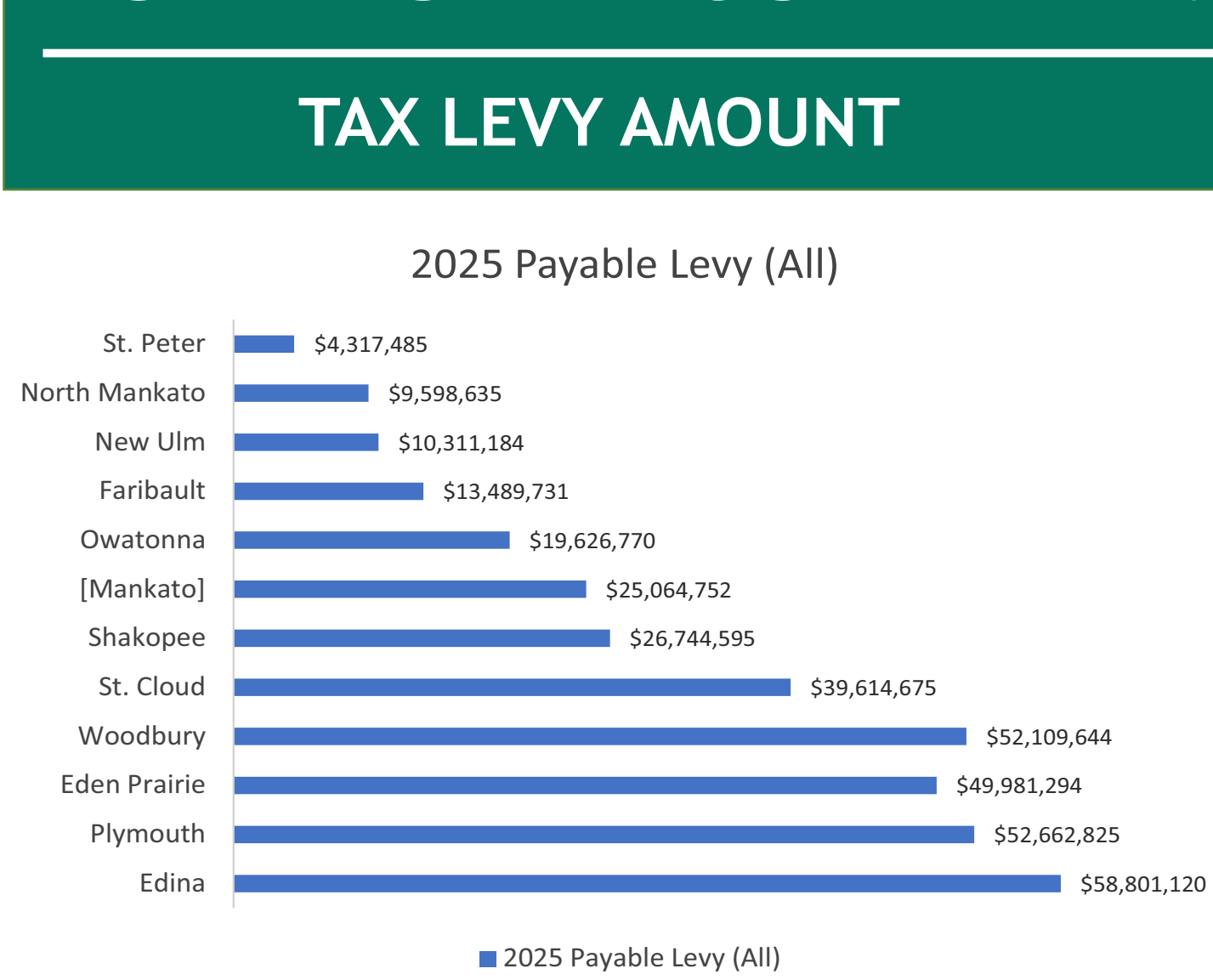
- Property tax levy is the tax imposed by a local unit of government. The tax is established in December of the year preceding the year the levy will be paid by taxpayers.
- Each local taxing jurisdiction certifies a levy equal to the amount it intends to raise from property taxes in the upcoming year. For some local taxing jurisdictions, the levy may be constrained by state-imposed levy limits.

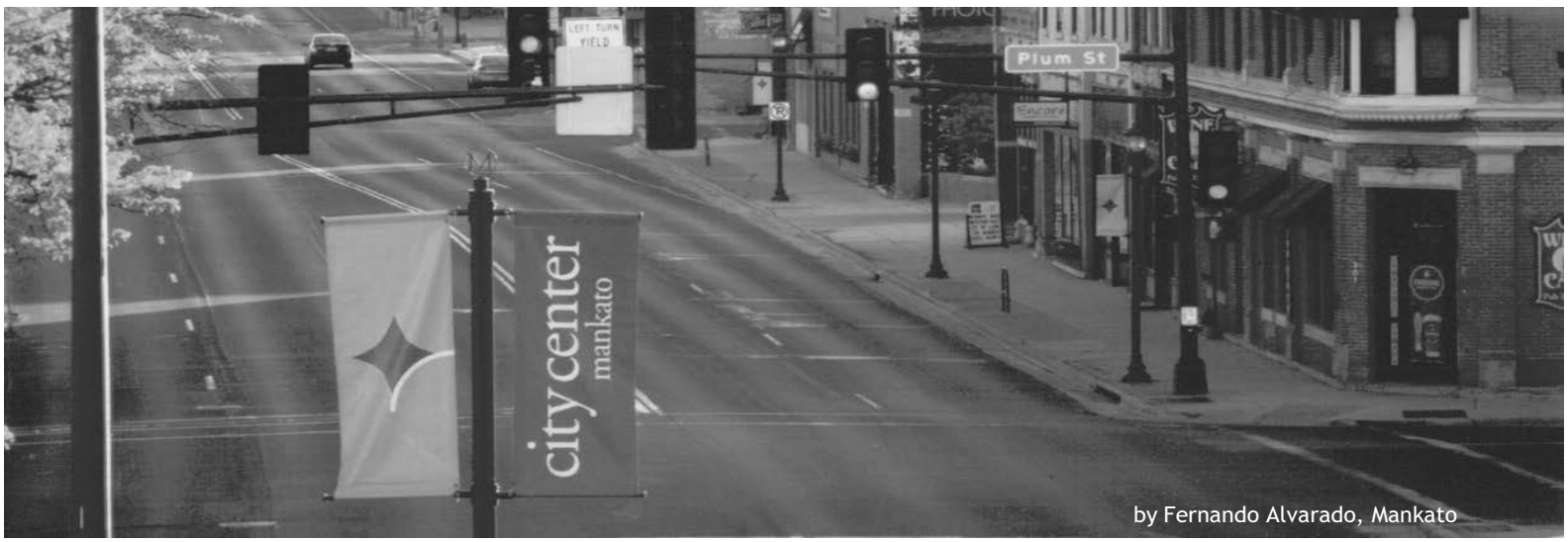





# HOW DO WE COMPARE?

## TAX LEVY AMOUNT



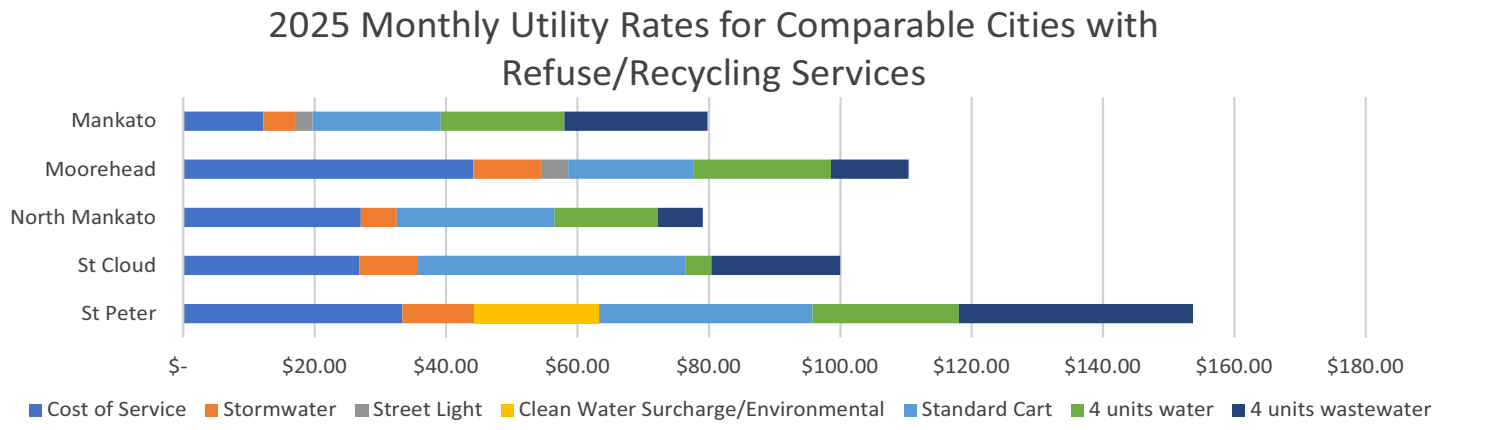




by Fernando Alvarado, Mankato

# HOW DO WE COMPARE?

# UTILITY RATES

| | Willmar | Waseca | St Peter | St Cloud | Rochester | Owatonna | North Mankato | Moorehead | Mankato | Faribault | Duluth |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2025 | 2025 | 2025 | 2025 | 2025 | 2025 | 2025 | 2025 | 2025 | 2025 |
| Cost of Service | $ 54.10 | $ 24.71 | $ 33.35 | $ 26.78 | $ 31.16 | $ 37.05 | $ 27.00 | $ 44.14 | $ 12.22 | $ 24.61 | $ 12.30 |
| Water Usage | | | | | | | | | | | |
| 1-4 units | $ 3.94 | $ 1.62 | $ 5.58 | $ 1.00 | $ 1.05 | $ 1.53 | $ 3.93 | $ 5.24 | $ 4.71 | $ 1.64 | $ 6.49 |
| 5-8 units | $ 3.94 | $ 1.62 | $ 5.58 | $ 4.00 | $ 1.05 | $ 1.53 | $ 3.93 | $ 5.24 | $ 4.71 | $ 1.64 | $ 6.49 |
| >8 units | $ 3.94 | $ 1.70 | $ 5.58 | $ 4.50 | $ 1.15 | $ 1.53 | $ 3.93 | $ 5.24 | $ 4.71 | $ 1.64 | $ 6.49 |
| >14 units | $ 3.94 | $ 1.79 | $ 5.82 | $ 4.50 | $ 1.31 | $ 1.53 | $ 3.93 | $ 5.24 | $ 4.71 | $ 1.84 | $ 6.49 |
| Wastewater Usage | | | | | | | | | | | |
| 0-3 units | $ 3.27 | $ 4.15 | $ 8.90 | $ 4.90 | $ 4.29 | $ 3.38 | $ - | $ 2.96 | $ 5.45 | $ 2.87 | $ 7.69 |
| >3 units | $ 3.27 | $ 4.15 | $ 8.90 | $ 4.90 | $ 4.29 | $ 3.38 | $ 6.85 | $ 2.96 | $ 5.45 | $ 2.87 | $ 7.69 |
| Stormwater | $ - | $ 7.00 | $ 11.01 | $ 8.80 | $ - | $ 4.66 | $ 5.50 | $ 10.41 | $ 4.89 | $ 9.63 | $ 10.34 |
| Street Light | $ - | $ 1.90 | $ - | $ - | $ - | $ - | $ - | $ 4.00 | $ 2.55 | $ - | $ - |
| Clean Water/ Environmental Surcharge | $ - | $ - | $ 18.93 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 4.90 |
| Standard Cart | | | $ 32.47 | $ 40.80 | | | $ 24.00 | $ 19.07 | $ 19.49 | | - |
| WW Capital Funding Charge | | $ 17.20 | | | | | | | | | |
| Capital Funding Charge | | $ 15.57 | | | | | | | | | |
| | | | | | | | | | | | |
| 4 units water | $ 15.76 | $ 6.48 | $ 22.32 | $ 4.00 | $ 3.96 | $ 5.17 | $ 15.72 | $ 20.96 | $ 18.84 | $ 6.56 | $ 25.96 |
| 4 units wastewater | $ 13.08 | $ 16.60 | $ 35.60 | $ 19.60 | $ 16.88 | $ 13.52 | $ 6.85 | $ 11.84 | $ 21.80 | $ 11.48 | $ 30.76 |
| **4 units consumption** | **$ 82.94** | **$ 56.69** | **$ 102.28** | **$ 59.18** | **$ 52.53** | **$ 60.40** | **$ 55.07** | **$ 91.35** | **$ 60.30** | **$ 52.28** | **$ 84.26** |






# Budget Overview

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# All Funds Overview

This budget document represents a one-year budget document, with expenditures for 2026 projected at $173,378,676 compared to revenues of $182,092,393 resulting in a net income of $8,713,717.

## BUDGET DESCRIPTION, ACCOUNTING BASIS, AND LAYOUT

One of the primary duties of the City Manager in the City Charter is to “prepare and submit the annual budget and capital program to the Council.” Also, per the City Charter, the City Manager must submit a budget message that explains the budget “both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes, summarize the City's debt position and includes other material as the Manager deems desirable.” The City Manager, in close consultation with the City Leadership Team and staff throughout the operation, is submitting a balanced budget that allows for both short- and long-term financial planning and anticipates continued policy considerations to assure maintenance of the City’s strong financial position. The accounts of the City are organized and operated on a fund basis. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related, legal, and contractual provisions of the revenue sources and related expenditures. Further, the revenues and expenditures of various departments are provided by Fund, further summarized according to traditional accounting systems via an established “chart of accounts” and are provided according to the following budget basis of accounting which fluctuates by type of use and fund type.

The City prepares its Comprehensive Annual Financial Report (CAFR) in accordance with GAAP as established by the Governmental Accounting Standards Board (GASB), and the budget is prepared similarly, but with nuances allowed for under the budgetary basis of accounting. The term "basis of accounting" is used to describe the timing of recognition, that is, when the effects of transactions or events should be recognized. The basis of accounting used for the purposes of financial reporting in accordance with generally accepted accounting principles (GAAP) is not necessarily the same basis used in preparing the budget document. For example, governmental funds are required to use the modified accrual basis of accounting in GAAP financial statements whereas the cash basis of accounting or the "cash plus encumbrances" basis of accounting may be used in those same funds for budgetary purposes.

Disparities between GAAP and the budgetary basis of accounting often occur because regulations governing budgeting (e.g., laws or ordinances of the state, county, city or some other jurisdiction) differ from GAAP. Further, the budget is a planning document meant to serve as a financial plan that guides expenditure decisions throughout the year (whereas the CAFR reflects actual activity in GAAP financial statements), an operations guide identifying key operational goals and resource shifts, a policy document that outlines rationale for decision making and long-range planning, and a communications device for internal users and the public. For these reasons, differences in the budgetary basis are necessary to provide a clear picture of current position and future plans to guide financial policy decisions that impact operations and affect the community.

The main differences between GAAP and the budgetary basis of accounting used in this document are as follows:

- The budget for proprietary/enterprise funds is prepared on an accrual basis, also in accordance with GAAP. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. Unbilled utility service receivables are recorded at year-end. Capital

outlays in the Enterprise Funds are recorded as assets on a GAAP basis and expenses on a budget basis.

- Governmental funds are budgeted for and accounted for using the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.
    - Major revenues that are susceptible to accrual include property taxes (excluding delinquent taxes received over 60 days after year-end), special assessments, intergovernmental revenues, charges for services, and interest on investments. Major revenues that are not susceptible to accrual include fees and miscellaneous revenues; such revenues are recorded only as received because they are not measurable until collected.

| General Fund (1000's) | Enterprise/Business Funds (6000's Cont'd) |
|---|---|
| Community Development | Housing/BEC |
| General Government | Transit |
| Public Safety | Major Utilities (Operations, Wastewater, Water) |
| Public Works | Minor Utilities (Refuse, Stormwater Drainage, Street Light) |
| **Special Revenue Funds (2000's)** | Public Works (Airport, Infrastructure, Parking) |
| Grants and Special Use | **Internal Service Funds (7000's)** |
| Partnership | Administrative Services |
| **Debt Service Funds (3000's, 4000's, 5000's)** | Building Facilities Replacement |
| Debt Service | Central Insurance |
| **Enterprise/Business Funds (6000's)** | Equipment Replacement |
| Civic Center | Information Technology Capital |
| Economic Development | Public Works (Garage) |

The following budget overview and fund analysis introduction provides a summary of spending and revenue budget categories for the major funds within the city's financial structure.
A detailed breakdown of Major Revenue and Expenditure Changes are highlighted in each major fund overview throughout the budget document. More detailed changes are reported within the summary of each functional area of the operation.

## REVENUE/RESOURCE TRENDS

The City's practice is to budget revenues conservatively. Revenue requests for 2026 are based on 2024 actuals and 2025 projected collections, historical trends, anticipated changes and known impacts that affect revenues. The City of Mankato met or exceeded most of its 2024 budgeted revenues and expects to do the same in 2025.

The City Manager's Office and operating departments annually review license and permit fees, charges for services, and fines and forfeitures charged by City departments. The rate increases recommended for 2026 are primarily related to increasing operation, maintenance, and capital investment as well as implementing and funding prudent fund balance policies to plan for the future, especially as it relates to utilities. As the City Council is aware these utility rate adjustments have taken place over the course of the past several years and are planned to ease the impact on customers while still allowing for continued investment in and upkeep of important infrastructure.

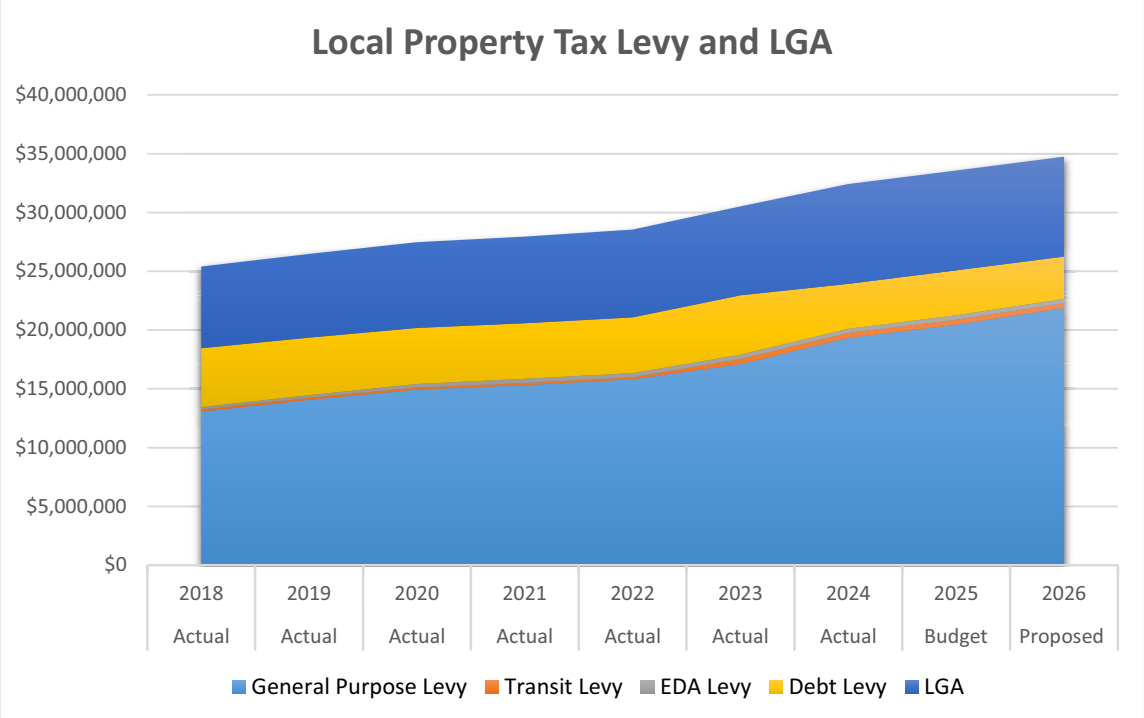
Further, this budget builds on the Council's policy of optimizing resources and limiting the tax burden for city services as much as possible. This is achieved by maximizing alternative revenue sources and leveraging effective partnerships for service delivery, enforcing license and permit policies, charging users for specific services where feasible, leveraging internal loan opportunities to reduce interest,

supporting, and investing in strategic economic growth, and through lean operations that prioritize investment in City personnel to increase employee capacity and output. The 2026 total local property tax levy is projected to increase by 4.7% to $26,245,324 an increase of $1,178,028 which increased the tax rate from 39.37% to an estimated 40.77%.

The increased collection is the result of the city's total net tax capacity increasing slightly. Since 2014, tax capacity has grown from approximately $33.3 million to approximately $64.38 million for taxes payable 2026. This new tax capacity is due to consistent increases in the apartment, commercial, and residential property types. Market value and new construction growth in those property types have increased the overall tax base. Apartments and commercial/industrial have assumed more of the tax base over the long-term, resulting in a comparative reduction for the residential homestead property share.

**Property Tax**

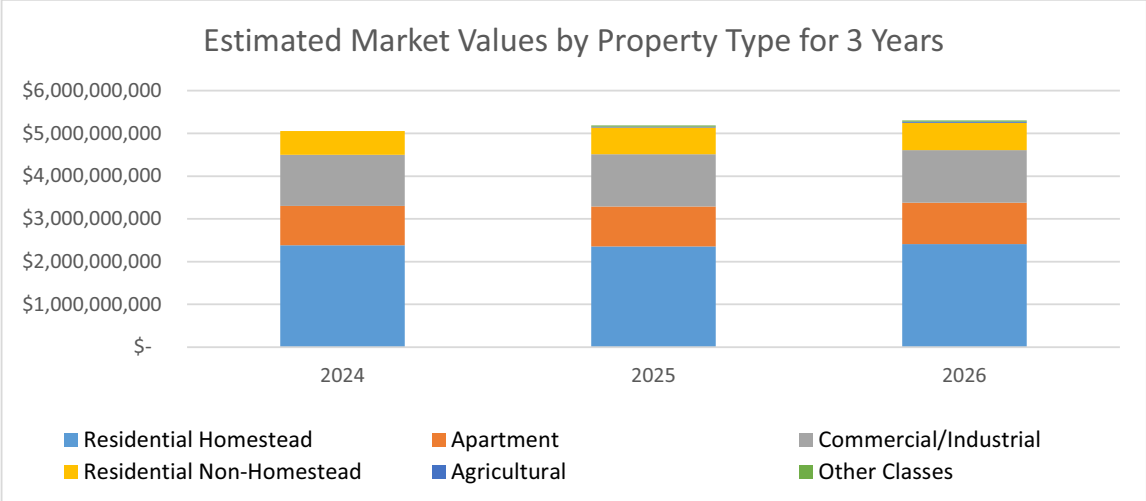
The local property tax levy and State Local Government Aid (LGA) are the primary sources of revenue supporting services included in the General Fund. The fund supports community development costs for planning and zoning and building inspections (offset with permit and license fees), public works costs such as streets and parks maintenance, snow plowing operations (offset with grants, special assessments, and user fees where possible), and public safety costs including police, fire, and emergency management, in addition to grants to non-profits.






| General Fund | Debt Service | Transit | EDA |
|---|---|---|---|
| 83.3% | 13.7% | 1.6% | 1.4% |

The total amount of net tax capacity in 2026 is projected at about $64.38 million. This capacity is calculated by taking the total taxable values within the Mankato city limits times the individual state classification rates. The increase over prior year in tax capacity is 1.5% and is the result of increases primarily in apartments. Most of the increase in the 2026 capacity is absorbed by Market growth which is fairly typical.



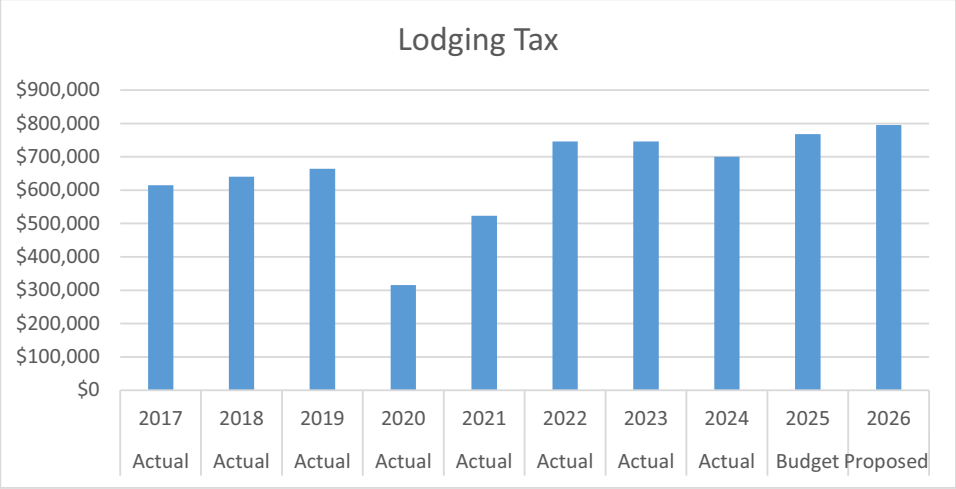

The net tax capacity increase combined with an increased levy rate of 40.77% results in approximately $26,245,324 in total local property tax levy in 2026. The 2026 local levy is comprised of (1) the general-purpose tax levy ($21.8 million respectively) and (2) the debt levy ($3.6 million respectively). City Council has identified two additional specific uses of the general-purpose levy beyond operation of general fund activities. Dedication of the levy to Transit, which was increased from $165,000 to $415,000 in 2023, and the Economic Development Authority, (EDA) is to stay flat at $365,000. Finally, Local Government Aid (LGA) is estimated by the state at $8.5 million in 2026, of which is a $10,142 increase from the LGA amount the city expects to receive in 2025. The LGA is a general-purpose aid that can be used for any lawful expenditure. It is also intended to be used for property tax relief. The Department of Revenue certifies LGA for cities based on current LGA statutes, including any changes

enacted during the most recent legislative session. Due to the disbursement methodology of LGA, Mankato's continuing economic prosperity results in constant diminishment of the rate of return of state aid, as the local tax base grows providing exponentially more local resource to provide services and increase quality of life. LGA is still well below its height in the 2000's when the city received $9.8 million annually.

As the city grows with new development and orderly annexation it is necessary to sustain both operational services as well as ongoing capital maintenance. Growth will result in additional facilities (e.g. road, utilities, rights of way, and parks) and additional population (e.g. additional users of the old and new facilities will degrade them faster) as well as regional impacts that result in necessary maintenance, repair and replacement. Recognizing this pressure, the council discussed a new financial target in 2018 – growing the distribution of operating (General Fund, EDA, Transit) levy and debt (debt service and non-financed capital replacement) on a proportionate basis. To achieve that, this and future budgets will target distribution of the allocation of Net Tax Capacity increase at 70% operating and 30% debt/capital. This will assure that neither aspect of service is shortchanged as population increases, properties expand, are built, or grow in value and service expectation.

**Lodging (Hotel/Motel) Tax**

A half-percent lodging tax is imposed on short-term lodging in Mankato (limited to not more than 3 percent by statute). State law requires that 95 percent of the revenue raised by a lodging tax be used to fund a local convention or tourism bureau for the purpose of marketing and promoting the City as a tourist or convention center. The city has designated Visit Mankato as its local Convention and Visitor Bureau (CVB) and operates a civic center which hosts sports, tournaments, meetings, conventions, and other events. Of the tax collected from hotels within the City Center Convention Campus 95% is segregated and dedicated to fund and support fulfillment of convention related activities and dedicated to a convention campus marketing plan, collaboratively with the Civic Center, City Center Convention Campus partners, and CVB. Of all remaining lodging tax, 95% is passed through to the CVB for tourism promotion and destination marketing. The lodging tax has shown strong growth since 2007, despite a volatile decade for tourism and visitor spending, especially with impacts due to the COVID-19 pandemic. While there is additional capacity expected in the next few years, consistent with our conservative budgeting philosophy and the complexity of some of these projects a 3.5% increase in 2026 is budgeted.



**Gambling Tax**

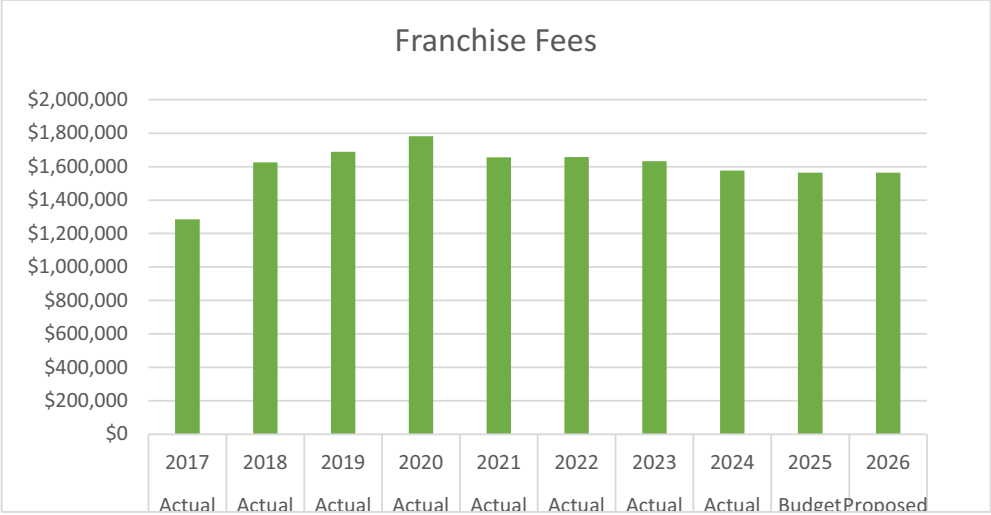
Historically, a local gambling tax of three percent of the gross receipts from all lawfull gambling of each licensed organization. Currently, the city maintains reports for gambling enforcement activities with costs offset by this tax. We typically report time spent on inspection and file inspection reports, fines, penalties, or other formal corrective action. Although actuals have increased significantly over the past couple years, we are projecting to come in similarly at $75,000 which is a reduction from previous years due to changes in state allowed expenses.




**Franchise Taxes**

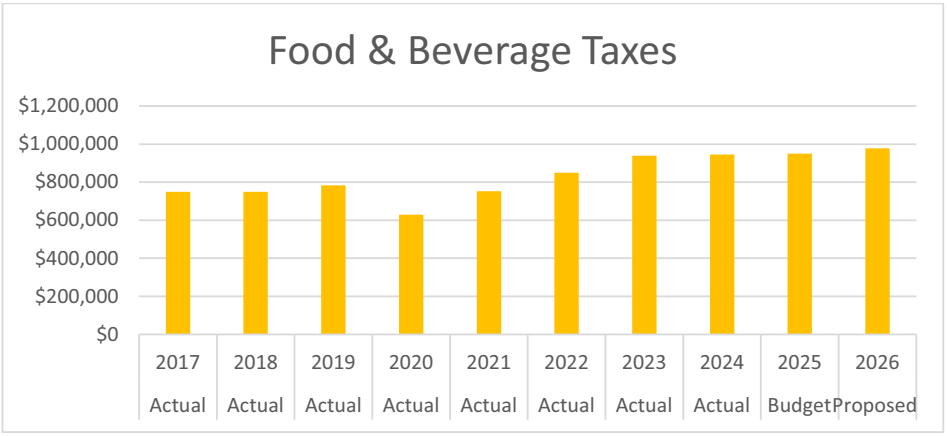
In 2008, the City adopted franchise fees for all utility providers. Franchise fees are assessed by the city to utiltiy providers (i.e. electric, gas, cable) for the use of the public right-of-way such as streets, alleys, medians and other public property necessary to deliver their services. Because the primary impact of utility providers is on services provided within the General Fund, that is the fund supported by this revenue.

Franchise fees were increased in 2015, as allowed within the existing franchise agreements, which is the primary reason for the almost $450,000 increase in revenue that year. Revenue in this category is primarily impacted by customer use, as electric and gas fees are charged on a flat fee basis, and only cable revenue is charged as a percentage of gross sales. Revenues in 2026 are projected down roughly $50,000 from prior year to $1,515,000 due to an expected removal of cable franchise fee revenue and with the potential of future cable franchise fees unknown. While cable revenues have been gradually decreasing over the past few years, one provider's decision to discontinue service in mid-2024 has had a notable impact.




**Food & Beverage and Entertainment Tax**

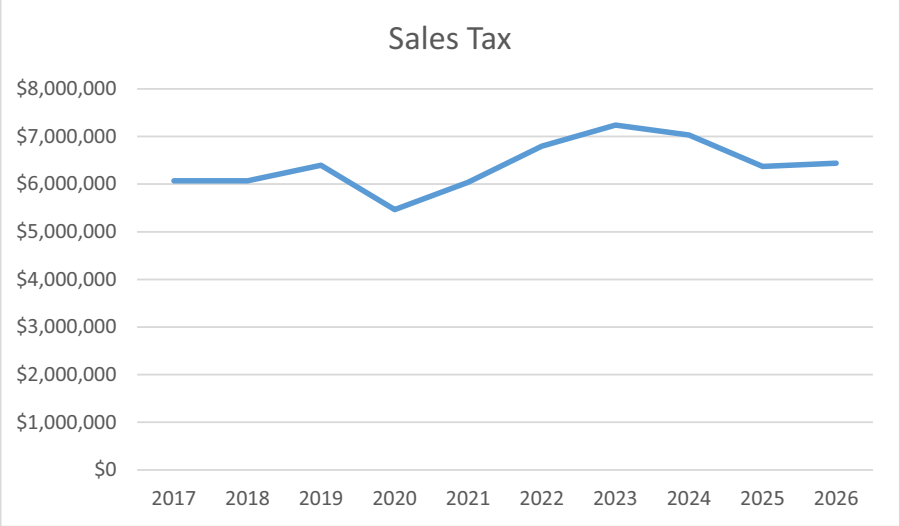
Mankato's half-percent food and beverage tax is used to fund operational costs at the civic center. Items subject to the half percent tax are served food and beverages (including liquor) and ticket sales for entertainment purposes. Previously, civic center costs were covered by the half-percent sales tax; however, in 2008 legislation eliminated operational costs as a possible use, but chose to give the community an option of a food and beverage tax as a replacement. The City Council passed an ordinance on September 8, 2008, and the ordinance became effective January 1, 2009, with collections starting April 1. The implementation of a food, beverage and entertainment tax was in lieu of levying a property tax for civic center operations. The civic center generates an economic impact of $47 million a year, which stimulates greater Mankato's economy in many ways, but specifically impacts spill-over retail activity in near by bars and restaurants that charge this tax, and ultimately support the maintenance and expansion of entertainment which impacts qualtiy of life as well as retail business. The City continues to invest in tourism, recreation, the river and other natural resources, and arts and culture events and amenities, and expects this source to strengthen, and if increased to fully cover the cost of all city funded event venues. 2026 is projected at $977,700 of revenue which is up 3% from 2025 budget and 3.5% from 2024 actuals.



**Sales Tax**

The half-percent sales tax was originally imposed in 1991, broadened by voter referendum in 1996, and re-enacted after initially being scheduled to sunset in 2022. The orignial tax was eligible to be used to repay bond principal and intersted for construction of the civic center, fund additional capital projects at the civic center, fund the Riverfront 2000 initiative, and fund capital projects at the Mankato Regional Airport. Motorized vehicle sales are excluded from the half-percent sales tax and instead are subject to a vehicle excise tax of $20, and remitted by auto dealers to the City.

The half-cent sales tax was extended by public vote in 2016 and authorization of the State Legislature in 2017. It provides a source of revenue other than property tax to pay for infrastructure needs and recreation amentities that will support community vitality for current residences while providing enhancements that keep and attract new families, businesesses and visitors. Additionally, it provides important matching funds to leverage federal, state, and private resources that would expand the value of the tax. The extended tax sunsets in 2038 and is expected to provide $47 million of funding for construction and improvements to core regional recreational fields and facilities, including indoor athletic facilities; improvements to the flood control and levee system; water quality improvement projects in Blue Earth and Nicollet counties; expansion of a transit building and related transit improvements; regional public safety and emergency communications equipment and matching funds for regional facilities such as a historic museum, supportive housing, and a senior center.




Sales tax has remained relatively consistent over the course of the last ten years. As this is a source of funding for planned capital improvements, a shift in return can be absorbed with future planning. The City has adopted a thorough sales tax expenditure policy that requires strict vetting of projects, with specific requirements for projects that provide enhancement or expansion to existing facilities versus proposals for new facilities that provide a significant new level of service. Partnerships to limit operating impacts to the City are an essential component of the policy (included in the appendices of the budget document).

## UTILITY RATES

Inflationary costs have certainly affected the maintenance and operation costs of the water, wastewater, refuse, and stormwater drainage utilities. Increases for wastewater, streetlights and refuse were approved for 2025 with additional increases in 2026 for fixed cost of service, water and wastewater tentatively approved. It should be noted that per the Charter, utility rates are increased in one-year increments via Council Resolution, as such every year each utility is re-assessed for performance and needs.

**Water and Wastewater Utilities**

The water and wastewater utilities are accounted for as separate funds, aside for the utility administration budget, in which all the charges billed on the utility bill are received and then transferred in accordance with the relative receipts by charge type. The water and wastewater system charges are established for Mankato utility customers in concert when it comes to the flat rate charge that is established, and from there the variable use-based monthly unite charge, paid per customer based on individually metered flows. Therefore, the two systems are presented jointly here for clarity of the system interaction and interrelation of the fixed rate portion of the monthly bill.

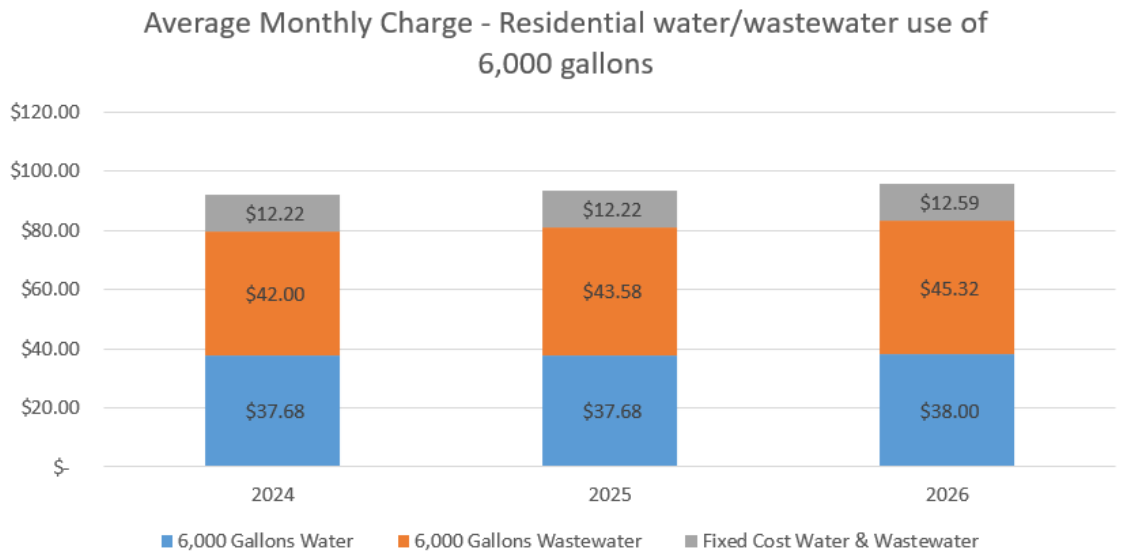
| | 2024 | 2025 | 2026 |
|---|---|---|---|
| **Fixed cost of service for water and wastewater (per month)** | *3% Increase* | *No Increase* | *3% Increase* |
| **Residential unit** | | | |
| Cost of service per residential unit | $ 12.22 | $ 12.22 | $ 12.59 |
| **Monthly Rate (based on actual use)** | *Water (0%) & Wastewater (3.5%)* | *Water (0%) & Wastewater (3.75%)* | *Water (3%) & Wastewater (3.75%)* |
| Water rates per month (per 100 cubic feet--750 gallons) | $ 4.71 | $ 4.71 | $ 4.85 |
| Wastewater rates per month (per 100 cubic feet--750 gallons) | $ 5.25 | $ 5.45 | $ 5.66 |

Many of the major improvements and expansions necessitate financing based on the life of the projects and magnitude (multi-million) of costs. This type of financing traditionally requires industry-standard coverages to exist in the way of designated fund balance at least equal to one year of debt service. In addition, the industry standard is to also maintain three months of operating reserve to assure that in the case of an emergency or other fiscal constraint the utility can continue operating while contingencies are made. The combination of these issues necessitates a series of phased increases to both the fixed and sewer variable rate. The information below illustrates the current and approved rates which will be necessary in 2026 to properly operate the systems. A 3% change to the fixed cost rate is proposed along with a 3.75% variable rate increase for wastewater.

**Water -** Mankato strives to offer the highest quality drinking water and meet the community's expanding water needs in the most environmentally sensitive, cost-effective way for residents. Mankato's drinking water meets and exceeds all state and federal standards for high quality water and is in full compliance with the Federal Safe Drinking Water Act. Mankato's wastewater treatment plant is a state leader in meeting wastewater quality standards because the treated wastewater Mankato discharges into the Minnesota River removes phosphorus to a very low level. Mankato's water reclamation facility provides advanced wastewater treatment. Using recycled water instead of taking it

from ground water protects our ground water resources. The city of Mankato realized savings of at least $10 million for this first of its kind agreement. However, in the upcoming years there will be significant work that needs to be conducted related to the well systems, funding strategies were implemented several years ago to be establishing targeted reserves in anticipation of these large improvements in coming years of which will assist in the debt structure to complete this project.
Water unit rates (calculated on a per unit basis) are proposed to see a 3% variable rate increase, as we look to increase fund balance reserves for some large upcoming capital projects.

**Wastewater -** Mankato's wastewater treatment plant and water reclamation facility serve Mankato's wastewater treatment plant serves the cities of Mankato, North Mankato, Eagle Lake, Madison Lake, Skyline, South Bend Township and the Lake Washington Sanitation District. Not to mention, the City of Lake Crystal City Council recently passed a resolution of support in exploring connection opportunities with City of Mankato's wastewater treatment plant services. The wastewater treatment customer communities are charged for service based on their share of inflow to the treatment plant, applied to the specific plant related costs, both operation, maintenance, and capital improvement.
Wastewater unit rates (calculated on a per unit basis) will have a 3.75 % increase in 2026. The 2026 proposed increase results in approximately $320,000 in additional revenue necessary to maintain and operate the water treatment system for Mankato customers. The 2026 fund budget also anticipates $2.05 million in additional charges for service revenue due from customer communities for their share of the treatment flow and fixed costs.




**Street Lighting**
Mankato's street lighting program is designed to provide safety and accessibility throughout the city. It is comprised of roughly 2,400 City, 2,080 Xcel Energy, and 280 Benco Electric owned streetlights. Back in 2017 Mankato made a multi-million-dollar investment in energy improvements throughout the city which also included a large share of the city owned streetlights by converting them to LED's. With such a large quantity of streetlights to maintain and replace, city staff have been actively inventorying asset conditions in recent years as they plan for ongoing maintenance needs and future replacements. There is no proposed increase to streetlights in 2026.

**Refuse & Recycling**

Mankato's curbside recycling program is designed to reduce waste and increase recycling. West Central Sanitation is the garbage and recycling service provider in the city of Mankato. Service is single sort--where all recycling can be placed in one cart. Mankato residents can choose from three different cart sizes: 35-gallon; 65-gallon and 95-gallon, and each having a different monthly fee. Since the goal is to increase recycling and reduce waste, recycling carts must be the same or larger size than the garbage cart. The city also provides free Christmas tree recycling, leaf vacuum, spring clean-up, organics recycling, yard waste, which are all absorbed within the monthly rate, and appliance recycling for a separate per-item fee. No increase has been proposed for 2026. In 2025 a new five year operating agreement was executed between Mankato and West Central Sanitation.

| Refuse & recycling (per month) unlimited | 2024<br>*No Increase* | 2025<br>*3% increase* | 2026<br>*No Increase* |
|---|---|---|---|
| 35-gallon cart | $ 13.00 | $ 13.39 | $ 13.39 |
| 65-gallon cart | $ 18.92 | $ 19.49 | $ 19.49 |
| 95-gallon cart | $ 29.55 | $ 30.44 | $ 30.44 |

**Stormwater Drainage Utility**

The storm drainage system is a network of catch basins, manholes, channels and underground pipes that carry stormwater (rainwater) to holding ponds and eventually the Minnesota River. The network consists of public and private systems. The main part of the storm drain system is the catch basin. Most of the stormwater enters these structures, from which water flows to the storm drain main lines. Depending on the location, water enters a stormwater retention pond. These ponds are designed to control the quantity, quality, timing, and distribution of stormwater before it enters the Minnesota River. This process is an essential part of keeping debris and sediment from reaching the river. In addition to improving water quality, this process reduces the impact a storm has on the Minnesota River by holding and releasing stormwater at a slower rate and helps reduce downstream flooding.

The City is responsible for maintaining public drainage system and structures and does so by projecting and funding projects as part of the stormwater drainage utility, through the assessment of monthly fees, which generate funds to help pay for maintenance and improvements. System maintenance and expansion are generally constructed and funded in coordination with street and other utility improvements to minimize overall project costs. No increase for 2026 is proposed.

| Storm water utility (per month) | 2024<br>*No Increase* | 2025<br>*No Increase* | 2026<br>*No Increase* |
|---|---|---|---|
| Cost of service | $ 4.89 | $ 4.89 | $ 4.89 |
| Commercial units, for each 1,000 square feet over 10,000 square feet | $ 1.69 | $ 1.69 | $ 1.69 |

## EXPENDITURE TRENDS

There are four primary drivers of cost in the overall budget – personnel, contracted services, capital maintenance/outlay, and capital investment (for major replacement, expansion of existing or construction of new facilities). For the proposed 2026 budget we have increased our capital contributions to the Public Safety Apparatus fund by $57,000 annually. This is to help cover the ever-increasing cost of fire vehicles. This type of expenditure spread is common for most local government entities, particularly those that work to balance operational costs with maintenance investments which

allow the city to gain the most value out of the full life cycle of each capital asset. Further, personnel costs tend to rise based on the cost of both negotiated salary changes, and increases needed for competitive retention. Other regional centers within driving distance of Mankato, have begun to recruit high performers in Mankato, and we need to remain mindful of not only this, but national and private sector leakage by career type.

Over time the City of Mankato has consistently placed importance on the value of investing in what has been described by the City Council as "the City's greatest asset – employees." As a government entity, our city main product is public service, primarily provided by people. Mankato has traditionally placed a high value on hiring, training, and retaining highly motivated employees that are committed to quality customer service and the public service values of respect, integrity, positive attitude, teamwork, and accountability. Over many years the number of full-time equivalent positions has remained substantially constant, with many of the increases occurring in Public Safety, and Transit (primarily grant funded) in recent years. Requests for additional staffing in FY-2026 include the following new positions:

| Position | Department | Fund |
|---|---|---|
| Technician A – Reclassification: Part-Time to Full-Time | Public Works | General Fund |
| Infrastructure Supervisor | Public Works – Utilities | Enterprise Funds |

The city has been able to maintain a relatively stable number of full-time equivalent employees despite rapid community growth, primarily based on our commitment to building and maintaining strong operational partnerships to leverage and optimize service/costs. These partnerships are not just philosophical in nature but rather translate to actual operational partnership where one entity will provide expanded services with a position/employee, paid in part via contract by the receiving entity, negating significant overhead and duplication between providers.

## STRATEGIC PLANNING

As a government entity, the City of Mankato is tasked with allocating resources to accomplish its operational, capital, and strategic priorities set forth by its governing body and citizens. Over the years the city has engaged in various forms of strategic planning to help better align constituents needs with the allocation of those resources. One of the more formal processes by which we do this is through the 5-year strategic plan, which started being done in 1996. This process, by which the voices of city council, staff, citizens, non-profits, leaders, and many other groups are brought together in various ways to help create a plan forward that can help guide decision making and provide assurance we are moving in the right direction as an organization.

In May 2023, the City of Mankato began the process to update the organization's strategic plan to align the City's existing initiatives, department work, City Council goals, and budget, resulting in a plan to guide the organization in the delivery of services to the community over the next five years. The resulting strategic plan includes updated public service philosophy, vision, values, and six goals with supporting actions under each goal designed to advance the organization's vision .

The development of the strategic plan prioritized community engagement, gathering input and checking in with residents, business owners, students, community organizations, and City staff throughout the

process. As a result, the strategic plan reflects the needs and vision of the community, while maintaining internal consideration of resources, capacity, and City Council priorities.

The purpose of a strategic plan is a three-pronged tool:
• **Accountability Tool:** The strategic plan provides a framework with directions, goals, and strategies to accomplish the organization's vision
• **Prioritization Tool:** The strategic plan enables the organization to prioritize resources to achieve the goals of the community.
• **Community and Engagement Tool:** The strategic plan is rooted in inclusive and intentional community and employee engagement to inform the direction and priorities of the city. Additionally, the strategic plan includes regular progress reporting and refinement of the community's goals.

The Strategic Plan serves as the blueprint for how City leaders aim to enhance the lives of community members. By engaging in a collaborative process involving residents, businesses, community partners, and employees from across the organization, the City of Mankato has identified key strategies and goals that reflect the needs and aspirations of the community. Whether it is increasing accessible housing, fostering economic development, improving infrastructure, or preserving spaces to recreate, the Strategic Plan provides a clear roadmap for allocating resources and implementing initiatives that benefit the community as a whole. Through ongoing progress reporting and evaluation to adjust as needed, the city is committed to accountability and responsiveness to evolving challenges and opportunities to ensure Mankato is leading the way as a vibrant diverse regional community.

## CONCLUSION

The summary information provided here is intended to serve as broad policy, financial, communication, and future planning information. It sets the stage for detailed financial information that is provided throughout the remainder of the document. By reviewing this section, and the ensuing series of high-level financial reports, a reader should have a strong indication of operational, capital, and financial trends that shape the City Manager's 2026 Budget and will continue to drive near and long-term financial decision making.

# All Funds Combined by Service Area

| | 2024 Actuals | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|
| **GENERAL FUND** | | | | |
| **REVENUES** | | | | |
| GENERAL GOVERNMENT | 31,990,093 | 31,981,764 | 33,752,920 | 5.5% |
| COMMUNITY DEVELOPMENT | 3,355,880 | 1,907,840 | 1,908,575 | 0.0% |
| PUBLIC SAFETY | 1,701,819 | 1,799,426 | 1,518,426 | (15.6)% |
| PUBLIC WORKS | 1,699,762 | 2,133,576 | 2,204,576 | 3.3% |
| **REVENUES TOTAL** | **38,747,555** | **37,822,606** | **39,384,497** | **4.1%** |
| **EXPENDITURES** | | | | |
| GENERAL GOVERNMENT | (4,199,386) | (946,366) | (412,690) | (56.4)% |
| COMMUNITY DEVELOPMENT | (1,478,028) | (1,679,188) | (1,752,584) | 4.4% |
| PUBLIC SAFETY | (19,076,635) | (20,203,146) | (21,969,183) | 8.7% |
| PUBLIC WORKS | (12,561,186) | (14,719,769) | (15,242,414) | 3.6% |
| **EXPENDITURES TOTAL** | **(37,315,235)** | **(37,548,469)** | **(39,376,871)** | **4.9%** |
| **GENERAL FUND TOTAL** | **1,432,320** | **274,137** | **7,626** | **(97.2)%** |
| **SPECIAL REVENUE FUNDS** | | | | |
| **REVENUES** | | | | |
| SPECIAL REVENUE | 2,472,680 | 1,729,096 | 1,735,144 | 0.3% |
| **REVENUES TOTAL** | **2,472,680** | **1,729,096** | **1,735,144** | **0.3%** |
| **EXPENDITURES** | | | | |
| SPECIAL REVENUE | (1,800,880) | (1,728,596) | (1,734,644) | 0.3% |
| **EXPENDITURES TOTAL** | **(1,800,880)** | **(1,728,596)** | **(1,734,644)** | **0.3%** |
| **SPECIAL REVENUE FUNDS TOTAL** | **671,800** | **501** | **500** | **(0.1)%** |
| **DEBT SERVICE FUND** | | | | |
| **REVENUES** | | | | |
| DEBT SERVICE | 13,786,675 | 12,381,486 | 11,888,361 | (4.0)% |
| **REVENUES TOTAL** | **13,786,675** | **12,381,486** | **11,888,361** | **(4.0)%** |
| **EXPENDITURES** | | | | |
| DEBT SERVICE | (12,621,545) | (12,292,951) | (11,861,109) | (3.5)% |
| **EXPENDITURES TOTAL** | **(12,621,545)** | **(12,292,951)** | **(11,861,109)** | **(3.5)%** |
| **DEBT SERVICE FUND TOTAL** | **1,165,131** | **88,535** | **27,252** | **(69.2)%** |
| **ENTERPRISE FUNDS** | | | | |
| **REVENUES** | | | | |
| CIVIC CENTER | 9,616,545 | 9,909,746 | 9,552,813 | (3.6)% |
| ECONOMIC DEVELOPMENT | 4,024,472 | 2,897,932 | 3,913,448 | 35.0% |
| MASS TRANSIT | 6,685,187 | 6,922,102 | 6,846,517 | (1.1)% |
| AIRPORT | 2,327,268 | 1,247,594 | 1,751,809 | 40.4% |
| PARKING | 1,196,992 | 1,183,138 | 1,254,725 | 6.1% |
| BLUE EARTH COUNTY EDA - HOUSING | 2,236,955 | 1,792,574 | 4,727,236 | 163.7% |

| | 2024 Actuals | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|
| MANKATO EDA - HOUSING | 8,421,692 | 7,696,023 | 14,653,679 | 90.4% |
| MAJOR UTILITIES - ADMIN | 3,998,972 | 3,851,000 | 4,141,822 | 7.6% |
| MINOR UTILITIES - REFUSE COLLECTION | 2,387,502 | 2,382,500 | 2,414,540 | 1.3% |
| SALES TAX | 7,582,903 | 7,305,000 | 6,633,750 | (9.2)% |
| ALL SEASONS ARENA | 9,522,737 | 879,500 | 913,000 | 3.8% |
| MAJOR UTILITIES - WATER | 13,558,856 | 11,388,000 | 13,995,000 | 22.9% |
| MAJOR UTILITIES - WASTEWATER | 19,030,482 | 18,211,903 | 19,029,218 | 4.5% |
| MINOR UTILITIES - STORM WATER | 5,808,974 | 4,357,000 | 4,372,000 | 0.3% |
| MINOR UTILITIES - STREET LIGHTING | 864,568 | 847,000 | 858,049 | 1.3% |
| MANKATO EDA CAPITAL | 0 | 0 | 225,000 | 0.0% |
| **REVENUES TOTAL** | **97,264,105** | **80,871,013** | **95,282,606** | **17.8%** |
| **EXPENDITURES** | | | | |
| CIVIC CENTER | (11,614,122) | (9,810,558) | (9,199,724) | (6.2)% |
| ECONOMIC DEVELOPMENT | (3,511,837) | (2,881,503) | (3,882,547) | 34.7% |
| MASS TRANSIT | (5,763,697) | (6,476,349) | (6,547,467) | 1.1% |
| AIRPORT | (2,428,071) | (1,026,971) | (1,751,550) | 70.6% |
| PARKING | (1,472,462) | (1,144,321) | (1,177,328) | 2.9% |
| BLUE EARTH COUNTY EDA - HOUSING | (2,076,563) | (1,778,410) | (3,704,455) | 108.3% |
| MANKATO EDA - HOUSING | (7,904,621) | (7,554,758) | (11,752,477) | 55.6% |
| MAJOR UTILITIES - ADMIN | (3,597,619) | (3,847,268) | (4,141,822) | 7.7% |
| MINOR UTILITIES - REFUSE COLLECTION | (2,350,364) | (2,368,934) | (2,414,540) | 1.9% |
| SALES TAX | (6,349,974) | (6,671,525) | (5,576,471) | (16.4)% |
| ALL SEASONS ARENA | (858,295) | (877,847) | (904,780) | 3.1% |
| MAJOR UTILITIES - WATER | (9,327,782) | (10,943,201) | (13,993,830) | 27.9% |
| MAJOR UTILITIES - WASTEWATER | (16,054,995) | (17,324,213) | (17,531,564) | 1.2% |
| MINOR UTILITIES - STORM WATER | (3,581,176) | (3,911,047) | (4,259,020) | 8.9% |
| MINOR UTILITIES - STREET LIGHTING | (713,765) | (831,002) | (858,049) | 3.3% |
| MANKATO EDA CAPITAL | 0 | 0 | 0 | 0.0% |
| **EXPENDITURES TOTAL** | **(77,605,343)** | **(77,447,907)** | **(87,695,625)** | **13.2%** |
| **ENTERPRISE FUNDS TOTAL** | **19,658,763** | **3,423,106** | **7,586,981** | **121.6%** |
| | | | | |
| **INTERNAL SERVICE FUNDS** | | | | |
| **REVENUES** | | | | |
| INTERNAL SERVICES | 14,664,445 | 15,732,582 | 16,972,483 | 7.9% |
| CENTRAL INSURANCE | 9,763,712 | 8,875,000 | 8,875,000 | 0.0% |
| RISK MANAGEMENT | 515,199 | 335,000 | 332,900 | (0.6)% |
| CAPITAL REPLACEMENT ACCOUNTS | 5,519,642 | 4,101,500 | 2,979,500 | (27.4)% |
| EQUIPMENT REPLACEMENT | 3,496,901 | 4,654,964 | 4,366,902 | (6.2)% |

| | 2024 Actuals | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|
| SECTION 125 PLAN/ MEDICAL & DEP | 149,874 | 275,000 | 275,000 | 0.0% |
| **REVENUES TOTAL** | **34,109,774** | **33,974,046** | **33,801,785** | **(0.5)%** |
| **EXPENDITURES** | | | | |
| INTERNAL SERVICES | (14,423,332) | (15,732,483) | (16,971,683) | 7.9% |
| CENTRAL INSURANCE | (8,296,375) | (8,675,853) | (8,726,442) | 0.6% |
| RISK MANAGEMENT | (83,874) | (330,604) | (332,900) | 0.7% |
| CAPITAL REPLACEMENT ACCOUNTS | (1,946,140) | (3,895,500) | (2,037,500) | (47.7)% |
| EQUIPMENT REPLACEMENT | (3,691,646) | (4,497,270) | (4,366,901) | (2.9)% |
| SECTION 125 PLAN/ MEDICAL & DEP | (145,384) | (275,000) | (275,000) | 0.0% |
| **EXPENDITURES TOTAL** | **(28,586,750)** | **(33,406,711)** | **(32,710,426)** | **(2.1)%** |
| **INTERNAL SERVICE FUNDS TOTAL** | **5,523,023** | **567,336** | **1,091,358** | **92.4%** |
| | | | | |
| **NET INCOME (LOSS)** | **28,451,037** | **4,353,614** | **8,713,717** | **100.1%** |

# Property Tax Analysis

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# Property Tax Analysis

**The Tax Levy: Distribution and Year-Over-Year Changes**

As you may have heard us say in the past, we compare the property tax levy to a pie. The overall size of the pie is determined by the total tax capacity (the total taxable values times the individual state classification rates) for the jurisdiction. The thickness of the pie is determined by the budgeting decisions of the jurisdictions (how much money they levy). The size of each slice – the amount of property taxes a specific property is responsible for – is determined by that property's tax capacity (again, its taxable value times the classification rate).

All three parts of this "property tax pie" can (and oftentimes do) change annually:

- The pie can grow larger or smaller if the tax capacity of all the property (the values or classification rates) increase or decrease each year. Property values can increase or decrease en masse due to market changes or new development, or the Legislature may make changes to the classification rates statewide.

- The pie can grow thicker or thinner depending on the budgeting decisions of governments and if they levy more or less tax dollars each year. For example, as more money is levied, the pie becomes thicker, meaning there is more "property tax pie" to be collected. This is usually evidenced by increased local tax rates.

- The slices of the pie can grow wider or narrower depending on the value changes to individual properties and changes made to individual classification rates. Property values can increase or decrease based on the market or changes owners make to their property or their use of the property may change resulting in different classification rates.

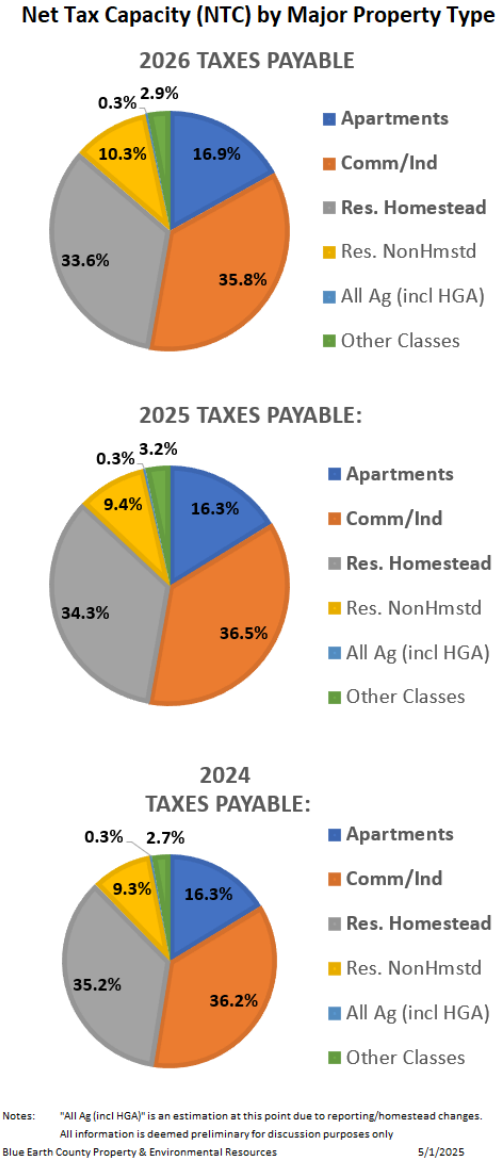
Not every owner will experience the same changes. If the pie grows larger because of increasing values, you could assume everyone's slice would become wider. However, that may not be true if someone owns a property that did not see its individual tax capacity increase because its value did not change. In that case, other property owners whose values did increase would have wider slices because the whole pie must be divided up. As another example, one could assume that if the budgets for governments increased, it would result in a thicker pie, higher tax rates, and more taxes paid per property. However, that may not be true if the overall pie also grows due to new development. That stretching of the pie could thin the pie back out. These are just two examples of the many combinations of the possible impacts of these three parts.

**Mankato's Property Tax Levy and Market Indications**
First, it is very important to note the following data and analysis is provided to facilitate discussion only and is not considered final as there can still be changes made to the 2025 assessment that will impact the figures, and additionally the 2026 levy is not yet set.

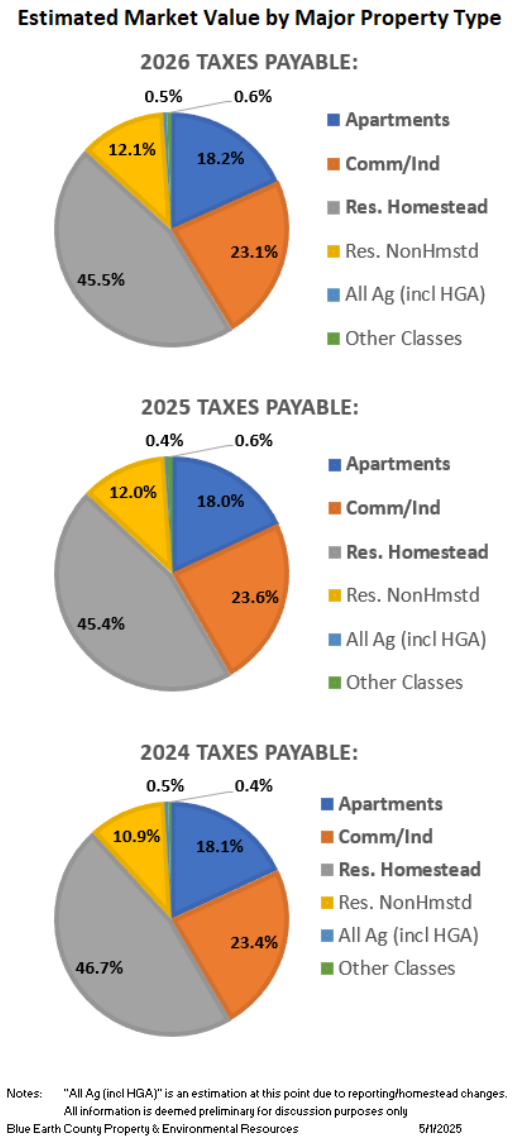
The "property tax pie" in Mankato is approximately 1.5% larger than last year. In general, property values have remained level citywide over this last assessment period. Stabilization of market values and varied new construction trends throughout property type sectors within Mankato has led to a slight increase of NTC for payable 2026. The city's net tax capacity has increased from about $63.44 million for taxes payable 2025 to an estimated $64.38 million for taxes payable 2026.

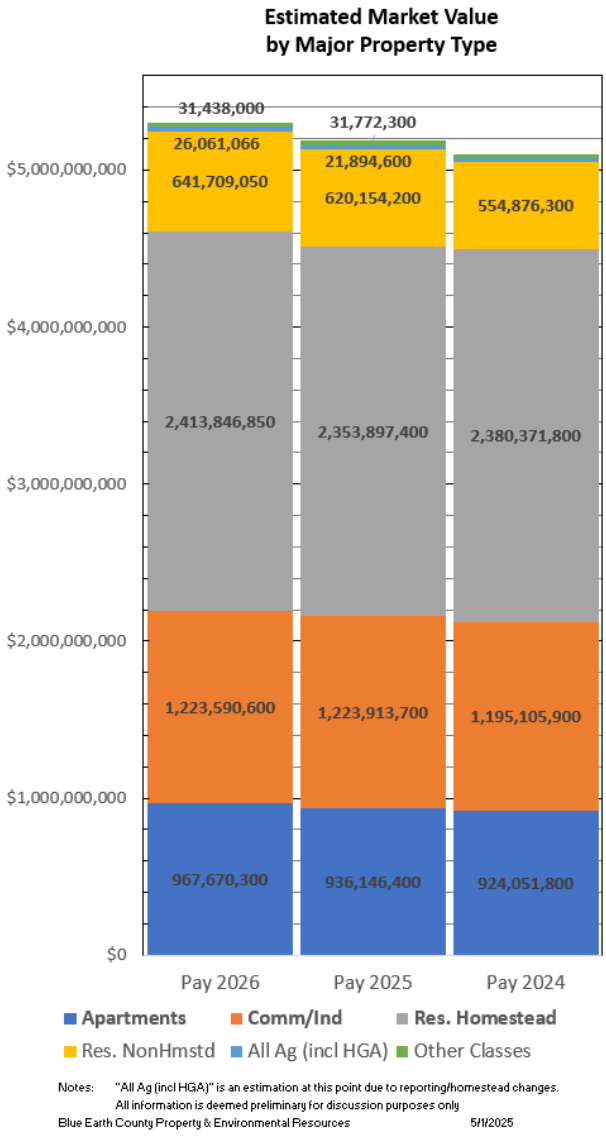
As noted above, total net tax capacity can change due to valuation changes (based on market factors) and/or due to new construction/development.

As the following graph and charts show, market values in general have increased over the three-year period with a leveling of market values from over the last few years. The apartment sector realized a slight increase of 3.37% after larger increases realized in the 2022 and 2023 assessments. Commercial/ industrial segments remained relatively unchanged with an average decrease in value of -0.03%. Residential properties remained relatively level with an average increase of 2.74%.




In addition to market changes, new construction allowed the city's total estimated market valuation to increase to $5.3 billion (+2.2% from the 2024 assessment). The following graph and charts show market valuations by property type for the current and previous assessments.

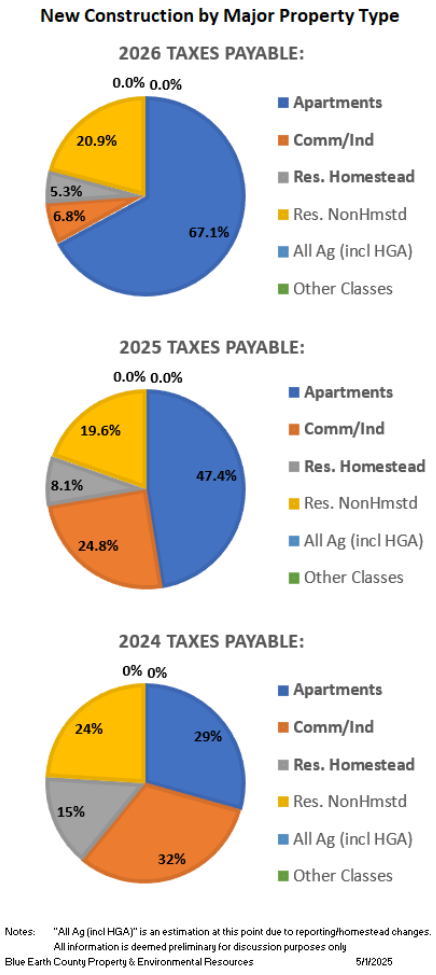


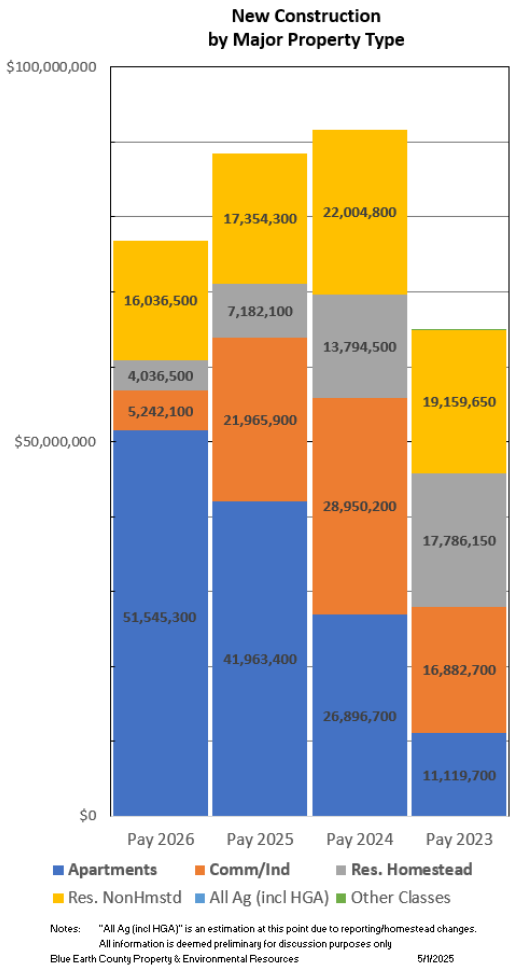




Market transactions, based on current sales data being reported to our office, indicate stabilized values for several property categories including residential, agricultural and commercial / industrial, property types. Apartment valuations are anticipated to decrease slightly on the heels of large increases during the 2022 and 2023 assessments.

To continue the analogy, a lack of overall expected market changes will keep the “property tax pie” roughly the same for pay 2026, but the discrepancies in the growth percentages among the various types of property classes will cause changes in the width of the individual slices. Some property owners will have bigger slices and shares of the property tax pie dependent on the levies set by their local governments.

Mankato's new construction amount for the 2025 assessment was approximately $76.8 million, down from $88.4 million for the 2024 assessment. The city is experiencing some fluctuations in new construction, with years of increases and decreases. The city has averaged an approximate $78 million in new construction annually over the past 5 years. This year, apartments continued strong new construction with an increase from last year of 22.8%. Residential saw a decrease of approximately 18% and commercial/industrial property type had a 76% decrease from the previous year.




While it is nearly impossible to forecast new construction because we only receive information after the permit has been issued, the city's potential for new construction remains strong for the 2026 assessment (pay 2027). There are a limited number of large-scale projects in the planning or development stages, some closer to the permitting or construction phases. Residential new construction remains at a slower pace balanced by a continued demand for multi-family construction.

To continue the analogy, these increases will make the "property tax pie" larger, but the discrepancies in the growth percentages among the various types of property classes will also cause changes in the width of the individual slices. Any new construction growth may also cause the pie to become thinner, thus reducing local tax rates, depending on the levy decisions of the various governments. It is also important to note here that frequently the new construction value is part of Tax Increment Financing projects, which will impact what the overall local tax rate will be as those tax dollars are dedicated to specific projects.

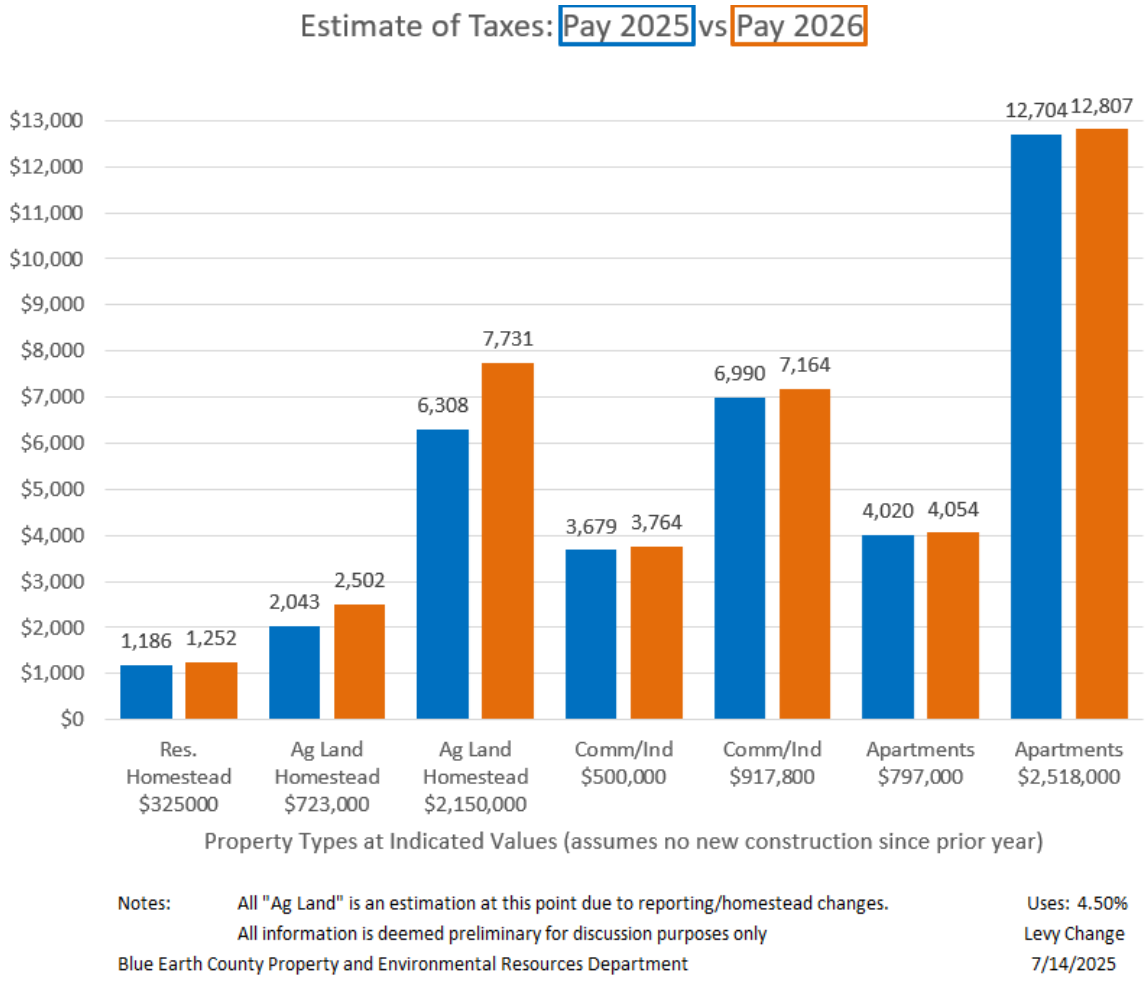
**Mankato's Property Tax Impacts**

Again, a note of caution that the following data and analysis is provided to facilitate discussion only and is not considered final as there can still be changes made to the 2025 assessment that will impact the figures, and additionally the 2026 levy is not yet set. The city has requested estimates utilizing a 4.5% levy increase which is an overall tax rate of 40.69% compared to last year's rate of 39.61%; information provided is based upon that request.

As discussed above, the city's "property tax pie" is slightly increased because of a relatively slight increase in the city's total net tax capacity. The request to utilize a 4.5% levy increase will result in an increase in overall tax for residential, commercial / industrial and apartment properties. Based on preliminary data, with an assumption of a 4.5% increase the estimated levy will increase $1,129,188 - from $25,067,296 to $26,196,484.

The following is provided for a very high-level summary of the property tax impacts. It negates any new construction and assumes average value changes due to market conditions. See the summary chart that follows on the next page.

- Residential Homestead. This property class realized minor value increases citywide with a larger decrease in new construction compared to the previous assessment year. An average-valued property ($325,000) will see a tax increase of about $66 (5.56%) on the city portion due to the levy dollar increase provided there is no new construction.
- Commercial/Industrial. This property class overall realized a slight valuation decrease citywide along with a decrease in new construction amounts compared to last year. An average-valued property ($917,800) will see an increase of about $174 (2.49%) on the city portion of property taxes provided there is no new construction. A more modest commercial property valued at $500,000 would see a city-portion tax increase of approximately $85 (2.31%).
- Apartments. This property class's values decreased with an increase in new construction. An average-valued property ($2,518,000) will see an increase of about $103 (0.81%) in city taxes. This assumes there was no new construction on an individual basis. A more modest apartment property valued at $797,000 would see a city-portion tax increase of approximately $34 (0.85%).
- Agricultural Land. This property type is included in the graph below for informational purposes; however, it is a smaller portion of the city's property tax pie so detailed analysis is not significant enough to be meaningful.




Notes: All "Ag Land" is an estimation at this point due to reporting/homestead changes. Uses: 4.50%

All information is deemed preliminary for discussion purposes only Levy Change

Blue Earth County Property and Environmental Resources Department 7/14/2025

Table I
5 Year Tax Levy
and
Tax Capacity Projection

| August, 13th 2025 | Budget 2025 | | Budget 2026 | Budget 2027 | Budget 2028 | Budget 2029 | Budget 2030 | Comments |
|---|---|---|---|---|---|---|---|---|
| **City Tax Levy** | | | | | | | | |
| General Fund Levy | 20,461,996 | | 21,865,324 | 22,884,364 | 23,949,260 | 25,062,077 | 26,224,969 | GF Levy reflects growth in Market Values 3% 2027-2030 |
| Debt Service Levy | 3,825,300 | | 3,600,000 | 3,762,000 | 3,931,290 | 4,108,198 | 4,293,067 | Debt Levy Required based upon Debt Schedules from Baker Tilly |
| Transit Levy | 415,000 | | 415,000 | 415,000 | 415,000 | 415,000 | 415,000 | No Levy increase for Transit |
| EDA Levy | 365,000 | | 365,000 | 365,000 | 365,000 | 365,000 | 365,001 | No Levy increase for Economic Development |
| **Total City Tax Levy** | 25,067,296 | | 26,245,324 | 27,426,364 | 28,660,550 | 29,950,275 | 31,298,037 | Reflects growth in Tax Capacity |
| Total Tax Levy | 25,067,296 | | 26,245,324 | 27,426,364 | 28,660,550 | 29,950,275 | 31,298,037 | 4.5% 2027-2030 |
| Net Tax Capacity | 63,666,746 | | 64,379,898 | 66,311,295 | 68,300,634 | 70,349,653 | 72,460,142 | 3% for 2027 to 2030 |
| Extension Rate | **39.37%** | | **40.77%** | **41.36%** | **41.96%** | **42.57%** | **43.19%** | Reflects rates needed to ensure General Fund commitments |
| Total Budgeted Levy Increase ($) | 964,127 | | 1,178,028 | 1,181,040 | 1,234,186 | 1,289,725 | 1,347,762 | |
| Total Budgeted Levy Increase (%) | **4.00%** | | **4.70%** | **4.50%** | **4.50%** | **4.50%** | **4.50%** | **Levy Increase is linked to growth in tax capacity** |
| General Fund Tax Levy | 20,461,996 | | 21,865,324 | 22,884,364 | 23,949,260 | 25,062,077 | 26,224,969 | |
| Local Government Aid | 8,487,451 | | 8,497,593 | 8,582,569 | 8,668,395 | 8,755,079 | 8,842,629 | Reflects 1% growth in 2027-2030 |
| General Fund Levy Base<br>LGA + G.F. Levy + MV Aid | **28,949,447** | | **30,362,917** | **31,466,933** | **32,617,655** | **33,817,155** | **35,067,598** | General Fund Levy Base ( LGA + GF Levy ) |

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# General Fund (1000)

# Overview

The General Fund account services activities primarily supported by state and local general taxes (levy and state aid). With the functions of the general fund being heavily relied on staff oversight, this results in personnel being the largest expenditure within the fund. In fiscal year 2026, overall personnel expenditures will be approximately 61% of total within the general fund or $23,394,408. Other expenditures include general government costs, community development operational costs such as planning and zoning and building inspections, public works operational costs including streets, snow plowing, and park maintenance; and public safety operational costs including police, fire and emergency management.

In 2026 the general fund revenue is estimated at $39,384,497 which is a $1,561,891 increase from 2025. Expenditures are projected at $39,376,871 a $1,828,402 increase from 2025. The general fund balance is projected to start 2026 with $17,495,644, which is a 46% of budgeted expenditures, and is expected to increase by $7,626. Per the city of Mankato's financial policies, "The city will strive to maintain fund balance equivalent to 40-55 percent of the prior fiscal year general fund operating expenditures." While the city's fund balance does continue to grow each year, it is not growing at the same rate as general fund expenditures. In future years, a solution must be identified to adjust the targeted fund balance percentage (noting that the 40 percent fund balance percentage is regarded by Government Finance Officers Association (GFOA) as a best practice or identify additional funding solutions and prioritizations.

**Property tax levy:** Although for the past 10+ years the City of Mankato has been able to maintain or decrease the property tax rate, 2026 presents a unique situation in that the tax base expanded at a projected 1.5% compared to 10%+ increases in pay 2023 and 2024. Since the General Fund is largely funded by property taxes, a 4.7% increase in property taxes was needed to balance the fund operations.

**Property tax capacity:** The city's net tax capacity increased by 1.5% percent in 2026. The increase brings the overall market value of the city to $5.3 billion. The small gain enables the levy to increase by $1,403,328 to but with a need of increasing the tax rate to a level of 40.77 percent.

General fund summary changes:

Notable revenue changes:

- $ 1,403,328 increase in Tax Levy due to a small increase in NTC of 1.5% increasing the tax rate to 40.77%.
- $50,000 decrease or 17 % in Cable TV – Franchise Fees due to providers discontinuing the service.
- $150,000 decrease in Rental Licenses due to fluctuation in the three-year licensing cycle.

Notable expenditure changes:

- Personnel adjustments (cost-of-living adjustments, Health Insurance, new positions, etc.)

up $1,265,509 or a 5.7% increase

- $114,050 decrease in Supplies
- $1,006,450 increase in Contractual services

**DEPARTMENTS OVERVIEWS**

**Community Development:** The Community Development Department provides services in the area of planning and zoning, building code enforcement and inspection, transit services, economic development and housing.

Planning and Development Services has a staff of 9 full-time and 2 part-time employees and is responsible for coordinating land use and zoning functions as required by state statutes for the City of Mankato, Lime Township, and Mankato Township, preparation and presentation of planning studies, providing up-to-date plan review and inspections to ensure living conditions and places of business meet the MN State Building Code, and conducting code compliance inspections and enforcement on violations related to building or zoning code violations. Planning services are also provided to Mankato Township and Lime Township by agreement.

**Public Safety:** Within the general fund, Public Safety serves as the primary arm to promote safety and protect the public with a wide array of police and fire services including education and prevention efforts, incident response and investigations of both crime and causes of fires.

Fifty-eight sworn police officers, supplemented by 11 professional staff and 10 part time community service officers, respond to approximately 29,000 calls for service each year. The patrol division responds to 911 emergency and non-emergency calls, enforces traffic law and proactively patrols all areas of the city. Detectives handle all child and adult protection and violent crime investigations. School Resource Officers are embedded in the schools to mentor youth and provide for a safe learning environment. The community service officers respond to nuisance complaints, ensure ordinance compliance, and handle parking complaints. Professional staff issue City licenses and permits, conduct crime analysis, and provide general support to the department through records management. All staff engage in crime prevention through education, building partnerships, community outreach and problem solving.

Full-time firefighters (21) part-time firefighters (10) and paid on call fire personnel (32) provide fire suppression, response to alarms and supplement the ambulance service with emergency medical situations. The Fire Service responds to approximately 3,500 calls for service each year. Firefighters provide public fire education, inspect commercial and rental properties and conduct plan reviews for new commercial developments. The Fire Marshal's office also investigates the origin and cause of all fires. The fire service also offers technical rescue response, confined space rescues and is one of the 11 statewide chemical assessment teams that help emergency responders handle hazardous material incidents within a 9-county area in Southern Minnesota.

Public safety also provides emergency management services and works with Neighborhood Associations to improve the quality of life for all citizens.

**Engineering:** The department designs and inspects all infrastructure projects within the city. They are responsible for work related to the design, bidding, and construction of Capital Improvement Projects, including contract administration and special assessments; and acting as the engineer of record for Capital Improvement Projects. Performs professional level engineering review of private development and permit submittals. Oversee the coordination, preparation, execution, and completion of short- and long-range capital improvement plans.

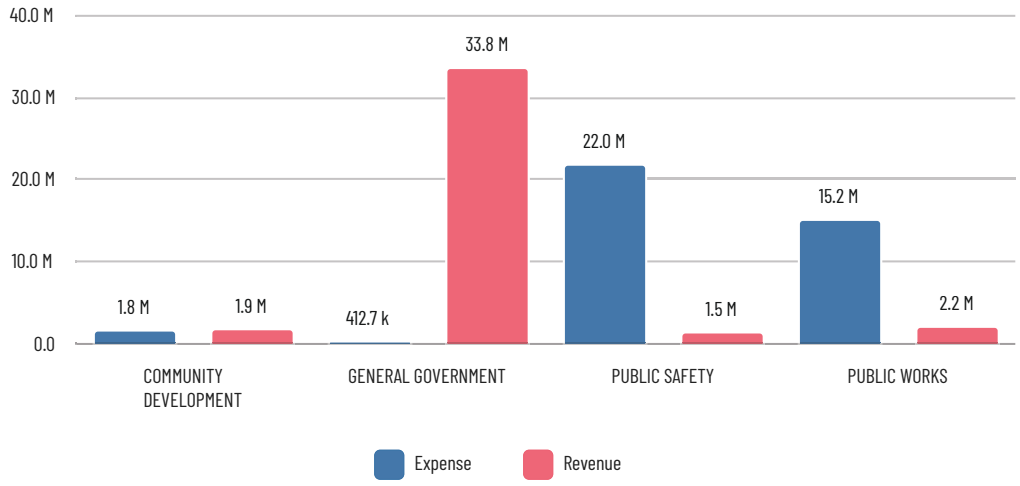
The Engineering Organization General Fund Budget covers the core services of developing, maintaining, and executing the 5-year Surface Transportation Capital Investment Program (CIP) through topographic and construction surveying; professional design, contract administration, and inspection; maintaining records; stormwater quality management, investigation of drainage issues, and review of drainage plans; and administer special assessments and recommend bonding for these projects. This budget also covers similar activities as it relates to public improvement by private developers.

**Public Works – Operations:** The General Fund portion of the Public Works line of business encompasses a wide range of services for the benefit of the public in the areas of transportation systems, parks, rights-of-way, and open spaces and short- and long-range capital planning, project execution, maintenance, and operations in eight Tyler Munis account codes, known as Organizations or Org's in short by staff. More specifically, the services in the Organizations include Street Maintenance, Street Snow Removal, Street Traffic Control Maintenance, Engineering, Parks and Recreation Activities, Parks Grounds Maintenance, Parks Forestry & Landscaping, and Parks Facilities. The organization as a whole employs 31 full-time and 1 part-time employees.

- The Street Maintenance Organization in the General Fund Budget covers the core services involved in maintaining, operating, and repairing over 250 Miles of minor arterial; major and minor collector; and neighborhood streets consisting of over 580 lane miles of roadway and over 300 alleys with the goal of increasing the value of city investment by overseeing, applying, and/or performing the appropriate tactics, techniques, and procedures aimed at achieving a state of good repair.
- The Street Snow Removal Organization in the General Fund Budget covers the core services involved in snow and ice control operations on the previously mentioned streets and alleys along with 59 miles of city-maintained trails and sidewalks with the goal of clearing snow and/or ice as efficiently and quickly as possible by preplanning, preparing, and executing through a system of strategies, priorities, and standard operating procedures outlined in our Snow Manual since snow and ice control efforts typically involve staff from five or more functional areas as one unified team involving over 37 pieces of equipment at night or early in the morning and almost always requires crews to work arduous hours, including weekends, and holidays.
- The Street Traffic Control Maintenance Organization in the General Fund Budget covers the core services of performing scheduled and unscheduled maintenance on over 10,500 signs, 2,300 lights, and 50 traffic signals with the goal of improving safety and navigation throughout the city.
- The Parks Recreation Activities; Parks Grounds Maintenance; Parks Forestry and Landscaping; and Parks Facilities Organizations in the General Fund Budget cover the core ser-

vices of operating and maintaining of over 900 acres of recreational areas in over 50 parks and open spaces containing ball fields, tennis and basketball courts, a beach, camping sites, docks and piers, ponds and fountains, hiking trails, ice rinks, playgrounds, a swimming pool, volleyball courts, farm animals, and much, much more; 60 landscaping beds consisting of 173,250 square feet in area, and mowing over 450 acres of those acres; maintaining the 16,270 trees that make up the urban forest contained within our rights-of ways, parks, and open spaces.

## 2026 Revenue vs. Expense by Service Area




## Fund Combined by Service Area

| | 2024 Actuals | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|
| **GENERAL FUND** | | | | |
| **REVENUES** | | | | |
| GENERAL GOVERNMENT | 31,990,093 | 31,981,764 | 33,752,920 | 5.5% |
| COMMUNITY DEVELOPMENT | 3,355,880 | 1,907,840 | 1,908,575 | 0.0% |
| PUBLIC SAFETY | 1,701,819 | 1,799,426 | 1,518,426 | (15.6)% |
| PUBLIC WORKS | 1,699,762 | 2,133,576 | 2,204,576 | 3.3% |
| **REVENUES TOTAL** | **38,747,555** | **37,822,606** | **39,384,497** | **4.1%** |
| **EXPENDITURES** | | | | |
| GENERAL GOVERNMENT | (4,199,386) | (946,366) | (412,690) | (56.4)% |
| COMMUNITY DEVELOPMENT | (1,478,028) | (1,679,188) | (1,752,584) | 4.4% |
| PUBLIC SAFETY | (19,076,635) | (20,203,146) | (21,969,183) | 8.7% |

| | 2024 Actuals | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|
| PUBLIC WORKS | (12,561,186) | (14,719,769) | (15,242,414) | 3.6% |
| **EXPENDITURES TOTAL** | **(37,315,235)** | **(37,548,469)** | **(39,376,871)** | **4.9%** |
| **GENERAL FUND TOTAL** | **1,432,320** | **274,137** | **7,626** | **(97.2)%** |
| | | | | |
| **NET INCOME (LOSS)** | **1,432,320** | **274,137** | **7,626** | **(97.2)%** |

# Fund Combined by Account

| | 2024 Actuals | 2025 Actual thru June | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| CHARGES FOR SERVICES | 2,183,219 | 800,981 | 1,922,425 | 1,932,825 | 0.5% |
| FEDERAL GRANTS | 191,734 | 12,278 | 17,000 | 17,000 | 0.0% |
| FINES & FORFEITURES | 3,500 | 0 | 1,000 | 1,000 | 0.0% |
| INTERFUND TRANSFER | 1,043,479 | 435,000 | 1,232,400 | 1,150,000 | (6.7)% |
| INVESTMENT INCOME | 645,634 | 2,279,759 | 300,000 | 300,000 | 0.0% |
| LICENSES & PERMITS | 2,951,157 | 1,234,972 | 2,121,941 | 1,930,276 | (9.0)% |
| LOCAL GRANTS | 166,378 | 131,595 | 158,000 | 163,000 | 3.2% |
| MISCELLANEOUS | 2,034,928 | 563,791 | 2,084,500 | 2,054,500 | (1.4)% |
| RENTAL INCOME | 145,271 | 86,387 | 79,000 | 142,000 | 79.7% |
| SPECIAL ASSESSMENTS | 0 | 0 | 0 | 0 | 0.0% |
| STATE GRANTS | 9,829,190 | 1,098,492 | 9,735,427 | 9,884,569 | 1.5% |
| TAXES | 19,553,065 | 109,055 | 20,170,913 | 21,809,327 | 8.1% |
| **REVENUES TOTAL** | **38,747,555** | **6,752,309** | **37,822,606** | **39,384,497** | **4.1%** |
| **EXPENDITURES** | | | | | |
| CAPITAL OUTLAY | 228,866 | 31,460 | 55,500 | 16,000 | (71.2)% |
| INSURANCE | 234,901 | 141,852 | 254,000 | 276,050 | 8.7% |
| OTHER CHARGES | 2,677,019 | 1,325,348 | 3,239,412 | 3,264,433 | 0.8% |
| OTHER SERVICES | 2,640,290 | 1,190,820 | 3,458,160 | 4,346,615 | 25.7% |
| SALARIES & BENEFITS | 20,796,617 | 10,087,621 | 22,128,899 | 23,394,408 | 5.7% |
| SUPPLIES | 1,332,442 | 782,501 | 1,860,750 | 1,746,700 | (6.1)% |
| TRANSFERS OUT | 5,478,285 | 2,379,125 | 2,379,125 | 1,711,664 | (28.1)% |
| UTILITIES | 399,125 | 213,561 | 511,300 | 526,150 | 2.9% |
| VEHICLE OPERATIONS | 3,527,690 | 2,057,125 | 3,661,323 | 4,094,851 | 11.8% |
| **EXPENDITURES TOTAL** | **37,315,235** | **18,209,412** | **37,548,469** | **39,376,871** | **4.9%** |
| | | | | | |
| **NET INCOME (LOSS)** | **1,432,320** | **(11,457,103)** | **274,137** | **7,626** | **0.0%** |

# Performance Metrics

While the City of Mankato has utilized performance metrics internally for many years, starting in 2021 the need for external facing "gauges" to help define success were put forth and ultimately started being collected in 2022. Although we do believe the below metrics help tell the story of our operational success and struggles, as we solidify our next strategic plan in mid 2024 and as other operational needs are put forth, we do see updates to these performance measures being tracked to help tell the story of where we plan to go moving forward.

| Service Area | Performance Indicator | 2022 | 2023 | 2024 | 2025 Estimated | 2026 Estimated |
|---|---|---|---|---|---|---|
| Environmental Services | Reduce the # of compliance check failures (Stormwater) | 7.25 | 10.75 | 17.75 | 13 | 13 |
| Environmental Services | Number of Ash trees removed (goal is 200/ year) | 206 | 239 | 222 | 222 | 222 |
| Planning | Building permit review average turnaround - Commercial (Days) | 38.5 | 41 | 39 | 40 | 40 |
| Planning | Building permit review average turnaround - Residential (Days) | 11.5 | 8.75 | 9 | 10 | 10 |
| Planning | Building permit & plan review revenue | 2447534.63 | 1698569.81 | 3045350 | 2397000 | 2397000 |
| Public Safety | Clearance Rate on violent crimes | 0.417 | 0.6195 | 0.67475 | 0.75 | 0.75 |
| Public Safety | Use of Force Complaints | 1 | 1 | 0 | 0 | 0 |
| Public Safety | Social media followers | N/A | 3426 | 5847 | 7600 | 8000 |
| Public Safety | Rental Inspections passed on first review | 0.66775 | 0.59475 | 0.67075 | 0.7 | 0.7 |

**Table II**
**5 Year General Fund**

| 'August, 13th 2025 | Budget 2025 | | Budget 2026 | Budget 2027 | Budget 2028 | Budget 2029 | Budget 2030 | Comments |
|---|---|---|---|---|---|---|---|---|
| **General Fund Revenue:** | | | | | | | | |
| General Fund Levy | 20,095,913 | | 21,734,327 | 22,747,232 | 23,805,957 | 24,912,325 | 26,068,479 | GF Levy reflects growth in Tax Levy of 4.5% in 27-30 |
| Gambling Tax | 75,000 | | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | Reflects flat amount throughout projection period |
| Local Government Aid (LGA) | 8,487,451 | | 8,497,593 | 8,582,569 | 8,668,395 | 8,755,079 | 8,842,629 | Reflects new amounts in 2026, 1% remaining |
| Licenses & Permits | 2,121,941 | | 1,930,276 | 1,954,404 | 1,978,835 | 2,003,570 | 2,028,615 | Reflects 1.25% increase in 2027-2030 |
| Federal Grants | 17,000 | | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | Reflects flat amount throughout projection period |
| State Grants | 1,247,976 | | 1,386,976 | 1,386,976 | 1,386,976 | 1,386,976 | 1,386,976 | Reflects flat amount throughout projection period |
| Local Grants | 158,000 | | 163,000 | 163,000 | 163,000 | 163,000 | 163,000 | Reflects flat amount throughout projection period |
| Charges for Services | 1,922,425 | | 1,932,825 | 1,990,810 | 2,050,534 | 2,112,050 | 2,175,412 | Reflects projected 3% increase |
| Fines & Forfeitures | 1,000 | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | Reflects flat amount throughout projection period |
| Investment Income | 300,000 | | 300,000 | 306,000 | 312,120 | 318,362 | 324,730 | Reflects 2% increase per year |
| Miscellaneous | 2,084,500 | | 2,054,500 | 2,054,500 | 2,054,500 | 2,054,500 | 2,054,500 | Reflects flat amount throughout projection period |
| Rental Income | 79,000 | | 142,000 | 142,000 | 142,000 | 142,000 | 142,000 | Reflects flat amount throughout projection period |
| Interfund Transfer | 1,232,400 | | 1,150,000 | 1,184,500 | 1,220,035 | 1,256,636 | 1,294,335 | Reflects increase of 3% per year |
| **Total General Fund Revenue** | 37,822,606 | | 39,384,497 | 40,604,991 | 41,875,351 | 43,197,498 | 44,573,675 | |
| **General Fund Expenditures:** | | | | | | | | |
| Personal Services | 22,128,899 | | 23,394,408 | 24,330,184 | 25,303,392 | 26,315,527 | 27,368,148 | Reflects 4% in 27-30 |
| Supplies | 1,860,750 | | 1,746,700 | 1,781,634 | 1,817,267 | 1,853,612 | 1,890,684 | Reflects 2% in 27-30 |
| Other Services | 3,458,160 | | 4,346,615 | 4,477,013 | 4,611,324 | 4,749,664 | 4,892,153 | Reflects 3% in 27-30 |
| Other Charges | 3,239,412 | | 3,264,433 | 3,264,433 | 3,264,433 | 3,264,433 | 3,264,433 | Reflects flat amount throughout projection period |
| Vehicle Operations | 3,661,323 | | 4,094,851 | 4,135,799 | 4,177,157 | 4,218,929 | 4,261,118 | Reflects 1% in 27-30 |
| Insurance | 254,000 | | 276,050 | 284,332 | 292,861 | 301,647 | 310,697 | Reflects projected 3% increase |
| Utilities | 511,300 | | 526,150 | 536,673 | 547,406 | 558,355 | 569,522 | Reflects 2% in 27-30 |
| Capital Outlay & Transfers | 2,434,625 | | 1,727,664 | 1,727,664 | 1,727,664 | 1,727,664 | 1,727,664 | Reflects flat amount throughout projection period |
| **Total General Fund Expenditures** | 37,548,469 | | 39,376,871 | 40,537,733 | 41,741,504 | 42,989,831 | 44,284,420 | |
| Income or (Loss) | 274,137 | | 7,626 | 67,258 | 133,847 | 207,668 | 289,255 | |
| Fund Balance - January 1 | 17,221,507 | | 17,495,644 | 17,503,271 | 17,570,529 | 17,704,376 | 17,912,043 | |
| Surplus or Deficit | 274,137 | | 7,626 | 67,258 | 133,847 | 207,668 | 289,255 | |
| Fund Balance - December 31 | 17,495,644 | | 17,503,271 | 17,570,529 | 17,704,376 | 17,912,043 | 18,201,299 | |
| Fund Balance as a % of Expenditures | 46% | | 45% | 44% | 43% | 42% | 42% | Target is between 40% to 55% |

# Special Revenue Funds (2000)

# Preliminary Special Revenue Funds (2000) Overview

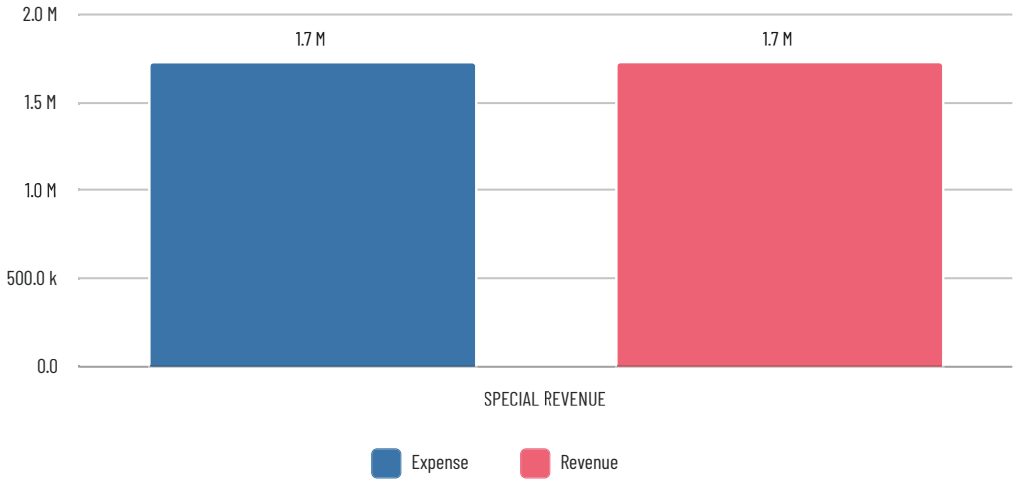
Special Revenue Funds are a series of sub funds that are required to be maintained as separate and independent funds within the budget. For budget presentation purposes the Special Revenue Funds are classified into two groups, partnerships, and grants and special uses. The partnership sub funds are intergovernmental sources of revenue held in trust under agreement with other governmental agencies. Grants and special use sub funds typically involve the project management of grants, or donation funds, and cannot be commingled with other reserves or expenses. Each has a unique intergovernmental revenue source or grant agreement specifying independent cost accounting.

In 2026, revenues are projected at $1,735,434 and expenditures are estimated at $1,734,643

**DEPARTMENTS OVERVIEW**

**Mankato North Mankato Area Planning Organization (MAPO)**: Hosted by the City of Mankato per the joint powers agreement between the cities and counties in the urbanized area. The MAPO is the federally designated Metropolitan Planning Organization (MPO) for the region's urban/rural area. MAPO is responsible for regional transportation planning within and throughout the Greater Mankato area. This includes pedestrian, bicyclist, transit, automotive, and rail.

# 2026 Revenue vs. Expense by Service Area



# Fund Combined by Service Area

| | 2024 Actuals | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|
| **SPECIAL REVENUE FUNDS** | | | | |
| **REVENUES** | | | | |
| SPECIAL REVENUE | 2,472,680 | 1,729,096 | 1,735,144 | 0.3% |
| **REVENUES TOTAL** | **2,472,680** | **1,729,096** | **1,735,144** | **0.3%** |
| **EXPENDITURES** | | | | |
| SPECIAL REVENUE | (1,800,880) | (1,728,596) | (1,734,644) | 0.3% |
| **EXPENDITURES TOTAL** | **(1,800,880)** | **(1,728,596)** | **(1,734,644)** | **0.3%** |
| **SPECIAL REVENUE FUNDS TOTAL** | **671,800** | **501** | **500** | **(0.1)%** |
| **NET INCOME (LOSS)** | **671,800** | **501** | **500** | **(0.1)%** |

# Fund Combined by Account

| | 2024 Actuals | 2025 Actual thru June | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| CHARGES FOR SERVICES | 0 | 0 | 0 | 0 | 0.0% |
| FEDERAL GRANTS | 402,249 | 85,268 | 440,891 | 440,891 | 0.0% |
| INTERFUND TRANSFER | 18,000 | 18,000 | 174,061 | 61,694 | (64.6)% |
| INVESTMENT INCOME | 553,917 | 29,144 | 94,000 | 100,500 | 6.9% |
| LICENSES & PERMITS | 0 | 0 | 0 | 0 | 0.0% |
| LOCAL GRANTS | 156,727 | 55,969 | 186,294 | 171,209 | (8.1)% |
| MISCELLANEOUS | 242,639 | 8,778 | 4,000 | 104,000 | 2,500.0% |
| SALES | 0 | 0 | 0 | 0 | 0.0% |
| SPECIAL ASSESSMENTS | 0 | 0 | 0 | 0 | 0.0% |
| STATE GRANTS | 372,637 | 0 | 61,850 | 61,850 | 0.0% |
| TAXES | 726,511 | 192,796 | 768,000 | 795,000 | 3.5% |
| **REVENUES TOTAL** | **2,472,680** | **389,955** | **1,729,096** | **1,735,144** | **0.3%** |
| **EXPENDITURES** | | | | | |
| CAPITAL OUTLAY | 0 | 19,276 | 0 | 0 | 0.0% |
| COST OF SALES | 0 | 0 | 0 | 0 | 0.0% |
| INSURANCE | 0 | 0 | 0 | 240 | 0.0% |
| OTHER CHARGES | 17,475 | 5,282 | 38,064 | 38,841 | 2.0% |
| OTHER SERVICES | 1,223,441 | 475,801 | 1,178,489 | 1,303,939 | 10.6% |
| SALARIES & BENEFITS | 308,333 | 165,397 | 337,343 | 350,324 | 3.8% |
| SUPPLIES | 88 | 3,982 | 1,300 | 1,300 | 0.0% |
| TRANSFERS OUT | 251,542 | 135,000 | 173,400 | 40,000 | (76.9)% |
| VEHICLE OPERATIONS | 0 | 0 | 0 | 0 | 0.0% |
| **EXPENDITURES TOTAL** | **1,800,880** | **804,737** | **1,728,596** | **1,734,644** | **0.3%** |
| **NET INCOME (LOSS)** | **671,800** | **(414,782)** | **501** | **500** | **0.0%** |

# Enterprise Funds (6000)

# Overview

The city's enterprise funds are used to organize budgeting (planning budgetary basis) and accounting (what actually occurred by Generally Accepted Accounting Principles (GAAP) basis). They are accounted for at year end on the GAAP basis of proprietary funds, which distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. Enterprise funds are presented in two distinguished groups: major and minor public utilities funds and other enterprise funds including civic center, mass transit, airport, housing, and economic development.

The principal operating revenues for the city's enterprise funds are charges for customer services, dedicated (restricted) tax revenue and grant/entitlement funding including:

**Civic center** – Event and rental charges, food and beverage tax and sales tax.

**Economic Development Authority (EDA)** – EDA levy, state and federal grants, property lease and sale revenue.

**Housing** – Federal and state grant and entitlement funds.

**Transit** – Federal and state grant funding, partner cost shares and service charges.

**Major utilities** (water and sewer) – Charges for service, customer community cost share, grant funding when awarded.

**Minor utilities** (refuse, stormwater drainage and streetlight) – User fees and surcharges.

**Airport** – Federal and state funding, service charges and lease revenues and sales tax for capital match as appropriate.

**Parking** – Lease revenue and assessments.

Operating expenses for enterprise funds and internal service funds include cost of services, administrative expenses, and depreciation transfers to build capital reserves that maintain and replace assets. Capital investment expenses are reported in the capital fund and funded by depreciation accounts or other available sources dedicated to the project. The following are major revenue and expenditure changes related to the enterprise funds:

**Civic Center operations fund:** Civic Center operational budgets are balanced primarily due to the use of the food, beverage and entertainment tax. Currently, the city is collecting one-half percent of the full one percent authorization. There are several smaller projects outlined in the capital improvement section of the document for 2026.

**All Seasons Arena Operations Fund:** The city of Mankato took over the Fiscal Host role for All Seasons Arena starting on January 1, 2021. This past year ASA has undergone some major renovations including mechanical and cosmetic updates. This project is expected to be completed in the fall of 2025. A capital account has been created as well to help prepare for future capital planning.

**Economic development/public housing:** The 2026 EDA levy is proposed at $365,000 with no increase proposed. The economic development levy recently was increased by $90,000 in 2020 and $50,000 in 2021. The Housing Choice Voucher programs are still subject to receiving only a prorated portion of our administrative fee. Most recently this has been at 80% and the reduction has been in place since at least 2013. Stagnant revenues from Housing and Urban Development (HUD) coupled with rising costs pose issues with housing program budgets. The process to convert the revenue source for Public Housing is underway and an additional 134 new Housing Choice vouchers being leased are anticipated to address the budget issues. The 2026 budget reflects revenue for current leases of the EDA building located on Premier Drive.

**Mass transit fund:** The property tax levy for mass transit is proposed to stay flat at $415,000 after being increased by $250,000 in 2023. The budget incorporates the expanded service contract with Minnesota State University, Mankato (MSU, Mankato) and the revenue associated with route realignments. Revenue is expected to remain consistent with a slight change due to route adjustments.

**Major and minor public utilities:** The city's utilities are divided into major and minor operations. Major operations are significant and include essential services that provide clean drinking water and protect the environment through proper reclamation of wastewater that is treated and released. These funds collectively total $38,172,133 of expenditures in 2026. While generating collectively $38,487,629 of revenue. Water and wastewater systems represent the most capital and maintenance intensive operations in the city and often rely on financing to pay for significant capital projects. Fixed cost of service increase has been proposed for water and wastewater funds as well as a rate increase to build industry standard reserves to one year of debt service and three months of operating cash while also preparing for future upgrades. In addition, increases will provide a reasonable level of ongoing annual maintenance and capital repair to maximize the useful life of equipment and facilities while reducing life-cycle cost of utilities.

A forthcoming policy decision is necessary regarding appropriate reserve levels and continuing ongoing rate adjustments to sustain ongoing operations, maintenance, and capital replacement as well as build and maintain necessary reserves.

Minor utilities are for dedicated service charges that fund smaller yet still critical operations that have less direct operational impact and smaller but significant capital outlay. They are funded through dedicated service charges and not general taxes. Service charges assure proper and safe collection of garbage and recycling, maintenance and expansion of stormwater drainage system and safe lighting of area streets. No rate increases are planned at this time.

**Water:** The most significant source of revenue available to operate the water fund is the monthly unit charge for service applied to the number of gallons used by the customer. Based on this,

2026 includes $10.74 million in revenue which is a slight increase due to a proposed 3% rate increase. The 2026 fixed cost increases are necessary to fund ongoing capital repair and improvements, increasing operational costs to meet regulatory requirements and implementation of industry standard reserve levels (accumulated and reserved fund balance) to meet bonding requirements and assure service continuity. The 2026 budget also includes $3.2 million of capital improvements projects aimed at enhancing water infrastructure. An exhaustive 5-year list of projects can be found in the community investment plan. Water is also working through a large water meter upgrade project over the next few years utilizing ARPA dollars to fund the initial replacement with ongoing reserves now being set aside for the future replacement in 20 years.

**Wastewater:** The most significant source of revenue to operate the wastewater fund is the monthly unit charge for service applied to the number of gallons used by customers. 2026 includes $9 million of unit charge revenue based on a 3.75% rate increase from 2025 and a 0.5% usage increase. Finally, revenue from fixed cost of service charge was approved to increase by 3% and is projected to generate an additional $100k in 2026. These increases are being recommended to fund ongoing capital repair and improvements, increase operational costs to meet regulatory requirements and future adoption and implementation of industry standard reserve levels (accumulated and reserved fund balance) to meet bonding requirements and assure continuous operations. This budget also includes revenue from customer community charges of approximately $2,057,341 in 2026 for plant operating and capital expenses charged to customer communities per agreement. This will result in approximately $80k in new revenue in 2026.

**Stormwater drainage:** The stormwater fund has a 0% rate increase for 2026. Revenue is expected to increase 0.4% based on growth which should take care of current expenditures planned.

**Streetlight:** The Streetlight fund does not project any fee changes or significant budget adjustments. Revenue is expected to increase slightly based on community growth. The current demand for additional streetlights can only be met through petitioning because the cost to expand and augment the current system cannot be absorbed within the existing rate structure. However, it should be noted that streetlight replacement with the current funds generated is able to replace approximately 30 light poles on an average year, which has significantly increased the overall condition of city owned poles.

**Airport fund:** The airport fund remains stable in terms of operational spending. Airport operations are funded primarily from hangar leases, agricultural land rents, fuel sales and Federal Aviation Administration support. The fund identifies reoccurring capital improvement projects that are part of the state of Minnesota which requires a five-year capital plan for airports. Funding for these projects would be primarily based on availability of state/federal funds and grant awards targeted at eligible aviation needs. Federally funded projects generally receive 90 percent federal and 5 percent state which requires a 5 percent local match. State-only funded projects generally require a 20% local match. Locally funded grant matches are provided from the sales tax fund. In 2025, an additional $30,000 of revenue from the fuel flowage fee based on a $0.06 increase to the fee was approved to help cover operational costs of the anticipated Air Traffic Control Tower.

**Parking funds:** There are additional parking increases projected for 2026 due to increased snow removal and other maintenance costs. Additionally, increases were made to the 2025 budget as well after staff conducted a "per-day parking" analysis and have adjusted rates to correlate more similarly to other regional areas like St. Cloud and Rochester. The parking fund underwrites the maintenance of no cost parking lots in the Old Town area. Like the City Center core, the "per-stall" cost is necessary to fund basic lot maintenance.

**DEPARTMENTS OVERVIEW**

**Event Center:** The city operates a 6,500-seat arena, the 3,330 seat Vetter Stone Amphitheater, and a convention center with 15 meeting rooms. The Mayo Clinic Health System Event Center is operated with 10 full-time employees, approximately 200 part time, and countless volunteers. The Event Center and Amphitheater promote regional livability with a diverse lineup of entertainment, provides space for a wide variety of events, and partners with the MN State University to produce D1 Hockey events. The Event Center and Amphitheater host over 600 event days each year (25 concerts, 25 weddings, 45 banquets and over 60 conferences in addition to being in the Top 20 in Hockey attendance nationally at 91.8% seats sold for the '23-24 season). The Event Center and Amphitheater has an economic impact of $45+ million a year.

**All Seasons Arena:** All Seasons Arena is a 2-sheet regional recreational ice hockey arena serving the greater Mankato community with open skate (6,500 admissions), open hockey (1,500 admissions), adult & child hockey leagues, Highschool hockey games (72), figure skating competition (1), MSU Club games (13), youth tournaments (5), adult tournaments (2), MSU Maverick Men's and Women's practices, as well as several local university skating events each year. The arena operates with 3 full-time staff and 15 part-time staff. The City of Mankato is the financial host and manages the daily operations of the facility via oversite from the Event Center leadership. The facility, financial and service delivery are overseen by the Joint Powers Agreement which includes the cities of Mankato, North Mankato, and Blue Earth County.

**Mass Transit:** Provides and promotes safe, dependable, and affordable public transit services that support multi-modal options through public partnerships in the Mankato and North Mankato area. They also provide paratransit services for those experiencing reduce mobility and comply with the letter and spirit of the Minnesota Olmstead decision and Americans with Disabilities Act. The department has an administrative staff of 9 full-Time employees and 31 Bus Drivers (17 full-time and 14 part-time). The city owns and operates 25 buses and the drivers drive close to 50,00 miles with approximately 34,000 riders per month.

**Public Works-Utilities:** The Enterprise Fund portion of public works consists of utility services that provide drinking water, wastewater treatment, storm water management, and environmental protection. These services are organized into Water Treatment, Wastewater Treatment, Infrastructure, and Environmental Services. This organization employees 37 full-time employees.

- The Environmental Services group oversees the City of Mankato's pollution control efforts. This includes land disturbance permitting, inspection and enforcement for about 125 issued permits a year for compliance with the City's MS4 permit. Additional regulatory compliance work includes operations of two accredited laboratories for sampling and testing drinking water and sanitary sewer treatment. This group also oversees natu-

ral resource management included EAB plan implementation.

- The Water Treatment group provides safe, high quality drinking water to the 10,608 customer service connections in the City of Mankato. This is done by treating over 1.9 billion gallons of water per year though an advanced treatment system. Water is produced though 4 main wells, two in the Mt. Simon Aquifer and two in shallow ground water aquifer beneath the Blue Earth and Minnesota Rivers. Over 70% of the water is supplied by the shallow ground water wells. The water is treated though a lime softening process, filtered with an advanced ultra filtration membrane system and then distributed to the community though 6 storage facilities. On average this system provides 5 million gallons a day.
- The Wastewater Treatment group collects and treats wastewater from the City of Mankato as well as 7 other reginal entities. Through an advanced tertiary treatment process the effluent, or treated wastewater can be reused. The uses include cooling for a local energy producer, irrigation of public open spaces, street sweeping and construction processes. The facility treats about 8 million gallons a day of wastewater. Included with Wastewater Treatment is the processing and land application biosolid. Annually over 2.8 billion gallons of wastewater are treated with an average rate of 8.04 million gallons a day.
- The Infrastructure group oversees the operations and maintenance of the water distribution system, the sanitary sewer collection system, and the stormwater management system. The water distribution system has over 217 miles of pipe. Major maintenance activities for this system include semi-annual flushing and repair of about 30 pipe breaks per year. The sanitary sewer collection system has over 168 miles of pipe and 15 lift stations. Major maintenance activities include video inspection of the system, cleaning of pipes and lift stations. The stormwater management system has over 175 miles of pipe, 30 ponds, 479 outfalls and 5 flood control stations along the Blue Earth and Minnesota Rivers. Major maintenance activities include inspection and cleaning of pipes and ponds, outfall repair, and flood station maintenance.

**Public Works – Airport:** The Enterprise Services Fund portion of the Public Works-Airport line of business encompasses a range of services primarily surrounding maintenance and operation of the Mankato Regional Airport. Airport planning is administered by the Community Development Department, Airport facilities maintenance is administered by the Administrative Services Department, and airport airside and landside maintenance and operations is administered by the Public Works Department. Together these three departments cover the core services of developing, maintaining, and executing the 5-year Capital Investment Program (CIP) for the airport; operating and maintaining the airport terminal and fourteen hangars consisting of 175,000-square feet of leasable space to tenants; maintaining the 6600-foot primary and 4,000-foot secondary runways; associated taxiways and aprons; parking lots; roadways; and open spaces. This department employees 1 full-time and 1 part-time employees.

**Parking Services:** With a staff of 1.1 Full-time and 5 contractual part-time staff the responsibility of the Mankato Parking services is to provide public parking that is reliable, safe, efficient, cost-effective, customer focused, and environmentally responsible manner. This profile will provide a

detailed overview of Parking. The Parking Services area operates and enforces parking in the city-owned ramps and City-owned off-street surface parking lots. The parking system consists of 1,682 ramp spaces located in 5 city ramps, 262 stalls in 8 surface parking lots downtown, and 247 stalls in 6 surface parking lots in Old Town and the downtown perimeter. 4 of the 5 ramps in Downtown are gated and have 2,084 registered users. Parking Services manages parking enforcement in the downtown parking district, maintenance of the ramp structures, skyways, and stairwells, 7 day a week cleaning and refuse collection in the downtown core including twice monthly washing of the business patios on the 400 & 500 blocks of South Front Street, annual washing of all parking ramps, monthly processing of revenue from 7 ramp pay stations. The goal is to support existing business development and foster new growth within the City Center and neighborhood business.

**Economic Development:** The Economic Development Department has a staff of 2.5 full-time employees and is responsible for administration of state and federal grants including environmental Protection Agency (EPA), Brownfield, and Minnesota Department of Employment and Economic Development (DEED) for redevelopment projects, preview and preparation of tax increment financing plans, city and EDA supported loan programs for rehabilitation and redevelopment, Administration of the Community Development Block Grant Programs for redevelopment, rehabilitation, and community service needs, leveraging CDBG in support of Low-Income Housing Tax Credit program for affordable rental housing, participation in initiatives related to Arts and Culture and creative place making, marketing and managing disposition and acquisition of real estate for economic development properties and projects, preparation and presentation of plans and studies, and participate in the Regional Economic development Alliance.

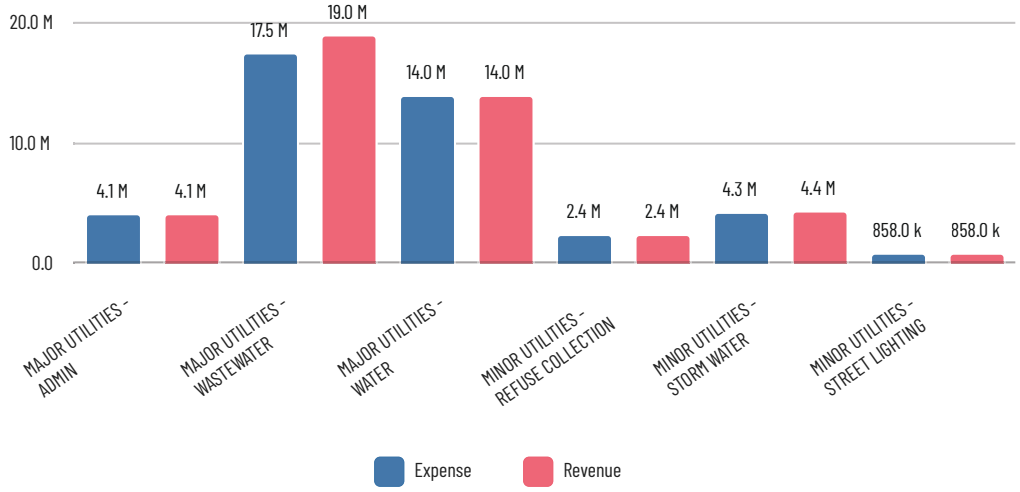
**Housing / BEC:** Housing has a staff of 7.5 full-time and 1 part-time employee and is responsible for the administration of Housing Choice Voucher Program (HCV) rental assistance provided by US Department of Housing and Urban Development, Administration of HCVs Family Self Sufficiency Program and Homeownership Programs, administration of Public Housing Program affordable property management provided by US Department of Housing and Urban Development, and additional state and regional programs that ensure safe and affordable housing. Monitoring and assessing affordable housing needs across the housing continuum, preparation and presentation of plans and studies, providing Housing Stability Services to those at risk of homelessness, providing Navigation services to homeless under the local Coordinated Entry system, participating in the regional Continuum of Care and Coordinated Entry Homeless Response System, Bonding with the State of MN for affordable homeownership, down payment assistance, leveraging the HCV program to provide affordable homeownership, and leveraging Project Based vouchers in support of Low-Income Housing Tax Credit program for affordable rental housing. Housing/economic development provided rental assistance to over 941 families in 2023.

# Fund Combined by Service Area

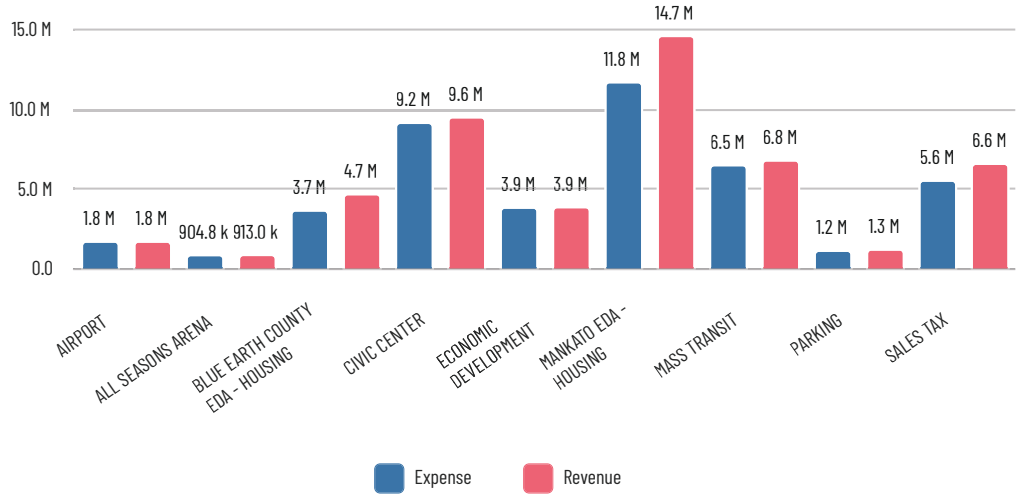
| | 2024 Actuals | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|
| **ENTERPRISE FUNDS** | | | | |
| **REVENUES** | | | | |
| CIVIC CENTER | 9,616,545 | 9,909,746 | 9,552,813 | (3.6)% |
| ECONOMIC DEVELOPMENT | 4,024,472 | 2,897,932 | 3,913,448 | 35.0% |
| MASS TRANSIT | 6,685,187 | 6,922,102 | 6,846,517 | (1.1)% |
| AIRPORT | 2,327,268 | 1,247,594 | 1,751,809 | 40.4% |
| PARKING | 1,196,992 | 1,183,138 | 1,254,725 | 6.1% |
| BLUE EARTH COUNTY EDA - HOUSING | 2,236,955 | 1,792,574 | 4,727,236 | 163.7% |
| MANKATO EDA - HOUSING | 8,421,692 | 7,696,023 | 14,653,679 | 90.4% |
| MAJOR UTILITIES - ADMIN | 3,998,972 | 3,851,000 | 4,141,822 | 7.6% |
| MINOR UTILITIES - REFUSE COLLECTION | 2,387,502 | 2,382,500 | 2,414,540 | 1.3% |
| SALES TAX | 7,582,903 | 7,305,000 | 6,633,750 | (9.2)% |
| ALL SEASONS ARENA | 9,522,737 | 879,500 | 913,000 | 3.8% |
| MAJOR UTILITIES - WATER | 13,558,856 | 11,388,000 | 13,995,000 | 22.9% |
| MAJOR UTILITIES - WASTEWATER | 19,030,482 | 18,211,903 | 19,029,218 | 4.5% |
| MINOR UTILITIES - STORM WATER | 5,808,974 | 4,357,000 | 4,372,000 | 0.3% |
| MINOR UTILITIES - STREET LIGHTING | 864,568 | 847,000 | 858,049 | 1.3% |
| MANKATO EDA CAPITAL | 0 | 0 | 225,000 | 0.0% |
| **REVENUES TOTAL** | **97,264,105** | **80,871,013** | **95,282,606** | **17.8%** |
| **EXPENDITURES** | | | | |
| CIVIC CENTER | (11,614,122) | (9,810,558) | (9,199,724) | (6.2)% |
| ECONOMIC DEVELOPMENT | (3,511,837) | (2,881,503) | (3,882,547) | 34.7% |
| MASS TRANSIT | (5,763,697) | (6,476,349) | (6,547,467) | 1.1% |
| AIRPORT | (2,428,071) | (1,026,971) | (1,751,550) | 70.6% |
| PARKING | (1,472,462) | (1,144,321) | (1,177,328) | 2.9% |
| BLUE EARTH COUNTY EDA - HOUSING | (2,076,563) | (1,778,410) | (3,704,455) | 108.3% |
| MANKATO EDA - HOUSING | (7,904,621) | (7,554,758) | (11,752,477) | 55.6% |
| MAJOR UTILITIES - ADMIN | (3,597,619) | (3,847,268) | (4,141,822) | 7.7% |
| MINOR UTILITIES - REFUSE COLLECTION | (2,350,364) | (2,368,934) | (2,414,540) | 1.9% |
| SALES TAX | (6,349,974) | (6,671,525) | (5,576,471) | (16.4)% |
| ALL SEASONS ARENA | (858,295) | (877,847) | (904,780) | 3.1% |
| MAJOR UTILITIES - WATER | (9,327,782) | (10,943,201) | (13,993,830) | 27.9% |
| MAJOR UTILITIES - WASTEWATER | (16,054,995) | (17,324,213) | (17,531,564) | 1.2% |
| MINOR UTILITIES - STORM WATER | (3,581,176) | (3,911,047) | (4,259,020) | 8.9% |
| MINOR UTILITIES - STREET LIGHTING | (713,765) | (831,002) | (858,049) | 3.3% |

| | 2024 Actuals | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|
| MANKATO EDA CAPITAL | 0 | 0 | 0 | 0.0% |
| **EXPENDITURES TOTAL** | **(77,605,343)** | **(77,447,907)** | **(87,695,625)** | **13.2%** |
| **ENTERPRISE FUNDS TOTAL** | **19,658,763** | **3,423,106** | **7,586,981** | **121.6%** |
| | | | | |
| **NET INCOME (LOSS)** | **19,658,763** | **3,423,106** | **7,586,981** | **121.6%** |

## 2026 Revenue vs. Expense by Service Area




## 2026 Revenue vs. Expense by Service Area



# Fund Combined by Account

| | 2024 Actuals | 2025 Actual thru June | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| BILLINGS TO DEPARTME | 0 | 0 | 0 | 0 | 0.0% |
| CHARGES FOR SERVICES | 808,927 | 380,799 | 1,086,180 | 1,135,880 | 4.6% |
| CONTRIBUTED CAPITAL | 9,495,814 | 0 | 0 | 0 | 0.0% |
| FEDERAL GRANTS | 11,879,807 | 4,459,715 | 8,115,100 | 12,915,052 | 59.1% |
| FINES & FORFEITURES | 18,910 | 12,405 | 30,000 | 32,000 | 6.7% |
| GAIN (LOSS) ON SALE | (132,323) | 0 | 0 | 0 | 0.0% |
| INTERFUND TRANSFER | 15,477,954 | 6,944,887 | 14,689,282 | 17,534,878 | 19.4% |
| INVESTMENT INCOME | 2,779,538 | 135,934 | 581,196 | 730,067 | 25.6% |
| LICENSES & PERMITS | 11,620 | 9,965 | 10,000 | 10,000 | 0.0% |
| LOCAL GRANTS | 314,094 | 193,526 | 203,997 | 705,786 | 246.0% |
| MISCELLANEOUS | 1,595,845 | 1,252,696 | 1,729,615 | 1,850,920 | 7.0% |
| PROCEEDS OF LT LIAB | 0 | 0 | 0 | 0 | 0.0% |
| RENTAL INCOME | 4,331,239 | 2,437,124 | 4,065,526 | 7,634,736 | 87.8% |
| SALES | 35,169,446 | 15,804,265 | 34,865,143 | 36,051,744 | 3.4% |
| SPECIAL ASSESSMENTS | 482,231 | 0 | 519,845 | 563,892 | 8.5% |
| STATE GRANTS | 5,396,340 | 2,856,186 | 6,193,207 | 7,044,696 | 13.7% |
| TAXES | 9,634,664 | 2,725,796 | 8,781,921 | 8,847,954 | 0.8% |
| **REVENUES TOTAL** | **97,264,105** | **37,213,298** | **80,871,013** | **95,057,606** | **17.5%** |
| **EXPENDITURES** | | | | | |
| CAPITAL OUTLAY | 14,234 | 1,951,901 | 6,735,689 | 8,024,688 | 19.1% |
| COST OF SALES | 1,432,037 | 745,244 | 1,392,500 | 1,402,300 | 0.7% |
| DS - PRINCIPAL | 3,496 | 300,000 | 3,595,980 | 3,321,948 | (7.6)% |
| INSURANCE | 749,202 | 377,354 | 706,878 | 807,013 | 14.2% |
| OTHER CHARGES | 22,642,441 | 6,937,162 | 13,441,850 | 17,558,434 | 30.6% |
| OTHER SERVICES | 10,264,398 | 4,094,623 | 8,870,706 | 10,880,829 | 22.7% |
| SALARIES & BENEFITS | 12,815,357 | 6,525,162 | 14,065,915 | 15,081,175 | 7.2% |
| SUPPLIES | 3,120,293 | 1,262,530 | 3,836,998 | 4,060,815 | 5.8% |
| TRANSFERS OUT | 21,324,015 | 8,659,375 | 18,975,853 | 20,300,153 | 7.0% |
| UTILITIES | 3,406,695 | 1,776,940 | 3,887,467 | 4,318,841 | 11.1% |
| VEHICLE OPERATIONS | 1,833,175 | 767,050 | 1,938,071 | 1,939,428 | 0.1% |
| **EXPENDITURES TOTAL** | **77,605,343** | **33,397,340** | **77,447,907** | **87,695,625** | **13.2%** |
| | | | | | |
| **NET INCOME (LOSS)** | **19,658,763** | **3,815,959** | **3,423,106** | **7,361,981** | **0.0%** |

# Performance Metrics

While the City of Mankato has utilized performance metrics internally for many years, starting in 2021 the need for external facing "gauges" to help define success were put forth and ultimately started being collected in 2022. Although we do believe the below metrics help tell the story of our operational success and struggles, as we solidify our next strategic plan in mid 2024 and as other operational needs are put forth, we do see updates to these performance measures being tracked to help tell the story of where we plan to go moving forward.

| Service Area | Performance Indicator | 2022 | 2023 | 2024 | 2025 Estimated | 2026 Estimated |
|---|---|---|---|---|---|---|
| WRRF | Maintain a maximum treatment capacity of 22 MGD | 98.4% | 94.7% | 98.1% | 95.0% | 95.0% |
| WRRF | Reduce inflow and infiltration (I&I) | 14.0% | 24.7% | 29.8% | 30.0% | 30.0% |
| Water | Maintain a maximum treatment capacity of 12 MGD | 90.94% | 98.8% | 98.9% | | 90.0% |
| Water | Reduce unaccounted water loss (% of total flow lost) | 4.5% | 7.1% | 6.6% | 6.0% | 6.0% |
| Transit | Total number of reportable injuries | 1 | 3 | 2 | 0 | 0 |
| Transit | Reportable injuries per total vehicle revenue miles (every 100,000 VRM) | 0.767 | 1.5 | 1.27 | 0 | 0 |
| Transit | Average distance between major mechanical failures | 8,325 | 9,424 | 9,544 | 10,986 | 10,986 |
| Transit | Ridership number | 378,002 | 417,792 | 458,403 | 400,000 | 400,000 |
| Housing | Number of people experiencing homelessness served by the voucher program | 23 | 32 | 42 | 30 | 30 |
| Housing | Number of FSS participants signed up and completed | 37 | 24 | 11 | 24 | 24 |
| Housing | Voucher program waiting list response rate (for example, was at about 30% and additional outreach raised it to around 50%) | 57% | 48% | 136% | 70% | 70% |
| Housing | Increased number of affordable housing units | 114 | 71 | 17 | 30 | 30 |

| Service Area | Performance Indicator | 2022 | 2023 | 2024 | 2025 Estimated | 2026 Estimated |
|---|---|---|---|---|---|---|
| Housing | Turnover rate for voucher program (people that have successfully left the program) | 113 | 26 | 53 | 40 | 45 |
| Housing | Public Housing Unit Turnover time for New Occupancy | N/A | 87 | 125 | 130 | 130 |
| ED | Number of sites redeveloped in targeted redevelopment areas (completed) | 4 | 0 | 2 | 0 | 0 |
| ED | Number of acres redeveloped in targeted redevelopment areas (completed) | 5.27 | 3.51 | 4.71 | 0 | 0 |
| ED | Number of Phase I and II ESAs completed in targeted redevelopment areas | 6 | 7 | 1 | 0 | 0 |
| ED | Number of rehab projects completed in targeted redevelopment areas | 2 | 8 | 11 | 5 | 5 |
| Civic Center | City Center Economic Impact | $49,814,813 | $50,854,575 | $59,827,033 | $50,000 | $50,000 |
| Civic Center | Non Ticketed Event Days | 550 | 528 | 503 | 500 | 500 |
| Civic Center | Ticketed Event Days | 53 | 40 | 55 | 50 | 50 |
| Civic Center | Riverfront Park Ticketed Events | 8 | 14 | 11 | 11 | 11 |

# 5-Year Fund Projection

| Utility Administration Fund 6000 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| Beginning Balance | $ 3,025,665 | $ 3,029,397 | $ 3,029,397 | $ 3,041,649 | $ 3,065,547 | $ 3,100,437 |
| **Revenues** | | | | | | |
| Operating Revenue & Transfers In | **$ 3,851,000** | **$ 4,141,822** | **$ 4,245,368** | **$ 4,351,502** | **$ 4,460,289** | **$ 4,571,797** |
| **Expenditures & Other Use of Funds** | | | | | | |
| Operating Expenditures | $ 2,376,528 | $ 2,608,378 | $ 2,699,671 | $ 2,794,160 | $ 2,891,955 | $ 2,993,174 |
| Transfers Out/Debt | $ 1,470,740 | $ 1,533,444 | $ 1,533,444 | $ 1,533,444 | $ 1,533,444 | $ 1,533,444 |
| **Total Expenditures and Other Uses** | **$ 3,847,268** | **$ 4,141,822** | **$ 4,233,115** | **$ 4,327,604** | **$ 4,425,399** | **$ 4,526,618** |
| Total Revene Over/(Under) Expenses | $ 3,732 | $ - | $ 12,252 | $ 23,898 | $ 34,890 | $ 45,179 |
| *Use of Fund Balance for Deficit* | *$ -* | *$ -* | *$ -* | *$ -* | *$ -* | *$ -* |
| **Fund Balance at Year End** | **$ 3,029,397** | **$ 3,029,397** | **$ 3,041,649** | **$ 3,065,547** | **$ 3,100,437** | **$ 3,145,616** |

| Water Funds Combined | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| Beginning Balance | $ 11,379,508 | $ 11,729,307 | $ 11,730,477 | $ 12,904,497 | $ 13,892,575 | $ 14,686,588 |
| **Revenues** | | | | | | |
| Total Operating Revenue & Transfers In | **$ 10,663,000** | **$ 10,728,000** | **$ 10,781,640** | **$ 10,835,548** | **$ 10,889,726** | **$ 10,944,175** |
| **Expenditures & Other Use of Funds** | | | | | | |
| Total Operating Expenditures | $ 6,263,713 | $ 6,621,096 | $ 6,852,834 | $ 7,092,684 | $ 7,340,927 | $ 7,597,860 |
| Total Debt Service and Transfers Out | $ 4,049,488 | $ 4,105,734 | $ 2,754,786 | $ 2,754,786 | $ 2,754,786 | $ 2,754,786 |
| **Total Expenditures and Other Uses** | **$ 10,313,201** | **$ 10,726,830** | **$ 9,607,620** | **$ 9,847,470** | **$ 10,095,713** | **$ 10,352,646** |
| Total Revene Over/(Under) Expenses | $ 349,799 | $ 1,170 | $ 1,174,020 | $ 988,079 | $ 794,012 | $ 591,529 |
| *Use of Fund Balance for Deficit* | *$ -* | *$ -* | *$ -* | *$ -* | *$ -* | *$ -* |
| **Fund Balance at Year End** | **$ 11,729,307** | **$ 11,730,477** | **$ 12,904,497** | **$ 13,892,575** | **$ 14,686,588** | **$ 15,278,116** |
| **Fund Balance Goal** | **$ 5,615,416** | **$ 5,761,008** | **$ 4,467,995** | **$ 4,527,957** | **$ 4,590,018** | **$ 4,654,251** |

| Wastewater Funds Combined | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| Beginning Balance | $ 13,078,740 | $ 13,103,919 | $ 13,358,690 | $ 13,497,046 | $ 14,004,837 | $ 14,896,584 |
| **Revenues** | | | | | | |
| Total Operating Revenue & Transfers In | **$ 16,006,903** | **$ 16,824,218** | **$ 16,965,554** | **$ 17,601,762** | **$ 18,261,828** | **$ 18,946,647** |
| **Expenditures & Other Use of Funds** | | | | | | |
| Total Operating Expenditures | $ 7,018,194 | $ 7,364,325 | $ 7,622,076 | $ 7,888,849 | $ 8,164,959 | $ 8,450,732 |
| Total Debt Service and Transfers Out | $ 8,963,530 | $ 9,205,122 | $ 9,205,122 | $ 9,205,122 | $ 9,205,122 | $ 9,205,122 |
| **Total Expenditures and Other Uses** | **$ 15,981,724** | **$ 16,569,447** | **$ 16,827,198** | **$ 17,093,971** | **$ 17,370,081** | **$ 17,655,854** |
| Total Revene Over/(Under) Expenses | $ 25,179 | $ 254,771 | $ 138,356 | $ 507,791 | $ 891,748 | $ 1,290,793 |
| *Use of Fund Balance for Deficit* | *$ -* | *$ -* | *$ -* | *$ -* | *$ -* | *$ -* |
| **Fund Balance at Year End** | **$ 13,103,919** | **$ 13,358,690** | **$ 13,497,046** | **$ 14,004,837** | **$ 14,896,584** | **$ 16,187,377** |
| **Fund Balance Goal** | **$ 11,768,079** | **$ 12,146,203** | **$ 12,260,641** | **$ 12,377,334** | **$ 12,446,362** | **$ 12,517,805** |

| Stormwater | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| Beginning Balance | $ 6,636,724 | $ 6,656,677 | $ 6,716,645 | $ 6,804,648 | $ 6,920,785 | $ 7,065,139 |
| **Revenues** | | | | | | |
| Operating Revenue & Transfers In | **$ 3,506,000** | **$ 3,521,000** | **$ 3,609,025** | **$ 3,699,251** | **$ 3,791,732** | **$ 3,886,525** |
| **Expenditures & Other Use of Funds** | | | | | | |
| Operating Expenditures | $ 1,767,922 | $ 1,714,032 | $ 1,774,023 | $ 1,836,113 | $ 1,900,377 | $ 1,966,891 |
| Debt Service and Transfers Out | $ 1,718,125 | $ 1,747,000 | $ 1,747,000 | $ 1,747,000 | $ 1,747,000 | $ 1,747,000 |
| **Total Expenditures and Other Uses** | **$ 3,486,047** | **$ 3,461,032** | **$ 3,521,023** | **$ 3,583,113** | **$ 3,647,377** | **$ 3,713,891** |
| Total Revene Over/(Under) Expenses | $ 19,953 | $ 59,968 | $ 88,002 | $ 116,137 | $ 144,354 | $ 172,635 |
| *Use of Fund Balance for Deficit* | | | | | | |
| **Fund Balance at Year End** | **$ 6,656,677** | **$ 6,716,645** | **$ 6,804,648** | **$ 6,920,785** | **$ 7,065,139** | **$ 7,237,774** |
| **Fund Balance Goal** | **$ 2,160,106** | **$ 2,175,508** | **$ 2,190,506** | **$ 2,206,028** | **$ 2,222,094** | **$ 2,238,723** |

| Refuse | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| Beginning Balance | $ (283,222) | $ (269,656) | $ (269,656) | $ (260,801) | $ (242,781) | $ (215,275) |
| **Revenues** | | | | | | |
| Total Operating Revenue & Transfers In | **$ 2,382,500** | **$ 2,414,540** | **$ 2,499,049** | **$ 2,586,516** | **$ 2,677,044** | **$ 2,770,740** |
| **Expenditures & Other Use of Funds** | | | | | | |
| Total Operating Expenditures | $ 2,120,934 | $ 2,161,540 | $ 2,237,194 | $ 2,315,496 | $ 2,396,538 | $ 2,480,417 |
| Total Debt Service and Transfers Out | $ 248,000 | $ 253,000 | $ 253,000 | $ 253,000 | $ 253,000 | $ 253,000 |
| **Total Expenditures and Other Uses** | **$ 2,368,934** | **$ 2,414,540** | **$ 2,490,194** | **$ 2,568,496** | **$ 2,649,538** | **$ 2,733,417** |
| Total Revene Over/(Under) Expenses | $ 13,566 | $ - | $ 8,855 | $ 18,020 | $ 27,506 | $ 37,323 |
| *Use of Fund Balance for Deficit* | | | | | | |
| **Fund Balance at Year End** | **$ (269,656)** | **$ (269,656)** | **$ (260,801)** | **$ (242,781)** | **$ (215,275)** | **$ (177,952)** |

2025 - 5 YR Sales Tax Fund

| 'August, 15th 2025 | Budget 2025 | | Budget 2026 | Budget 2027 | Budget 2028 | Budget 2029 | Budget 2030 | Comments |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| **Sales Tax Fund Revenue:** | | | | | | | | |
| City Sales Tax | 6,375,000 | | 6,438,750 | 6,503,138 | 6,568,169 | 6,633,851 | 6,700,189 | Represents modest projection increase |
| City Vehicle Tax | 225,000 | | 190,000 | 195,000 | 200,000 | 205,000 | 210,000 | |
| Interest Income | 5,000 | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | |
| Miscellaneous | - | | | - | - | - | - | |
| Transfers | - | | | - | - | - | - | |
| **Total Sales Tax Fund Revenues** | 6,605,000 | | 6,633,750 | 6,703,138 | 6,773,169 | 6,843,851 | 6,915,189 | |
| Sales Tax Fund Expenditures: | | | | | | | | |
| Bond Consultant | - | | - | - | - | - | - | |
| Depreciation & Admin | 832,879 | | 1,012,496 | 930,000 | 930,000 | 930,000 | 930,000 | Flat |
| Bond Principal and Interest | - | | 1,797,975 | 1,798,953 | 1,795,278 | 1,794,353 | 1,790,665 | Expected Debt Schedule |
| Bond Paying Agent Fees | - | | | | | | | |
| Other Financing / Transfers | 5,138,645 | | 2,766,000 | 1,974,000 | 2,005,000 | 2,036,000 | 2,119,000 | Based on Sales Tax Cash Flow |
| **Total Sales Tax Fund Expenditures:** | 5,971,524 | | 5,576,471 | 4,702,953 | 4,730,278 | 4,760,353 | 4,839,665 | |
| Income or (Loss) | 633,476 | | 1,057,279 | 2,000,185 | 2,042,891 | 2,083,498 | 2,075,524 | |
| Fund Balance - January 1 | 6,512,195 | | 7,145,671 | 8,202,950 | 10,203,135 | 12,246,026 | 14,329,524 | |
| Income or Loss | 633,476 | | 1,057,279 | 2,000,185 | 2,042,891 | 2,083,498 | 2,075,524 | |
| Fund Balance - December 31 | 7,145,671 | | 8,202,950 | 10,203,135 | 12,246,026 | 14,329,524 | 16,405,048 | |

# Internal Service Funds (7000)

# Overview

Internal service funds are used to finance goods and services provided by one governmental department to other departments on a cost-reimbursement basis. These funds encompass five primary functions. Below are the major revenue and expenditure changes related to various internal service sub-funds:

**Internal services:** This fund accounts for the cost of providing administrative services to all functions of the city. Administrative Services Department which includes finance, budget, customer service (311) and information technology. Other departments supported by this fund include human resources, public information, legal, and the city manager's office. Internal Service charges are billed based on a flat usage rate for services provided monthly. Funding transfers for administrative services in fiscal year 2026 have increased 9.8% primarily due to COLA's, strategic planning, and management fees.

**Central insurance:** This fund accounts for the costs of the city's health insurance and self-insurance programs. Premiums are paid to the fund by benefiting funds. Health insurance claims are paid directly from this fund, which is supported by revenue reimbursements from employee health insurance premium contributions. In 2025, the annual premium was $31,200 per year. The 2026 budget anticipates a $1,404 increase (4.5%), bringing the cost to $32,604. Major fund expenses include Blue Cross Blue Shield administration, direct payment of claims and stop-loss reinsurance of catastrophic claims of more than $250,000.

**Central garage:** This fund accounts for costs to maintain the city's vehicle fleet. All city vehicles are assigned to this fund, and users are charged either a per mile rate or actual maintenance costs. Maintenance rates and fuel charges have stabilized after significant increases in the prior years due to inflationary increases in auto parts and fuel.

**Equipment replacement fund:** This fund provides the resources necessary to replace the city's major equipment as needed, including vehicles, patrol cars, heavy equipment, and buses. Users are charged a depreciation cost over the estimated lifespan of each vehicle to help fund future replacements. In 2026, Twenty-six pieces of equipment/vehicles are proposed for replacement, and one new vehicle is planned for acquisition to expand the fleet.

**Building facilities replacement:** This fund is a source for anticipated costs of replacing or performing major upkeep of existing building facilities. Designated fund-to-fund budgeted transfers have been established to provide adequate funding. Within this fund, there are four specific accounts: Intergovernmental Center (IGC) building capital replacement, parks capital replacement, facilities capital replacement, and public safety capital replacement. An exhaustive list of planned projects from these capital accounts, along with others, can be found in the Community Investment Plan.

**DEPARTMENTS OVERVIEW**

**Customer Service:** The Customer Service (311) Department consists of 7 full-Time staff and they act as frontline communication with residents and city staff via phone calls, email, text, and chats

messages. The agents research and problem solve questions and projects across the organization.

Customer Service (311) takes approximately 58,000 calls a year. The agents have an extensive knowledge of the city's operations and were able to put in a customer service request or resolve 78% of those calls without transferring to another department. The average time to answer a call is 26 seconds and the average call length about 2 ½ minutes. The average time in between each call is 5 minutes, in which they put in building permits, rental licenses and mail merges.

**Human Resources:** The Department of Human Resources has 6 full-time staff and works to provide quality:

- Organizational & Employee Development - Serves to unite and advance the business objectives of all other functions of an organization.
- Employee Relations - Relationship of employees with the organization and with each other.
- Staffing Management - Strategies, tactics, and processes for identifying, recruiting, and training employees.
- Labor Relations - Formal labor-management relations with employees and unions.
- Risk Management - Organization effort to prevent and/or mitigate loss, risks, threats and damages.
- Compensation Benefits Management - Total Rewards (Direct and indirect forms of compensation).
- MN Council of Governments (MVCOG) - Providing cost effective administrative, human resources, and planning technical assistance to the member jurisdictions.

HR processes over 1200 applications a year, hires approximately 120 new employees, and the average days to hire a new role is 66 days.

**Finance:** The Department of Finance consists of 7 full-time staff and is responsible for accounts payable and receivable, special assessments, and all accounting and financial reporting for the organization. This department processes approximately 9,250 checks/Electric Fund Transfers annually, sends around 3,900 invoices, collected 88% of assessments and 99.2% of tax levies in 2024.

In addition, the department handles the cash management and investments of funds, cash flow forecasting, risk management (insurance) for the entire organization, coordinates the issuance of debt structures to finance the various infrastructure improvements, tax increment financing reporting, accounting/reporting for the Mankato EDAs, Blue Earth County EDAs, All Seasons Arena, Minnesota Valley Council of Governments and the Civic Center, and assists with the City Budgeting process.

The finance department obtained Government Finance Officers Association's (GFOA's) Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report. This certificate is the highest form of recognition for excellence in state and local government in the area of governmental accounting and financial reporting.

**Public Information:** The Department of Public Information and Community Engagement operates with 3 full-time employees. The public information and community engagement department is responsible for coordinating consistent, timely, relevant, and accurate messages from the City of Mankato to its target audiences and for engaging with the community on a variety of topics that impact the community and the people the city serves.

The City works to build trust in local government by being accountable and transparent to stakeholders on how money is spent by informing them about what's happening and engaging them on city topics and issues. In 2024 the team sent out more than 160 news releases (many earning media coverage), produced an online Newsletter with an open rate of 77% , had more than 33,205 social media subscribers, more than 11,000 news and text subscribers. Community engagement activities had a direct result on what has been and will be built in parks, including Alexander, Thomas, Buscher, Erlandson, and Highland.

Information Technology Department:

The Information Technology Department, comprising a dedicated team of 11 full-time employees, is committed to delivering innovative and efficient support services through an open, responsive, and neighborly approach that benefits our citizens and the region. Our mission is to provide effective technology solutions that ensure efficient and reliable access to information and services for constituents, city employees, and the regional communities we serve. The IT staff manages a diverse range of technology solutions, including equipment, network connectivity, software application development, and information management. We also offer specialized training and robust cybersecurity measures to safeguard our community's digital environment.

**Software Applications**

City developers are responsible for providing software application solutions and supporting existing applications. They develop and maintain web applications for both public and internal use, ensuring seamless integration and functionality across departments. By continuously updating and optimizing applications, they enhance the city's operational efficiency and service delivery.

**Network and Equipment**

Our technicians manage the city's network infrastructure, which includes configuring and supporting technology equipment across the local area network. This network supports personal computers, application servers, an enterprise access control, and security camera system throughout the city. The wide area network connects 13 City Core Facilities, 16 City Parks, 5 City Parking Ramps, and 3 communication towers, ensuring high-speed wireless connectivity across all city facilities.

**Geographic Information Systems (GIS)**

The GIS division integrates computer hardware, software, and both tabular and spatial data to enable efficient management and analysis of information. GIS supports data management by storing, retrieving, and distributing large amounts of information, and facilitates interdepartmental access and analysis for city departments and other government agencies.

**IT Training**

Our IT Training division is dedicated to empowering staff with the knowledge and skills needed to effectively utilize technology. We assess training needs, identify resources, and develop customized training plans to enhance employees' technical skills. By fostering continuous learning, we aim to improve performance and operational efficiency, ultimately benefiting the community we serve. Our focus on sustainable, consistent, effective, and measurable outcomes contributes positively to the City of Mankato goals, supporting overall organizational success and excellence in service delivery.

**Cybersecurity**

The Cybersecurity division is focused on protecting the city's digital infrastructure from threats and mitigating vulnerabilities. This involves continuous monitoring of network activity to detect and respond to threats, as well as establishing and enforcing comprehensive cybersecurity policies and procedures. The division also educates staff on best practices for online safety and security, raising awareness and preparedness against potential cyber threats.

The Information Technology Department is dedicated to fostering a secure, efficient, and innovative digital environment that supports city services and enhances the regional community we serve. IT invites feedback and collaboration from our staff and citizens to continuously improve its services and ensure we meet the evolving needs of our community.

**Central Garage:** The Department of Public Works - Garage Services employs 8 full-time staff. The department provides safe and usable equipment (375 units i.e. buses, trucks, cars, gators, backhoe's, etc.) for the City of Mankato through maintenance, purchase support and disposal of said equipment. The City-owned Garage completes more than 550 preventative maintenance tasks and over 2,000 equipment repairs a year (Handling approximately 90% of repairs in house). The garage also operates a fueling station that dispenses gas and diesel fuel to all City-owned vehicles at an estimated 250K gallons a year.

## 2026 Revenue vs. Expense by Service Area




## Fund Combined by Service Area

| | 2024 Actuals | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|
| **INTERNAL SERVICE FUNDS** | | | | |
| **REVENUES** | | | | |
| INTERNAL SERVICES | 14,664,445 | 15,732,582 | 16,972,483 | 7.9% |
| CENTRAL INSURANCE | 9,763,712 | 8,875,000 | 8,875,000 | 0.0% |
| RISK MANAGEMENT | 515,199 | 335,000 | 332,900 | (0.6)% |
| CAPITAL REPLACEMENT ACCOUNTS | 5,519,642 | 4,101,500 | 2,979,500 | (27.4)% |
| EQUIPMENT REPLACEMENT | 3,496,901 | 4,654,964 | 4,366,902 | (6.2)% |
| SECTION 125 PLAN/ MEDICAL & DEP | 149,874 | 275,000 | 275,000 | 0.0% |
| **REVENUES TOTAL** | **34,109,774** | **33,974,046** | **33,801,785** | **(0.5)%** |
| **EXPENDITURES** | | | | |
| INTERNAL SERVICES | (14,423,332) | (15,732,483) | (16,971,683) | 7.9% |
| CENTRAL INSURANCE | (8,296,375) | (8,675,853) | (8,726,442) | 0.6% |
| RISK MANAGEMENT | (83,874) | (330,604) | (332,900) | 0.7% |
| CAPITAL REPLACEMENT ACCOUNTS | (1,946,140) | (3,895,500) | (2,037,500) | (47.7)% |
| EQUIPMENT REPLACEMENT | (3,691,646) | (4,497,270) | (4,366,901) | (2.9)% |
| SECTION 125 PLAN/ MEDICAL & DEP | (145,384) | (275,000) | (275,000) | 0.0% |
| **EXPENDITURES TOTAL** | **(28,586,750)** | **(33,406,711)** | **(32,710,426)** | **(2.1)%** |
| **INTERNAL SERVICE FUNDS TOTAL** | **5,523,023** | **567,336** | **1,091,358** | **92.4%** |
| | | | | |
| **NET INCOME (LOSS)** | **5,523,023** | **567,336** | **1,091,358** | **92.4%** |

# Fund Combined by Account

| | 2024 Actuals | 2025 Actual thru June | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| BILLINGS TO DEPARTME | 15,166,020 | 7,854,303 | 14,569,429 | 15,083,171 | 3.5% |
| CHARGES FOR SERVICES | 9,193,324 | 4,706,203 | 9,914,000 | 10,811,324 | 9.1% |
| FEDERAL GRANTS | 1,661,049 | 0 | 200,000 | 0 | (100.0)% |
| FINES & FORFEITURES | 227,089 | 156,272 | 200,000 | 205,000 | 2.5% |
| GAIN (LOSS) ON SALE | 61,027 | 67,402 | 40,000 | 40,000 | 0.0% |
| INTERFUND TRANSFER | 5,209,000 | 4,125,000 | 7,646,050 | 6,259,620 | (18.1)% |
| INVESTMENT INCOME | 1,167,211 | 21,586 | 352,000 | 349,900 | (0.6)% |
| LICENSES & PERMITS | 0 | 0 | 0 | 0 | 0.0% |
| LOCAL GRANTS | 0 | 0 | 0 | 0 | 0.0% |
| MISCELLANEOUS | 633,627 | 762,324 | 634,500 | 634,500 | 0.0% |
| RENTAL INCOME | 448,622 | 264,274 | 402,067 | 402,270 | 0.1% |
| SALES | 390 | 120 | 1,000 | 1,000 | 0.0% |
| STATE GRANTS | 342,414 | 218,349 | 15,000 | 15,000 | 0.0% |
| **REVENUES TOTAL** | **34,109,774** | **18,175,832** | **33,974,046** | **33,801,785** | **(0.5)%** |
| **EXPENDITURES** | | | | | |
| CAPITAL OUTLAY | 0 | 1,775,582 | 7,101,500 | 5,045,700 | (28.9)% |
| INSURANCE | 7,877,136 | 3,806,583 | 8,532,216 | 8,539,673 | 0.1% |
| OTHER CHARGES | 7,073,701 | 1,819,022 | 4,051,309 | 4,458,049 | 10.0% |
| OTHER SERVICES | 2,379,417 | 778,437 | 2,049,339 | 2,142,854 | 4.6% |
| SALARIES & BENEFITS | 6,155,123 | 3,232,817 | 7,180,172 | 7,736,527 | 7.7% |
| SUPPLIES | 2,127,483 | 1,000,560 | 2,331,700 | 2,337,450 | 0.2% |
| TRANSFERS OUT | 2,636,628 | 1,772,058 | 1,772,809 | 2,006,082 | 13.2% |
| UTILITIES | 192,379 | 110,797 | 274,150 | 281,500 | 2.7% |
| VEHICLE OPERATIONS | 144,884 | 67,612 | 113,516 | 162,592 | 43.2% |
| **EXPENDITURES TOTAL** | **28,586,750** | **14,363,467** | **33,406,711** | **32,710,426** | **(2.1)%** |
| **NET INCOME (LOSS)** | **5,523,023** | **3,812,365** | **567,336** | **1,091,358** | **0.0%** |

# Performance Metrics

While the City of Mankato has utilized performance metrics internally for many years, starting in 2021 the need for external facing "gauges" to help define success were put forth and ultimately started being collected in 2022. Although we do believe the below metrics help tell the story of our operational success and struggles, as we solidify our next strategic plan in mid 2024 and as other operational needs are put forth, we do see updates to these performance measures being tracked to help tell the story of where we plan to go moving forward.

| Service Area | Performance Indicator | 2022 | 2023 | 2024 | 2025 Estimated | 2026 Estimated |
|---|---|---|---|---|---|---|
| HR | Recruitment process time | 54.2 | 67.3 | 73.7 | 73 | 73 |
| HR | Number of internal promotions | 13 | 17 | 8 | 6 | 6 |
| HR | Workplace injuries | 55 | 72 | 54 | 50 | 50 |
| HR | Number of Hires | 146 | 125 | 126 | 100 | 100 |
| 311 | Idle time between calls | 5min 54 sec | 6min 44sec | 7 min 01 sec | 6 min | 6 min |
| 311 | Average weekly call amount | 1128 | 1155 | 1021 | 1100 | 1100 |
| 311 | Transfer rate | 22% | 22% | 21% | 22% | 22% |
| Finance | Average processing days for Account Payable Invoices | 12 | 12 | 12 | 12 | 12 |
| Finance | Bond Rating | AA | AA | AA | AA | AA |
| Finance | Total dollar amount of debt | $92,554,425 | $83,149,181 | $80,775,354 | $120,000,000 | $125,000,000 |
| IT | Average time to resolve help desk tickets (days) | 3 | 3 | 2 | 3 | 3 |
| IT | Average # of Apps managed | 76 | 76 | 89.25 | 88 | 88 |
| IT | Cybersecurity Incidents | N/A | N/A | 3 | 0 | 0 |
| IT | Training Campaigns | N/A | N/A | 8 | 8 | 6 |
| Public Information | Average Open Rate for Monthly City News Online newsletter | 42.3% | 49.0% | 47.5% | 50.0% | 50.0% |
| Public Information | News releases sent | 188.00 | 163 | 94 | 150 | 150 |
| Public Information | Website unique page views | 690,430 | 192,217 | - | | |
| Public Information | Social media posts (Facebook, Twitter, Instagram, LinkedIn, YouTube) | 1,020 | 1,376 | 626 | 1,000 | 1,000 |
| Public Information | Social media followers | 19,915 | 30,127 | 33,205 | | |
| Public Information | Email news and text message subscribers. | 10,857 | 11,300 | 11,480 | 11,700 | 12,000 |
| Public Information | Project engagements held | 30 | 17 | 33 | 30 | 30 |

| Service Area | Performance Indicator | 2022 | 2023 | 2024 | 2025 Estimated | 2026 Estimated |
|---|---|---|---|---|---|---|
| Public Information | Podcast plays | 697 | 582 | 41 | 150 | 150 |
| Public Information | CityLink article views | 3,313 | 3,318 | 368 | 2,300 | 2,300 |
| Garage | Emergency Repairs % | 2.57% | 2.5% | 2.2% | 3.0% | 3.0% |
| Garage | Unscheduled Maintenance | 13.33% | 12.2% | 9.1% | 10.9% | 10.9% |
| Garage | Operational Readiness | 93.85% | 93.8% | 96.7% | 95.0% | 95.0% |

2025 - 5 YR Admin Fund

| 'August, 5th 2025 | Budget 2025 | | Budget 2026 | Budget 2027 | Budget 2028 | Budget 2029 | Budget 2030 | Comments |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| **Administrative Fund Revenue:** | | | | | | | | |
| Charges for Service | 9,914,000 | | 10,811,324 | 11,135,664 | 11,469,734 | 11,813,826 | 12,168,240 | Reflects 3% annual increase |
| Miscellaneous | 351,047 | | 350,522 | 361,038 | 371,869 | 383,025 | 394,516 | Reflects 3% annual increase |
| Court Fines | 200,000 | | 205,000 | 215,000 | 215,001 | 215,001 | 215,002 | |
| Rents & Leases | 137,771 | | 137,771 | 137,771 | 137,771 | 137,771 | 137,771 | |
| **Total Administrative Fund Revenue** | 10,602,818 | | 11,504,617 | 11,849,473 | 12,194,375 | 12,549,623 | 12,915,529 | |
| **Administrative Fund Expenditures:** | | | | | | | | |
| Personal Services | 5,474,647 | | 5,847,360 | 6,052,018 | 6,263,838 | 6,483,073 | 6,709,980 | Reflects 3.5% annual increase in Labor costs |
| Commodities | 305,150 | | 302,250 | 311,318 | 320,657 | 330,277 | 340,185 | Reflects 3% annual increase |
| Other Services | 1,766,129 | | 1,808,322 | 1,844,488 | 1,881,378 | 1,919,006 | 1,957,386 | Reflects 2% annual increase |
| Insurance | 172,825 | | 181,460 | 186,904 | 192,511 | 198,286 | 204,235 | Reflects 3% annual increase |
| Utilities | 143,350 | | 146,700 | 151,101 | 155,634 | 160,303 | 165,112 | Reflects 3% annual increase |
| Other Charges | 1,951,792 | | 2,209,573 | 2,275,860 | 2,344,136 | 2,414,460 | 2,486,894 | Reflects 3% annual increase |
| Capital Outlay | 800 | | - | 800 | 800 | 800 | 800 | Projection remains flat |
| Vehicle Operations | 5,028 | | 12,596 | 12,974 | 13,363 | 13,764 | 14,177 | Reflects 3% annual increase |
| Transfers | 783,097 | | 996,356 | 996,356 | 996,356 | 996,356 | 996,356 | Projection remains flat |
| **Total Administrative Fund Expenditures:** | 10,602,818 | | 11,504,617 | 11,831,818 | 12,168,674 | 12,516,324 | 12,875,125 | |
| Income or (Loss) | 0 | | 0 | 17,654 | 25,701 | 33,298 | 40,405 | |
| Fund Balance - January 1 | 3,744,305 | | 3,744,306 | 3,744,306 | 3,761,960 | 3,787,661 | 3,820,960 | |
| Surplus or Deficit | 0 | | 0 | 17,654 | 25,701 | 33,298 | 40,405 | |
| Fund Balance - December 31 | 3,744,306 | | 3,744,306 | 3,761,960 | 3,787,661 | 3,820,960 | 3,861,364 | |
| Fund Balance as a % of Expenditures | 35.31% | | 32.55% | 31.80% | 31.13% | 30.53% | 29.99% | |

**Table II**
**5 Year General Fund**
**Revenue and Expenditure Projection**

| 'August, 18th 2025 | Budget 2025 | | Budget 2026 | Budget 2027 | Budget 2028 | Budget 2029 | Budget 2030 | Comments |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| **Garage Fund Revenue:** | | | | | | | | |
| Miscellaneous | 253,753 | | 254,014 | 254,014 | 254,014 | 254,014 | 254,014 | |
| Transfers - Gas & Oil | 1,165,315 | | 1,128,112 | 1,173,236 | 1,220,166 | 1,268,972 | 1,319,731 | Reflects 4% Increase in Charges |
| Transfers - Parts & Labor | 2,754,200 | | 2,966,241 | 3,084,891 | 3,208,287 | 3,336,618 | 3,470,083 | Reflects 4% Increase in Charges |
| **Total Garage Fund Revenue** | 4,173,268 | | 4,348,367 | 4,512,141 | 4,682,466 | 4,859,604 | 5,043,828 | |
| **Garage Fund Expenditures:** | | | | | | | | |
| Personal Services | 1,046,757 | | 1,120,965 | 1,160,199 | 1,200,806 | 1,242,834 | 1,286,333 | 3.5% Increase estimated in 2027 to 2030 |
| Gas | 482,000 | | 487,000 | 501,610 | 516,658 | 532,158 | 548,123 | 3% Increase estimated in 2027 to 2030 |
| Diesel | 560,000 | | 568,000 | 585,040 | 602,591 | 620,669 | 639,289 | 3% Increase estimated in 2027 to 2030 |
| Auto Parts | 883,000 | | 889,000 | 915,670 | 943,140 | 971,434 | 1,000,577 | 3% Increase estimated in 2027 to 2030 |
| Motor Oil | 31,000 | | 30,000 | 30,900 | 31,827 | 32,782 | 33,765 | 3% Increase estimated in 2027 to 2030 |
| Other Commodities/Supplies | 701,054 | | 772,675 | 772,675 | 772,675 | 772,675 | 772,675 | Flat |
| Other Financing / Transfers | 469,457 | | 480,727 | 480,727 | 480,727 | 480,727 | 480,727 | Flat |
| **Total Garage Fund Expenditures** | 4,173,268 | | 4,348,367 | 4,446,821 | 4,548,424 | 4,653,279 | 4,761,490 | |
| Income or (Loss) | 0 | | 0 | 65,320 | 134,042 | 206,325 | 282,338 | |
| Fund Balance - January 1 | 315,445 | | 315,445 | 315,445 | 380,765 | 514,807 | 721,133 | |
| Surplus or Deficit | 0 | | 0 | 65,320 | 134,042 | 206,325 | 282,338 | |
| Fund Balance - December 31 | 315,445 | | 315,445 | 380,765 | 514,807 | 721,133 | 1,003,471 | |
| Fund Balance as a % of Expenditures | 7.56% | | 7.25% | 8.56% | 11.32% | 15.50% | 21.07% | |

# 5-Year Equipment Projection

| EQUIPMENT TO REPLACE IN 2026 | | | | | |
|---|---|---|---|---|---|
| ID | Year | Description | Org. Description | Equipment Home Org | Estimated cost to Replace |
| 4 | 2012 | CAR - MIDSIZE | PUBLIC SAFETY OPERATIONS | 1420010 | $ 71,000.00 |
| 13 | 2021 | PICKUP 1/2 TON 4X4 | POLICE PATROL | 1421011 | $ 80,000.00 |
| 91 | 1991 | PLOW TRUCK | AIRPORT OPERATIONS | 6498110 | $ 22,500.00 |
| 93 | 1993 | SNOW BLOWER - LARGE | AIRPORT OPERATIONS | 6498110 | $ 37,500.00 |
| 832 | 2019 | BUS 12 PASSENGER/4WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 143,400.00 |
| 864 | 2012 | BUS 35 PASSENGER | TRANSIT FIXED ROUTES | 6498013 | $ 145,400.00 |
| 865 | 2013 | BUS 35 PASSENGER | TRANSIT FIXED ROUTES | 6498013 | $ 145,400.00 |
| 918 | 2016 | FULL SIZE UTILITY | FIRE SUPPRESSION | 1422010 | $ 73,000.00 |
| 3693 | 1996 | TRAILER | PARKS & GROUND MAINTENANCE | 1452011 | $ 40,000.00 |
| 4410 | 2011 | 3/4 TON 4X4 | WATER MAINT, TREATMENT | 6494010 | $ 80,000.00 |
| 4512 | 2012 | PICKUP 1/2 TON 4X4 | PARKS & GROUND MAINTENANCE | 1452011 | $ 79,000.00 |
| 4515 | 2016 | PICKUP 3/4 TON 4X4 | PARKS & GROUND MAINTENANCE | 1452011 | $ 80,000.00 |
| 4521 | 2012 | 1 TON 4X4 TRUCK | PARKS & GROUND MAINTENANCE | 1452011 | $ 100,000.00 |
| 4816 | 2016 | PICKUP 1/2 TON 4X4 | MANKATO EDA - PUBLIC HOUSING | M803010 | $ 70,000.00 |
| 4909 | 2009 | 1 TON 4X4 TRUCK | CENTRAL GARAGE FLEET SUPPLY | 7501011 | $ 110,000.00 |
| 5160 | 2012 | BOOM TRUCK | STREET TRAFFIC CONTROL | 1431016 | $ 310,000.00 |
| 5309 | 2009 | SUPERDUTY TRUCK | WW LIFT STATIONS | 6494524 | $ 110,000.00 |
| 5312 | 2012 | 1 TON 4X4 TRUCK | WATER DISTRIBUTION | 6494014 | $ 110,000.00 |
| 5322 | 2013 | TANDEM DUMP DIESEL | WATER DISTRIBUTION | 6494014 | $ 320,000.00 |
| 5323 | 2013 | TANDEM DUMP DIESEL | WATER DISTRIBUTION | 6494014 | $ 320,000.00 |
| 5511 | 2012 | BOOM TRUCK | PARKS FORESTRY & LANDSCAPE | 1452012 | $ 310,000.00 |
| 7509 | 2009 | ELECTRIC UTILITY VEHICLE | PARKS & GROUND MAINTENANCE | 1452011 | $ 28,000.00 |
| 7516 | 2013 | UTILITY VEHICLE | PARKS FORESTRY & LANDSCAPE | 1452012 | $ 28,000.00 |
| 7563 | 2008 | SIDEWINDER | PARKS RECREATION ACTIVITIES | 1451011 | $ 90,000.00 |
| 7591 | 2008 | HAULER TRUCK | PARKS RECREATION ACTIVITIES | 1451011 | $ 40,000.00 |
| 7904 | 2004 | FORK LIFT LPGAS | CENTRAL GARAGE OPERATIONS | 7501010 | $ 45,000.00 |
| **Total for Replacement Equipment** | | | | | **$ 2,988,200.00** |
| **NEW** | | | | | |
| - | | RIDING POWER SCRUBBER | FACILITIES | | $ 20,000.00 |
| **Total for New Equipment** | | | | | **$ 20,000.00** |
| **GRAND TOTAL** | | | | | **$ 3,008,200.00** |

| EQUIPMENT TO REPLACE IN 2027 | | | | | |
|---|---|---|---|---|---|
| ID | Year | Description | Org. Description | Equipment Home Org | Estimated cost to Replace |
| 1 | 2017 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 8 | 2021 | POLICE UTILITY 4 X 5 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 35 | 2022 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 89 | 2006 | LOADER - SMALL | AIRPORT OPERATIONS | 6498110 | $ 105,000.00 |
| 95 | 2009 | BI-DIRECTIONAL TRACTOR | AIRPORT OPERATIONS | 6498110 | $ 45,000.00 |
| 722 | 2012 | PICKUP 1/2 TON 4X4 | ENGINEERING | 1433010 | $ 75,000.00 |
| 851 | 2014 | BUS 38 PASSENGER/2WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 149,800.00 |
| 852 | 2014 | BUS 38 PASSENGER/2WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 149,800.00 |
| 853 | 2014 | BUS 38 PASSENGER/2WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 149,800.00 |
| 2915 | 2016 | MINIVAN | CENTRAL GARAGE OPERATIONS | 7501010 | $ 60,000.00 |
| 3394 | 2002 | TRAILER (NEED DOT) | WW COLLECTION OPERATIONS | 6494525 | $ 40,000.00 |
| 3694 | 2007 | TRAILER | PARKS RECREATION ACTIVI | 1451011 | $ 40,000.00 |
| 4117 | 2017 | PICKUP 3/4 TON 4 X 4 | STREET MAINTENANCE | 1431011 | $ 80,000.00 |
| 4119 | 2019 | PICKUP 1/2 TON 4X4 | STREET MAINTENANCE | 1431011 | $ 75,000.00 |
| 5190 | 2015 | TANDEM DUMP DIESEL | STREET SNOW REMOVAL | 1431013 | $ 375,000.00 |
| 5191 | 2015 | TANDEM DUMP DIESEL | STREET SNOW REMOVAL | 1431013 | $ 375,000.00 |
| 5460 | 2012 | BOOM TRUCK | STORM WATER OPS | 6496010 | $ 310,000.00 |
| 5534 | 2015 | SUPERDUTY TRUCK | PARKS FORESTRY & LANDSC | 1452012 | $ 110,000.00 |
| 6122 | 2007 | LOADER - SMALL | STREET MAINTENANCE | 1431011 | $ 110,000.00 |
| 6312 | 2012 | LOADER - LARGE | WATER DISTRIBUTION | 6494014 | $ 315,000.00 |
| 7564 | 2013 | MOWER 4X4 10 1/2 FT. DIESEL | PARKS & GROUND MAINTENA | 1452011 | $ 110,000.00 |
| 6518 | 2008 | AG. TRACTOR - SMALL | PARKS & GROUND MAINTENA | 1452011 | $ 120,000.00 |
| 7513 | 2012 | ELECTRIC UTILITY VEHICLE | PARKS & GROUND MAINTENA | 1452011 | $ 30,000.00 |
| 7412 | 2012 | CLUB CAR CARRYALL 2 ELECTRIC GATOR | WW TREATMENT / MAINTENA | 6494512 | $ 35,000.00 |
| **Total for Replacement Equipment** | | | | | **$ 3,081,400.00** |
| | | | | | |
| **Total for New Equipment** | | | | | **$ -** |
| **GRAND TOTAL** | | | | | **$ 3,081,400.00** |

| EQUIPMENT TO REPLACE IN 2028 | | | | | |
|---|---|---|---|---|---|
| ID | Year | Description | Org. Description | Equipment Home Org | Estimated cost to Replace |
| 50 | 2022 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 51 | 2022 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 52 | 2022 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 53 | 2022 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 54 | 2022 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 55 | 2022 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 56 | 2022 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 57 | 2022 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 74,000.00 |
| 806 | 2023 | BUS 12 PASSENGER/2 WHEELCHAIR | TRANSIT MOBILITY BUS | 6498014 | $ 70,160.00 |
| 807 | 2023 | BUS 12 PASSENGER/2 WHEELCHAIR | TRANSIT MOBILITY BUS | 6498014 | $ 70,160.00 |
| 808 | 2023 | BUS 12 PASSENGER/2 WHEELCHAIR | TRANSIT MOBILITY BUS | 6498014 | $ 70,160.00 |
| 809 | 2023 | BUS 12 PASSENGER/2 WHEELCHAIR | TRANSIT MOBILITY BUS | 6498014 | $ 70,160.00 |
| 834 | 2023 | BUS 14 PASSENGER/2 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 70,160.00 |
| 835 | 2023 | BUS 10 PASSENGER/3 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 70,160.00 |
| 836 | 2023 | BUS 10 PASSENGER/3 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 152,200.00 |
| 3690 | 1998 | TRAILER | PARKS & GROUND MAINTENANCE | 1452011 | $ 40,000.00 |
| 4317 | 2017 | PICKUP 3/4 TON 4X4 | WW COLLECTION OPERATIONS | 6494525 | $ 90,000.00 |
| 4826 | 2016 | PICKUP 1/2 TON 4X4 | BLDG INSPECTION | 1424010 | $ 77,000.00 |
| 5156 | 2016 | SUPERDUTY TRUCK | STREET MAINTENANCE | 1431011 | $ 120,000.00 |
| 5192 | 2015 | TANDEM DUMP DIESEL | STREET SNOW REMOVAL | 1431013 | $ 375,000.00 |
| 5193 | 2015 | TANDEM DUMP DIESEL | STREET SNOW REMOVAL | 1431013 | $ 375,000.00 |
| 5411 | 2012 | 7500 SFA 6X4 | | | $ 700,000.00 |
| 5856 | 2016 | SUPERDUTY TRUCK | TRANSIT FACILITIES | 6498011 | $ 120,000.00 |
| 7513 | 2012 | ELECTRIC UTILITY VEHICLE | PARKS & GROUND MAINTENANCE | 1452011 | $ 30,000.00 |
| 7556 | 2016 | MOWER 4X4 10 1/2 FT. DIESEL | PARKS & GROUND MAINTENANCE | 1452011 | $ 110,000.00 |
| **Total for Equipment Replacement** | | | | | **$ 3,202,160.00** |
| | | | | | |
| **Total for New Equipment** | | | | | $ - |
| **GRAND TOTAL** | | | | | $ 3,202,160.00 |

| EQUIPMENT TO REPLACE IN 2029 | | | | | |
|---|---|---|---|---|---|
| ID | Year | Description | Org. Description | Equipment Home Org | Estimated cost to Replace |
| 5 | 2014 | PICKUP 1/2 TON 4X4 | PUBLIC SAFETY OPERATION | 1420010 | $ 80,000.00 |
| 7 | 2023 | POLICE UTILITY 4X4 | POLICE PATROL | 1421011 | $ 77,000.00 |
| 11 | 2024 | PICKUP 1/2 TON 4X4 | POLICE PATROL | 1421011 | $ 79,000.00 |
| 40 | 2023 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 77,000.00 |
| 41 | 2023 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 77,000.00 |
| 42 | 2023 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 77,000.00 |
| 43 | 2023 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 77,000.00 |
| 44 | 2023 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 77,000.00 |
| 82 | 2013 | HAULER TRUCK | AIRPORT OPERATIONS | 6498110 | $ 65,000.00 |
| 95 | 2009 | BI-DIRECTIONAL TRACTOR | AIRPORT OPERATIONS | 6498110 | $ 37,500.00 |
| 837 | 2024 | BUS 14 PASSENGER/2 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 156,400.00 |
| 838 | 2024 | BUS 14 PASSENGER/2 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 72,260.00 |
| 839 | 2024 | BUS 14 PASSENGER/2 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 72,260.00 |
| 840 | 2024 | BUS 12 PASSENGER/4 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 72,260.00 |
| 854 | 2017 | BUS 44 PASSENGER/2 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 158,800.00 |
| 924 | 2017 | FULL SIZE UTILITY | FIRE SUPPRESSION | 1422010 | $ 74,000.00 |
| 2918 | 2018 | SMALL SUV | CENTRAL GARAGE OPERATIONS | 7501010 | $ 70,000.00 |
| 3509 | 2009 | HYDRO SEEDER | PARKS & GROUND MAINTENANCE | 1452011 | $ 80,000.00 |
| 3688 | 2008 | TRAILER | PARKS & GROUND MAINTENANCE | 1452011 | $ 40,000.00 |
| 4418 | 2018 | PICKUP 1/2 TON 4X4 | WW TREATMENT / MAINTENA | 6494512 | $ 75,000.00 |
| 4518 | 2018 | PICKUP 3/4 TON 4X4 | PARKS RECREATION ACTIVITIES | 1451011 | $ 90,000.00 |
| 4719 | 2018 | PICKUP 1/2 TON 4X4 | ENGINEERING | 1433010 | $ 75,000.00 |
| 4818 | 2018 | PICKUP 1/2 TON 4X4 | MANKATO EDA - PUBLIC HOUSING | M803010 | $ 77,000.00 |
| 5157 | 2017 | SUPERDUTY TRUCK | STREET MAINTENANCE | 1431011 | $ 100,000.00 |
| 5422 | 2007 | TRUCK - TANDEM DIESEL | WW TREATMENT / MAINTENANCE | 6494512 | $ 300,000.00 |
| 5460 | 2015 | BOOM TRUCK | STORM WATER OPERATIONS | 6496010 | $ 310,000.00 |
| 5512 | 2013 | 2 1/2 TON DIESEL | PARKS & GROUND MAINTENA | 1452011 | $ 300,000.00 |
| 6028 | 2017 | SWEEPER 3 WHEEL | STREET MAINTENANCE | 1431011 | $ 300,000.00 |
| 6518 | 2008 | AG. TRACTOR - SMALL | PARKS & GROUND MAINTENANCE | 1452011 | $ 125,000.00 |
| 7516 | 2013 | UTILITY VEHICLE | PARKS FORESTRY & LANDSCAPE | 1452012 | $ 30,000.00 |
| **Total for Replacement Equipment** | | | | | **$ 3,301,480.00** |
| | | | | | |
| **Total for New Equipment** | | | | | **$ -** |
| **GRAND TOTAL** | | | | | **$ 3,301,480.00** |

| EQUIPMENT TO REPLACE IN 2030 | | | | | |
|---|---|---|---|---|---|
| ID | Year | Description | Org. Description | Equipment Home Org | Estimated cost to Replace |
| 14 | 2020 | POLICE EXPLORER/HYBRID | POLICE INVESTIGATION | 1421010 | $ 80,000.00 |
| 21 | 2024 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 79,000.00 |
| 22 | 2024 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 79,000.00 |
| 23 | 2024 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 79,000.00 |
| 24 | 2024 | POLICE UTILITY 4 X 4 | POLICE PATROL | 1421011 | $ 79,000.00 |
| 841 | 2025 | BUS 12 PASSENGER/4 WHEELCHAIR | TRANSIT MOBILITY BUS | 6498014 | $ 82,000.00 |
| 842 | 2025 | BUS 12 PASSENGER/4 WHEELCHAIR | TRANSIT MOBILITY BUS | 6498014 | $ 82,000.00 |
| 843 | 2025 | BUS 12 PASSENGER/4 WHEELCHAIR | TRANSIT MOBILITY BUS | 6498014 | $ 82,000.00 |
| 844 | 2025 | BUS 12 PASSENGER/4 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 82,000.00 |
| 845 | 2025 | BUS 12 PASSENGER/4 WHEEL CHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 82,000.00 |
| 846 | 2025 | BUS 12 PASSENGER/4 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 82,000.00 |
| 847 | 2025 | BUS 12 PASSENGER/4 WHEELCHAIR | TRANSIT FIXED ROUTES | 6498013 | $ 82,000.00 |
| 1313 | 2013 | TV SEAL AUX GEN | WW COLLECTION OPERATIONS | 6494525 | $ 60,000.00 |
| 2919 | 2019 | CAR - MIDSIZE | CENTRAL GARAGE OPERATIONS | 7501010 | $ 60,000.00 |
| 3109 | 2010 | TRAILER | STREET MAINTENANCE | 1431011 | $ 40,000.00 |
| 3196 | 1985 | TRAILER | STORM WATER OPERATIONS | 6496010 | $ 40,000.00 |
| 4311 | 2021 | PICKUP 1/2 TON 4X4 | WW COLLECTION OPERATIONS | 6494525 | $ 70,000.00 |
| 4428 | 2018 | 1 TON 4 X 4 TRUCK | WATER METER SERVICE | 6494017 | $ 120,000.00 |
| 4528 | 2018 | 1 TON 4X4 TRUCK | PARKS & GROUND MAINTENANCE | 1452011 | $ 90,000.00 |
| 4819 | 2019 | PICKUP 1/2 TON 4X4 | BLDG INSPECTION | 1424010 | $ 75,000.00 |
| 4820 | 2020 | PICKUP 1/2 TON 4X4 | BLDG INSPECTION | 1424010 | $ 75,000.00 |
| 5182 | 2018 | 2 1/2 TON DIESEL | STREET SNOW REMOVAL | 1431013 | $ 400,000.00 |
| 5183 | 2018 | 2 1/2 TON DIESEL | STREET SNOW REMOVAL | 1431013 | $ 400,000.00 |
| 5313 | 2013 | VAN - 1 TON & OVER | WW COLLECTION OPERATIONS | 6494525 | $ 250,000.00 |
| 5317 | 2017 | SUPERDUTY TRUCK | STORM WATER OPERATIONS | 6496010 | $ 115,000.00 |
| 5318 | 2018 | 1 TON 4X4 TRUCK | WATER DISTRIBUTION | 6494014 | $ 120,000.00 |
| 6527 | 2017 | LOADER - SMALL (TRACK SKID) | PARKS & GROUND MAINTENA | 1452011 | $ 120,000.00 |
| 7517 | 2018 | ELECTRIC UTILITY VEHICLE | PARKS & GROUND MAINTENANCE | 1452011 | $ 25,000.00 |
| 7518 | 2018 | ELECTRIC UTILITY VEHICLE | PARKS RECREATION ACTIVITIES | 1451011 | $ 25,000.00 |
| 7550 | 2010 | 2WD 72" ROTARY MOWER | PARKS RECREATION ACTIVITIES | 1451011 | $ 60,000.00 |
| 7551 | 2010 | 2WD 72" ROTARY MOWER | PARKS & GROUND MAINTENANCE | 1452011 | $ 60,000.00 |
| 7554 | 2018 | MOWER 4X4 10 1/2 FT. DIESEL | PARKS & GROUND MAINTENANCE | 1452011 | $ 112,000.00 |
| 7555 | 2018 | MOWER 4X4 10 1/2 FT. DIESEL | PARKS & GROUND MAINTENANCE | 1452011 | $ 112,000.00 |
| **Total for Replacement Equipment** | | | | | **$ 3,399,000.00** |
| | | | | | |
| **Total for New Equipment** | | | | | **$ -** |
| **GRAND TOTAL** | | | | | **$ 3,399,000.00** |

# Debt Services

# Preliminary Debt Services Overview

The Debt Service Fund accounts for the resources accumulated and payments made on principal and interest for long term general obligation debt of governmental funds. This section also includes an overview of the city's capital projects of which include Surface Transportation projects, Capital Replacement and Sales Tax projects. Each of these respective sections will provide a summary of all projects associated with a specific fund, followed by detailed descriptions of each project listed in the summary.

**DEBT SERVICE FUND:**

Overall revenues in debt service will decrease from $12,381,486 in 2025, to $11,888,361 in 2026, which represents a 3.9% decrease. The tax levy portion of the fund will be set at $3,600,000 which is a 5.89% decrease or $225,300. For expenditures, we will spend less in 2026 with total expenditures at $11,861,109 a decrease of $431,841 as compared to fiscal year 2025. The tables below show the total debt payments for the previous 5 years along with legal debt limit & percentage (3% of assessed value), and the outstanding debt by year.

Legal Debt Limit

Per Minnesota Statue 475.53 Limit on Net Debt subdivision 1 which states that no municipality shall incur a net debt in excess of three percent of the estimated market value of taxable property within the municipality; the City of Mankato's 2024 net debt limit is $153,263,876. It is noted that only a small portion of Mankato's overall debt burden applies to this limit (G.O. Bonds).

Existing Debt levels on operations

Although the schedules below show a fair amount of debt obligation ($91,523,533 in 2024), the actual amount that is tied to the Debt Limit is much smaller at $5,224,261 in 2024. Additionally, Mankato's appetite for recurring debt as used in its surface transportation program does increase this amount but is paid off typically within 10 years. The city has consistently levied for debt service, which along with assessments and utility transfers helps pay for the majority of this debt load which reduces the operational affect. For a number of years, Mankato has received an AA bond rating which is the second highest rating achievable.

Total Debt Costs by Year

| Fiscal Year | Principal | Interest | Bond Issuance Costs | Total |
|---|---|---|---|---|
| **2024** | $ 8,969,828 | $ 2,143,906 | $ 196,446 | $ 11,310,180 |
| **2023** | $ 7,879,427 | $ 2,036,399 | $ 129,414 | $ 10,045,240 |
| **2022** | $ 7,717,072 | $ 1,751,382 | $ 89,517 | $ 9,557,971 |
| **2021** | $ 7,864,857 | $ 1,539,788 | $ 116,689 | $ 9,521,334 |
| **2020** | $ 7,944,662 | $ 1,778,091 | $ 117,017 | $ 9,839,770 |
| **2019** | $ 8,535,258 | $ 1,640,794 | $ 94,214 | $ 10,270,266 |
| **2018** | $ 8,679,790 | $ 1,912,509 | $ 71,058 | $ 10,663,357 |
| **2017** | $ 8,530,000 | $ 1,928,673 | $ 132,892 | $ 10,591,565 |

DEBT OBLIGATIONS BY TYPE

| Fiscal Year | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|---|
| **G.O. Bonds** | $ 5,224,261 | $ 957,928 | $ 1,401,484 | $ 1,916,896 | $ 2,507,359 | $ 3,178,171 |
| **G.O. Tax Inc Bonds** | $ 2,380,000 | $ 2,525,000 | $ 2,665,000 | $ 2,805,000 | $ 2,940,000 | $ 3,075,000 |
| **G.O. Spec Assess Bonds** | $ 47,825,228 | $ 49,802,789 | $ 52,819,418 | $ 51,485,533 | $ 49,947,431 | $ 51,433,120 |
| **G.O. Sales Tax Bonds** | $ 12,259,609 | $ 12,856,781 | $ 12,856,781 | $ - | $ - | $ - |
| **Loans Payable** | $ 118,500 | $ 121,988 | $ 138,765 | $ 189,415 | $ 250,276 | $ 297,153 |
| **Capital Lease Payable** | $ 1,362,106 | $ 1,574,446 | $ 1,779,912 | $ 1,978,734 | $ 2,171,130 | $ 2,455,692 |
| **Utility Bonds** | $ 17,001,343 | $ 20,511,738 | $ 26,380,712 | $ 24,852,565 | $ 30,803,379 | $ 35,995,919 |
| **G.O. Rev Bonds** | $ - | $ - | $ - | $ - | $ - | $ - |
| **PFA Debt** | $ 4,811,212 | $ 4,621,014 | $ 4,483,627 | $ 4,489,964 | $ 4,394,298 | $ 6,134,123 |
| **Event Center Debt** | $ 541,274 | $ 2,891,737 | $ 2,341,728 | $ 6,702,299 | $ 2,258,908 | $ 2,071,221 |
| **Total** | **$ 91,523,533** | **$ 95,863,421** | **$ 104,867,427** | **$ 94,420,406** | **$ 95,272,781** | **$ 104,640,399** |
| **Applicable to Legal Debt Limit** | $ 5,224,261 | $ 957,928 | $ 1,401,484 | $ 1,916,896 | $ 2,507,359 | $ 3,178,171 |
| **Debt Limit** | $ 153,263,876 | $ 154,350,743 | $ 134,437,610 | $ 116,411,852 | $ 111,740,126 | $ 107,897,819 |
| **% of Debt Limit** | 3.3% | 0.6% | 1.0% | 1.6% | 2.2% | 2.9% |

Debt Schedules by Fund

| 3010 DEBT SERVICE | | | |
|---|---|---|---|
| **TOTALS BY YEAR** | **PRINCIPAL** | **INTEREST** | **TOTAL** |
| 2025 | 7,760,449.18 | 1,863,254.56 | 9,623,703.74 |
| 2026 | 7,319,803.11 | 1,598,479.22 | 8,918,282.33 |
| 2027 | 7,148,410.14 | 1,342,780.99 | 8,491,191.13 |
| 2028 | 5,668,279.10 | 1,110,549.78 | 6,778,828.88 |
| 2029 | 5,021,172.04 | 906,517.95 | 5,927,689.99 |
| 2030 | 4,770,642.67 | 730,881.27 | 5,501,523.94 |
| 2031 | 3,940,178.82 | 590,534.67 | 4,530,713.49 |
| 2032 | 3,440,782.23 | 466,161.81 | 3,906,944.04 |
| 2033 | 2,586,388.90 | 345,581.87 | 2,931,970.77 |
| 2034 | 1,635,000.00 | 247,925.00 | 1,882,925.00 |
| 2035 | 1,165,000.00 | 180,385.00 | 1,345,385.00 |
| 2036 | 1,215,000.00 | 123,435.00 | 1,338,435.00 |
| 2037 | 1,275,000.00 | 69,075.00 | 1,344,075.00 |
| 2038 | 1,095,000.00 | 21,900.00 | 1,116,900.00 |
| **TOTALS BY YEAR** | **54,041,106.19** | **9,597,462.12** | **63,638,568.31** |

| 6010 WATER | | | |
|---|---|---|---|
| **TOTALS BY YEAR** | **PRINCIPAL** | **INTEREST** | **TOTAL** |
| 2025 | 2,625,300.00 | 134,896.48 | 2,760,196.48 |
| 2026 | 2,350,947.55 | 67,253.62 | 2,418,201.17 |
| 2027 | 62,000.00 | 6,361.26 | 68,361.26 |
| 2028 | 63,000.00 | 5,683.60 | 68,683.60 |
| 2029 | 63,000.00 | 4,995.02 | 67,995.02 |
| 2030 | 64,000.00 | 4,306.42 | 68,306.42 |
| 2031 | 65,000.00 | 3,606.90 | 68,606.90 |
| 2032 | 65,000.00 | 2,896.46 | 67,896.46 |
| 2033 | 66,000.00 | 2,186.00 | 68,186.00 |
| 2034 | 67,000.00 | 1,464.62 | 68,464.62 |
| 2035 | 67,000.00 | 732.32 | 67,732.32 |
| **TOTALS BY YEAR** | **5,558,247.55** | **234,382.70** | **5,792,630.25** |

| 6020 WASTEWATER PLANT | | | |
|---|---|---|---|
| **TOTALS BY YEAR** | **PRINCIPAL** | **INTEREST** | **TOTAL** |
| 2025 | 325,000.00 | 34,227.94 | 359,227.94 |
| 2026 | 328,000.00 | 30,955.18 | 358,955.18 |
| 2027 | 331,000.00 | 27,652.22 | 358,652.22 |
| 2028 | 335,000.00 | 24,319.06 | 359,319.06 |
| 2029 | 338,000.00 | 20,945.60 | 358,945.60 |
| 2030 | 342,000.00 | 17,541.94 | 359,541.94 |
| 2031 | 345,000.00 | 14,098.00 | 359,098.00 |
| 2032 | 348,000.00 | 10,623.86 | 358,623.86 |
| 2033 | 352,000.00 | 7,119.50 | 359,119.50 |
| 2034 | 355,000.00 | 3,574.86 | 358,574.86 |
| **TOTALS BY YEAR** | **3,399,000.00** | **191,058.16** | **3,590,058.16** |

| 6026 WASTEWATER COLLECTIONS | | | |
|---|---|---|---|
| **TOTALS BY YEAR** | **PRINCIPAL** | **INTEREST** | **TOTAL** |
| 2025 | 335,000.00 | 33,184.10 | 368,184.10 |
| 2026 | 328,000.00 | 27,581.88 | 355,581.88 |
| 2027 | 334,000.00 | 22,014.60 | 356,014.60 |
| 2028 | 339,000.00 | 16,345.70 | 355,345.70 |
| 2029 | 345,000.00 | 10,591.74 | 355,591.74 |
| 2030 | 286,000.00 | 4,736.16 | 290,736.16 |
| **TOTALS BY YEAR** | **1,967,000.00** | **114,454.18** | **2,081,454.18** |

| 6200 SALES TAX | | | |
|---|---|---|---|
| **TOTALS BY YEAR** | **PRINCIPAL** | **INTEREST** | **TOTAL** |
| 2025 | 300,000.00 | 241,650.00 | 541,650.00 |
| 2026 | 315,000.00 | 226,275.00 | 541,275.00 |
| 2027 | 330,000.00 | 210,150.00 | 540,150.00 |
| 2028 | 345,000.00 | 193,275.00 | 538,275.00 |
| 2029 | 365,000.00 | 175,525.00 | 540,525.00 |
| 2030 | 380,000.00 | 156,900.00 | 536,900.00 |
| 2031 | 400,000.00 | 139,400.00 | 539,400.00 |
| 2032 | 415,000.00 | 123,100.00 | 538,100.00 |
| 2033 | 435,000.00 | 106,100.00 | 541,100.00 |
| 2034 | 450,000.00 | 88,400.00 | 538,400.00 |
| 2035 | 470,000.00 | 70,000.00 | 540,000.00 |
| 2036 | 485,000.00 | 50,900.00 | 535,900.00 |
| 2037 | 505,000.00 | 31,100.00 | 536,100.00 |
| 2038 | 525,000.00 | 10,500.00 | 535,500.00 |
| **TOTALS BY YEAR** | **5,720,000.00** | **1,823,275.00** | **7,543,275.00** |

**COMMUNITY INVESTMENT PLAN (CIP)**

In 2018, staff worked to evolve the CIP into a more comprehensive document that would not only provide projects for the next budget year but would also identify future capital needs and potential funding sources several years out. Within this budget document, you will find Capital Replacement, Surface Transportation and Sales Tax projects for fiscal year 2026, of which have

been programmed within each respective budget. Along with a cash flow with the purpose of illustrating project impact on operating budgets, service rates and fund balances. In addition, a supplemental CIP forecast has also been provided which allows a more detailed look at the following four years of anticipated capital improvement projects funded through Capital Replacement, Surface Transportation and Sales Tax. The supplemental CIP forecast contains a five-year cash flow for each of the respective capital accounts, as well as corresponding overview for each project being proposed.

**PURPOSE OF CAPITAL INVESTMENT PROGRAM**

The City of Mankato's Capital Investment Plan (CIP) establishes, prioritizes, and plans funding for projects to improve existing and develop new infrastructure and facilities. A CIP promotes better use of the city's limited financial resources, reduces costs and assists in the coordination of public and private development.

The city's CIP is a five-year roadmap which identifies the major expenses over and above routine annual operating expenses. While the CIP serves as a long-range plan, it is reviewed and revised annually, with the first year being funded and remaining years being anticipated. Priorities may be changed due to funding opportunities or circumstances that cause a more rapid deterioration of an asset.

As a basic tool for documenting anticipated capital projects, it includes "unfunded" projects which needs have been identified but specific solutions and funding have not necessarily been determined.

The overall goal of the CIP Review Team is to develop CIP recommendations that:

- preserve the past, by investing in the continued upgrade of city assets and infrastructure.
- protect the present with improvements to city facilities and infrastructure; and
- plan for the future.

There are several benefits for developing and adopting a Capital Investment Plan program. Not only does the CIP become a management tool for city staff, elected and appointed officials, it also provides valuable information to the citizens, developers and businesses who are interested in the development of the community. The CIP document also assists in leveraging available resources through improved timing of projects and coordinating city projects with those of other public or private entities.

Additional benefits include:

- The CIP is a tool to implement the Comprehensive and Strategic Plan, as well as several other master plans completed for various city service areas.
- The CIP allows the city an opportunity to distribute or prorate the cost of capital improvements over a period of years, thus maintaining tax stability and avoiding sharp changes in the debt structure.
- The CIP process allows various city departments and the general public to suggest a vari-

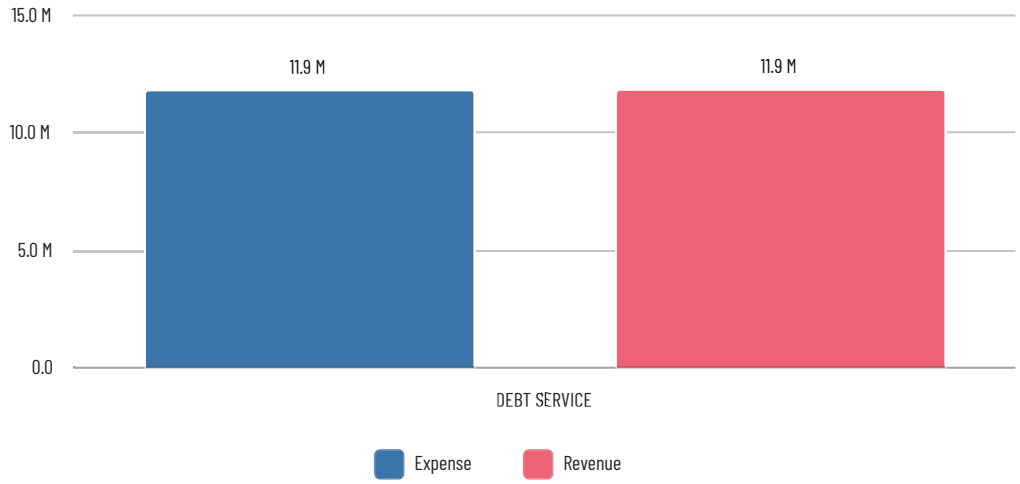
ety of potential projects which are subsequently evaluated based upon established criteria and financial feasibility for inclusion in the CIP.

- The CIP, by anticipating needs in advance, provides adequate time for proper design of new projects and review of policy decisions to see whether they were properly made, and adjusts capital expenditures according to the financial resources of the community.
- The CIP, by listing long range projects, helps to keep the public informed as to what the city needs and its plans to meet such needs, as well as affords time for input on final design and project timing that controls cost and limits neighborhood disruption.
- The CIP provides an opportunity to save money in the acquisition of land as sites for public facilities by anticipating future needs and acquiring the land at lower costs before private development would increase the costs.
- The CIP will prevent premature development of areas and prevent excessive costs and demands on the city in providing services and extending city utilities.
- The CIP will help to achieve a more balanced development of projects to avoid concentration or overemphasis upon any single project.
- The CIP makes available to other governmental agencies, private utilities, private investors, and other industries, a comprehensive view of public improvement projects for which they may make sounder judgments concerning their own programs.
- The CIP guides or assists the development community in making investments or development decisions.

Despite the many benefits of capital improvement programming, it is important to highlight the fact that this is a fluid document and a general guide. Therefore, changes can occur for several reasons such as changing economic conditions or shifts in public policy. Private economic decisions can also affect the timing, scale and location of capital projects.

Depending on funding availability, community support and other economic factors the projects within the outlook could shift in projected funding year or change completely. The likelihood of a project moving forward depends primarily on the funding sources, necessity for ongoing provision of service and timing necessary to extend the overall asset life at least cost. These fluctuations make flexibility within the plan essential to its sustainability. The best example of this type of project is in the major utility funds. Capital maintenance and replacement projects for the water and wastewater systems are costly but essential to assure availability and quality of influent and effluent of the system. The facility master plan for these utilities aligns with both asset life, regulatory need and rate structure to assure a balance that does not overburden the rate payer nor underserve the needs of the system.

## 2026 Revenue vs. Expense by Service Area




## Fund Combined by Service Area

| | 2024 Actuals | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|
| **DEBT SERVICE FUND** | | | | |
| **REVENUES** | | | | |
| DEBT SERVICE | 13,786,675 | 12,381,486 | 11,888,361 | (4.0)% |
| **REVENUES TOTAL** | **13,786,675** | **12,381,486** | **11,888,361** | **(4.0)%** |
| **EXPENDITURES** | | | | |
| DEBT SERVICE | (12,621,545) | (12,292,951) | (11,861,109) | (3.5)% |
| **EXPENDITURES TOTAL** | **(12,621,545)** | **(12,292,951)** | **(11,861,109)** | **(3.5)%** |
| **DEBT SERVICE FUND TOTAL** | **1,165,131** | **88,535** | **27,252** | **(69.2)%** |
| | | | | |
| **NET INCOME (LOSS)** | **1,165,131** | **88,535** | **27,252** | **(69.2)%** |

# Fund Combined by Account

| | 2024 Actuals | 2025 Actual thru June | 2025 Budget | 2026 Proposed Budget | % Change 25 to 26 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| CONTRIBUTED CAPITAL | 2,260,000 | 0 | 0 | 0 | 0.0% |
| INTERFUND TRANSFER | 4,286,215 | 1,184,919 | 4,422,368 | 4,486,120 | 1.4% |
| INVESTMENT INCOME | 272,036 | 0 | 125,000 | 50,000 | (60.0)% |
| MISCELLANEOUS | 0 | 167,014 | 183,818 | 316,241 | 72.0% |
| PREMIUM ON BONDS ISS | 0 | 0 | 0 | 0 | 0.0% |
| PROCEEDS OF LT LIAB | 0 | 0 | 100,000 | 100,000 | 0.0% |
| RENTAL INCOME | 0 | 0 | 0 | 0 | 0.0% |
| SPECIAL ASSESSMENTS | 2,805,105 | 148,144 | 3,375,000 | 3,006,000 | (10.9)% |
| TAXES | 4,163,320 | 96 | 4,175,300 | 3,930,000 | (5.9)% |
| **REVENUES TOTAL** | **13,786,675** | **1,500,173** | **12,381,486** | **11,888,361** | **(4.0)%** |
| **EXPENDITURES** | | | | | |
| DS - INTEREST | 2,117,169 | 1,314,117 | 2,425,274 | 2,257,285 | (6.9)% |
| DS - PRINCIPAL | 8,966,340 | 7,649,821 | 7,760,449 | 7,964,804 | 2.6% |
| OTHER CHARGES | 925,726 | 495,681 | 992,228 | 1,064,020 | 7.2% |
| OTHER SERVICES | 2,400 | 0 | 45,000 | 45,000 | 0.0% |
| TRANSFERS OUT | 609,910 | 570,000 | 1,070,000 | 530,000 | (50.5)% |
| **EXPENDITURES TOTAL** | **12,621,545** | **10,029,618** | **12,292,951** | **11,861,109** | **(3.5)%** |
| | | | | | |
| **NET INCOME (LOSS)** | **1,165,131** | **(8,529,445)** | **88,535** | **27,252** | **0.0%** |

**Table VI**
**5 Year Debt Service Fund**
**Revenue and Expenditure Projection**

| 'August, 13th 2025 | Budget 2025 | Budget 2026 | Budget 2027 | Budget 2028 | Budget 2029 | Budget 2030 | Comments |
|---|---|---|---|---|---|---|---|
| **Debt Service Revenue:** | | | | | | | |
| Debt Levy | 3,825,300 | 3,600,000 | 3,762,000 | 3,931,290 | 4,108,198 | 4,293,067 | 4.5% in 2027 - 2030 |
| Assessments | 3,375,000 | 3,006,000 | 3,066,120 | 3,127,442 | 3,189,991 | 3,253,791 | 2% increase due to rising construction costs |
| Other Taxes | 350,000 | 330,000 | 330,000 | 330,000 | 330,000 | 330,000 | |
| Interest / Miscellaneous / Rental | 233,516 | 158,516 | 158,516 | 158,516 | 158,516 | 158,516 | |
| Transfers | 4,021,975 | 4,097,175 | 4,097,175 | 4,097,175 | 4,097,175 | 4,097,175 | |
| **Total Debt Service Revenue** | 11,805,791 | 11,191,691 | 11,413,811 | 11,644,423 | 11,883,880 | 12,132,549 | |
| **Debt Service Expenditures:** | | | | | | | |
| Other Services | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | |
| Other Charges | 992,228 | 1,064,020 | 1,064,020 | 1,064,020 | 1,064,020 | 1,064,020 | |
| Debt Payments | 9,676,332 | 9,527,719 | 9,718,273 | 9,912,639 | 10,110,892 | 10,313,109 | 2% increase due to rising construction costs |
| Other Financing / Transfers | 1,070,000 | 530,000 | 530,000 | 530,000 | 530,000 | 530,000 | |
| **Total Debt Service Expenditures** | 11,783,560 | 11,166,739 | 11,357,294 | 11,551,659 | 11,749,912 | 11,952,130 | |
| Income or (Loss) | 22,231 | 24,952 | 56,517 | 92,764 | 133,968 | 180,419 | Fund Reserves are adequate |
| Fund Balance - January 1 | 8,869,319 | 8,891,550 | 8,916,502 | 8,973,019 | 9,065,783 | 9,199,751 | |
| Income or Loss | 22,231 | 24,952 | 56,517 | 92,764 | 133,968 | 180,419 | |
| Fund Balance - December 31 | 8,891,550 | 8,916,502 | 8,973,019 | 9,065,783 | 9,199,751 | 9,380,170 | |
| Fund Balance as a % of Expenditures | 75.46% | 79.85% | 79.01% | 78.48% | 78.30% | 78.48% | |

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# Surface Transportation CIP

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# Street Projects

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# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| 2026 Resurfacing | 2026 | 2,448,765 |
| Belleview Avenue, Jayro Court, and Riverview Street | 2026 | 1,597,000 |
| Hiniker Park Parking Lot | 2026 | 400,000 |
| Hiniker Parkway | 2026 | 1,295,455 |
| Long Street and Emerson Lane | 2026 | 2,541,577 |
| Mn Rivertrail  Northstar to Main street | 2026 | 843,554 |
| Petition, Expansion and Major Streets | 2026 | 150,000 |
| Plum Street | 2026 | 863,836 |
| Riverfront and Main Signal Replacement | 2026 | 425,000 |
| Sidewalk Improvements | 2026 | 100,000 |
| Third Ave - Riverfront to Summit | 2026 | 3,105,000 |
| Veteran's Bridge Redecking | 2026 | 9,723,000 |
| **Total** | | **23,493,187** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Fair St - McConnell to Belmont | 2027 | 2,794,000 |
| Germania Park Phase 6 | 2027 | 2,323,000 |
| Petition, Expansion and Major Streets | 2027 | 150,000 |
| Resurfacing Projects | 2027 | 670,000 |
| Rita Road | 2027 | 2,329,000 |
| Sidewalk Improvements | 2027 | 100,000 |
| TH 169 - North River Ln - Local share | 2027 | 142,500 |
| TH 169 - Utilities | 2027 | 2,343,800 |
| **Total** | | **10,852,300** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| 2nd and Hickory Signal Replacement | 2028 | 225,000 |
| Anderson Dr and McConnell St | 2028 | 1,552,000 |
| N River Dr Resurface | 2028 | 785,000 |
| Petition, Expansion and Major Streets | 2028 | 150,000 |
| Pfau St and Shamrock- Goodyear to Adams | 2028 | 1,187,000 |
| Resurfacing Projects | 2028 | 0 |
| Sidewalk Improvements | 2028 | 100,000 |
| Woodland Ave - Gwyn to Skyline | 2028 | 1,065,000 |
| Woodshire Phase 3 | 2028 | 2,214,000 |
| **Total** | | **7,278,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Germania Park Phase 7 | 2029 | 4,293,000 |
| Madison Avenue Resurface | 2029 | 1,257,000 |
| Petition, Expansion and Major Streets | 2029 | 150,000 |
| Resurfacing Projects | 2029 | 0 |
| Riverfront Dr - Stoltzman to Warren | 2029 | 2,107,000 |
| Riverfront Dr - Warren to Main | 2029 | 2,129,000 |
| Sidewalk Improvements | 2029 | 100,000 |
| **Total** | | **10,036,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Gwyn Area | 2030 | 3,450,000 |
| Marion Ln - Emerson to Main | 2030 | 714,000 |
| Meadow Lane & Welcome Ave - Monks to Rita | 2030 | 1,920,000 |
| Petition, Expansion and Major Streets | 2030 | 150,000 |
| Plainview Avenue - Fair to Marwood | 2030 | 1,681,000 |
| Resurfacing Projects | 2030 | 750,000 |
| Riverfront Dr - Chestnut to Ruth | 2030 | 1,106,000 |
| Sidewalk Improvements | 2030 | 100,000 |
| **Total** | | **9,871,000** |

# 2026 Resurfacing

Department: STREET PROJECTS

Project Years: 2026 - 2026

## Project Description

The existing asphalt pavement on Main Street from Hannah Street to Victory Drive is in poor condition with fatigue cracking and pot holes present throughout. The utilities beneath the roadway were installed around the year 2000 and are constructed of modern materials. A resurfacing project will extend the useful life of the roadway and create a safe driving surface for the public. The scope of work is proposed as a full depth reclamation, ADA sidewalk improvements, spot curb & gutter replacement, and possible isolated storm drainage improvements. The project also includes reconstructing the access road to the City's Dolph Reservoir, located on the Minnesota State University Mankato campus at 710 Maywood Avenue.

## Engagement Strategy

An informational meeting will be held with the community prior to the improvement hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Administration | 126,660 | 0 | 0 | 0 | 0 | 126,660 |
| Contingency | 191,910 | 0 | 0 | 0 | 0 | 191,910 |
| Engineering | 211,100 | 0 | 0 | 0 | 0 | 211,100 |
| Storm | 104,300 | 0 | 0 | 0 | 0 | 104,300 |
| Street | 1,716,670 | 0 | 0 | 0 | 0 | 1,716,670 |
| SWPPP | 89,125 | 0 | 0 | 0 | 0 | 89,125 |
| Watermain | 9,000 | 0 | 0 | 0 | 0 | 9,000 |
| **Total** | **2,448,765** | **0** | **0** | **0** | **0** | **2,448,765** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 962,194 | 0 | 0 | 0 | 0 | 962,194 |
| Special Assessments | 598,710 | 0 | 0 | 0 | 0 | 598,710 |
| State Funding | 600,000 | 0 | 0 | 0 | 0 | 600,000 |
| Stormwater Revenue | 105,017 | 0 | 0 | 0 | 0 | 105,017 |
| Water Revenue | 182,844 | 0 | 0 | 0 | 0 | 182,844 |
| **Total** | **2,448,765** | **0** | **0** | **0** | **0** | **2,448,765** |

## Project Timeline

- October 2025 - Community Engagement
- November 2025 - Improvement Hearing
- Spring 2026 - Bid
- Summer 2026 - Start Construction
- Fall 2026 - Substantial Completion

# Belleview Avenue, Jayro Court, and Riverview Street

Department: STREET PROJECTS

Project Years: 2026 - 2026

## Project Description

The proposed improvements for Belleview Avenue, Jayro Court, and Riverview Street from Woodshire drive to Swiss Street include replacement of sanitary sewer, watermain, storm sewer, end services, aggregate base, concrete curb and gutter, bituminous pavement, sidewalks, landscaping, and driveway pavement.

Belleview Avenue, Jayro Court and Riverview Street are the second phase of the Woodshire Neighborhood Construction Plan. This neighborhood has inadequate sanitary sewer depth and drainage issues, resulting in high maintenance costs and roadway deterioration. The watermain in this area is installed in phases between the 1930s and 1970s and made of cast iron and ductile iron. Cast iron is susceptible to corrosion and rusting over time. The sanitary sewer in this area is installed in phases betweeen the 1930s and 1970s and is made of vitrified clay. Vitrified clay is susceptible to root intrusion and leaks over time.

Woodshire Drive Neighborhood Construction Plan

The neighborhood generally consisting of Madison Avenue to Swiss Street and Madison Avenue to Adams Street is considered by staff to be in need of reconstruction. The primary need for reconstruction in this area is due to aging and inadequate utilities.The sanitary infrastructure in this area consists of vitrified clay pipe constructed between the 1930s and 1950s. This infrastructure is generally considered by staff to be failing due to inadequate depth of the sanitary system as it extends into the neighborhood, most specifically at the northern terminus of Jayro Court. It has been determined by staff that the sanitary mainline exiting the neighborhood through the northern terminus of Woodshire Drive can be abandoned and rerouted to travel south along Woodshire Drives southern terminus. This would increase accessibility to the line for any needed maintenance activities. This would also allow for increased sanitary mainline depth and will result in less needed maintenance in this neighborhood.

This neighborhood has mostly cast iron watermain constructed between the 1920s and 1950s.It is proposed to reconstruct this neighborhood in several phases.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the improvement hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Admin/bonding | 82,593 | 0 | 0 | 0 | 0 | 82,593 |
| Contingency | 125,346 | 0 | 0 | 0 | 0 | 125,346 |
| Engineering | 137,655 | 0 | 0 | 0 | 0 | 137,655 |
| Sanitary | 258,650 | 0 | 0 | 0 | 0 | 258,650 |
| Storm | 172,950 | 0 | 0 | 0 | 0 | 172,950 |
| Street | 479,295 | 0 | 0 | 0 | 0 | 479,295 |
| SWPP | 38,625 | 0 | 0 | 0 | 0 | 38,625 |
| Watermain | 301,886 | 0 | 0 | 0 | 0 | 301,886 |
| **Total** | **1,597,000** | **0** | **0** | **0** | **0** | **1,597,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 152,000 | 0 | 0 | 0 | 0 | 152,000 |
| Sewer Revenue | 304,000 | 0 | 0 | 0 | 0 | 304,000 |
| Special Assessments | 583,000 | 0 | 0 | 0 | 0 | 583,000 |
| Stormwater Revenue | 203,000 | 0 | 0 | 0 | 0 | 203,000 |
| Water Revenue | 355,000 | 0 | 0 | 0 | 0 | 355,000 |
| **Total** | **1,597,000** | **0** | **0** | **0** | **0** | **1,597,000** |

## Project Timeline

- August-September 2025 - Community Engagement
- October 2025 - Improvement Hearing
- March 2026 - Bid
- May 2026 - Start construct i on
- October 2026 - Substant i a l co mp l et i o

# Hiniker Park Parking Lot

Department: STREET PROJECTS

Project Years: 2026 - 2026

## Project Description

The Hiniker Park Parking Lot reconstruction is driven by desire of the Parks Capital Improvement Plan and hopeful to coincide with the construction of Hiniker Parkway. The scope of work would be evaluating the current and anticipated needs of the parking lot and reconstructing to meet those needs and bringing the lot to meet City Code.

## Engagement Strategy

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Construction | 400,000 | 0 | 0 | 0 | 0 | 400,000 |
| **Total** | **400,000** | **0** | **0** | **0** | **0** | **400,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 10,000 | 0 | 0 | 0 | 0 | 10,000 |
| Loan/Bond Proceeds | 390,000 | 0 | 0 | 0 | 0 | 390,000 |
| **Total** | **400,000** | **0** | **0** | **0** | **0** | **400,000** |

## Project Timeline

- Summer 2025 - Project Development
- Fall/Winter 2025/2026 - Design and Council Approval
- March 2026 - Bid
- May 2026 - Begin Construction
- September 2026 - Substantial Completion

# Hiniker Parkway

Department: STREET PROJECTS

Project Years: 2026 - 2026

## Project Description

The construction of Hiniker Parkway is required as a prerequisite project to the 2027 US 169 project with planned local road reconfigurations. The scope of work includes a new roadway with necessary drainage infrastructure and access to adjacent parcels. The City of Mankato intends to contract the design of this project to a consultant.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Hiniker Parkway | 1,295,455 | 0 | 0 | 0 | 0 | 1,295,455 |
| **Total** | **1,295,455** | **0** | **0** | **0** | **0** | **1,295,455** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 280,806 | 0 | 0 | 0 | 0 | 280,806 |
| Sewer Revenue | 100,000 | 0 | 0 | 0 | 0 | 100,000 |
| Special Assessments | 714,649 | 0 | 0 | 0 | 0 | 714,649 |
| Stormwater Revenue | 100,000 | 0 | 0 | 0 | 0 | 100,000 |
| Water Revenue | 100,000 | 0 | 0 | 0 | 0 | 100,000 |
| **Total** | **1,295,455** | **0** | **0** | **0** | **0** | **1,295,455** |

## Project Timeline

- September 2025 - Community Engagement
- November 2025 - Improvement Hearing
- March 2026 - Bid
- May 2026 - Begin Construction
- October 2026 - Substantial Completion

# Long Street and Emerson Lane

Department: STREET PROJECTS

Project Years: 2026 - 2026

## Project Description

This project will consist of replacing watermain, sanitary sewer and stormwater utilities. This neighborhood is experiencing a large amount of watermain breaks due to aging and failing infrastructure. The watermain in this area is from the 1950s and made of cast iron. Cast iron is susceptible to corrosion and fractures over time. The sanitary sewer in this area is from the 1950s and is made of vitrified clay. Vitrified clay is susceptible to root intrusion, breaks, and ground water infiltration. There is sidewalk identified in this area under the City of Mankato Critical Link Sidewalk Plan. The neighborhood generally bound by Madison Avenue, Dickinson Street, Main Street, and Victory Drive is considered by staff to be in need of reconstruction. The primary need for reconstruction in this area is due to aging and failing utilities. The watermain network has experienced many watermain breaks since tracking began in the city's Cartegraph system. Cartegraph shows the cost of watermain breaks in this area broken down by year below:2016: $7109 2017: $17,088 2018: $31,535 2019: $27,638 2020: $24,497 2021: $21,756. Roadway widths, traffic patterns, traffic calming, and intersection traffic control will be evaluated with the project.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Administration | 131,461 | 0 | 0 | 0 | 0 | 131,461 |
| Contingency | 199,183 | 0 | 0 | 0 | 0 | 199,183 |
| Engineering | 219,101 | 0 | 0 | 0 | 0 | 219,101 |
| Sanitary Sewer | 313,900 | 0 | 0 | 0 | 0 | 313,900 |
| Storm Drainage | 485,775 | 0 | 0 | 0 | 0 | 485,775 |
| Stormwater Pollution Prevention | 40,400 | 0 | 0 | 0 | 0 | 40,400 |
| Street | 769,032 | 0 | 0 | 0 | 0 | 769,032 |
| Watermain | 382,725 | 0 | 0 | 0 | 0 | 382,725 |
| **Total** | **2,541,577** | **0** | **0** | **0** | **0** | **2,541,577** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 393,932 | 0 | 0 | 0 | 0 | 393,932 |
| Sewer Revenue | 369,146 | 0 | 0 | 0 | 0 | 369,146 |
| Special Assessments | 757,143 | 0 | 0 | 0 | 0 | 757,143 |
| Stormwater Revenue | 571,271 | 0 | 0 | 0 | 0 | 571,271 |
| Water Revenue | 450,085 | 0 | 0 | 0 | 0 | 450,085 |
| **Total** | **2,541,577** | **0** | **0** | **0** | **0** | **2,541,577** |

## Project Timeline

- Hilltop Area Feasibility Study - September/October 2025
- Community Engagement - November 2025
- Improvement Hearing - December 2025
- Bidding - Spring 2026
- Start Construct i on- J une 2026
- Substant i al Co mpl et i on- Nov emb er 202

# Mn Rivertrail  Northstar to Main street

Department: STREET PROJECTS

Project Years: 2026 - 2026

## Project Description

Resurfacing of the Minnesota River Trail from Northstar to Main Street. The City has hired HR Green to lead the Project Memorandum, design, and permitting efforts to rebuild the trail.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Mn Rivertrail  Northstar to Main street | 843,554 | 0 | 0 | 0 | 0 | 843,554 |
| **Total** | **843,554** | **0** | **0** | **0** | **0** | **843,554** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 168,711 | 0 | 0 | 0 | 0 | 168,711 |
| Other Sources | 674,843 | 0 | 0 | 0 | 0 | 674,843 |
| **Total** | **843,554** | **0** | **0** | **0** | **0** | **843,554** |

## Project Timeline

- Fall 2025 - Project Memorandum approval by State
- Fall-Winter 2025-2026 - Design
- Spring 2026 - Bid
- May 2026 - Begin Construct i on
- September 2026 - Substant i al  Co mp l et i o

# Petition, Expansion and Major Streets

Department: STREET PROJECTS

Project Years: 2026 - 2030

## Project Description

Improvement to minor local roads and alleys. Typically pavement and transportation related. Each year the Public Works Department receives requests for improvements to the transportation system. Many of these projects are local streets or alleys. This budget line item exists to allow for minor projects that are petitioned to be designed and constructed within a single construction season, outside of the normal Community Investment Plan process. Alley 18-176 has been petitioned for reconstruction in 2024.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Petition Project | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 750,000 |
| **Total** | **150,000** | **150,000** | **150,000** | **150,000** | **150,000** | **750,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 750,000 |
| **Total** | **150,000** | **150,000** | **150,000** | **150,000** | **150,000** | **750,000** |

## Project Timeline

- January – Feasibility
- February – Hearing
- March – Bid
- May – Construction
- October – Project completion

# Plum Street

Department: STREET PROJECTS

Project Years: 2026 - 2026

## Project Description

The proposed improvements for Plum Street from Riverfront Drive to 2nd Street include replacement of storm sewer, aggregate base, concrete curb and gutter, roadway pavement, sidewalks, and driveway pavement. The existing concrete roadway pavement is in poor condition, resulting in high maintenance costs. The storm sewer system was installed in the 1980's. Additional research will be conducted during the design process to determine the need for reconstructing the storm sewer system. There is no existing watermain on Plum Street; however, a new watermain loop is proposed with this project to improve fire protection and provide redundancy for the watermain system. The roadway width is planned to be narrowed with the proposed improvements. Narrowing the roadway will allow for parallel parking along the north side of Plum Street, while maintaining an ADA accessible sidewalk along the project corridor.

## Engagement Strategy

Discussions with the adjacent property owner's are on going.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Admin/Bonding | 44,681 | 0 | 0 | 0 | 0 | 44,681 |
| Contingency | 67,699 | 0 | 0 | 0 | 0 | 67,699 |
| Engineering | 74,469 | 0 | 0 | 0 | 0 | 74,469 |
| Sanitary | 800 | 0 | 0 | 0 | 0 | 800 |
| Storm | 92,750 | 0 | 0 | 0 | 0 | 92,750 |
| Street | 393,688 | 0 | 0 | 0 | 0 | 393,688 |
| SWPPP | 6,500 | 0 | 0 | 0 | 0 | 6,500 |
| Watermain | 183,250 | 0 | 0 | 0 | 0 | 183,250 |
| **Total** | **863,836** | **0** | **0** | **0** | **0** | **863,836** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 433,289 | 0 | 0 | 0 | 0 | 433,289 |
| Sewer Revenue | 941 | 0 | 0 | 0 | 0 | 941 |
| Special Assessments | 105,030 | 0 | 0 | 0 | 0 | 105,030 |
| Stormwater Revenue | 109,074 | 0 | 0 | 0 | 0 | 109,074 |
| Water Revenue | 215,502 | 0 | 0 | 0 | 0 | 215,502 |
| **Total** | **863,836** | **0** | **0** | **0** | **0** | **863,836** |

## Project Timeline

- September 2025 - Community Engagement
- October-November 2025 - Improvement Hearing
- April 2026 - Bid
- June 2026 - Start construct i on
- November 2026 - Substant i a l co mp l et i o

# Riverfront and Main Signal Replacement

Department: STREET PROJECTS

Project Years: 2026 - 2026

## Project Description

The existing signal at Riverfront Drive and Main Street is nearing the end of its useful life with Operations staff reporting possible structural issues. It is recommended by those staff that a replacement project is done to avoid emergency repairs.

## Engagement Strategy

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Signal Replacement | 425,000 | 0 | 0 | 0 | 0 | 425,000 |
| **Total** | **425,000** | **0** | **0** | **0** | **0** | **425,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| State Funding | 425,000 | 0 | 0 | 0 | 0 | 425,000 |
| **Total** | **425,000** | **0** | **0** | **0** | **0** | **425,000** |

## Project Timeline

- Fall 2025 - Feasibility
- Winter 2025-2026 - Design
- March 2026 - Bid
- May 2026 - Begin Construction
- September 2026 - Substantial Completion

# Sidewalk Improvements

Department: STREET PROJECTS

Project Years: 2026 - 2030

## Project Description

Panels prioritized by ADA compliance requirements and requests from citizens.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sidewalk Improvements | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| **Total** | **100,000** | **100,000** | **100,000** | **100,000** | **100,000** | **500,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 450,000 |
| Special Assessments | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 50,000 |
| **Total** | **100,000** | **100,000** | **100,000** | **100,000** | **100,000** | **500,000** |

## Project Timeline

- January – Feasibility Hearing
- February – Assessment Hearing
- March – Bid Award
- May – Begin Construction
- October – Project completion

# Third Ave - Riverfront to Summit

Department: STREET PROJECTS

Project Years: 2026 - 2026

## Project Description

The reconstruction of 3rd Avenue (CSAH 5) is a Blue Earth County led project with the City of Mankato partnering on City facilities within the corridor. These facilities include watermain, sanitary sewer, lighting, and fiber. The City will need to go through the 429 process for special assessments for these facilities and Council approval(s).

## Engagement Strategy

Led by Blue Earth County.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Third Ave - Riverfront to Summit | 3,105,000 | 0 | 0 | 0 | 0 | 3,105,000 |
| **Total** | **3,105,000** | **0** | **0** | **0** | **0** | **3,105,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sewer Revenue | 1,382,000 | 0 | 0 | 0 | 0 | 1,382,000 |
| Special Assessments | 380,000 | 0 | 0 | 0 | 0 | 380,000 |
| Water Revenue | 1,343,000 | 0 | 0 | 0 | 0 | 1,343,000 |
| **Total** | **3,105,000** | **0** | **0** | **0** | **0** | **3,105,000** |

## Project Timeline

- Plans/Design (By Bolton & Menk hired by Blue Earth County) - Anticipate completion in Summer 2025
- Community Engagement was headed by Blue Earth County
- September 2025 - Improvement Hearing
- Bidding to be done by Blue Earth County - Anticipated Spring 2026

# Veteran's Bridge Redecking

Department: STREET PROJECTS

Project Years: 2026 - 2026

## Project Description

The Veteran's Bridge is scoped by MnDOT for a rehabilitation project in FY 2025. The required city share for this project is $6,952,000. The project has an estimated total cost of $15,204,000 of which MnDOT is responsible for seeking funds of the remaining $8,252,000. This project is intended to extend the life of the Veteran's Bridge by providing needed maintenance.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Veteran's Bridge | 9,723,000 | 0 | 0 | 0 | 0 | 9,723,000 |
| **Total** | **9,723,000** | **0** | **0** | **0** | **0** | **9,723,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Federal Funding | 6,938,000 | 0 | 0 | 0 | 0 | 6,938,000 |
| State Funding | 2,785,000 | 0 | 0 | 0 | 0 | 2,785,000 |
| **Total** | **9,723,000** | **0** | **0** | **0** | **0** | **9,723,000** |

## Project Timeline

- 2023-2025 - seek federal funding opportunities, MnDOT leads project design and coordination
- January 2026 – Feasibility Hearing
- February 2026 – Bid
- May 2026 – Construction
- October 2026 – Project completion

# Fair St - McConnell to Belmont

Department: STREET PROJECTS

Project Years: 2027 - 2027

## Project Description

This project will consist of replacing watermain, sanitary sewer and stormwater utilities. This street is the fourth phase of the Long St Neighborhood Construction Plan. This neighborhood is experiencing a large amounts of watermain breaks consistently due to aging and failing infrastructure. The watermain in this area is from the mid-1950s and made of cast iron. Cast iron is susceptible to corrosion and rusting over time. The sanitary sewer in this area is from the mid-1950s and is made of vitrified clay. Vitrified clay is susceptible to root intrusion and leaks over time. There is sidewalk identified in this area under the City of Mankato Critical Link Sidewalk Plan. Long St Neighborhood Construction Plan. The neighborhood generally consisting of Dickinson Street to Victory Drive and Main Street to Fair Street is considered by staff to be in need of reconstruction. The primary need for reconstruction in this area is due to aging and failing utilities. This neighborhood has mostly cast iron watermain constructed in the mid to late 1950s. This watermain network has experienced many watermain breaks since tracking began in the cities Cartegraph system. Cartegraph shows the cost of watermain breaks in this area broken down by year below: 2016: $7109 2017: $17,088 2018: $31,535 2019: $27,638 2020: $24,497 2021: $21,756 The sanitary infrastructure in this area generally consists of vitrified clay pipe constructed in the mid to late 1950s. There are several sidewalk links identified in the City of Mankato Critical Link Sidewalk Plan that may also be addressed with reconstruction activities in the neighborhood. It is proposed to reconstruct this neighborhood in several phases.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Administration | 0 | 86,312 | 0 | 0 | 0 | 86,312 |
| Contingency | 0 | 130,776 | 0 | 0 | 0 | 130,776 |
| Engineering | 0 | 143,855 | 0 | 0 | 0 | 143,855 |
| Sanitary Sewer | 0 | 206,346 | 0 | 0 | 0 | 206,346 |
| Storm Drainage | 0 | 122,499 | 0 | 0 | 0 | 122,499 |
| Stormwater Pollution Prevention | 0 | 37,927 | 0 | 0 | 0 | 37,927 |
| Street | 0 | 1,823,395 | 0 | 0 | 0 | 1,823,395 |
| Watermain | 0 | 242,890 | 0 | 0 | 0 | 242,890 |
| **Total** | **0** | **2,794,000** | **0** | **0** | **0** | **2,794,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 549,000 | 0 | 0 | 0 | 549,000 |
| Sewer Revenue | 0 | 339,000 | 0 | 0 | 0 | 339,000 |
| Special Assessments | 0 | 851,000 | 0 | 0 | 0 | 851,000 |
| Stormwater Revenue | 0 | 533,000 | 0 | 0 | 0 | 533,000 |
| Water Revenue | 0 | 522,000 | 0 | 0 | 0 | 522,000 |
| **Total** | **0** | **2,794,000** | **0** | **0** | **0** | **2,794,000** |

## Project Timeline

- January – Feasibility Hearing
- February – Assessment Hearing
- March – Bid
- May – Construction
- October – Project completion

# Germania Park Phase 6

Department: STREET PROJECTS

Project Years: 2027 - 2027

## Project Description

The reconstruction of 2nd Avenue from Maxfield Street to Pine Street; Maxfield Street from 1st Avenue to 3rd Avenue; Chestnut Street from 1st Avenue to 3rd Avenue.

The Germania Park Capital Improvements Plan (CIP) covers an area of Mankato generally bounded by Riverfront Drive, 1st Avenue, Trunk Highway 14 (TH 14), and the Minnesota River. The existing subsurface of this area is predominantly bedrock, which has limited the development to smaller residential developments and industrial businesses. Most of the city-owned infrastructure is original and dates 50 to 75 years in age, with the exception of Pine Street and a few residential streets on the east side of 3rd Avenue.

In 2011, Short Elliott Hendrickson, Inc. was retained by the City of Mankato to develop a master plan for the Germania Park area. This plan originally envisioned the improvements starting in 2015. Due to funding priorities within the Community Investment Plan these projects were delayed until 2019.

The project area generally has utilities that are 50-75 years old. Sewer is believed to be made of vitrified clay. Vitrified clay is a brittle material susceptible to cracking, joint displacement, root intrusion, and infiltration. The sanitary sewer manholes are of a similar age and likely block or brick built. Due to the age and material build of the sanitary sewer, it is suggested that all sanitary sewer within the project area be reconstructed and replaced with polyvinyl chloride (PVC) pipe. The watermain is most likely made of cast iron, which is susceptible to breaking due to deterioration and freezing conditions in colder weather. It is also 6-inch in diameter, which is undersized compared to current standards.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Admin/bonding | 0 | 115,936 | 0 | 0 | 0 | 115,936 |
| Contingency | 0 | 175,660 | 0 | 0 | 0 | 175,660 |
| Engineering | 0 | 193,227 | 0 | 0 | 0 | 193,227 |
| Sanitary Sewer | 0 | 164,487 | 0 | 0 | 0 | 164,487 |

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Stormwater | 0 | 64,272 | 0 | 0 | 0 | 64,272 |
| Streets | 0 | 1,404,034 | 0 | 0 | 0 | 1,404,034 |
| SWPP | 0 | 4,008 | 0 | 0 | 0 | 4,008 |
| Watermain | 0 | 201,376 | 0 | 0 | 0 | 201,376 |
| **Total** | **0** | **2,323,000** | **0** | **0** | **0** | **2,323,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 642,000 | 0 | 0 | 0 | 642,000 |
| Sewer Revenue | 0 | 239,000 | 0 | 0 | 0 | 239,000 |
| Special Assessments | 0 | 884,000 | 0 | 0 | 0 | 884,000 |
| Stormwater Revenue | 0 | 208,000 | 0 | 0 | 0 | 208,000 |
| Water Revenue | 0 | 350,000 | 0 | 0 | 0 | 350,000 |
| **Total** | **0** | **2,323,000** | **0** | **0** | **0** | **2,323,000** |

## Project Timeline

- January - Feasibility Hearing
- February - Assessment Hearing
- March - Bid Award
- May - Construct i on
- October - Project complet i on

# Resurfacing Projects

Department: STREET PROJECTS

Project Years: 2027 - 2030

## Project Description

n/a

## Engagement Strategy

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Resurfacing Projects | 0 | 670,000 | 0 | 0 | 750,000 | 1,420,000 |
| **Total** | **0** | **670,000** | **0** | **0** | **750,000** | **1,420,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 325,000 | 0 | 0 | 400,000 | 725,000 |
| Sewer Revenue | 0 | 50,000 | 0 | 0 | 50,000 | 100,000 |
| Special Assessments | 0 | 220,000 | 0 | 0 | 225,000 | 445,000 |
| Stormwater Revenue | 0 | 25,000 | 0 | 0 | 25,000 | 50,000 |
| Water Revenue | 0 | 50,000 | 0 | 0 | 50,000 | 100,000 |
| **Total** | **0** | **670,000** | **0** | **0** | **750,000** | **1,420,000** |

## Project Timeline

n/a

# Rita Road

Department: STREET PROJECTS

Project Years: 2027 - 2027

## Project Description

The reconstruction of Rita Road from Monks Avenue to End.

This project will consist of replacing watermain, sanitary sewer and stormwater utilities.This street is the first phase of the Rita Road Neighborhood Construction Plan. This neighborhood is one of the few remaining without underdrain. The watermain in this area is from the late-1950s and made of cast iron. Cast iron is susceptible to corrosion and rusting over time. The sanitary sewer in this area is from the late-1950s and is made of vitrified clay. Vitrified clay is susceptible to root intrusion and leaks over time.

Rita Road Neighborhood Construction Plan

The neighborhood generally consisting of Monks Avenue to Rita Road and Rita Road to Welcome Avenue is considered by staff to be in need of reconstruction. The primary need for reconstruction in this area is due to drainage/grading issues and aging utilities.

This neighborhood experiences drainage problems due to a lack of storm sewer and grading challenges in a majority of the neighborhood. Storm sewer is present on the northern portion of Rita Road and the adjacent Monks Avenue. The eastern portion of Rita Road as well as Meadow Lane and Welcome Avenue rely on surface drainage. The current grading of this neighborhood does not allow for surface drainage to reach the storm sewer conveyance system in a large portion of this neighborhood.

This neighborhood has cast iron watermain constructed in the late 1950s.

The sanitary infrastructure in this area consists of vitrified clay pipe constructed in the late 1950s.

It is proposed to reconstruct this neighborhood in several phases.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Admin/bonding | 0 | 84,820 | 0 | 0 | 0 | 84,820 |
| Contingency | 0 | 128,515 | 0 | 0 | 0 | 128,515 |
| Engineering | 0 | 141,367 | 0 | 0 | 0 | 141,367 |
| Sanitary Sewer | 0 | 286,487 | 0 | 0 | 0 | 286,487 |
| Storm Water | 0 | 194,350 | 0 | 0 | 0 | 194,350 |
| Streets | 0 | 1,242,465 | 0 | 0 | 0 | 1,242,465 |
| SWPPP | 0 | 26,674 | 0 | 0 | 0 | 26,674 |
| Watermain | 0 | 224,322 | 0 | 0 | 0 | 224,322 |
| **Total** | **0** | **2,329,000** | **0** | **0** | **0** | **2,329,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 293,000 | 0 | 0 | 0 | 293,000 |
| Sewer Revenue | 0 | 392,000 | 0 | 0 | 0 | 392,000 |
| Special Assessments | 0 | 818,000 | 0 | 0 | 0 | 818,000 |
| Stormwater Revenue | 0 | 391,000 | 0 | 0 | 0 | 391,000 |
| Water Revenue | 0 | 435,000 | 0 | 0 | 0 | 435,000 |
| **Total** | **0** | **2,329,000** | **0** | **0** | **0** | **2,329,000** |

## Project Timeline

- January – Feasibility Hearing
- February – Assessment Hearing
- March – Bid Award
- May – Construction
- October – Project completion

# TH 169 - North River Ln - Local share

Department: STREET PROJECTS

Project Years: 2027 - 2027

## Project Description

Reconstruction of North River Lane in conjunction with the TH 169 project.

## Engagement Strategy

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| TH 169 - Local Share | 0 | 142,500 | 0 | 0 | 0 | 142,500 |
| **Total** | **0** | **142,500** | **0** | **0** | **0** | **142,500** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 110,000 | 0 | 0 | 0 | 110,000 |
| Special Assessments | 0 | 32,500 | 0 | 0 | 0 | 32,500 |
| **Total** | **0** | **142,500** | **0** | **0** | **0** | **142,500** |

## Project Timeline

To follow MnDOT's project schedule.

# TH 169 - Utilities

Department: STREET PROJECTS

Project Years: 2027 - 2027

## Project Description

Replacement or rehabilitation of water and sanitary sewer infrastructure in conjunction with the TH 169 project.

## Engagement Strategy

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| TH 169 Utilities | 0 | 2,343,800 | 0 | 0 | 0 | 2,343,800 |
| **Total** | **0** | **2,343,800** | **0** | **0** | **0** | **2,343,800** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 310,000 | 0 | 0 | 0 | 310,000 |
| Sewer Revenue | 0 | 1,033,000 | 0 | 0 | 0 | 1,033,000 |
| Water Revenue | 0 | 1,000,800 | 0 | 0 | 0 | 1,000,800 |
| **Total** | **0** | **2,343,800** | **0** | **0** | **0** | **2,343,800** |

## Project Timeline

To follow MnDOT's project timeline.

# 2nd and Hickory Signal Replacement

Department: STREET PROJECTS

Project Years: 2028 - 2028

## Project Description

Replacement of the signal and 2nd and Hickory.

## Engagement Strategy

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| 2nd and Hickory Signal Replacement | 0 | 0 | 225,000 | 0 | 0 | 225,000 |
| **Total** | **0** | **0** | **225,000** | **0** | **0** | **225,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 225,000 | 0 | 0 | 225,000 |
| **Total** | **0** | **0** | **225,000** | **0** | **0** | **225,000** |

## Project Timeline

- Feasibility - Summer 2027
- Design - Fall/Winter 2027-2028
- Bid - Spring 2028
- Construction- Summer 2028
- Substantial Completion- Fall 202

# Anderson Dr and McConnell St

Department: STREET PROJECTS

Project Years: 2028 - 2028

## Project Description

Reconstruction of Anderson Drive from Dickinson to McConnell Street and reconstruction of McConnell Street from Emerson Lane to Marsh Street. Reconstruction to include utilities and surface improvements.

## Engagement Strategy

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Anderson Dr and McConnell St | 0 | 0 | 1,552,000 | 0 | 0 | 1,552,000 |
| **Total** | **0** | **0** | **1,552,000** | **0** | **0** | **1,552,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 648,000 | 0 | 0 | 648,000 |
| Sewer Revenue | 0 | 0 | 106,000 | 0 | 0 | 106,000 |
| Special Assessments | 0 | 0 | 450,000 | 0 | 0 | 450,000 |
| Stormwater Revenue | 0 | 0 | 182,000 | 0 | 0 | 182,000 |
| Water Revenue | 0 | 0 | 166,000 | 0 | 0 | 166,000 |
| **Total** | **0** | **0** | **1,552,000** | **0** | **0** | **1,552,000** |

## Project Timeline

- Feasibility - Summer 2027
- Design - Fall/Winter - 2027-2028
- Bid - Spring 2028
- Construction - Summer 2028
- Substantial Completion - Fall 2028

# N River Dr Resurface

Department: STREET PROJECTS

Project Years: 2028 - 2028

## Project Description

Resurfacing project for North River Drive after the TH 169 project in 2027 to improve the useful life of the roadway for approximately 20 years.

## Engagement Strategy

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| N River Dr Resurface | 0 | 0 | 785,000 | 0 | 0 | 785,000 |
| **Total** | **0** | **0** | **785,000** | **0** | **0** | **785,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 475,000 | 0 | 0 | 475,000 |
| Sewer Revenue | 0 | 0 | 50,000 | 0 | 0 | 50,000 |
| Special Assessments | 0 | 0 | 200,000 | 0 | 0 | 200,000 |
| Stormwater Revenue | 0 | 0 | 10,000 | 0 | 0 | 10,000 |
| Water Revenue | 0 | 0 | 50,000 | 0 | 0 | 50,000 |
| **Total** | **0** | **0** | **785,000** | **0** | **0** | **785,000** |

## Project Timeline

- Feasibility - Summer 2027
- Design - Fall/Winter 2027-2028
- Bid - Spring 2028
- Construction - Summer 2028
- Substantial Completion - Fall 2028

# Pfau St and Shamrock- Goodyear to Adams

Department: STREET PROJECTS

Project Years: 2028 - 2028

## Project Description

Full reconstruction of utilities and surface improvements for Pfau Street from Adams Street to Goodyear Avenue, and Shamrock Drive from Pfau Street to east terminus.

## Engagement Strategy

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Pfau St and Shamrock- Goodyear to Adams | 0 | 0 | 1,187,000 | 0 | 0 | 1,187,000 |
| **Total** | **0** | **0** | **1,187,000** | **0** | **0** | **1,187,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 272,000 | 0 | 0 | 272,000 |
| Sewer Revenue | 0 | 0 | 205,000 | 0 | 0 | 205,000 |
| Special Assessments | 0 | 0 | 285,000 | 0 | 0 | 285,000 |
| Stormwater Revenue | 0 | 0 | 263,000 | 0 | 0 | 263,000 |
| Water Revenue | 0 | 0 | 162,000 | 0 | 0 | 162,000 |
| **Total** | **0** | **0** | **1,187,000** | **0** | **0** | **1,187,000** |

## Project Timeline

- Feasibility - Summer 2027
- Design - Fall/Winter 2027-2028
- Bid - Spring 2028
- Construction- Summer 2028
- Substantial Completion- Fall 2028

# Woodland Ave - Gwyn to Skyline

Department: STREET PROJECTS

Project Years: 2028 - 2028

## Project Description

Woodland Avenue is the first phase in the Woodland Avenue neighborhood reconstruction plan. The neighborhood is generally bounded by Belwood Drive and Woodland Avenue, the city of Skyline and Gwyn Avenue. This road is considered to be in need of reconstruction due to sub-standard infrastructure, including cast iron watermain and vitrified clay sanitary sewer, as well as failing pavements. Woodland Avenue is proposed to reconstruct the watermain connection to the water tower at the uphill end of the project. The existing 10 inch cast iron watermain will be replaced with a higher capacity 12 inch PVC watermain.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Administration | 0 | 0 | 55,114 | 0 | 0 | 55,114 |
| Contingency | 0 | 0 | 83,507 | 0 | 0 | 83,507 |
| Engineering | 0 | 0 | 91,858 | 0 | 0 | 91,858 |
| Sanitary Sewer | 0 | 0 | 70,935 | 0 | 0 | 70,935 |
| Storm Drainage | 0 | 0 | 105,758 | 0 | 0 | 105,758 |
| Stormwater Pollution Prevention | 0 | 0 | 40,821 | 0 | 0 | 40,821 |
| Street | 0 | 0 | 392,513 | 0 | 0 | 392,513 |
| Watermain | 0 | 0 | 224,494 | 0 | 0 | 224,494 |
| **Total** | **0** | **0** | **1,065,000** | **0** | **0** | **1,065,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 187,000 | 0 | 0 | 187,000 |
| Sewer Revenue | 0 | 0 | 83,000 | 0 | 0 | 83,000 |
| Special Assessments | 0 | 0 | 407,000 | 0 | 0 | 407,000 |
| Stormwater Revenue | 0 | 0 | 124,000 | 0 | 0 | 124,000 |
| Water Revenue | 0 | 0 | 264,000 | 0 | 0 | 264,000 |
| **Total** | **0** | **0** | **1,065,000** | **0** | **0** | **1,065,000** |

## Project Timeline

- January – Feasibility Hearing
- February – Assessment Hearing
- March – Bid Award
- May – Construction
- October – Project completion

# Woodshire Phase 3

Department: STREET PROJECTS

Project Years: 2028 - 2028

## Project Description

The proposed improvements for Wilson Way, Bonnie Lane, Sylvan Way and Knollcrest Drive include replacement of sanitary sewer, watermain, storm sewer, end services, aggregate base, concrete curb and gutter, bituminous pavement, sidewalks, landscaping, and driveway pavement. Wilson Way, Bonnie Lane, Sylvan Way and Knollcrest Drive are the third phase of the Rita Road Neighborhood Construction Plan.

This neighborhood has inadequate sanitary sewer depth and drainage issues, resulting in high maintenance costs and roadway deterioration. The watermain in this area is installed in phases between the 1930s and 1970s and made of cast iron and ductile iron. Cast iron is susceptible to corrosion and rusting over time. The sanitary sewer in this area is installed in phases between the 1930s and 1970s and is made of vitrified clay. Vitrified clay is susceptible to root intrusion and leaks over time.

Woodshire Drive Neighborhood Construction Plan.

The neighborhood generally consisting of Madison Avenue to Swiss Street and Madison Avenue to Adams Street is considered by staff to be in need of reconstruction. The primary need for reconstruction in this area is due to aging and inadequate utilities. The sanitary infrastructure in this area consists of vitrified clay pipe constructed between the 1930s and 1950s. This infrastructure is generally considered by staff to be failing due to inadequate depth of the sanitary system as it extends into the neighborhood, most specifically at the northern terminus of Jayro Court. It has been determined by staff that the sanitary mainline exiting the neighborhood through the northern terminus of Woodshire Drive can be abandoned and rerouted to travel south along Woodshire Drives southern terminus. This would increase accessibility to the line for any needed maintenance activities. This would also allow for increased sanitary mainline depth and will result in less needed maintenance in this neighborhood. This neighborhood has mostly cast iron watermain constructed between the 1920s and 1950s. It is proposed to reconstruct this neighborhood in several phases.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Administration | 0 | 0 | 61,182 | 0 | 0 | 61,182 |
| Contingency | 0 | 0 | 92,700 | 0 | 0 | 92,700 |
| Engineering | 0 | 0 | 101,968 | 0 | 0 | 101,968 |
| Sanitary Sewer | 0 | 0 | 175,741 | 0 | 0 | 175,741 |
| Storm Drainage | 0 | 0 | 142,745 | 0 | 0 | 142,745 |
| Stormwater Pollution Prevention | 0 | 0 | 23,622 | 0 | 0 | 23,622 |
| Street | 0 | 0 | 1,523,423 | 0 | 0 | 1,523,423 |
| Watermain | 0 | 0 | 92,619 | 0 | 0 | 92,619 |
| **Total** | **0** | **0** | **2,214,000** | **0** | **0** | **2,214,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 589,000 | 0 | 0 | 589,000 |
| Sewer Revenue | 0 | 0 | 346,000 | 0 | 0 | 346,000 |
| Special Assessments | 0 | 0 | 533,000 | 0 | 0 | 533,000 |
| Stormwater Revenue | 0 | 0 | 288,000 | 0 | 0 | 288,000 |
| Water Revenue | 0 | 0 | 458,000 | 0 | 0 | 458,000 |
| **Total** | **0** | **0** | **2,214,000** | **0** | **0** | **2,214,000** |

## Project Timeline

- January - Feasibility hearing
- February - Assessment hearing
- March - Award Bids
- May - Start construct i on
- August - Project complet i on

# Germania Park Phase 7

Department: STREET PROJECTS

Project Years: 2029 - 2029

## Project Description

The reconstruction of 1st Avenue from Riverfront drive eastward to the railroad tracks.

The Germania Park Capital Improvements Plan (CIP) covers an area of Mankato generally bounded by Riverfront Drive, 1st Avenue, Trunk Highway 14 (TH 14), and the Minnesota River. The existing subsurface of this area is predominantly bedrock, which has limited the development to smaller residential developments and industrial businesses. Most of the city-owned infrastructure is original and dates 50 to 75 years in age, with the exception of Pine Street and a few residential streets on the east side of 3rd Avenue.

In 2011, Short Elliott Hendrickson, Inc. was retained by the City of Mankato to develop a master plan for the Germania Park area. This plan originally envisioned the improvements starting in 2015. Due to funding priorities within the Community Investment Plan these projects were delayed until 2019.

The project area generally has utilities that are 50-75 years old. Sewer is believed to be made of vitrified clay. Vitrified clay is a brittle material susceptible to cracking, joint displacement, root intrusion, and infiltration. The sanitary sewer manholes are of a similar age and likely block or brick built. Due to the age and material build of the sanitary sewer, it is suggested that all sanitary sewer within the project area be reconstructed and replaced with polyvinyl chloride (PVC) pipe. The watermain is most likely made of cast iron, which is susceptible to breaking due to deterioration and freezing conditions in colder weather. It is also 6-inch in diameter, which is undersized compared to current standards.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Admin/Bonding | 0 | 0 | 0 | 222,007 | 0 | 222,007 |
| Contingency | 0 | 0 | 0 | 336,375 | 0 | 336,375 |
| Engineering | 0 | 0 | 0 | 370,013 | 0 | 370,013 |

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sanitary sewer | 0 | 0 | 0 | 1,023,553 | 0 | 1,023,553 |
| Stormwater | 0 | 0 | 0 | 48,870 | 0 | 48,870 |
| Streets | 0 | 0 | 0 | 2,074,292 | 0 | 2,074,292 |
| Watermain | 0 | 0 | 0 | 217,890 | 0 | 217,890 |
| **Total** | **0** | **0** | **0** | **4,293,000** | **0** | **4,293,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 0 | 1,675,000 | 0 | 1,675,000 |
| Sewer Revenue | 0 | 0 | 0 | 1,204,000 | 0 | 1,204,000 |
| Special Assessments | 0 | 0 | 0 | 1,100,000 | 0 | 1,100,000 |
| Stormwater Revenue | 0 | 0 | 0 | 58,000 | 0 | 58,000 |
| Water Revenue | 0 | 0 | 0 | 256,000 | 0 | 256,000 |
| **Total** | **0** | **0** | **0** | **4,293,000** | **0** | **4,293,000** |

## Project Timeline

- January – Feasibility
- February – Hearing
- March – Bid
- May – Construction
- October – Project completion

# Madison Avenue Resurface

Department: STREET PROJECTS

Project Years: 2029 - 2029

## Project Description

This project is proposed as a full depth reclamation of Madison Avenue from Riverfront Drive to 7th Street. This project will not impact existing sanitary sewer and watermain. Selective storm drain improvements will take place with the project.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Adminstration | 0 | 0 | 0 | 60,125 | 0 | 60,125 |
| Contingency | 0 | 0 | 0 | 91,097 | 0 | 91,097 |
| Engineering | 0 | 0 | 0 | 100,208 | 0 | 100,208 |
| Sanitary Sewer | 0 | 0 | 0 | 50,000 | 0 | 50,000 |
| Storm Drainage | 0 | 0 | 0 | 41,752 | 0 | 41,752 |
| Stormwater Pollution Prevention | 0 | 0 | 0 | 4,189 | 0 | 4,189 |
| Street | 0 | 0 | 0 | 859,629 | 0 | 859,629 |
| Watermain | 0 | 0 | 0 | 50,000 | 0 | 50,000 |
| **Total** | **0** | **0** | **0** | **1,257,000** | **0** | **1,257,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 0 | 250,000 | 0 | 250,000 |
| Sewer Revenue | 0 | 0 | 0 | 50,000 | 0 | 50,000 |
| Special Assessments | 0 | 0 | 0 | 156,000 | 0 | 156,000 |
| State Funding | 0 | 0 | 0 | 701,000 | 0 | 701,000 |
| Stormwater Revenue | 0 | 0 | 0 | 50,000 | 0 | 50,000 |
| Water Revenue | 0 | 0 | 0 | 50,000 | 0 | 50,000 |
| **Total** | **0** | **0** | **0** | **1,257,000** | **0** | **1,257,000** |

## Project Timeline

- January – Feasibility Hearing
- February – Assessment Hearing
- March – Bid
- May – Construction
- October – Project completion

# Riverfront Dr - Stoltzman to Warren

Department: STREET PROJECTS

Project Years: 2029 - 2029

## Project Description

Riverfront Drive reconstruction is programmed as a full reconstruction of Riverfront Drive from Stoltzman Drive to Warren Street. The project will be a full reconstruct excluding the sanitary sewer and median. The sanitary sewer is made of PVC and up to date for city standard materials.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Administration | 0 | 0 | 0 | 106,478 | 0 | 106,478 |
| Contingency | 0 | 0 | 0 | 161,331 | 0 | 161,331 |
| Engineering | 0 | 0 | 0 | 177,464 | 0 | 177,464 |
| Sanitary Sewer | 0 | 0 | 0 | 49,858 | 0 | 49,858 |
| Storm Drainage | 0 | 0 | 0 | 104,510 | 0 | 104,510 |
| Storm Pollution Prevention | 0 | 0 | 0 | 12,796 | 0 | 12,796 |
| Street | 0 | 0 | 0 | 1,443,217 | 0 | 1,443,217 |
| Watermain | 0 | 0 | 0 | 51,346 | 0 | 51,346 |
| **Total** | **0** | **0** | **0** | **2,107,000** | **0** | **2,107,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 0 | 590,000 | 0 | 590,000 |
| Sewer Revenue | 0 | 0 | 0 | 50,000 | 0 | 50,000 |
| Special Assessments | 0 | 0 | 0 | 484,000 | 0 | 484,000 |
| State Funding | 0 | 0 | 0 | 800,000 | 0 | 800,000 |
| Stormwater Revenue | 0 | 0 | 0 | 123,000 | 0 | 123,000 |
| Water Revenue | 0 | 0 | 0 | 60,000 | 0 | 60,000 |
| **Total** | **0** | **0** | **0** | **2,107,000** | **0** | **2,107,000** |

## Project Timeline

- January – Feasibility Hearing
- February – Assessment Hearing
- March – Bid
- May – Construction
- October – Project completion

# Riverfront Dr - Warren to Main

Department: STREET PROJECTS

Project Years: 2029 - 2029

## Project Description

Reconstruction of Riverfront Drive from Warren Street to Main Street. This reconstruction will rehabilitate watermain and sewer utilities as necessary. The road section and sidewalk will be reconstructed.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Administration | 0 | 0 | 0 | 100,121 | 0 | 100,121 |
| Contingency | 0 | 0 | 0 | 151,698 | 0 | 151,698 |
| Engineering | 0 | 0 | 0 | 166,868 | 0 | 166,868 |
| Sanitary Sewer | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| Storm Drainage | 0 | 0 | 0 | 150,568 | 0 | 150,568 |
| Stormwater Pollution Prevention | 0 | 0 | 0 | 5,412 | 0 | 5,412 |
| Street | 0 | 0 | 0 | 1,354,906 | 0 | 1,354,906 |
| Watermain | 0 | 0 | 0 | 99,427 | 0 | 99,427 |
| **Total** | **0** | **0** | **0** | **2,129,000** | **0** | **2,129,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 0 | 200,000 | 0 | 200,000 |
| Sewer Revenue | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| Special Assessments | 0 | 0 | 0 | 242,000 | 0 | 242,000 |
| State Funding | 0 | 0 | 0 | 1,310,000 | 0 | 1,310,000 |
| Stormwater Revenue | 0 | 0 | 0 | 177,000 | 0 | 177,000 |
| Water Revenue | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| **Total** | **0** | **0** | **0** | **2,129,000** | **0** | **2,129,000** |

## Project Timeline

- January - Feasibility Hearing
- February - Assessment Hearing
- March - Bid Award
- May - Construct i on
- October - Project complet i on

# Gwyn Area

Department: STREET PROJECTS

Project Years: 2030 - 2030

## Project Description

Full reconstruction of utilities and surface improvements for:

- Gwyn Drive from Chapman Road to Woodland Avenue
- Gwyn Avenue from Woodland Avenue to Carney Avenue
- Chapman Road from western improved limits to Woodland Avenue (~550-ft)
- Caron Drive from Belwood Drive to Woodland Avenue
- Belwood Drive from Lillian Drive to Woodland Avenue
- Lillian Drive from south terminus to Woodland Avenue
- Southview Drive from Carney Avenue to eastern terminus

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Gwyn Area | 0 | 0 | 0 | 0 | 3,450,000 | 3,450,000 |
| **Total** | **0** | **0** | **0** | **0** | **3,450,000** | **3,450,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 0 | 0 | 625,000 | 625,000 |
| Sewer Revenue | 0 | 0 | 0 | 0 | 500,000 | 500,000 |
| Special Assessments | 0 | 0 | 0 | 0 | 1,285,000 | 1,285,000 |
| Stormwater Revenue | 0 | 0 | 0 | 0 | 530,000 | 530,000 |
| Water Revenue | 0 | 0 | 0 | 0 | 510,000 | 510,000 |
| **Total** | **0** | **0** | **0** | **0** | **3,450,000** | **3,450,000** |

## Project Timeline

- Feasibility - Summer 2029
- Design - Fall/Winter 2029-2030
- Bid - Spring 2030
- Construction - Summer 2030
- Substantial Completion - Fall 203

# Marion Ln - Emerson to Main

Department: STREET PROJECTS

Project Years: 2030 - 2030

## Project Description

Reconstruction of utilities and surface improvements for Marion Lane from Main Street to Emerson Lane.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Marion Lane | 0 | 0 | 0 | 0 | 714,000 | 714,000 |
| **Total** | **0** | **0** | **0** | **0** | **714,000** | **714,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 0 | 0 | 129,000 | 129,000 |
| Sewer Revenue | 0 | 0 | 0 | 0 | 136,000 | 136,000 |
| Special Assessments | 0 | 0 | 0 | 0 | 257,000 | 257,000 |
| Stormwater Revenue | 0 | 0 | 0 | 0 | 59,000 | 59,000 |
| Water Revenue | 0 | 0 | 0 | 0 | 133,000 | 133,000 |
| **Total** | **0** | **0** | **0** | **0** | **714,000** | **714,000** |

## Project Timeline

- Feasibility - Summer 2029
- Design - Fall/Winter 2029-2030
- Bid - Spring 2030
- Construction - Summer 2030
- Substantial Completion - Fall 2030

# Meadow Lane & Welcome Ave - Monks to Rita

Department: STREET PROJECTS

Project Years: 2030 - 2030

## Project Description

The proposed improvements for Meadow Lane from Monks Avenue to Rita Road include replacement of sanitary sewer, watermain, storm sewer, end services, aggregate base, concrete curb and gutter, bituminous pavement, landscaping, and driveway pavement.

This street is the second phase of the Rita Road Neighborhood Construction Plan. This neighborhood is one of the few remaining without underdrain. The watermain in this area is from the late-1950s and made of cast iron. Cast iron is susceptible to corrosion and rusting over time. The sanitary sewer in this area is from the late-1950s and is made of vitrified clay. Vitrified clay is susceptible to root intrusion and leaks over time.

Rita Road Neighborhood Construction Plan

The neighborhood generally consisting of Monks Avenue to Rita Road and Rita Road to Welcome Avenue is considered by staff to be in need of reconstruction. The primary need for reconstruction in this area is due to drainage/grading issues and aging utilities.

This neighborhood experiences drainage problems due to a lack of storm sewer and grading challenges in a majority of the neighborhood. Storm sewer is present on the northern portion of Rita Road and the adjacent Monks Avenue. The eastern portion of Rita Road as well as Meadow Lane and Welcome Avenue rely on surface drainage. The current grading of this neighborhood does not allow for surface drainage to reach the storm sewer conveyance system in a large portion of this neighborhood.

This neighborhood has cast iron watermain constructed in the late 1950s.

The sanitary infrastructure in this area consists of vitrified clay pipe constructed in the late 1950s.

It is proposed to reconstruct this neighborhood in several phases.

Engagement Strategy

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Admin/bonding | 0 | 0 | 0 | 0 | 49,921 | 49,921 |
| Contingency | 0 | 0 | 0 | 0 | 75,637 | 75,637 |
| Engineering | 0 | 0 | 0 | 0 | 83,201 | 83,201 |
| Sanitary | 0 | 0 | 0 | 0 | 159,563 | 159,563 |
| Storm | 0 | 0 | 0 | 0 | 75,695 | 75,695 |
| Street | 0 | 0 | 0 | 0 | 1,334,668 | 1,334,668 |
| SWPP | 0 | 0 | 0 | 0 | 4,814 | 4,814 |
| Watermain | 0 | 0 | 0 | 0 | 136,501 | 136,501 |
| **Total** | **0** | **0** | **0** | **0** | **1,920,000** | **1,920,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 0 | 0 | 437,000 | 437,000 |
| Sewer Revenue | 0 | 0 | 0 | 0 | 376,000 | 376,000 |
| Special Assessments | 0 | 0 | 0 | 0 | 603,000 | 603,000 |
| Stormwater Revenue | 0 | 0 | 0 | 0 | 182,000 | 182,000 |
| Water Revenue | 0 | 0 | 0 | 0 | 322,000 | 322,000 |
| **Total** | **0** | **0** | **0** | **0** | **1,920,000** | **1,920,000** |

## Project Timeline

- January – Feasibility Hearing
- February – Assessment Hearing
- March – Bid Award
- May – Construction
- October – Project completion

# Plainview Avenue - Fair to Marwood

Department: STREET PROJECTS

Project Years: 2030 - 2030

## Project Description

Reconstruction of Plainview Avenue from Marwood Drive to Fair Street. This project will consist of replacing watermain, sanitary sewer and storm water utilities.

This neighborhood is experiencing a large amounts of watermain breaks consistently due to aging and failing infrastructure. This area has had 4 main breaks between 2016-2021 and is considered the 6th most costly main break area during this time period. The watermain in this area is from the mid-1950s and made of cast iron. Cast iron is susceptible to corrosion and rusting over time. The sanitary sewer in this area is from the mid-1950s and is made of vitrified clay. Vitrified clay is susceptible to root intrusion and leaks over time. There is sidewalk identified in this area under the City of Mankato Critical Link Sidewalk Plan.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Admin/bonding | 0 | 0 | 0 | 0 | 86,939 | 86,939 |
| Contingency | 0 | 0 | 0 | 0 | 131,725 | 131,725 |
| Engineering | 0 | 0 | 0 | 0 | 144,898 | 144,898 |
| Sanitary | 0 | 0 | 0 | 0 | 344,398 | 344,398 |
| Storm | 0 | 0 | 0 | 0 | 140,828 | 140,828 |
| Street | 0 | 0 | 0 | 0 | 587,457 | 587,457 |
| SWPP | 0 | 0 | 0 | 0 | 9,696 | 9,696 |
| Watermain | 0 | 0 | 0 | 0 | 235,059 | 235,059 |
| **Total** | **0** | **0** | **0** | **0** | **1,681,000** | **1,681,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 0 | 0 | 363,000 | 363,000 |
| Sewer Revenue | 0 | 0 | 0 | 0 | 405,000 | 405,000 |
| Special Assessments | 0 | 0 | 0 | 0 | 471,000 | 471,000 |
| Stormwater Revenue | 0 | 0 | 0 | 0 | 166,000 | 166,000 |
| Water Revenue | 0 | 0 | 0 | 0 | 276,000 | 276,000 |
| **Total** | **0** | **0** | **0** | **0** | **1,681,000** | **1,681,000** |

## Project Timeline

- January – Feasibility Hearing
- February – Assessment Hearing
- March – Bid Award
- May – Construction
- October – Project completion

# Riverfront Dr - Chestnut to Ruth

Department: STREET PROJECTS

Project Years: 2030 - 2030

## Project Description

The sanitary line running generally from the WRRF eastward on the north side of the train tracks and south through Mabel St, Riverfront Dr and Ruth St before crossing southeast along grassland to Thompson Ravine Road is considered to have inadequate capacity and is in inadequate condition.

In assessing this mainline it has been determined that one adequate alternative is to install a new sanitary line that follows a different footprint that has fewer geographical constraints. One option that has been considered is running a concurrent line from Thompson Ravine Road through Ruth Street to Riverfront Drive. At Riverfront Drive, flow will be directed southwest until Chestnut Drive. The mainline will travel west on Chestnut Drive until 1st Avenue. On 1st Avenue the mainline will travel north to Mills Street. On Mills Street the mainline will continue west to 3rd Avenue. The concurrent line would then follow the existing footprint to the WRRF. This proposed path of travel can be seen in the image below.

This option would incorporate multiple reconstruction projects to complete. It is proposed that construction of the new sanitary line coincide with reconstruction of 3rd Avenue, reconstruction of Mills Street, 1st Avenue, and Chestnut Street, reconstruction of Riverfront Drive and reconstruction of Ruth Street. There would also be needed reconstruction at Mabel Street to redirect sanitary flows to the southwest. The planned reconstruct of Germania Park Phase 7 includes the entirety of 1st Avenue.

This project is proposed to be expanded to include Mills Street and Chestnut Street. Reconstruction of Riverfront Drive from Chestnut Street to Mabel Street is proposed to reroute sanitary flows southward from Mabel Street. Reconstruction of Ruth Street from Riverfront Drive past its eastern extents to Thompson Ravine Road is proposed to install the concurrent sanitary line. Reconstruction of Mabel Street is proposed to allow for the sanitary line crossing the railroad tracks northward to be abandoned.

## Engagement Strategy

An informational meeting will be held with the property owners prior to the feasibility hearing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Administration | 0 | 0 | 0 | 0 | 57,244 | 57,244 |
| Contingency | 0 | 0 | 0 | 0 | 86,734 | 86,734 |
| Engineering | 0 | 0 | 0 | 0 | 95,407 | 95,407 |
| Sanitary Sewer | 0 | 0 | 0 | 0 | 187,804 | 187,804 |
| Storm Drainage | 0 | 0 | 0 | 0 | 57,995 | 57,995 |
| Stormwater Pollution Prevention | 0 | 0 | 0 | 0 | 5,142 | 5,142 |
| Street | 0 | 0 | 0 | 0 | 566,250 | 566,250 |
| Watermain | 0 | 0 | 0 | 0 | 49,424 | 49,424 |
| **Total** | **0** | **0** | **0** | **0** | **1,106,000** | **1,106,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 0 | 0 | 0 | 575,000 | 575,000 |
| Sewer Revenue | 0 | 0 | 0 | 0 | 221,000 | 221,000 |
| Special Assessments | 0 | 0 | 0 | 0 | 184,000 | 184,000 |
| Stormwater Revenue | 0 | 0 | 0 | 0 | 68,000 | 68,000 |
| Water Revenue | 0 | 0 | 0 | 0 | 58,000 | 58,000 |
| **Total** | **0** | **0** | **0** | **0** | **1,106,000** | **1,106,000** |

## Project Timeline

- January – Feasibility Hearing
- February – Assessment Hearing
- March – Bid Award
- May – Construction
- October – Project completion

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# Capital Replacement

# Mankato EDA Capital

| EDA Capital | 2026 | 2027 | 2028 | 2029 | 2030 | | |
|---|---|---|---|---|---|---|---|
| Projected fund balance | $ 105,000 | $ 330,000 | $ 375,000 | $ 525,000 | $ 625,000 | | |
| Rent Proceeds | $ 225,000 | $ 225,000 | $ 225,000 | $ 225,000 | $ 225,000 | | |
| **Available Funds** | $ 330,000 | $ 555,000 | $ 600,000 | $ 750,000 | $ 850,000 | | |
| **Project Name** | **2026** | **2027** | **2028** | **2029** | **2030** | **Total** | **Illustrative** |
| GMBDC - Roof Replacement | | | | | | **$ -** | $ (2,710,120) |
| GMBDC - Landscaping Replacement | | $ (80,000) | | | | **$ (80,000)** | |
| GMBDC - Facility Wall Concrete Joint Sealant Replacement | | | $ (75,000) | | | **$ (75,000)** | |
| GMBDC - HVAC Unit Replacement | | | | $ (125,000) | $ (125,000) | **$ (250,000)** | |
| GMBDC - Ceiling Tile Replacement | | | | | | **$ -** | $ (200,000) |
| GMBDC - Conference Room Relocation | | | | | | **$ -** | $ (85,000) |
| GMBDC - Conference Room Furniture | | | | | | **$ -** | $ (100,000) |
| GMBDC - Fire Alarm System Upgrade | | $ (100,000) | | | | **$ (100,000)** | |
| **Total** | **$ -** | **$ (180,000)** | **$ (75,000)** | **$ (125,000)** | **$ (125,000)** | **$ (505,000)** | $ (3,095,120) |
| Fund Balance | $ 330,000 | $ 375,000 | $ 525,000 | $ 625,000 | $ 725,000 | | |
| Fund Balance Target | $ 400,000 | $ 400,000 | $ 400,000 | $ 400,000 | $ 400,000 | | |
| Project count | 0 | 2 | 1 | 1 | 1 | | |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| GMBDC - Fire Alarm System Upgrade | 2027 | 100,000 |
| GMBDC - Landscaping Replacement | 2027 | 80,000 |
| **Total** | | **180,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| GMBDC - Facility Wall Concrete Joint Sealant Replacement | 2028 | 75,000 |
| **Total** | | **75,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| GMBDC - HVAC Unit Replacement | 2029 | 125,000 |
| **Total** | | **125,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| GMBDC - HVAC Unit Replacement | 2030 | 125,000 |
| **Total** | | **125,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| GMBDC - Ceiling Tile Replacement | 2033 | 200,000 |
| GMBDC - Conference Room Furniture Replacement | 2033 | 100,000 |
| GMBDC - Conference Room Relocation | 2033 | 85,000 |
| GMBDC - Roof Replacement | 2033 | 2,710,120 |
| **Total** | | **3,095,120** |

# GMBDC - Fire Alarm System Upgrade

Department: MANKATO EDA CAPITAL

Project Years: 2027 - 2027

## Project Description

The existing alarm panel is at the end of its useful life and needs to be upgraded. The new system will include a cell dialer for monitoring which eliminates the need for a dedicated phone line.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fire alarm system upgrade | 0 | 100,000 | 0 | 0 | 0 | 100,000 |
| **Total** | **0** | **100,000** | **0** | **0** | **0** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 100,000 | 0 | 0 | 0 | 100,000 |
| **Total** | **0** | **100,000** | **0** | **0** | **0** | **100,000** |

## Project Timeline

- January - Obtain quotes
- March - Install new system and test i ng

# GMBDC - Landscaping Replacement

Department: MANKATO EDA CAPITAL

Project Years: 2027 - 2027

## Project Description

The landscaping in the parking lot islands, perimeter of the lot, and around the building will be refreshed with new plantings that are salt tolerant for our snow removal operations. We have had good luck with them in the downtown environment and those will be mirrored at this facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Landscape replacement | 0 | 80,000 | 0 | 0 | 0 | 80,000 |
| **Total** | **0** | **80,000** | **0** | **0** | **0** | **80,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 80,000 | 0 | 0 | 0 | 80,000 |
| **Total** | **0** | **80,000** | **0** | **0** | **0** | **80,000** |

## Project Timeline

- February - Request for quotes released
- March - Finalize quote
- May - Begin work

# GMBDC - Facility Wall Concrete Joint Sealant Replacement

Department: MANKATO EDA CAPITAL

Project Years: 2028 - 2028

## Project Description

The concrete tip up panel seams will be cleaned and recaulked as part of this project.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Wall Joint Sealant | 0 | 0 | 75,000 | 0 | 0 | 75,000 |
| **Total** | **0** | **0** | **75,000** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 75,000 | 0 | 0 | 75,000 |
| **Total** | **0** | **0** | **75,000** | **0** | **0** | **75,000** |

## Project Timeline

- April - Request for quotations released
- June - Construction

# GMBDC - HVAC Unit Replacement

Department: MANKATO EDA CAPITAL

Project Years: 2029 - 2030

## Project Description

The replacement units will be prioritized based on the age and condition of each unit. Staff anticipates being able to replace 3-6 units per year depending on the size of the unit. Depending on the ability to support the weight and added footprint, heat pump units will be considered as an alternative.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| HVAC Replacements | 0 | 0 | 0 | 125,000 | 125,000 | 250,000 |
| **Total** | **0** | **0** | **0** | **125,000** | **125,000** | **250,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 125,000 | 125,000 | 250,000 |
| **Total** | **0** | **0** | **0** | **125,000** | **125,000** | **250,000** |

## Project Timeline

- January - Request quotes
- March - Order units
- September - Installat i on

# Mankato EDA - Housing

**Housing - Mankato**

| | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Projected fund balance | $ - | $ 1,507,655 | $ 1,098,655 | $ 708,655 | $ 736,655 |
| Prior CFP Grants - Federal Aid | $ 1,535,965 | | | | |
| Transfer-In | $ 500,000 | $ 500,000 | $ 500,000 | $ 500,000 | $ 500,000 |
| **Available Funds** | $ 2,035,965 | $ 2,007,655 | $ 1,598,655 | $ 1,208,655 | $ 1,236,655 |

| Project Name | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Illustrative |
|---|---|---|---|---|---|---|---|
| Mankato Unit Renovations | $ (400,000) | $ (400,000) | $ (400,000) | $ (400,000) | $ (400,000) | **$ (2,000,000)** | |
| Mankato RAD Conversion Critical Repairs | $ (24,310) | | | | | **$ (24,310)** | |
| Orness Plaza Boiler Replacement | | | | | | **$ -** | $ (100,000) |
| Orness Plaza HVAC Replacement Phase 1 | | $ (400,000) | | | | **$ (400,000)** | |
| Orness Plaza HVAC Replacement Phase 2 | | | $ (375,000) | | | **$ (375,000)** | |
| Appliance, Furnace, & Water Heater Replacement | $ (31,000) | $ (34,000) | $ (37,000) | $ (41,000) | $ (45,000) | **$ (188,000)** | |
| Driveway & Misc. Site Improvements | $ (23,000) | $ (25,000) | $ (28,000) | $ (31,000) | $ (35,000) | **$ (142,000)** | |
| Orness Plaza EIFS Repairs | | | | | | **$ -** | $ (100,000) |
| Unit Electrical Code Upgrades | $ (50,000) | $ (50,000) | $ (50,000) | | | **$ (150,000)** | |
| Parking Lot Repairs & Sealcoating | | | | | | **$ -** | $ (80,000) |
| **Total** | **$ (528,310)** | **$ (909,000)** | **$ (890,000)** | **$ (472,000)** | **$ (480,000)** | **$ (3,279,310)** | $ (280,000) |
| Fund Balance | $ 1,507,655 | $ 1,098,655 | $ 708,655 | $ 736,655 | $ 756,655 | | |
| Fund Balance Target | $ 500,000 | $ 515,000 | $ 530,000 | $ 545,000 | $ 560,000 | | |
| Project count | 5 | 5 | 5 | 3 | 3 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Housing - Appliance, Furnace, & Water Heater Replacement | 2026 | 31,000 |
| Mankato Housing - Driveway & Misc. Site Improvements | 2026 | 23,000 |
| Mankato Housing - RAD Conversion Critical Repairs | 2026 | 24,310 |
| Mankato Housing - Unit Electrical Code Upgrades | 2026 | 50,000 |
| Mankato Housing - Unit Renovations | 2026 | 400,000 |
| **Total** | | **528,310** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Housing - Appliance, Furnace, & Water Heater Replacement | 2027 | 34,000 |
| Mankato Housing - Driveway & Misc. Site Improvements | 2027 | 25,000 |
| Mankato Housing - Orness Plaza HVAC Replacement Phase 1 | 2027 | 400,000 |
| Mankato Housing - Unit Electrical Code Upgrades | 2027 | 50,000 |
| Mankato Housing - Unit Renovations | 2027 | 400,000 |
| **Total** | | **909,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Housing - Orness Plaza HVAC Replacement Phase 2 | 2028 | 375,000 |
| Mankato Housing - Appliance, Furnace, & Water Heater Replacement | 2028 | 37,000 |
| Mankato Housing - Driveway & Misc. Site Improvements | 2028 | 28,000 |
| Mankato Housing - Unit Electrical Code Upgrades | 2028 | 50,000 |
| Mankato Housing - Unit Renovations | 2028 | 400,000 |
| **Total** | | **890,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Housing - Appliance, Furnace, & Water Heater Replacement | 2029 | 41,000 |
| Mankato Housing - Driveway & Misc. Site Improvements | 2029 | 31,000 |
| Mankato Housing - Unit Renovations | 2029 | 400,000 |
| **Total** | | **472,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Housing - Appliance, Furnace, & Water Heater Replacement | 2030 | 45,000 |
| Mankato Housing - Driveway & Misc. Site Improvements | 2030 | 35,000 |
| Mankato Housing - Unit Renovations | 2030 | 400,000 |
| **Total** | | **480,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Housing - Orness Plaza Boiler Replacement | 2030 | 100,000 |
| Mankato Housing - Orness Plaza EIFS Repairs | 2030 | 100,000 |
| Mankato Housing - Parking Lot Repairs & Sealcoating | 2030 | 80,000 |
| **Total** | | **280,000** |

# Mankato Housing - Appliance, Furnace, & Water Heater Replacement

Department: MANKATO EDA - HOUSING

Project Years: 2026 - 2030

## Project Description

Replacement of appliances as they approach the end of their useful life will allow for reduced downtime for tenants and reduce the number of stall call backs for maintenance.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Housing (City) Appliance, furnace, & water heater replacement | 31,000 | 34,000 | 37,000 | 41,000 | 45,000 | 188,000 |
| **Total** | **31,000** | **34,000** | **37,000** | **41,000** | **45,000** | **188,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 31,000 | 34,000 | 37,000 | 41,000 | 45,000 | 188,000 |
| **Total** | **31,000** | **34,000** | **37,000** | **41,000** | **45,000** | **188,000** |

## Project Timeline

Multi year project will replace appliances as time allows throughout the calendar year.

# Mankato Housing - Driveway & Misc. Site Improvements

Department: MANKATO EDA - HOUSING

Project Years: 2026 - 2030

## Project Description

Replacement of failing site improvements to comply with housing unit inspections and site accessibility for our tenants.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Housing (City) Driveway, misc site improvements | 23,000 | 25,000 | 28,000 | 31,000 | 35,000 | 142,000 |
| **Total** | **23,000** | **25,000** | **28,000** | **31,000** | **35,000** | **142,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 23,000 | 25,000 | 28,000 | 31,000 | 35,000 | 142,000 |
| **Total** | **23,000** | **25,000** | **28,000** | **31,000** | **35,000** | **142,000** |

## Project Timeline

Multiyear project will be accomplished as projects are identified and staffing allows.

# Mankato Housing - RAD Conversion Critical Repairs

Department: MANKATO EDA - HOUSING

Project Years: 2026 - 2026

## Project Description

The project will include items identified through the RAD conversion process. They include scald abrasion protection for under ADA sinks, accessible parking stall installations at various sites, the addition of audio visual alarms in various accessible units, railing along a retaining wall, and lighting fixture upgrades.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Mankato RAD Conversion Critical Repairs | 24,310 | 0 | 0 | 0 | 0 | 24,310 |
| **Total** | **24,310** | **0** | **0** | **0** | **0** | **24,310** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 24,310 | 0 | 0 | 0 | 0 | 24,310 |
| **Total** | **24,310** | **0** | **0** | **0** | **0** | **24,310** |

## Project Timeline

The items that can be completed by Housing staff will be done in January of 2026. The items requiring contractor work will be bid out in Spring of 2026 with completion in June of 2026.

# Mankato Housing - Unit Electrical Code Upgrades

Department: MANKATO EDA - HOUSING

Project Years: 2026 - 2028

## Project Description

With the start of the new Inspire inspections, electrical code upgrades were a key feature in the new rating structure. Housing authorities have a limited window of time to bring all units up to compliance and we have developed a plan to bring all of our units up to current code within 3 years. Old electrical systems will be replaced and upgraded to modern wiring and breaker boxes and ground fault outlets will be added in the appropriate locations. Finally, lighting and exhaust systems will be upgraded for energy efficiency where feasible.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Unit Electrical Code Upgrades | 50,000 | 50,000 | 50,000 | 0 | 0 | 150,000 |
| **Total** | **50,000** | **50,000** | **50,000** | **0** | **0** | **150,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 50,000 | 50,000 | 50,000 | 0 | 0 | 150,000 |
| **Total** | **50,000** | **50,000** | **50,000** | **0** | **0** | **150,000** |

## Project Timeline

This is a multi year project that will be undertaken with open units being done first followed by occupied units to reduce the impact on our tenants.

# Mankato Housing - Unit Renovations

Department: MANKATO EDA - HOUSING

Project Years: 2026 - 2030

## Project Description

Various unit modernization and updates as the units become available during turnovers.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Housing (City) Housing unit turnover renovations | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 2,000,000 |
| **Total** | **400,000** | **400,000** | **400,000** | **400,000** | **400,000** | **2,000,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 2,000,000 |
| **Total** | **400,000** | **400,000** | **400,000** | **400,000** | **400,000** | **2,000,000** |

## Project Timeline

Multiyear project to be undertaken as units become available and staffing allows.

# Mankato Housing - Orness Plaza HVAC Replacement Phase 1

Department: MANKATO EDA - HOUSING

Project Years: 2027 - 2027

## Project Description

The first phase of improvements will include installation of 4 heats pumps on the first floor of the atrium. Currently, the space is serviced only by a large air handler on the roof of the 7 story building without sufficient power to supply the space below. The project will also include improvements to the heating in the vestibules, stairways, and the addition of air curtains at the main entrances to reduce the infiltration of cold air in the winter months.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Orness Plaza HVAC Replacement Phase 1 | 0 | 400,000 | 0 | 0 | 0 | 400,000 |
| **Total** | **0** | **400,000** | **0** | **0** | **0** | **400,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 400,000 | 0 | 0 | 0 | 400,000 |
| **Total** | **0** | **400,000** | **0** | **0** | **0** | **400,000** |

## Project Timeline

- January - Feasibility Hearing
- March - Award bids
- May - September - Construct i on

# Mankato Housing - Orness Plaza HVAC Replacement Phase 2

Department: MANKATO EDA - HOUSING

Project Years: 2028 - 2028

## Project Description

The project includes the replacement of both RTUs with new units. This will require a controls upgrade to the building automation system and some rework of the duct work servicing these areas. Given the location of the units in the center of the roof structure, a large crane will be needed for demolition and installation of the new equipment.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Orness Plaza HVAC Replacement Phase 2 | 0 | 0 | 375,000 | 0 | 0 | 375,000 |
| **Total** | **0** | **0** | **375,000** | **0** | **0** | **375,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 375,000 | 0 | 0 | 375,000 |
| **Total** | **0** | **0** | **375,000** | **0** | **0** | **375,000** |

## Project Timeline

- January - Feasibility Hearing
- March - Bid Award
- September - October - Construct i on

# Blue Earth County
# EDA - Housing

| **Housing - Blue Earth County** | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2026** | **2027** | **2028** | **2029** | **2030** | | |
| Projected fund balance | $ - | $ 753,900 | $ 604,900 | $ 574,900 | $ 577,900 | | |
| Prior CFP Grants - Federal Aid | $ 829,010 | | | | | | |
| Transfer In | $ 250,000 | $ 250,000 | $ 250,000 | $ 250,000 | $ 250,000 | | |
| **Available Funds** | $ 1,079,010 | $ 1,003,900 | $ 854,900 | $ 824,900 | $ 827,900 | | |
| **Project Name** | **2026** | **2027** | **2028** | **2029** | **2030** | **Total** | **Illustrative** |
| Housing Unit Turnover Renovations | $ (175,000) | $ (175,000) | $ (175,000) | $ (175,000) | $ (175,000) | **$ (875,000)** | |
| Blue Earth County RAD Conversion Critical Repairs | $ (36,110) | | | | | **$ (36,110)** | |
| Appliance, Furnace, & Water Heater Replacement | $ (31,000) | $ (34,000) | $ (37,000) | $ (41,000) | $ (44,000) | **$ (187,000)** | |
| Parking Lot Patching & Sealcoating | | | | | | **$ -** | $ 75,000 |
| Driveway, Sidewalk, & Misc. Site Improvements | $ (23,000) | $ (25,000) | $ (28,000) | $ (31,000) | $ (33,500) | **$ (140,500)** | |
| Eastview Apartments Exterior Lighting Replacement | | $ (75,000) | | | | **$ (75,000)** | |
| Pioneer Plaza Apartments Exterior Lighting Electrical Upgrades | | $ (50,000) | | | | **$ (50,000)** | |
| Unit Electrical Code Upgrades | $ (60,000) | $ (40,000) | $ (40,000) | | | **$ (140,000)** | |
| | | | | | | **$ -** | $ - |
| **Total** | **$ (325,110)** | **$ (399,000)** | **$ (280,000)** | **$ (247,000)** | **$ (252,500)** | **$ (1,503,610)** | $ 75,000 |
| Fund Balance | $ 753,900 | $ 604,900 | $ 574,900 | $ 577,900 | $ 575,400 | | |
| Fund Balance Target | $ 500,000 | $ 515,000 | $ 530,000 | $ 545,000 | $ 560,000 | | |
| Project count | 5 | 6 | 4 | 3 | 3 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| BEC Housing - Appliance, Furnace, & Water Heater Replacement | 2026 | 31,000 |
| BEC Housing - Driveway & Misc. Site Improvements | 2026 | 23,000 |
| BEC Housing - Housing Unit Renovations | 2026 | 175,000 |
| BEC Housing - RAD Conversion Critical Repairs | 2026 | 36,110 |
| BEC Housing - Unit Electrical Code Upgrades | 2026 | 60,000 |
| **Total** | | **325,110** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| BEC Housing - Appliance, Furnace, & Water Heater Replacement | 2027 | 34,000 |
| BEC Housing - Driveway & Misc. Site Improvements | 2027 | 25,000 |
| BEC Housing - Eastview Apartments Exterior Lighting Replacement | 2027 | 75,000 |
| BEC Housing - Housing Unit Renovations | 2027 | 175,000 |
| BEC Housing - Pioneer Plaza Apartments Exterior Lighting Electrical Upgrades | 2027 | 50,000 |
| BEC Housing - Unit Electrical Code Upgrades | 2027 | 40,000 |
| **Total** | | **399,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| BEC Housing - Appliance, Furnace, & Water Heater Replacement | 2028 | 37,000 |
| BEC Housing - Driveway & Misc. Site Improvements | 2028 | 28,000 |
| BEC Housing - Housing Unit Renovations | 2028 | 175,000 |
| BEC Housing - Unit Electrical Code Upgrades | 2028 | 40,000 |
| **Total** | | **280,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| BEC Housing - Appliance, Furnace, & Water Heater Replacement | 2029 | 41,000 |
| BEC Housing - Driveway & Misc. Site Improvements | 2029 | 31,000 |
| BEC Housing - Housing Unit Renovations | 2029 | 175,000 |
| **Total** | | **247,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| BEC Housing - Appliance, Furnace, & Water Heater Replacement | 2030 | 44,000 |
| BEC Housing - Driveway & Misc. Site Improvements | 2030 | 33,500 |
| BEC Housing - Housing Unit Renovations | 2030 | 175,000 |
| **Total** | | **252,500** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| BEC Housing - Parking lot patching & sealcoating | 2031 | 75,000 |
| **Total** | | **75,000** |

# BEC Housing - Appliance, Furnace, & Water Heater Replacement

Department: BLUE EARTH COUNTY EDA - HOUSING

Project Years: 2026 - 2030

## Project Description

Replacement of appliances as they approach the end of their useful life will allow for reduced downtime for tenants and reduce the number of call backs for maintenance.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| BEC Housing - Appliance, furnace, & water heater replacement | 31,000 | 34,000 | 37,000 | 41,000 | 44,000 | 187,000 |
| **Total** | **31,000** | **34,000** | **37,000** | **41,000** | **44,000** | **187,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 31,000 | 34,000 | 37,000 | 41,000 | 44,000 | 187,000 |
| **Total** | **31,000** | **34,000** | **37,000** | **41,000** | **44,000** | **187,000** |

## Project Timeline

Multi year project will replace appliances as time allows throughout the calendar year.

# BEC Housing - Driveway & Misc. Site Improvements

Department: BLUE EARTH COUNTY EDA - HOUSING

Project Years: 2026 - 2030

## Project Description

Replacement of failing site improvements to comply with housing unit inspections and site accessibility for our tenants.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| BEC Housing - Driveway, sidewalk, misc site improvements | 23,000 | 25,000 | 28,000 | 31,000 | 33,500 | 140,500 |
| **Total** | **23,000** | **25,000** | **28,000** | **31,000** | **33,500** | **140,500** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 23,000 | 25,000 | 28,000 | 31,000 | 33,500 | 140,500 |
| **Total** | **23,000** | **25,000** | **28,000** | **31,000** | **33,500** | **140,500** |

## Project Timeline

Multiyear project will be accomplished as projects are identified and staffing allows.

# BEC Housing - Housing Unit Renovations

Department: BLUE EARTH COUNTY EDA - HOUSING

Project Years: 2026 - 2030

## Project Description

Various unit modernization and updates as the units become available during turnovers.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| BEC Housing - Housing unit turnover renovations | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 875,000 |
| **Total** | **175,000** | **175,000** | **175,000** | **175,000** | **175,000** | **875,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 875,000 |
| **Total** | **175,000** | **175,000** | **175,000** | **175,000** | **175,000** | **875,000** |

## Project Timeline

Multiyear project to be undertaken as units become available and staffing allows.

# BEC Housing - RAD Conversion Critical Repairs

Department: BLUE EARTH COUNTY EDA - HOUSING

Project Years: 2026 - 2026

## Project Description

The project will include items identified through the RAD conversion process. They include scald abrasion protection for under ADA sinks, accessible parking stall installations at various sites, the addition of audio visual alarms in various accessible units, railing along a retaining wall, and lighting fixture upgrades.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| RAD Conversion Critical Repairs | 36,110 | 0 | 0 | 0 | 0 | 36,110 |
| **Total** | **36,110** | **0** | **0** | **0** | **0** | **36,110** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 36,110 | 0 | 0 | 0 | 0 | 36,110 |
| **Total** | **36,110** | **0** | **0** | **0** | **0** | **36,110** |

## Project Timeline

The items that can be completed by Housing staff will be done in January of 2026. The items requiring contractor work will be bid out in Spring of 2026 with completion in June of 2026.

# BEC Housing - Unit Electrical Code Upgrades

Department: BLUE EARTH COUNTY EDA - HOUSING

Project Years: 2026 - 2028

## Project Description

With the start of the new Inspire inspections, electrical code upgrades were a key feature in the new rating structure. Housing authorities have a limited window of time to bring all units up to compliance and we have developed a plan to bring all of our units up to current code within 3 years. Old electrical systems will be replaced and upgraded to modern wiring and breaker boxes and ground fault outlets will be added in the appropriate locations. Finally, lighting and exhaust systems will be upgraded for energy efficiency where feasible.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Unit Electrical Code Upgrades | 60,000 | 40,000 | 40,000 | 0 | 0 | 140,000 |
| **Total** | **60,000** | **40,000** | **40,000** | **0** | **0** | **140,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 60,000 | 40,000 | 40,000 | 0 | 0 | 140,000 |
| **Total** | **60,000** | **40,000** | **40,000** | **0** | **0** | **140,000** |

## Project Timeline

This is a multi year project that will be undertaken with open units being done first followed by occupied units to reduce the impact on our tenants.

# BEC Housing - Eastview Apartments Exterior Lighting Replacement

Department: BLUE EARTH COUNTY EDA - HOUSING

Project Years: 2027 - 2027

## Project Description

Replacement of all 12 of the light poles servicing the exterior walk ways and parking lot with new poles and underground wiring. The system will be brought up to current standards and include LED fixtures and fully cutoff light heads to reduce light pollution.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Eastview Apts Exterior Lighting Replacement | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Project Timeline

The project will be let for quotations in spring of 2026 with installation occurring in fall of 2026 after receipt of the light poles.

# BEC Housing - Pioneer Plaza Apartments Exterior Lighting Electrical Upgrades

Department: BLUE EARTH COUNTY EDA - HOUSING

Project Years: 2027 - 2027

## Project Description

The existing direct bury wiring will be replaced due to is failure in multiple locations. It has been spot repaired however new lines need to be installed for continued operation and longevity of the system.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Pioneer Plaza Apt Exterior Lighting Electrical Upgrades | 0 | 50,000 | 0 | 0 | 0 | 50,000 |
| **Total** | **0** | **50,000** | **0** | **0** | **0** | **50,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 50,000 | 0 | 0 | 0 | 50,000 |
| **Total** | **0** | **50,000** | **0** | **0** | **0** | **50,000** |

## Project Timeline

The project will be released for quotations in spring of 2027 with construction in summer of 2027.

# IGC Capital Replacement Fund

| IGC Replacement Fund | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Projected fund Balance | $ 1,200,497 | $ 1,109,497 | $ 503,497 | $ 360,497 | $ 446,497 |
| Transfer-in IGC | $ 204,000 | $ 208,000 | $ 212,000 | $ 216,000 | $ 220,000 |
| **Available Funds** | $1,404,497 | $1,317,497 | $715,497 | $576,497 | $666,497 |

| Project Name | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Illustrative |
|---|---|---|---|---|---|---|---|
| Intergovernmental Center - Building Exterior Cleaning & Repairs | $ (30,000) | $ (30,000) | $ (30,000) | $ (30,000) | $ (30,000) | **$ (150,000)** | |
| Intergovernmental Center - AED Replacement | | $ (7,000) | | | | **$ (7,000)** | |
| Intergovernmental Center - Roof Safety Improvements Phase 1 | | $ (100,000) | | | | **$ (100,000)** | |
| Intergovernmental Center - Floor Scrubber Replacement | | $ (18,000) | | | | **$ (18,000)** | |
| Intergovernmental Center - Front Door Replacement | | | | | | **$ -** | $ (100,000) |
| Intergovernmental Center - 3rd Floor Remodel | $ (265,000) | | | | | **$ (265,000)** | |
| Intergovernmental Center - Roof Replacement - 3rd Floor | | $ (474,000) | | | | **$ (474,000)** | |
| Intergovernmental Center - Roof Replacement - 1st Floor | | | $ (225,000) | | | **$ (225,000)** | |
| Intergovernmental Center - Server Room HVAC Replacement | | | $ (100,000) | | | **$ (100,000)** | |
| Intergovernmental Center - HVAC Unit Replacement | | | | $ (100,000) | | **$ (100,000)** | |
| Intergovernmental Center - Council Chambers Seating Replacement | | | | | | **$ -** | $ (125,000) |
| Intergovernmental Center - Carpet Replacement and Painting on the 2nd Floor | | | | | | **$ -** | $ (500,000) |
| Intergovernmental Center - Eastern EIFS Replacement | | | | | $ (325,000) | **$ (325,000)** | |
| Intergovernmental Center - Western & 3rd Floor EIFS Replacement | | | | | | **$ -** | $ (500,000) |
| Intergovernmental Center - Elevator Code Upgrades | | $ (185,000) | | | | **$ (185,000)** | |
| **Total** | $ (295,000) | $ (814,000) | $ (355,000) | $ (130,000) | $ (355,000) | **$ (1,949,000)** | $ (1,225,000) |
| Fund Balance | $ 1,109,497 | $ 503,497 | $ 360,497 | $ 446,497 | $ 311,497 | | |
| Fund Balance Target | $ 265,000 | $ 272,500 | $ 280,000 | $ 287,500 | $ 295,000 | | |
| Project Count | 2 | 6 | 3 | 2 | 2 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Intergovernmental Center - 3rd Floor Remodel | 2026 | 265,000 |
| Intergovernmental Center - Building Exterior Cleaning & Repairs | 2026 | 30,000 |
| **Total** | | **295,000** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Intergovernmental Center - AED Replacements | 2027 | 7,000 |
| Intergovernmental Center - Building Exterior Cleaning & Repairs | 2027 | 30,000 |
| Intergovernmental Center - Elevator Code Upgrades | 2027 | 185,000 |
| Intergovernmental Center - Floor Scrubber Replacement | 2027 | 18,000 |
| Intergovernmental Center - Roof Replacement - 3rd Floor | 2027 | 474,000 |
| Intergovernmental Center - Roof Safety Improvements Phase 1 | 2027 | 100,000 |
| **Total** | | **814,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Intergovernmental Center - Building Exterior Cleaning & Repairs | 2028 | 30,000 |
| Intergovernmental Center - Roof Replacement - 1st  Floor | 2028 | 225,000 |
| Intergovernmental Center - Server Room HVAC Replacement | 2028 | 100,000 |
| **Total** | | **355,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Intergovernmental Center - Building Exterior Cleaning & Repairs | 2029 | 30,000 |
| Intergovernmental Center - HVAC Unit Replacement | 2029 | 100,000 |
| **Total** | | **130,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Intergovernmental Center - Building Exterior Cleaning & Repairs | 2030 | 30,000 |
| Intergovernmental Center - Eastern EIFS Replacement | 2030 | 325,000 |
| **Total** | | **355,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| Intergovernmental Center - Carpet Replacement and Painting on the 2nd Floor | 2030 | 500,000 |
| Intergovernmental Center - Council Chambers Seating Replacement | 2030 | 125,000 |
| Intergovernmental Center - Front Door Replacement | 2030 | 100,000 |
| Intergovernmental Center - Western & 3rd Floor EIFS Replacement | 2030 | 500,000 |
| **Total** | | **1,225,000** |

# Intergovernmental Center - 3rd Floor Remodel

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2026 - 2026

## Project Description

Minor modifications will be required to accommodate existing staff with the addition of a secure front counter area to allow public access. Additional furniture may need to be purchased as part of the move.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| IGC 3rd Floor Remodel | 265,000 | 0 | 0 | 0 | 0 | 265,000 |
| **Total** | **265,000** | **0** | **0** | **0** | **0** | **265,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 265,000 | 0 | 0 | 0 | 0 | 265,000 |
| **Total** | **265,000** | **0** | **0** | **0** | **0** | **265,000** |

## Project Timeline

- March - Feasibility Hearing and hiring of an architect
- June - Bid Award
- September/October - Construction (City to take over space on September 1, 2026)

# Intergovernmental Center - Building Exterior Cleaning & Repairs

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2026 - 2030

## Project Description

Annual allocation of funds to continue to keep the building in excellent condition to allow for the continued hosting of various outdoor events on the front lawn.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Intergovernmental Center - Building Exterior Cleaning & Repairs | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 150,000 |
| **Total** | **30,000** | **30,000** | **30,000** | **30,000** | **30,000** | **150,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 150,000 |
| **Total** | **30,000** | **30,000** | **30,000** | **30,000** | **30,000** | **150,000** |

## Project Timeline

Spring of each year

# Intergovernmental Center - AED Replacements

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Replacement of the building Automated External Defibrillators. The current Zoll AED's were purchased in 2020 and will reach the end of their warranty period requiring replacement in 2026.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| AED Replacements | 0 | 7,000 | 0 | 0 | 0 | 7,000 |
| **Total** | **0** | **7,000** | **0** | **0** | **0** | **7,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 7,000 | 0 | 0 | 0 | 7,000 |
| **Total** | **0** | **7,000** | **0** | **0** | **0** | **7,000** |

## Project Timeline

Purchase will occur with city wide AED replacement project in 2026.

# Intergovernmental Center - Elevator Code Upgrades

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Replacement of the elevator mechanical equipment and button stations at the Intergovernmental Center. The elevator mechanical equipment will be nearing the end of its useful life in the coming years. Proactive replacement of the equipment is critical to maintaining sufficient access for the public to use this critical facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Elevator Code Upgrades | 0 | 185,000 | 0 | 0 | 0 | 185,000 |
| **Total** | **0** | **185,000** | **0** | **0** | **0** | **185,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 185,000 | 0 | 0 | 0 | 185,000 |
| **Total** | **0** | **185,000** | **0** | **0** | **0** | **185,000** |

## Project Timeline

- February - Feasibility hearing
- April - Bid Award

July - Construction

# Intergovernmental Center - Floor Scrubber Replacement

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

The new scrubber is proposed to be a stand on unit vs the existing riding scrubber. With the modifications to the building since the previous scrubber was purchased in 2006, the corridors and doorways have gotten tighter and don't allow full utilization of the scrubber in all areas. The new machine will be able to get to nearly every public space in the building allowing for a more consistent cleaning operation.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| IGC Scrubber | 0 | 18,000 | 0 | 0 | 0 | 18,000 |
| **Total** | **0** | **18,000** | **0** | **0** | **0** | **18,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 18,000 | 0 | 0 | 0 | 18,000 |
| **Total** | **0** | **18,000** | **0** | **0** | **0** | **18,000** |

## Project Timeline

- January - Order equipment
- March - receive machine

# Intergovernmental Center - Roof Replacement - 3rd Floor

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Intergovernmental Center - Roof Replacement - 3rd Floor. These roofs are original to the construction in 1996/7 and are in need of replacement. The project will include installation of a new 90 mil fully adhered rubber roof system with installation of necessary safety equipment to allow city staff access to the roof for regular maintenance.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Intergovernmental Center - Roof Replacement - 1st and 3rd Floors | 0 | 474,000 | 0 | 0 | 0 | 474,000 |
| **Total** | **0** | **474,000** | **0** | **0** | **0** | **474,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 474,000 | 0 | 0 | 0 | 474,000 |
| **Total** | **0** | **474,000** | **0** | **0** | **0** | **474,000** |

## Project Timeline

- January - Feasibility Hearing
- March - Bid Award
- July/August - Construct i on

# Intergovernmental Center - Roof Safety Improvements Phase 1

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Installations would include access ladder safety guards, safety railing at all locations with existing mechanical equipment, safety railing around the existing roof hatch, safety guards around all existing skylight locations.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| IGC Roof Safety Improvements | 0 | 100,000 | 0 | 0 | 0 | 100,000 |
| **Total** | **0** | **100,000** | **0** | **0** | **0** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 100,000 | 0 | 0 | 0 | 100,000 |
| **Total** | **0** | **100,000** | **0** | **0** | **0** | **100,000** |

## Project Timeline

- March - order equipment
- May - installat i on

# Intergovernmental Center - Roof Replacement - 1st Floor

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2028 - 2028

## Project Description

Intergovernmental Center - Roof Replacement - 1st floor. These roofs are original to the construction in 1996/7 and are in need of replacement. Following an audit by a roof safety company, additional safety features will be added to bring the roof into full compliance for city staff to perform regular maintenance.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Roof Replacement & Safety Improvements | 0 | 0 | 225,000 | 0 | 0 | 225,000 |
| **Total** | **0** | **0** | **225,000** | **0** | **0** | **225,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 225,000 | 0 | 0 | 225,000 |
| **Total** | **0** | **0** | **225,000** | **0** | **0** | **225,000** |

## Project Timeline

- January - Feasibility
- March - Bid Award
- July/August - Construct i on

# Intergovernmental Center - Server Room HVAC Replacement

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2028 - 2028

## Project Description

Replacement will include the roof top unit that services this room and the in room auxiliary unit that provides both redundancy and humidity control. The in room unit was installed in 2006 and is well past its life expectancy for this type of unit.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Intergovernmental Center - Server Room HVAC Replacement | 0 | 0 | 100,000 | 0 | 0 | 100,000 |
| **Total** | **0** | **0** | **100,000** | **0** | **0** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 100,000 | 0 | 0 | 100,000 |
| **Total** | **0** | **0** | **100,000** | **0** | **0** | **100,000** |

## Project Timeline

- January - Release a request for quotat i ons
- March - Award quote
- September/October - Construct i on

# Intergovernmental Center - HVAC Unit Replacement

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2029 - 2029

## Project Description

Replacement of three roof top units servicing the Information Technology and Finance Divisions. There are several small units that are no longer functioning at their optimal level. Maintenance costs are increasing and control failures occur on a regular basis.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| HVAC Units replacement | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| **Total** | **0** | **0** | **0** | **100,000** | **0** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| **Total** | **0** | **0** | **0** | **100,000** | **0** | **100,000** |

## Project Timeline

- February - Release request for quotat i ons
- March - Award Quote
- September - Installat i on

# Intergovernmental Center - Eastern EIFS Replacement

Department: IGC CAPITAL REPLACEMENT FUND

Project Years: 2030 - 2030

## Project Description

The project will replace the EIFS on the eastern and north eastern facades of the building. Materials used will compliment both the original building and the work completed on the civic center bringing the design of both buildings together. The new materials will also be more durable and reduce ongoing maintenance costs.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Intergovernmental Center - Eastern EIFS Replacement | 0 | 0 | 0 | 0 | 325,000 | 325,000 |
| **Total** | **0** | **0** | **0** | **0** | **325,000** | **325,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 325,000 | 325,000 |
| **Total** | **0** | **0** | **0** | **0** | **325,000** | **325,000** |

## Project Timeline

- January - Feasibility and hire architect
- April - Bid Award
- July - September - Construct i on

# All Seasons Arena

**All Seasons Arena**

| | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| **Projected fund balance** | $ 175,000 | $ 175,000 | $ 155,000 | $ 20,000 | $ 20,000 |
| Interest on Investments | | | | | |
| Transfer In | | | | | |
| Revenue Total | $ - | $ - | $ - | $ - | $ - |
| **Available Funds** | $ 175,000 | $ 175,000 | $ 155,000 | $ 20,000 | $ 20,000 |

| **Project Name** | **2026** | **2027** | **2028** | **2029** | **2030** | **Total** | **Illustrative** |
|---|---|---|---|---|---|---|---|
| 2010 Zamboni Replacement (2030) | | | | | | **$ -** | $ (220,000) |
| 2017 Zamboni Battery Replacement | | $ (20,000) | | | | **$ (20,000)** | |
| Ammonia Relief Valves (15 total) | | | | | | **$ -** | $ (75,000) |
| North Rink Zamboni Water Heater Replacement | | | | | | **$ -** | $ (40,000) |
| South Rink Zamboni Water Heater Replacement | | | | | | **$ -** | $ (40,000) |
| Parking Lot Replacement | | | | | | **$ -** | $ (1,000,000) |
| North Rink Sound System Replacement | | | | | | **$ -** | $ (65,000) |
| South Rink Sound System Replacement | | | | | | **$ -** | $ (65,000) |
| 2011 Chevrolet K3500 Replacement | | | | | | **$ -** | $ (80,000) |
| Door Hardware Upgrades (Keyways, Frames, Doors) | | | | | $ (20,000) | **$ (20,000)** | |
| Emergency Exit Signs | | | | | | **$ -** | $ (30,000) |
| South Rink Ceiling Tile Replacement | | | | | | **$ -** | $ (45,000) |
| Elevator Code Compliance | | | $ (135,000) | | | **$ (135,000)** | |
| **Total** | **$ -** | **$ (20,000)** | **$ (135,000)** | **$ -** | **$ (20,000)** | **$ (175,000)** | **$ (1,660,000)** |

| | | | | | |
|---|---|---|---|---|---|
| Fund Balance | $ 175,000 | $ 155,000 | $ 20,000 | $ 20,000 | $ - |
| Fund Balance Target | | | | | |
| Project Count | 0 | 1 | 1 | 0 | 1 |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| All Seasons Arena - 2017 Zamboni Battery Replacement | 2027 | 20,000 |
| **Total** | | **20,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| All Seasons Arena - Elevator Code Compliance | 2028 | 135,000 |
| **Total** | | **135,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| All Seasons Arena - Door Hardware Upgrades (Keyways, Frames, Doors) | 2030 | 20,000 |
| **Total** | | **20,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| All Seasons Arena - 2010 Zamboni Replacement | 2033 | 220,000 |
| All Seasons Arena - Emergency Exit Sign and Light Replacement | 2033 | 30,000 |
| All Seasons Arena - Ice Plant Ammonia Valve Replacement | 2033 | 75,000 |
| All Seasons Arena - North Rink Sound System Replacement | 2033 | 65,000 |
| All Seasons Arena - North Rink Zamboni Water Heater Replacement | 2033 | 40,000 |
| All Seasons Arena - Parking Lot Reconstruction | 2033 | 1,000,000 |
| All Seasons Arena - Pickup Replacement | 2033 | 80,000 |
| All Seasons Arena - South Rink Ceiling Tile Replacement | 2033 | 45,000 |
| All Seasons Arena - South Rink Sound System Replacement | 2033 | 65,000 |
| All Seasons Arena - South Rink Zamboni Water Heater Replacement | 2033 | 40,000 |
| **Total** | | **1,660,000** |

# All Seasons Arena - 2017 Zamboni Battery Replacement

Department: ALL SEASONS ARENA

Project Years: 2027 - 2027

## Project Description

The lead acid battery bank on the Zamboni will be removed and replaced with a new bank of batteries. The old set will be recycled.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Zam Battery Replacement | 0 | 20,000 | 0 | 0 | 0 | 20,000 |
| **Total** | **0** | **20,000** | **0** | **0** | **0** | **20,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 20,000 | 0 | 0 | 0 | 20,000 |
| **Total** | **0** | **20,000** | **0** | **0** | **0** | **20,000** |

## Project Timeline

- January 2027 - Finalize purchase agreement for board approval
- February 2027 - Order batteries
- June 2027 - Install batteries during off season

# All Seasons Arena - Elevator Code Compliance

Department: ALL SEASONS ARENA

Project Years: 2028 - 2028

## Project Description

Replacement of the elevator mechanical equipment and button stations at All Seasons Arena. The elevator mechanical equipment will be nearing the end of its useful life in the coming years. Proactive replacement of the equipment is critical to maintaining sufficient access for the public to use this critical facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Elevator Code Upgrades | 0 | 0 | 135,000 | 0 | 0 | 135,000 |
| **Total** | **0** | **0** | **135,000** | **0** | **0** | **135,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 135,000 | 0 | 0 | 135,000 |
| **Total** | **0** | **0** | **135,000** | **0** | **0** | **135,000** |

## Project Timeline

- February - Feasibility hearing
- April - Bid Award
- July - Construct i on

# All Seasons Arena - Door Hardware Upgrades (Keyways, Frames, Doors)

Department: ALL SEASONS ARENA

Project Years: 2030 - 2030

## Project Description

Locations will be determined based on operational impact and greatest need but door hardware and keying will be given the highest priority in this project. In future years, the doors themselves will be switched out if they are in need of replacement due to warping or deterioration due to rust.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Door Hardware | 0 | 0 | 0 | 0 | 20,000 | 20,000 |
| **Total** | **0** | **0** | **0** | **0** | **20,000** | **20,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 20,000 | 20,000 |
| **Total** | **0** | **0** | **0** | **0** | **20,000** | **20,000** |

## Project Timeline

- March - Identify project scope
- April - Seek board authorization for purchases
- September - Installation

# Information Technology Capital Replacement

| IT Replacement Fund | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Projected Fund Balance | $931,024 | $545,024 | $587,024 | $637,024 | $770,024 |
| | | | | | |
| Interest on Investments | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 |
| Transfer-in IT | $319,000 | $328,000 | $337,000 | $346,000 | $346,000 |
| Cell Phone Tower Rent | $235,000 | $235,000 | $235,000 | $235,000 | $235,000 |
| Fund Balance - Special Assessment Reserve | | $220,000 | | | |
| | | | | | |
| Available Funds | $1,487,024 | $1,330,024 | $1,161,024 | $1,220,024 | $1,353,024 |

| Project Title | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Conference Room(s) Technology | $40,000 | $20,000 | $20,000 | $20,000 | $20,000 | **$120,000** |
| Fiber Communications Infrastructure Expansion and Maintenance | $106,000 | $109,000 | $112,000 | $115,000 | $118,000 | **$560,000** |
| Network Equipment Upgrades | $25,000 | $25,000 | $45,000 | $45,000 | $45,000 | **$185,000** |
| Security Access Control System Upgrades and Expansion | $95,000 | $95,000 | $70,000 | $70,000 | $70,000 | **$400,000** |
| Security Camera System Upgrades and Expansion | $96,000 | $99,000 | $102,000 | $105,000 | $108,000 | **$510,000** |
| Server Virtualization Upgrades | $25,000 | $25,000 | $25,000 | $25,000 | $25,000 | **$125,000** |
| IT Security Solutions | $20,000 | $20,000 | $20,000 | $20,000 | $20,000 | **$100,000** |
| Video Storage Solution | $135,000 | $80,000 | $80,000 | $25,000 | $25,000 | **$345,000** |
| VoIP Phone System & 311 Call Center Upgrades | $25,000 | $50,000 | $50,000 | $25,000 | $25,000 | **$175,000** |
| Special Assessment Software | $0 | $220,000 | $0 | $0 | $0 | **$220,000** |
| **Total** | **$567,000** | **$743,000** | **$524,000** | **$450,000** | **$456,000** | **$2,740,000** |
| | | | | | | |
| Fund Balance - Special Assessment Reserve | $375,000 | $155,000 | $155,000 | $155,000 | $155,000 | |
| Fund Balance | $545,024 | $587,024 | $637,024 | $770,024 | $897,024 | |
| Fund Balance Target | $ 515,000 | $ 530,000 | $ 545,000 | $ 560,000 | $ 575,000 | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Conference Room(s) Technology | 2026 | 40,000 |
| Fiber Communications Infrastructure Expansion and Maintenance | 2026 | 106,000 |
| IT Security Solutions | 2026 | 20,000 |
| Network Equipment Upgrades | 2026 | 25,000 |
| Security Access Control System Upgrades and Expansion | 2026 | 95,000 |
| Security Camera System Upgrades and Expansion | 2026 | 96,000 |
| Server Virtualization Upgrades | 2026 | 25,000 |
| Video Storage Solution | 2026 | 135,000 |
| VoIP Phone System & 311 Call Center Upgrades | 2026 | 25,000 |
| **Total** | | **567,000** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Conference Room(s) Technology | 2027 | 20,000 |
| Fiber Communications Infrastructure Expansion and Maintenance | 2027 | 109,000 |
| IT Security Solutions | 2027 | 20,000 |
| Network Equipment Upgrades | 2027 | 25,000 |
| Security Access Control System Upgrades and Expansion | 2027 | 95,000 |
| Security Camera System Upgrades and Expansion | 2027 | 99,000 |
| Server Virtualization Upgrades | 2027 | 25,000 |
| Special Assessment Software | 2027 | 220,000 |
| Video Storage Solution | 2027 | 80,000 |
| VoIP Phone System & 311 Call Center Upgrades | 2027 | 50,000 |
| **Total** | | **743,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Conference Room(s) Technology | 2028 | 20,000 |
| Fiber Communications Infrastructure Expansion and Maintenance | 2028 | 112,000 |
| IT Security Solutions | 2028 | 20,000 |
| Network Equipment Upgrades | 2028 | 45,000 |
| Security Access Control System Upgrades and Expansion | 2028 | 70,000 |
| Security Camera System Upgrades and Expansion | 2028 | 102,000 |
| Server Virtualization Upgrades | 2028 | 25,000 |
| Video Storage Solution | 2028 | 80,000 |
| VoIP Phone System & 311 Call Center Upgrades | 2028 | 50,000 |
| **Total** | | **524,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Conference Room(s) Technology | 2029 | 20,000 |
| Fiber Communications Infrastructure Expansion and Maintenance | 2029 | 115,000 |
| IT Security Solutions | 2029 | 20,000 |
| Network Equipment Upgrades | 2029 | 45,000 |
| Security Access Control System Upgrades and Expansion | 2029 | 70,000 |
| Security Camera System Upgrades and Expansion | 2029 | 105,000 |
| Server Virtualization Upgrades | 2029 | 25,000 |
| Video Storage Solution | 2029 | 25,000 |
| VoIP Phone System & 311 Call Center Upgrades | 2029 | 25,000 |
| **Total** | | **450,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Conference Room(s) Technology | 2030 | 20,000 |
| Fiber Communications Infrastructure Expansion and Maintenance | 2030 | 118,000 |
| IT Security Solutions | 2030 | 20,000 |
| Network Equipment Upgrades | 2030 | 45,000 |
| Security Access Control System Upgrades and Expansion | 2030 | 70,000 |
| Security Camera System Upgrades and Expansion | 2030 | 108,000 |
| Server Virtualization Upgrades | 2030 | 25,000 |
| Video Storage Solution | 2030 | 25,000 |
| VoIP Phone System & 311 Call Center Upgrades | 2030 | 25,000 |
| **Total** | | **456,000** |

# Conference Room(s) Technology

Department: INFO TECH CAPITAL REPLACEMENT

Project Years: 2026 - 2030

## Project Description

Conference Room(s)Technology Upgrades. Refresh aging technology in our meeting spaces to ensure our staff have modern technology tools and solutions.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Conference room technology | 40,000 | 20,000 | 20,000 | 20,000 | 20,000 | 120,000 |
| **Total** | **40,000** | **20,000** | **20,000** | **20,000** | **20,000** | **120,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 40,000 | 20,000 | 20,000 | 20,000 | 20,000 | 120,000 |
| **Total** | **40,000** | **20,000** | **20,000** | **20,000** | **20,000** | **120,000** |

## Project Timeline

Project will be on-going over next 1-5 years.

# Fiber Communications Infrastructure Expansion and Maintenance

Department: INFO TECH CAPITAL REPLACEMENT

Project Years: 2026 - 2030

## Project Description

Expand and maintain the city's fiber communication infrastructure to key city facilities. Identified facilities include; Parks, Water Utility Sites, Traffic Signals, Lighting System. As the city's fiber footprint continues to expand, portions of these funds need to be allocated for relocation and maintenance to the existing fiber communication infrastructure. By investing in high speed communication infrastructure, the network foundation is created for the City to facilitate the deployment of enterprise level technology systems (VoIP, Security Access, Security Cameras, etc.) across the City's network. The fiber infrastructure also interconnects other critical systems; Traffic Signals and Lighting System.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fiber Infrastructure and Maintenance | 106,000 | 109,000 | 112,000 | 115,000 | 118,000 | 560,000 |
| **Total** | **106,000** | **109,000** | **112,000** | **115,000** | **118,000** | **560,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 106,000 | 109,000 | 112,000 | 115,000 | 118,000 | 560,000 |
| **Total** | **106,000** | **109,000** | **112,000** | **115,000** | **118,000** | **560,000** |

## Project Timeline

This is an ongoing annual project

# IT Security Solutions

Department: INFO TECH CAPITAL REPLACEMENT

Project Years: 2026 - 2030

## Project Description

Upgrade our Network Firewall(s) and implement additional cybersecurity management solutions to enhance our threat defense systems. Information Technology Security (IT Security) is growing in importance due to reliance on computer systems, the internet, wireless networks, and mobile devices. Over the next 1-3 years IT will be placing a high priority on the defense systems we have and place and upgrading them to the latest technology, implementing cybersecurity software to ensure our systems and data are secure.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Information Technology Security | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 100,000 |
| **Total** | **20,000** | **20,000** | **20,000** | **20,000** | **20,000** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 100,000 |
| **Total** | **20,000** | **20,000** | **20,000** | **20,000** | **20,000** | **100,000** |

## Project Timeline

Project will be on-going over next 1-5 years.

# Network Equipment Upgrades

Department: INFO TECH CAPITAL REPLACEMENT

Project Years: 2026 - 2030

## Project Description

Network Equipment & Upgrades. Replace aging Network Switches and Wireless Network Access Points to increase network performance.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Network Equipment Upgrades | 25,000 | 25,000 | 45,000 | 45,000 | 45,000 | 185,000 |
| **Total** | **25,000** | **25,000** | **45,000** | **45,000** | **45,000** | **185,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 25,000 | 25,000 | 45,000 | 45,000 | 45,000 | 185,000 |
| **Total** | **25,000** | **25,000** | **45,000** | **45,000** | **45,000** | **185,000** |

## Project Timeline

Project will be on-going over next 1-5 years.

# Security Access Control System Upgrades and Expansion

Department: INFO TECH CAPITAL REPLACEMENT

Project Years: 2026 - 2030

## Project Description

Continue to expand and maintain the city's security access control system. Portions of these funds are to be allocated to maintenance and replacement of any failing access control components.

Enterprise Security Access Control System is integrated in most city buildings on a single software platform. Provides the ability to configure employee access cards to specific doors in multiple buildings. This centralized system creates efficiencies for system management, alarming, and reporting features.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fiber Infrastructure and Maintenance | 95,000 | 95,000 | 70,000 | 70,000 | 70,000 | 400,000 |
| **Total** | **95,000** | **95,000** | **70,000** | **70,000** | **70,000** | **400,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 95,000 | 95,000 | 70,000 | 70,000 | 70,000 | 400,000 |
| **Total** | **95,000** | **95,000** | **70,000** | **70,000** | **70,000** | **400,000** |

## Project Timeline

This is an ongoing annual project.

# Security Camera System Upgrades and Expansion

Department: INFO TECH CAPITAL REPLACEMENT

Project Years: 2026 - 2030

## Project Description

Continue to expand and maintain the city's video security camera system. Improving the video camera coverage for Public Safety in key identified areas. Portions of these funds need to be allocated to replace aging analog cameras with High Definition (HD) cameras.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Security Camera System Upgrades and Replacements | 96,000 | 99,000 | 102,000 | 105,000 | 108,000 | 510,000 |
| **Total** | **96,000** | **99,000** | **102,000** | **105,000** | **108,000** | **510,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 96,000 | 99,000 | 102,000 | 105,000 | 108,000 | 510,000 |
| **Total** | **96,000** | **99,000** | **102,000** | **105,000** | **108,000** | **510,000** |

## Project Timeline

This is an ongoing annual project.

# Server Virtualization Upgrades

Department: INFO TECH CAPITAL REPLACEMENT

Project Years: 2026 - 2030

## Project Description

Upgrades to the server virtualization environment(s). Includes both the main and redundant server environments. This server farm environment is the city's core server environment, hosting all of the enterprise level software systems, and databases. Upgraded equipment will provide more server capacity and increased performance for server scalability.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Server Virtualization Upgrades | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 125,000 |
| **Total** | **25,000** | **25,000** | **25,000** | **25,000** | **25,000** | **125,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 125,000 |
| **Total** | **25,000** | **25,000** | **25,000** | **25,000** | **25,000** | **125,000** |

## Project Timeline

Project will be on-going over next 1-5 years.

# Video Storage Solution

Department: INFO TECH CAPITAL REPLACEMENT

Project Years: 2026 - 2030

## Project Description

Continue to expand the unified video storage solution for the city's security video systems. This unified storage solution, provides the city will have a more agile, scalable, reliable, and cost effective solution for future video storage demands. Upgrading our security cameras to High Definition (HD) requires additional storage capacity.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Video Storage Solution | 135,000 | 80,000 | 80,000 | 25,000 | 25,000 | 345,000 |
| **Total** | **135,000** | **80,000** | **80,000** | **25,000** | **25,000** | **345,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 135,000 | 80,000 | 80,000 | 25,000 | 25,000 | 345,000 |
| **Total** | **135,000** | **80,000** | **80,000** | **25,000** | **25,000** | **345,000** |

## Project Timeline

This is an ongoing annual project.

# VoIP Phone System & 311 Call Center Upgrades

Department: INFO TECH CAPITAL REPLACEMENT

Project Years: 2026 - 2030

## Project Description

Upgrades to the VoIP Phone System and 311 Call Center. Includes the failover phone system(s) for redundancy at our disaster recovery site (Public Works Center).

Keeping the phones systems and software current:

Cisco Call Manager software

Cisco software version for desktop phones

Redundancy systems 311 call center and unity servers (voice mail).

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Phone System Upgrade | 25,000 | 50,000 | 50,000 | 25,000 | 25,000 | 175,000 |
| **Total** | **25,000** | **50,000** | **50,000** | **25,000** | **25,000** | **175,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 25,000 | 50,000 | 50,000 | 25,000 | 25,000 | 175,000 |
| **Total** | **25,000** | **50,000** | **50,000** | **25,000** | **25,000** | **175,000** |

## Project Timeline

N/A

# Special Assessment Software

Department: INFO TECH CAPITAL REPLACEMENT

Project Years: 2027 - 2027

## Project Description

Special Assessments Software to integrate with our Financial Software System. Estimated Cost: $750,000.00 Current software is over 30years old and has reached it's end of life.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Software | 0 | 220,000 | 0 | 0 | 0 | 220,000 |
| **Total** | **0** | **220,000** | **0** | **0** | **0** | **220,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 220,000 | 0 | 0 | 0 | 220,000 |
| **Total** | **0** | **220,000** | **0** | **0** | **0** | **220,000** |

## Project Timeline

2024-2025

# Mass Transit

| Transit | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Projected Fund Balance | $ 692,927 | $ 871,977 | $ 657,777 | $ 742,777 | $ 707,777 |
| Transfer In | $ 250,000 | $ 250,000 | $ 250,000 | $ 250,000 | $ 250,000 |
| **Available Funds** | $ 942,927 | $ 1,121,977 | $ 907,777 | $ 992,777 | $ 957,777 |

| Project Name | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Illustrative |
|---|---|---|---|---|---|---|---|
| Transit Maintenance Facility - Replace Window Sealant | | | | | | $ - | $ (75,000) |
| Bus Stop Improvement Project - Construction | | $ (50,000) | $ (50,000) | $ (50,000) | | **$ (150,000)** | |
| Bus Stop Improvement Project - Planning and Design | $ (27,500) | $ (30,000) | $ (30,000) | | | **$ (87,500)** | |
| Bus Stop Maintenance | $ (25,000) | $ (25,000) | $ (25,000) | $ (25,000) | $ (25,000) | **$ (125,000)** | |
| Transit - Overhead Door Replacement | | $ (80,000) | | | | **$ (80,000)** | |
| Public Works Center - Fuel Island Relocation Design - 50% Share Transit | | | $ (20,000) | | | **$ (20,000)** | |
| Public Works Center - Fuel Island Relocation Construction- 50% Share Transit | | | | $ (90,000) | | **$ (90,000)** | |
| Transit - Electric Vehicle Charging Stations | | | | | | $ - | $ (110,000) |
| Transit - Unit Heater Replacement | | $ (40,000) | $ (40,000) | | | **$ (80,000)** | |
| Transit - Vehicle Wash System Replacement | | $ (180,000) | | | | **$ (180,000)** | |
| Transit - Facility Wall Concrete Joint Sealant Replacement | | | | | $ (75,000) | **$ (75,000)** | |
| Transit - Boiler Replacement | | | | | $ (40,000) | **$ (40,000)** | |
| Transit - Lighting Control Panel Replacement | | | | | $ (25,000) | **$ (25,000)** | |
| Transit - MAU/Exhaust Replacement | | | | $ (120,000) | | **$ (120,000)** | |
| Transit - Roof Replacement | | | | | | $ - | $ (407,000) |
| 5 - Year Transit Development Plan | | $ (59,200) | | | | **$ (59,200)** | |
| Replace ARMER Portable Radios | $ (18,450) | | | | | **$ (18,450)** | |
| **Total** | **$ (70,950)** | **$ (464,200)** | **$ (165,000)** | **$ (285,000)** | **$ (165,000)** | **$ (1,131,700)** | **$ (592,000)** |
| Fund Balance | $ 871,977 | $ 657,777 | $ 742,777 | $ 707,777 | $ 792,777 | | |
| Fund Balance Target | $515,000 | $530,000 | $545,000 | $560,000 | $575,000 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Bus Stop Improvement Project - Planning and Design | 2026 | 137,500 |
| Bus Stop Maintenance | 2026 | 25,000 |
| Replace ARMER Portable Radios | 2026 | 92,250 |
| **Total** | | **254,750** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| 5 - Year Transit Development Plan | 2027 | 296,000 |
| Bus Stop Improvement Project - Construction | 2027 | 250,000 |
| Bus Stop Improvement Project - Planning and Design | 2027 | 150,000 |
| Bus Stop Maintenance | 2027 | 25,000 |
| Transit - Overhead Door Replacement | 2027 | 80,000 |
| Transit - Unit Heater Replacement | 2027 | 40,000 |
| Transit - Vehicle Wash System Replacement | 2027 | 900,000 |
| **Total** | | **1,741,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Bus Stop Improvement Project - Construction | 2028 | 250,000 |
| Bus Stop Improvement Project - Planning and Design | 2028 | 150,000 |
| Bus Stop Maintenance | 2028 | 25,000 |
| Public Works Center - Fuel Island Relocation Design - 50% Share Transit | 2028 | 100,000 |
| Transit - Unit Heater Replacement | 2028 | 40,000 |
| **Total** | | **565,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Bus Stop Improvement Project - Construction | 2029 | 250,000 |
| Bus Stop Maintenance | 2029 | 25,000 |
| Transit - Fuel Island Relocation Construction - 50% Share Transit | 2029 | 450,000 |
| Transit - MAU/Exhaust Replacement | 2029 | 600,000 |
| **Total** | | **1,325,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Bus Stop Maintenance | 2030 | 25,000 |
| Transit - Boiler Replacement | 2030 | 200,000 |
| Transit - Facility Wall Concrete Joint Sealant Replacement | 2030 | 75,000 |
| Transit - Lighting Control Panel Replacement | 2030 | 25,000 |
| **Total** | | **325,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| Electrical Vehicle Charging Stations | 2029 | 550,000 |
| Transit - Replace Window Sealant | 2030 | 75,000 |
| Transit - Roof Replacement | 2033 | 2,035,000 |
| **Total** | | **2,660,000** |

# Bus Stop Improvement Project - Planning and Design

Department: MASS TRANSIT

Project Years: 2026 - 2028

## Project Description

Transit will coordinate with engineering annually to procure a vendor to plan and design bus stop locations utilizing a scope of work provided by Transit. The bus stop improvements address access to the fixed route transit stops in the urbanized area, such as lack of landing pad space to accommodate extendable/retractable bus ramps, sidewalk connectivity, shelters, benches, and signage. The construction for these bus stop improvements is projected to occur in 2027 - 2029 and will be identified in a separate CIP line item.

## Engagement Strategy

Transit admin staff will engage with bus drivers to ensure the stops identified in the scope of work make sense and are in a favorable location. Community outreach will also take place to engage the Transit dependent members of our community. Southern Minnesota Independent Living Enterprises and Services (SMILES) has asked to be part of this engagement process.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Bus Stop Improvement Project - Planning and Design | 137,500 | 150,000 | 150,000 | 0 | 0 | 437,500 |
| **Total** | **137,500** | **150,000** | **150,000** | **0** | **0** | **437,500** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 27,500 | 30,000 | 30,000 | 0 | 0 | 87,500 |
| Federal Funding | 110,000 | 120,000 | 120,000 | 0 | 0 | 350,000 |
| **Total** | **137,500** | **150,000** | **150,000** | **0** | **0** | **437,500** |

## Project Timeline

Bus Stop Improvement planning and design will take place starting in 2026 and will end in 2028. The bus stop construction will take place each subsequent year starting in 2027 ending in 2029. The bus stop construction will be identified in a separate CIP project/line item.

# Bus Stop Maintenance

Department: MASS TRANSIT

Project Years: 2026 - 2030

## Project Description

Funds will be used to repair, maintain, and replace bus stop shelters, benches, and signs so they are in a state of good repair to support fixed route bus service.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Bus Stop Maintenance | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 125,000 |
| **Total** | **25,000** | **25,000** | **25,000** | **25,000** | **25,000** | **125,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 125,000 |
| **Total** | **25,000** | **25,000** | **25,000** | **25,000** | **25,000** | **125,000** |

## Project Timeline

Bus stop shelters, benches, and signs will be repaired, maintained, and replaced as deficiencies are identified.

# Replace ARMER Portable Radios

Department: MASS TRANSIT

Project Years: 2026 - 2026

## Project Description

Replace an estimated 15 Transit ARMER portable radios utilized for Transit operations as they have met their useful life and are no longer supported for maintenance/programming.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Replace ARMER Portable Radios | 92,250 | 0 | 0 | 0 | 0 | 92,250 |
| **Total** | **92,250** | **0** | **0** | **0** | **0** | **92,250** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 18,450 | 0 | 0 | 0 | 0 | 18,450 |
| Federal Funding | 73,800 | 0 | 0 | 0 | 0 | 73,800 |
| **Total** | **92,250** | **0** | **0** | **0** | **0** | **92,250** |

## Project Timeline

Transit will work with public safety to procure and purchase replacement ARMER portable radios in 2026.

# 5 - Year Transit Development Plan

Department: MASS TRANSIT

Project Years: 2027 - 2027

## Project Description

Transit' will look to hire a consultant to complete a 5-year Transit Development Plan (TDP). A vendor will be awarded in 2027 with an estimated project completion in 2028. The TDP will serve as a strategic plan for future routes, route changes, and improvements to the Transit System. 80% of the funding will come from 5307 funds and the 20% local share will be paid by the Transit Capital Replacement Fund.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| 5 - Year Transit Development Plan | 0 | 296,000 | 0 | 0 | 0 | 296,000 |
| **Total** | **0** | **296,000** | **0** | **0** | **0** | **296,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 59,200 | 0 | 0 | 0 | 59,200 |
| Federal Funding | 0 | 236,800 | 0 | 0 | 0 | 236,800 |
| **Total** | **0** | **296,000** | **0** | **0** | **0** | **296,000** |

## Project Timeline

Procure and award a vendor for a 5 - year Transit Development Plan in 2027 with project completion estimated in 2028.

# Bus Stop Improvement Project - Construction

Department: MASS TRANSIT

Project Years: 2027 - 2029

## Project Description

Transit will coordinate with engineering annually to procure a vendor to plan and design bus stop locations utilizing a scope of work provided by Transit. The bus stop improvements address access to the fixed route transit stops in the urbanized area, such as lack of landing pad space to accommodate extendable/retractable bus ramps, sidewalk connectivity, shelters, benches, and signage. The construction for these bus stop improvements is projected to occur in 2027 - 2029 and will be identified in a separate CIP line item.

## Engagement Strategy

Transit admin staff will engage with bus drivers to ensure the stops identified in the scope of work make sense and are in a favorable location. Community outreach will also take place to engage the Transit dependent members of our community. Southern Minnesota Independent Living Enterprises and Services (SMILES) has asked to be part of this engagement process.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Bus Stop Improvement Project - Construction | 0 | 250,000 | 250,000 | 250,000 | 0 | 750,000 |
| **Total** | **0** | **250,000** | **250,000** | **250,000** | **0** | **750,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 50,000 | 50,000 | 50,000 | 0 | 150,000 |
| Federal Funding | 0 | 200,000 | 200,000 | 200,000 | 0 | 600,000 |
| **Total** | **0** | **250,000** | **250,000** | **250,000** | **0** | **750,000** |

## Project Timeline

Bus Stop Improvement planning and design will take place starting in 2026 and will end in 2028. The bus stop construction will take place each subsequent year starting in 2027 ending in 2029. The bus stop construction will be identified in a separate CIP project/line item.

# Transit - Overhead Door Replacement

Department: MASS TRANSIT

Project Years: 2027 - 2027

## Project Description

Replacement of the three remaining overhead doors on the Transit maintenance facility. Original doors contained heavy glass panels that are not able to withstand the use seen with our operation.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Overhead Doors | 0 | 80,000 | 0 | 0 | 0 | 80,000 |
| **Total** | **0** | **80,000** | **0** | **0** | **0** | **80,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 80,000 | 0 | 0 | 0 | 80,000 |
| **Total** | **0** | **80,000** | **0** | **0** | **0** | **80,000** |

## Project Timeline

Replacement in spring of 2027

# Transit - Unit Heater Replacement

Department: MASS TRANSIT

Project Years: 2027 - 2028

## Project Description

Replacement of hanging unit heaters in the garage areas of the Mass Transit Facility. Because of the come and go nature of the building, the unit heaters located at each door see extensive use in the winter months. Because of this accelerated wear and tear, the units should be replaced after 12 years of service to prevent failure during the winter months.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Unit heater replacement | 0 | 40,000 | 40,000 | 0 | 0 | 80,000 |
| **Total** | **0** | **40,000** | **40,000** | **0** | **0** | **80,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 40,000 | 40,000 | 0 | 0 | 80,000 |
| **Total** | **0** | **40,000** | **40,000** | **0** | **0** | **80,000** |

## Project Timeline

Installation - Summer 2027 and Summer 2028

# Transit - Vehicle Wash System Replacement

Department: MASS TRANSIT

Project Years: 2027 - 2027

## Project Description

Replacement of the Vehicle Wash system The vehicle wash system will be nearing the end of its useful life in 2027.The system is highly computerized and the wash equipment is located in a harsh environment. Staff is reviewing alternatives to the drive through system including a drive in and stationary wash to reduce vehicle collisions.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Vehicle Wash system replacement | 0 | 900,000 | 0 | 0 | 0 | 900,000 |
| **Total** | **0** | **900,000** | **0** | **0** | **0** | **900,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 180,000 | 0 | 0 | 0 | 180,000 |
| Federal Funding | 0 | 720,000 | 0 | 0 | 0 | 720,000 |
| **Total** | **0** | **900,000** | **0** | **0** | **0** | **900,000** |

## Project Timeline

- 2026 - Grant Applicat i on
- 2027
  - January - Feasibility Hearing
  - March - Bid Award
  - June/August - Construction

# Public Works Center - Fuel Island Relocation Design - 50% Share Transit

Department: MASS TRANSIT

Project Years: 2028 - 2028

## Project Description

Due to likely receiving state and federal funds as the transit cost share, environmental studies will be required for the funding application. A consultant will be hired to assist staff in the application process and conducting the necessary studies prior to submittal.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fuel Island Design | 0 | 0 | 100,000 | 0 | 0 | 100,000 |
| **Total** | **0** | **0** | **100,000** | **0** | **0** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 20,000 | 0 | 0 | 20,000 |
| Federal Funding | 0 | 0 | 80,000 | 0 | 0 | 80,000 |
| **Total** | **0** | **0** | **100,000** | **0** | **0** | **100,000** |

## Project Timeline

Consultant will be hired in March of 2028.

# Transit - Fuel Island Relocation Construction - 50% Share Transit

Department: MASS TRANSIT

Project Years: 2029 - 2029

## Project Description

Construction of the relocated fuel island at the Public Works Campus. A new fuel island has been proposed for the Public Works Campus in order to bring more pumps and a covered island for fueling in inclement weather. Costs would be shared 50% Public Works and 50% Transit with 80% of the Transit dollars coming from a Federal or state grant.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fuel Island | 0 | 0 | 0 | 450,000 | 0 | 450,000 |
| **Total** | **0** | **0** | **0** | **450,000** | **0** | **450,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 90,000 | 0 | 90,000 |
| Federal Funding | 0 | 0 | 0 | 360,000 | 0 | 360,000 |
| **Total** | **0** | **0** | **0** | **450,000** | **0** | **450,000** |

## Project Timeline

- February - Feasibility Hearing
- May - Bid Award
- Construct i on- Su mmer

# Transit - MAU/Exhaust Replacement

Department: MASS TRANSIT

Project Years: 2029 - 2029

## Project Description

The project will include replacement of the two roof top make up air units with new controls equipment. These units act as the exhaust for the building allowing it to comply with OSHA safety regulations while the buses are running. The make up air portion preheats the incoming fresh air during colder months to reduce the strain on the HVAC system.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Transit MAU/Exhaust | 0 | 0 | 0 | 600,000 | 0 | 600,000 |
| **Total** | **0** | **0** | **0** | **600,000** | **0** | **600,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 120,000 | 0 | 120,000 |
| County Funding | 0 | 0 | 0 | 480,000 | 0 | 480,000 |
| **Total** | **0** | **0** | **0** | **600,000** | **0** | **600,000** |

## Project Timeline

- 2028 - Grant Applicat i on
- 2029
  - January - Feasibility Hearing
  - March - Bid Award
  - August/September - Construction

# Transit - Boiler Replacement

Department: MASS TRANSIT

Project Years: 2030 - 2030

## Project Description

Project will include the replacement of the two existing boilers, installation of two new circulating pumps, and complete draining of the system and installation of a 35% glycol solution throughout the piping.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Transit Boiler Replacement | 0 | 0 | 0 | 0 | 200,000 | 200,000 |
| **Total** | **0** | **0** | **0** | **0** | **200,000** | **200,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 40,000 | 40,000 |
| Federal Funding | 0 | 0 | 0 | 0 | 160,000 | 160,000 |
| **Total** | **0** | **0** | **0** | **0** | **200,000** | **200,000** |

## Project Timeline

- January - Feasibility Hearing
- March - Bid Award
- June/July - Construct i on

# Transit - Facility Wall Concrete Joint Sealant Replacement

Department: MASS TRANSIT

Project Years: 2030 - 2030

## Project Description

The tip up wall panel joints are sealed with a silicone caulk. As the building ages, this sealant deteriorates and needs to be removed and replaced.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Wall Panel Sealant | 0 | 0 | 0 | 0 | 75,000 | 75,000 |
| **Total** | **0** | **0** | **0** | **0** | **75,000** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 75,000 | 75,000 |
| **Total** | **0** | **0** | **0** | **0** | **75,000** | **75,000** |

## Project Timeline

Quotations will be solicited in spring of 2030 with construction taking place in Summer of 2030.

# Transit - Lighting Control Panel Replacement

Department: MASS TRANSIT

Project Years: 2030 - 2030

## Project Description

The project will include the replacement of the current control panel for the lighting system. The panel is a requirement in current electrical code to allow for dimming of lights during times of low occupancy and the exterior lights at night. The existing panel has seen several failures and can no longer receive software updates. During time changes, staff has to manually reset the times for the programming to work correctly.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Transit lighting panel replacment | 0 | 0 | 0 | 0 | 25,000 | 25,000 |
| **Total** | **0** | **0** | **0** | **0** | **25,000** | **25,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 25,000 | 25,000 |
| **Total** | **0** | **0** | **0** | **0** | **25,000** | **25,000** |

## Project Timeline

- March - Request quotat i ons
- September - Construct i on

# Public Safety Building Replacement Fund

| Public Safety Center | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Fund Balance | $1,982,805 | $2,331,805 | $1,290,805 | $1,374,805 | $1,428,805 |
| Transfer-In PSC | $459,000 | $474,000 | $489,000 | $504,000 | $519,000 |
| Available Funds | $2,441,805 | $2,805,805 | $1,779,805 | $1,878,805 | $1,947,805 |

| Project Name | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Illustrative |
|---|---|---|---|---|---|---|---|
| Fire Station #2 - Roof Replacement | | | | | | | $ (357,500) |
| Fire Station #3 - Building Envelope Improvements | | | | $ (200,000) | | **$ (200,000)** | |
| Fire Station #3 - Kitchen/Living Room Renovation | | $ (30,000) | | | | **$ (30,000)** | |
| Fire Station #3 - Paint Apparatus Bay Interior | | | $ (75,000) | | | **$ (75,000)** | |
| Fire Station Landscaping | | $ (75,000) | | | | **$ (75,000)** | |
| Public Safety Center - Apparatus Bay Apron Concrete Replacement | | $ (40,000) | | | | **$ (40,000)** | |
| Public Safety Center - Replace Concrete Stairs | | $ (25,000) | | | | **$ (25,000)** | |
| Public Safety Center - Admin Conference Room/Office Reconfiguration | | | | | | **$ -** | $ (250,000) |
| Public Safety Center - Door Hardware Replacement and Rekey | | $ (35,000) | $ (35,000) | $ (35,000) | | **$ (105,000)** | |
| Public Safety Center - Dynamic Message Sign | | | | | | **$ -** | $ (125,000) |
| Public Safety Center - Emergency Operations Center Furniture Replacement | | | | $ (150,000) | | **$ (150,000)** | |
| Public Safety Center - Exterior Service Door Replacement | | | $ (30,000) | $ (40,000) | | **$ (70,000)** | |
| Public Safety Center - Fire Living Quarters Furniture Replacement | | $ (35,000) | | | | **$ (35,000)** | |
| Public Safety Center - HVAC Overhaul | | | $ (200,000) | | | **$ (200,000)** | |
| Public Safety Center - HVAC Over Pressurization Engineering Study & Repairs | | $ (75,000) | | | | **$ (75,000)** | |
| Public Safety Center - Interior Rear Stairwell Improvements | | $ (75,000) | | | | **$ (75,000)** | |
| Public Safety Center - Office Furniture Replacement | | $ (25,000) | $ (25,000) | $ (25,000) | | **$ (75,000)** | |
| Public Safety Center - Roof Replacement | | | | | | **$ -** | $ (1,375,000) |
| Public Safety Impound Lot - 117 Rogers Street | $ (110,000) | | | | | **$ (110,000)** | |
| Public Safety Parking - Lot Sealcoating - Fire Station #2 & #3 | | | $ (40,000) | | | **$ (40,000)** | |
| Public Safety - Apartments Fire Station #2 | | $ (1,100,000) | | | | **$ (1,100,000)** | |
| Total | $ (110,000) | $ (1,515,000) | $ (405,000) | $ (450,000) | $ - | **$ (2,480,000)** | $ (2,107,500) |
| Fund Balance | $ 2,331,805 | $ 1,290,805 | $ 1,374,805 | $ 1,428,805 | $ 1,947,805 | | |
| Fund Balance Target | $ 794,000 | $ 816,000 | $ 838,000 | $ 860,000 | $ 882,000 | | |
| Project count | 1 | 9 | 6 | 5 | 0 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Public Safety Impound Lot - 117 Rogers St. | 2026 | 110,000 |
| **Total** | | **110,000** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Apartments Fire Station #2 | 2027 | 1,100,000 |
| Fire Station #3 - Kitchen/Living Room Renovation | 2027 | 30,000 |
| Fire Station Landscaping | 2027 | 75,000 |
| Public Safety Center - Apparatus Bay Apron Concrete Replacement | 2027 | 40,000 |
| Public Safety Center - Door Hardware Replacement and Rekey | 2027 | 35,000 |
| Public Safety Center - Fire Living Quarters Furniture Replacement | 2027 | 35,000 |
| Public Safety Center - HVAC Over Pressurization Engineering Study & Repairs | 2027 | 75,000 |
| Public Safety Center - Interior Rear Stairwell Improvements | 2027 | 75,000 |
| Public Safety Center - Office Furniture Replacement | 2027 | 25,000 |
| Public Safety Center - Replace Concrete Stairs | 2027 | 25,000 |
| **Total** | | **1,515,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Fire Station #3 - Paint Apparatus Bay Interior | 2028 | 75,000 |
| Public Safety Center - Door Hardware Replacement and Rekey | 2028 | 35,000 |
| Public Safety Center - HVAC Overhaul | 2028 | 200,000 |
| Public Safety Center - Office Furniture Replacement | 2028 | 25,000 |
| Public Safety Center Exterior Service Door Replacement | 2028 | 30,000 |
| Public Safety Parking Lot Sealcoating - Fire Station #2 & #3 | 2028 | 40,000 |
| **Total** | | **405,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Fire Station #3 - Building Envelope Improvements | 2029 | 200,000 |
| Public Safety Center - Door Hardware Replacement and Rekey | 2029 | 35,000 |
| Public Safety Center - Emergency Operations Center Furniture Replacement | 2029 | 150,000 |
| Public Safety Center - Office Furniture Replacement | 2029 | 25,000 |
| Public Safety Center Exterior Service Door Replacement | 2029 | 40,000 |
| **Total** | | **450,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| Fire Station #2 Roof Replacement | 2033 | 357,500 |
| Public Safety Center - Admin Conference Room/Office Reconfiguration | 2033 | 250,000 |
| Public Safety Center - Roof Replacement | 2030 | 1,375,000 |
| Public Safety Center Dynamic Message Sign | 2033 | 125,000 |
| **Total** | | **2,107,500** |

# Public Safety Impound Lot - 117 Rogers St.

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2026 - 2026

## Project Description

Creation of an impound area at 117 Rogers Street will allow for shared resources and cost savings.  Space is available at 117 Rogers Street.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Public Safety Impound Lot | 110,000 | 0 | 0 | 0 | 0 | 110,000 |
| **Total** | **110,000** | **0** | **0** | **0** | **0** | **110,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 110,000 | 0 | 0 | 0 | 0 | 110,000 |
| **Total** | **110,000** | **0** | **0** | **0** | **0** | **110,000** |

## Project Timeline

TBD

# Apartments Fire Station #2

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Construction of a second set of townhomes at the site of Fire Station #2. The scope would include another building or potentially an extension of the existing townhomes and associated site work and utility extensions.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fire 2 Townhomes | 0 | 1,100,000 | 0 | 0 | 0 | 1,100,000 |
| **Total** | **0** | **1,100,000** | **0** | **0** | **0** | **1,100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 1,100,000 | 0 | 0 | 0 | 1,100,000 |
| **Total** | **0** | **1,100,000** | **0** | **0** | **0** | **1,100,000** |

## Project Timeline

- January - Present feasibility report and authorize bidding
- March - Award CMAR contract
- June - Begin Construct i on
- December - Complete Construct i on

# Fire Station #3 - Kitchen/Living Room Renovation

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

The project will replace some of the kitchen appliances as well as purchase new furniture for use by the staff at the station.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Kitchen/Living Room Fire #3 | 0 | 30,000 | 0 | 0 | 0 | 30,000 |
| **Total** | **0** | **30,000** | **0** | **0** | **0** | **30,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 30,000 | 0 | 0 | 0 | 30,000 |
| **Total** | **0** | **30,000** | **0** | **0** | **0** | **30,000** |

## Project Timeline

- March - request quotat i ons
- June - install equipment and furniture

# Fire Station Landscaping

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Installation of landscaping, river rock, and concrete edging around Fire Station #2 Landscaping was not installed during the construction of Fire Station #2 in 2013 and as a result there have been a few issues with lawn equipment coming into contact with the building and rain water splashing dirt onto the building façade. Installation of landscaping will bring the station into conformance with the appearance of other city buildings while also providing a buffer for lawn equipment and a dirt free splash zone around the perimeter.

Additional landscaping will be installed at Fire Station #3.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Landscaping | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Project Timeline

Landscaping - Summer 2026

# Public Safety Center - Apparatus Bay Apron Concrete Replacement

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Replacement of select concrete panels in the Public Safety Center Fire Apparatus apron. Several of the concrete panels in the fire apparatus apron have cracked and failed. Replacement is warranted to prevent any future deterioration of adjacent panels or displacement causing a tripping hazard.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| PSC Fire App Apron Concrete | 0 | 40,000 | 0 | 0 | 0 | 40,000 |
| **Total** | **0** | **40,000** | **0** | **0** | **0** | **40,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 40,000 | 0 | 0 | 0 | 40,000 |
| **Total** | **0** | **40,000** | **0** | **0** | **0** | **40,000** |

## Project Timeline

Replacement will be planned to reduce interruptions to the fire apparatus response.

Spring 2025 construction

# Public Safety Center - Door Hardware Replacement and Rekey

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2027 - 2029

## Project Description

Multi year project to replace the aging door hardware and rekey the Public Safety Center. Most of the door hardware originally installed in 2012 has started to fail. To ensure proper security protocols are met and to keep the function of the hardware for our staff, replacement is required. A rekey of the facility will be undertaken during this process.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Door hardware | 0 | 35,000 | 35,000 | 35,000 | 0 | 105,000 |
| **Total** | **0** | **35,000** | **35,000** | **35,000** | **0** | **105,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 35,000 | 35,000 | 35,000 | 0 | 105,000 |
| **Total** | **0** | **35,000** | **35,000** | **35,000** | **0** | **105,000** |

## Project Timeline

- Summer 2026 - Rekey of facility
- Summer 2027 - Replacement of door hardware on 2nd and 3rd floors
- Summer 2028 - Replacement of door hardware in basement and on 1st floor

# Public Safety Center - Fire Living Quarters Furniture Replacement

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Replacement of the furniture in the Fire living quarters at the Public Safety Center. The furniture in the fire fighter living quarters of the Public Safety Center is nearing the end of its useful life and is in need of replacement.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Furniture | 0 | 35,000 | 0 | 0 | 0 | 35,000 |
| **Total** | **0** | **35,000** | **0** | **0** | **0** | **35,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 35,000 | 0 | 0 | 0 | 35,000 |
| **Total** | **0** | **35,000** | **0** | **0** | **0** | **35,000** |

## Project Timeline

Purchase furniture - Spring 2027

# Public Safety Center - HVAC Over Pressurization Engineering Study & Repairs

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Engineering study to determine causes and possible solutions to the over pressurization issue at the Public Safety Center. When the HVAC system is ramped up on either a warm or cold day, excess heating or cooling is released into the vestibule spaces within the building. This has caused several issues with the doors not properly securing when staff is entering or exiting the building. Facilities staff has been able to manage by continually adjusting the door closures however because of the varied times of the year that this issue is prevalent, staff does see issues with the doors slamming when the HVAC pressure ramps back down. A study will be conducted to identify any solutions to this issue to ensure the building remains secure year round.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Engineering Study & Repairs | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Project Timeline

Study will be conducted beginning in spring 2026

# Public Safety Center - Interior Rear Stairwell Improvements

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Improvements to the rear interior stairwell at the Public Safety Center. The rear stairwell steps and concrete were left untouched during the renovation in 2012.The concrete is starting to deteriorate and staff is recommending corrective work to preserve the life of the stairs. Some of the concrete is starting to spall and accelerated deterioration is inevitable when introduced to salt during the winter months.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Interior Stairwell Improvements | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Project Timeline

Construction - Summer 2027

# Public Safety Center - Office Furniture Replacement

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2027 - 2029

## Project Description

Phased replacement of the furniture at the Public Safety Center. The furniture purchased for the remodeled building in 2012 has started to reach the end of its useful life. Particularly the areas in Fire and Patrol which see use 24 hrs a day, 7 days a week, staff has seen an accelerated rate of wear due to the heavy use. Replacement will be phased over multiple years in order to replace the well used furniture first followed by the administrative areas in future years. One item of note is the manufacturer of the existing desk furniture no longer supports ongoing maintenance and has discontinued manufacturing of parts.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Office Furniture Replacement | 0 | 25,000 | 25,000 | 25,000 | 0 | 75,000 |
| **Total** | **0** | **25,000** | **25,000** | **25,000** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 25,000 | 25,000 | 25,000 | 0 | 75,000 |
| **Total** | **0** | **25,000** | **25,000** | **25,000** | **0** | **75,000** |

## Project Timeline

Multi-year project

# Public Safety Center - Replace Concrete Stairs

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Replacement of the concrete stairs leading from the PSC Ramp area to the Fire Apparatus apron After numerous attempts to repair the broken concrete stairs, replacement is warranted. Due to the location of the failure, the concrete patches are not holding through the winter. This is a safety hazard that has been identified in annual walkthroughs of the facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| PSC Fire Concrete Stairs | 0 | 25,000 | 0 | 0 | 0 | 25,000 |
| **Total** | **0** | **25,000** | **0** | **0** | **0** | **25,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 25,000 | 0 | 0 | 0 | 25,000 |
| **Total** | **0** | **25,000** | **0** | **0** | **0** | **25,000** |

## Project Timeline

Replacement will coincide with the concrete apron replacement to reduce contractor mobilization costs.

# Fire Station #3 - Paint Apparatus Bay Interior

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2028 - 2028

## Project Description

Interior painting of the apparatus bays at Fire Station 3. Repainting of the interior of the Apparatus Bay to improve the interior cleanliness and improve the aesthetic looks of the facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Paint App Bay Interior | 0 | 0 | 75,000 | 0 | 0 | 75,000 |
| **Total** | **0** | **0** | **75,000** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 75,000 | 0 | 0 | 75,000 |
| **Total** | **0** | **0** | **75,000** | **0** | **0** | **75,000** |

## Project Timeline

Painting to take place in summer of 2028.

# Public Safety Center - HVAC Overhaul

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2028 - 2028

## Project Description

Major overhaul of the HVAC unit at the Public Safety Center. The main air handler servicing the Public Safety Center will be 16 years old in 2028 and in need of a major overhaul. Items may include replacement of wear parts, compressor replacements or upgrades, and inspection and possible replacement of electrical components. Work will be performed to ensure the unit can continue service for many years to come.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| HVAC Overhaul | 0 | 0 | 200,000 | 0 | 0 | 200,000 |
| **Total** | **0** | **0** | **200,000** | **0** | **0** | **200,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 200,000 | 0 | 0 | 200,000 |
| **Total** | **0** | **0** | **200,000** | **0** | **0** | **200,000** |

## Project Timeline

- Design - Winter 2027/2028
- Upgrades to heating components - Summer 2028
- Upgrades to cooling components - Fall/Winter 2028

# Public Safety Center Exterior Service Door Replacement

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2028 - 2029

## Project Description

To date, 2 doors have been replaced. Several more doors will be in need of replacement by 2028 and will be removed and replaced with new steel hollow frame doors. Upgraded hardware will also be installed for a longer lasting product.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Public Safety Center Exterior Service Door Replacement | 0 | 0 | 30,000 | 40,000 | 0 | 70,000 |
| **Total** | **0** | **0** | **30,000** | **40,000** | **0** | **70,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 30,000 | 40,000 | 0 | 70,000 |
| **Total** | **0** | **0** | **30,000** | **40,000** | **0** | **70,000** |

## Project Timeline

- January - Request for quotations
- May - Construction

# Public Safety Parking Lot Sealcoating - Fire Station #2 & #3

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2028 - 2028

## Project Description

Sealcoating bituminous pavement at regular intervals throughout it's lifecycle will prolong the life of the surface. Both of the stations have seen asphalt improvements in the last 5-10 years and sealcoating is warranted at this time.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Public Safety Parking Lot Sealcoating - Fire #2 & Fire #3 | 0 | 0 | 40,000 | 0 | 0 | 40,000 |
| **Total** | **0** | **0** | **40,000** | **0** | **0** | **40,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 40,000 | 0 | 0 | 40,000 |
| **Total** | **0** | **0** | **40,000** | **0** | **0** | **40,000** |

## Project Timeline

Work will be coordinated with Engineering staff when street sealcoating is being completed.

# Fire Station #3 - Building Envelope Improvements

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2029 - 2029

## Project Description

Exterior improvements to the building envelope are needed at Fire Station #3. A design detail at the corners of the building and roof line create the ability for water to infiltrate behind the brick and has caused damage to the exterior of the building. An inspection will occur prior to the start of the project to determine the extent of the issues and will help lay out the required improvements.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Building Envelope Improvements | 0 | 0 | 0 | 200,000 | 0 | 200,000 |
| **Total** | **0** | **0** | **0** | **200,000** | **0** | **200,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 200,000 | 0 | 200,000 |
| **Total** | **0** | **0** | **0** | **200,000** | **0** | **200,000** |

## Project Timeline

- January - Feasibility Hearing and hiring of an architect
- April - Award Bids
- June/July - Construct i on

# Public Safety Center - Emergency Operations Center Furniture Replacement

Department: PUBLIC SAFETY BUILDING REPLACEMENT FUND

Project Years: 2029 - 2029

## Project Description

Replacement of the Emergency Operations Center furniture at the Public Safety Center. The furniture will be nearing the end of its useful life and will be in need of replacement in 2029. The space is well utilized by both Public Safety and other city staff for trainings and events that are held within the space. New furniture will continue to be mobile and flexible for reconfiguration based on needs of staff.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| EOC Furniture | 0 | 0 | 0 | 150,000 | 0 | 150,000 |
| **Total** | **0** | **0** | **0** | **150,000** | **0** | **150,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 150,000 | 0 | 150,000 |
| **Total** | **0** | **0** | **0** | **150,000** | **0** | **150,000** |

## Project Timeline

- Order furniture - Spring 2029
- Installat i on- Fal 2029

# Public Safety Fire Equipment

| Public Safety Fire Apparatus | 2026 | 2027 | 2028 | 2029 | 2030 | | |
|---|---|---|---|---|---|---|---|
| Fund Balance | $265,698 | $586,698 | $916,698 | $55,698 | $403,698 | | |
| Transfer-In PSC | $321,000 | $330,000 | $339,000 | $348,000 | $357,000 | | |
| Available Funds | $586,698 | $916,698 | $1,255,698 | $403,698 | $760,698 | | |
| | | | | | | | |
| Project Name | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Illustrative |
| Fire Apparatus | | | $ 1,200,000 | | | **$ 1,200,000** | |
| **Total** | $ - | $ - | $ 1,200,000 | $ - | | **$ 1,200,000** | **$ -** |
| | | | | | | | |
| Fund Balance | $ 586,698 | $ 916,698 | $ 55,698 | $ 403,698 | $ 760,698 | | |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Fire Apparatus | 2028 | 1,200,000 |
| **Total** | | **1,200,000** |

# Fire Apparatus

Department: PUBLIC SAFETY FIRE EQUIPMENT

Project Years: 2028 - 2028

## Project Description

Replacement of Fire Apparatus.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fire apparatus replacement | 0 | 0 | 1,200,000 | 0 | 0 | 1,200,000 |
| **Total** | **0** | **0** | **1,200,000** | **0** | **0** | **1,200,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 1,200,000 | 0 | 0 | 1,200,000 |
| **Total** | **0** | **0** | **1,200,000** | **0** | **0** | **1,200,000** |

## Project Timeline

TBD

# Public Safety Police Equipment

| Public Safety Capital Equipment Replacement | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Fund balance | $ 893,759 | $ 844,759 | $ 762,759 | $ 700,759 | $ 704,759 |
| Transfer-in | $ 99,000 | $ 102,000 | $ 105,000 | $ 108,000 | $ 111,000 |
| Available Funds | $ 992,759 | $ 946,759 | $ 867,759 | $ 808,759 | $ 815,759 |

| Project Name | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Body Worn Cameras | | | | | | $ - |
| Replacement of LUCAS CPR Device | $ (34,000) | | | | | $ (34,000) |
| Replacement of Public Safety Automated External Defibrillators | | | $ (63,000) | | | $ (63,000) |
| Radios Replacement | $ (50,000) | $ (50,000) | $ (50,000) | $ (50,000) | $ (50,000) | $ (250,000) |
| SCBA Replacement | $ (54,000) | $ (54,000) | $ (54,000) | $ (54,000) | $ (54,000) | $ (270,000) |
| Public Safety Door Training Prop | $ (10,000) | | | | | $ (10,000) |
| Live Fire Training Prop | | $ (80,000) | | | | $ (80,000) |
| **Total** | **$ (148,000)** | **$ (184,000)** | **$ (167,000)** | **$ (104,000)** | **$ (104,000)** | **$ (707,000)** |

| | | | | | |
|---|---|---|---|---|---|
| SCBA | $ 270,000 | $ 324,000 | $ 378,000 | $ 432,000 | $ 486,000 |
| Radios | $ 250,000 | $ 300,000 | $ 350,000 | $ 400,000 | $ 450,000 |
| Fund Balance - Unallocated | $ 844,759 | $ 762,759 | $ 700,759 | $ 704,759 | $ 711,759 |
| Fund Balance Target | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Public Safety Door Training Prop | 2026 | 10,000 |
| Public Safety Radio Replacement | 2026 | 50,000 |
| Replacement of LUCAS Machine | 2026 | 34,000 |
| SCBA Replacement | 2026 | 54,000 |
| **Total** | | **148,000** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Live Fire Training Prop | 2027 | 80,000 |
| Public Safety Radio Replacement | 2027 | 50,000 |
| SCBA Replacement | 2027 | 54,000 |
| **Total** | | **184,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Public Safety Radio Replacement | 2028 | 50,000 |
| Replacement of Public Safety Automated External Defibrillators | 2028 | 63,000 |
| SCBA Replacement | 2028 | 54,000 |
| **Total** | | **167,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Public Safety Radio Replacement | 2029 | 50,000 |
| SCBA Replacement | 2029 | 54,000 |
| **Total** | | **104,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Public Safety Radio Replacement | 2030 | 50,000 |
| SCBA Replacement | 2030 | 54,000 |
| **Total** | | **104,000** |

# Public Safety Door Training Prop

Department: PUBLIC SAFETY POLICE EQUIPMENT

Project Years: 2026 - 2026

## Project Description

Purchase a training prop to simulate forcible door entry for fire and police staff.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Purchase training prop | 10,000 | 0 | 0 | 0 | 0 | 10,000 |
| **Total** | **10,000** | **0** | **0** | **0** | **0** | **10,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 10,000 | 0 | 0 | 0 | 0 | 10,000 |
| **Total** | **10,000** | **0** | **0** | **0** | **0** | **10,000** |

## Project Timeline

March, 2026: purchase prop and implement its use.

# Public Safety Radio Replacement

Department: PUBLIC SAFETY POLICE EQUIPMENT

Project Years: 2026 - 2030

## Project Description

Replacement planning for Public Safety radios Mobile and portable Public Safety radios were replaced in 2020/2021 and are assumed to need replacing 8-10 years into the future. Radio technology will see upgrades over the next 8-10 years that will cause a need to replace the current inventory. Additionally, the radio vendor may stop servicing the existing model of radio in our inventory because of the new technology available.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Cash reserves for radio replacement | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| **Total** | **50,000** | **50,000** | **50,000** | **50,000** | **50,000** | **250,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| **Total** | **50,000** | **50,000** | **50,000** | **50,000** | **50,000** | **250,000** |

## Project Timeline

Planning for replacement of the radios began immediately after the purchase of the current/new inventory of radios as the cost to replace them will be significant. The radios may need replacement as early as 2029.

# Replacement of LUCAS Machine

Department: PUBLIC SAFETY POLICE EQUIPMENT

Project Years: 2026 - 2026

## Project Description

Public Safety purchased a LUCAS machine in 2020 and another in 2021. The LUCAS machine is an easy-to-use mechanical chest compression device that helps lifesaving teams around the world deliver high-quality, guidelines-consistent chest compressions to sudden cardiac arrest patients; in the field, on the move and in the hospital. The LUCAS machine comes with a 1 year warranty and an expected life cycle of 7-9 years.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Cash reserves for LUCAS replacement | 34,000 | 0 | 0 | 0 | 0 | 34,000 |
| **Total** | **34,000** | **0** | **0** | **0** | **0** | **34,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 34,000 | 0 | 0 | 0 | 0 | 34,000 |
| **Total** | **34,000** | **0** | **0** | **0** | **0** | **34,000** |

## Project Timeline

Replacement could reasonably occur in 2026 and 2027.

# SCBA Replacement

Department: PUBLIC SAFETY POLICE EQUIPMENT

Project Years: 2026 - 2031

## Project Description

Replace fire Self Contained Breathing Apparatus (SCBA) The SCBAs were replaced in 2016. They have a service live of 15 years, making the replacement schedule due in 2031.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Cash reserve-SCBA | 54,000 | 54,000 | 54,000 | 54,000 | 54,000 | 270,000 |
| **Total** | **54,000** | **54,000** | **54,000** | **54,000** | **54,000** | **270,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 54,000 | 54,000 | 54,000 | 54,000 | 54,000 | 270,000 |
| **Total** | **54,000** | **54,000** | **54,000** | **54,000** | **54,000** | **270,000** |

## Project Timeline

Research models in 2030. Purchase replacement air packs in 2031.

# Live Fire Training Prop

Department: PUBLIC SAFETY POLICE EQUIPMENT

Project Years: 2027 - 2027

## Project Description

n/a

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Live Fire Training Prop | 0 | 80,000 | 0 | 0 | 0 | 80,000 |
| **Total** | **0** | **80,000** | **0** | **0** | **0** | **80,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 80,000 | 0 | 0 | 0 | 80,000 |
| **Total** | **0** | **80,000** | **0** | **0** | **0** | **80,000** |

## Project Timeline

n/a

# Replacement of Public Safety Automated External Defibrillators

Department: PUBLIC SAFETY POLICE EQUIPMENT

Project Years: 2028 - 2028

## Project Description

Replacement of Public Safety's Automated External Defibrillators (AEDs)</p>

Through a matching grant with Mayo Clinic Health System, the City of Mankato was able to purchase approximately 57 AEDs to deploy in all Public Safety vehicles and deploy in several City buildings in 2019. Replacement planning for Public Safety AEDs is for the 45 that we have in our inventory. Facilities is handling the budgeting for the other 12 that are deployed in City buildings.
</p>The AEDs come with a warranty and expected life cycle of 5 years. Replacement of some, or all, of the AEDs could reasonably begin in 2024.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Cash reserves for AED replacement | 0 | 0 | 63,000 | 0 | 0 | 63,000 |
| **Total** | **0** | **0** | **63,000** | **0** | **0** | **63,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 63,000 | 0 | 0 | 63,000 |
| **Total** | **0** | **0** | **63,000** | **0** | **0** | **63,000** |

## Project Timeline

Replacement is expected to begin as early as 2024.

# Facilities Capital

| Facilities | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Projected Fund Balance | $1,474,712 | $1,524,712 | $1,283,712 | $1,646,212 | $1,961,212 |
| Transfer-In Facilities | $580,000 | $595,000 | $610,000 | $625,000 | $640,000 |
| Available Funds | $2,054,712 | $2,119,712 | $1,893,712 | $2,271,212 | $2,601,212 |

| Project Name | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Illustrative |
|---|---|---|---|---|---|---|---|
| Building Automation System Upgrades & Expansion | | $ (25,000) | $ (35,000) | | $ (35,000) | **$ (95,000)** | |
| Caledonia Community Center - Drainage Improvements | | $ (80,000) | | | | **$ (80,000)** | |
| Caledonia Community Center - Exterior Waterproofing & Repairs | | $ (125,000) | | | | **$ (125,000)** | |
| Caledonia Community Center - Facility Audit | $ (30,000) | | | | | **$ (30,000)** | |
| Central Garage - Mobile Truck Lift | | | | | $ (100,000) | **$ (100,000)** | |
| Facilities - AED Replacement | | $ (21,000) | | | | **$ (21,000)** | |
| Facilities - Fire Alarm Panel Replacements | | | $ (40,000) | $ (35,000) | | **$ (75,000)** | |
| Hubbard House - Waterproofing, Restoration, & ADA Improvements | | $ (25,000) | | | | **$ (25,000)** | |
| Park Pavilion - Appliance Replacement | | | | $ (25,000) | | **$ (25,000)** | |
| Parks Restroom Maintenance | $ (50,000) | $ (75,000) | $ (75,000) | $ (75,000) | $ (75,000) | **$ (350,000)** | |
| Public Works Center - Central Garage In-Floor Exhaust Fan Replacement | | | | $ (30,000) | | **$ (30,000)** | |
| Public Works Center - Central Garage Office Floor Improvements | | $ (30,000) | | | | **$ (30,000)** | |
| Public Works Center - Eastern Fence Replacement | | $ (170,000) | | | | **$ (170,000)** | |
| Public Works Center - Electrical Panel Upgrade | | $ (50,000) | $ (50,000) | $ (50,000) | $ (50,000) | **$ (200,000)** | |
| Public Works Center - Elevator Code Upgrades | | $ (125,000) | | | | **$ (125,000)** | |
| Public Works Center - Fire Door Replacement | | | $ (22,500) | $ (25,000) | $ (25,000) | **$ (72,500)** | |
| Public Works Center - Floor Grate Repairs | $ (50,000) | | | | | **$ (50,000)** | |
| Public Works Center - Heated Storage Building | | | | | | **$ -** | $ (2,750,000) |
| Public Works Center - Insulate and Resheet Parks Cold Storage Building | | | | | | **$ -** | $ (300,000) |
| Public Works Center - Master Planning Design | $ (100,000) | | | | | **$ (100,000)** | |
| Public Works Center - Material Storage Building | | | | | | **$ -** | $ (1,200,000) |
| Public Works Center - Welding Bay Exhaust & Tool Replacement | $ (300,000) | | | | | **$ (300,000)** | |
| Sibley Park - Pavilion HVAC Improvements | | $ (60,000) | | | | **$ (60,000)** | |
| Tourtellotte Pool FF&E | | $ (50,000) | $ (25,000) | $ (25,000) | $ (25,000) | **$ (125,000)** | |
| Tourtellotte Pool Pump Rebuild | | | | $ (45,000) | | **$ (45,000)** | |
| **Total** | **$ (530,000)** | **$ (836,000)** | **$ (247,500)** | **$ (310,000)** | **$ (310,000)** | **$ (2,233,500)** | $ (4,250,000) |
| Fund Balance | $ 1,524,712 | $ 1,283,712 | $ 1,646,212 | $ 1,961,212 | $ 2,291,212 | | |
| Fund Balance Target | $ 1,160,000 | $ 1,190,000 | $ 1,220,000 | $ 1,250,000 | $ 1,280,000 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Caledonia Community Center - Facility Audit | 2026 | 30,000 |
| Parks Restroom Maintenance | 2026 | 50,000 |
| Public Works Center - Floor Grate Repairs | 2026 | 50,000 |
| Public Works Center - Master Planning Design | 2026 | 100,000 |
| Public Works Center - Welding Bay Exhaust & Tool Replacement | 2026 | 300,000 |
| **Total** | | **530,000** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Building Automation System Upgrades & Expansion | 2027 | 25,000 |
| Caledonia Community Center - Drainage Improvements | 2027 | 80,000 |
| Caledonia Community Center - Exterior Waterproofing & Repairs | 2027 | 125,000 |
| Facilities - AED Replacements | 2027 | 21,000 |
| Hubbard House - Waterproofing, Restoration, & ADA Improvements | 2027 | 25,000 |
| Parks Restroom Maintenance | 2027 | 75,000 |
| Public Works Center - Central Garage Office Floor Improvements | 2027 | 30,000 |
| Public Works Center - Eastern Fence Replacement | 2027 | 170,000 |
| Public Works Center - Electrical Panel Upgrade | 2027 | 50,000 |
| Public Works Center - Elevator Code Upgrades | 2027 | 125,000 |
| Sibley Park - Pavilion HVAC Improvements | 2027 | 60,000 |
| Tourtellotte Pool - FF&E | 2027 | 50,000 |
| **Total** | | **836,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Building Automation System Upgrades & Expansion | 2028 | 35,000 |
| Facilities - Fire Alarm Panel Replacements | 2028 | 40,000 |
| Parks Restroom Maintenance | 2028 | 75,000 |
| Public Works Center - Electrical Panel Upgrade | 2028 | 50,000 |
| Public Works Center - Fire Door Replacement | 2028 | 22,500 |
| Tourtellotte Pool - FF&E | 2028 | 25,000 |
| **Total** | | **247,500** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Building Automation System Upgrades & Expansion | 2029 | 0 |
| Facilities - Fire Alarm Panel Replacements | 2029 | 35,000 |
| Park Pavilion - Appliance Replacement | 2029 | 25,000 |
| Parks Restroom Maintenance | 2029 | 75,000 |
| Public Works Center - Central Garage In-Floor Exhaust Fan Replacement | 2029 | 30,000 |
| Public Works Center - Electrical Panel Upgrade | 2029 | 50,000 |
| Public Works Center - Fire Door Replacement | 2029 | 25,000 |
| Tourtellotte Pool - FF&E | 2029 | 25,000 |
| Tourtellotte Pool - Pump Rebuilds | 2029 | 45,000 |
| **Total** | | **310,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Building Automation System Upgrades & Expansion | 2030 | 35,000 |
| Central Garage - Mobile Truck Lift | 2030 | 100,000 |
| Parks Restroom Maintenance | 2030 | 75,000 |
| Public Works Center - Electrical Panel Upgrade | 2030 | 50,000 |
| Public Works Center - Fire Door Replacement | 2030 | 25,000 |
| Tourtellotte Pool - FF&E | 2030 | 25,000 |
| **Total** | | **310,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| Public Works Center - Heated Storage Building | 2030 | 2,750,000 |
| Public Works Center - Insulate and Resheet Parks Cold Storage Building | 2030 | 300,000 |
| Public Works Center - Material Storage Structure | 2030 | 1,200,000 |
| **Total** | | **4,250,000** |

# Caledonia Community Center - Facility Audit

Department: FACILITIES CAPITAL

Project Years: 2026 - 2026

## Project Description

This will be the fourth facility audit we have undertaken at various sites across the city and they have helped guide future planning for those locations.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Facility Audit | 30,000 | 0 | 0 | 0 | 0 | 30,000 |
| **Total** | **30,000** | **0** | **0** | **0** | **0** | **30,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 30,000 | 0 | 0 | 0 | 0 | 30,000 |
| **Total** | **30,000** | **0** | **0** | **0** | **0** | **30,000** |

## Project Timeline

- January - Hire and architecture firm
- February - Initial walkthrough of the facility while curling ice is still in place
- May - Secondary walk thru and exterior envelope inspection
- September - Final Report received

# Parks Restroom Maintenance

Department: FACILITIES CAPITAL

Project Years: 2026 - 2030

## Project Description

Parks Restroom Maintenance. Heavy maintenance of the Parks restrooms. These assets are heavily utilized during the summer months and heavy maintenance activities need to be performed from time to time to keep them in good working order.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Parks Restroom Maintenance | 50,000 | 75,000 | 75,000 | 75,000 | 75,000 | 350,000 |
| **Total** | **50,000** | **75,000** | **75,000** | **75,000** | **75,000** | **350,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 50,000 | 75,000 | 75,000 | 75,000 | 75,000 | 350,000 |
| **Total** | **50,000** | **75,000** | **75,000** | **75,000** | **75,000** | **350,000** |

## Project Timeline

Restroom maintenance improvements are planned each year.

# Public Works Center - Floor Grate Repairs

Department: FACILITIES CAPITAL

Project Years: 2026 - 2026

## Project Description

The floor grates were in poor shape when the City assumed control of the facility from MNDOT in 2010. The frames have continued to rust away and there isn't enough structure left to support the existing grates. The frame and concrete surrounding the drains will be removed and reinstalled with new grates that can support the increasing weight of the equipment using the space. Other areas of the building have been previously replaced including Bay 2 a few years ago.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Floor Grate Replacement | 50,000 | 0 | 0 | 0 | 0 | 50,000 |
| **Total** | **50,000** | **0** | **0** | **0** | **0** | **50,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 50,000 | 0 | 0 | 0 | 0 | 50,000 |
| **Total** | **50,000** | **0** | **0** | **0** | **0** | **50,000** |

## Project Timeline

- January - Request quotations
- June - Construction after spring cleanup and when trucks will be able to sit outside for the day

# Public Works Center - Master Planning Design

Department: FACILITIES CAPITAL

Project Years: 2026 - 2026

## Project Description

An architect will be hired to assist staff in finalizing the master planning document and creating more detailed plans for further project execution and budgeting.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Master plan | 100,000 | 0 | 0 | 0 | 0 | 100,000 |
| **Total** | **100,000** | **0** | **0** | **0** | **0** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 100,000 | 0 | 0 | 0 | 0 | 100,000 |
| **Total** | **100,000** | **0** | **0** | **0** | **0** | **100,000** |

## Project Timeline

- February - Engage with architecture firm
- April - Planning kickoff
- May-June - meetings with various divisions of Public Works
- September - Draft plan for review
- November - Final plan

# Public Works Center - Welding Bay Exhaust & Tool Replacement

Department: FACILITIES CAPITAL

Project Years: 2026 - 2026

## Project Description

Some of the existing tools in the welding shop at the Public Works Center are nearing the end of their serviceable life. New technology is available to make the equipment easier to service in the future and more ergonomic for staff to utilize.

The exhaust system will be completely replaced with an upgraded system. The current air quality in the space is poor and a new system is need to improve the working conditions for our employees. The system will be run through the existing building automation system and will mirror the project that was completed in the Central Garage portion a few years ago.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Welding shop upgrades | 300,000 | 0 | 0 | 0 | 0 | 300,000 |
| **Total** | **300,000** | **0** | **0** | **0** | **0** | **300,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 300,000 | 0 | 0 | 0 | 0 | 300,000 |
| **Total** | **300,000** | **0** | **0** | **0** | **0** | **300,000** |

## Project Timeline

- January - Feasibility Hearing
- March - Award Bids
- June/July - Construct i on

# Building Automation System Upgrades & Expansion

Department: FACILITIES CAPITAL

Project Years: 2027 - 2030

## Project Description

Upgrades to the existing BAS (Building Automation System) will allow us to continue the transition from stand alone systems to a fully accessible online system available on the city's network. Expansion will include buildings that have been recently added to the fiber network and now have the capability to be brought online for monitoring and control.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Building Automation System Upgrades & Expansion | 0 | 25,000 | 35,000 | 0 | 35,000 | 95,000 |
| **Total** | **0** | **25,000** | **35,000** | **0** | **35,000** | **95,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 25,000 | 35,000 | 0 | 35,000 | 95,000 |
| **Total** | **0** | **25,000** | **35,000** | **0** | **35,000** | **95,000** |

## Project Timeline

Work would be accomplished as time allows each year.

# Caledonia Community Center - Drainage Improvements

Department: FACILITIES CAPITAL

Project Years: 2027 - 2027

## Project Description

Currently, the west half of the building does not have any drains which has caused issues for many years. The added sewer connection will allow for proper floor drains in the active spaces and create a better solution for ice removal at the end of the curling season.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Drainage Improvements | 0 | 80,000 | 0 | 0 | 0 | 80,000 |
| **Total** | **0** | **80,000** | **0** | **0** | **0** | **80,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 80,000 | 0 | 0 | 0 | 80,000 |
| **Total** | **0** | **80,000** | **0** | **0** | **0** | **80,000** |

## Project Timeline

- January - Request quotations
- April - Begin exterior construction
- May/June - Begin interior construction following the conclusion of the curling season

# Caledonia Community Center - Exterior Waterproofing & Repairs

Department: FACILITIES CAPITAL

Project Years: 2027 - 2027

## Project Description

Caledonia Community Center - Exterior Remodel The facility is showing its age and is in need of a refresh. With the roof replacement completed, the exterior water intrusions should be addressed on the siding and windows of the building.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Caledonia Community Center - Exterior Remodel | 0 | 125,000 | 0 | 0 | 0 | 125,000 |
| **Total** | **0** | **125,000** | **0** | **0** | **0** | **125,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 125,000 | 0 | 0 | 0 | 125,000 |
| **Total** | **0** | **125,000** | **0** | **0** | **0** | **125,000** |

## Project Timeline

- Design: Spring 2027
- Construction: Summer 2027, with completion prior to the Tri-County Fair in August

# Facilities - AED Replacements

Department: FACILITIES CAPITAL

Project Years: 2027 - 2027

## Project Description

Replacement of the building Automated External Defibrillators. The current Zoll AED's were purchased in 2020 and will reach the end of their warranty period requiring replacement in 2025.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| AED Replacements | 0 | 21,000 | 0 | 0 | 0 | 21,000 |
| **Total** | **0** | **21,000** | **0** | **0** | **0** | **21,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 21,000 | 0 | 0 | 0 | 21,000 |
| **Total** | **0** | **21,000** | **0** | **0** | **0** | **21,000** |

## Project Timeline

Purchase will occur with city wide AED replacement project in 2026.

# Hubbard House - Waterproofing, Restoration, & ADA Improvements

Department: FACILITIES CAPITAL

Project Years: 2027 - 2027

## Project Description

The scope of the improvements would be foundation work including drain tile, repairs to the limestone foundation, and waterproofing. The rear porch outside Mr. Hubbard's office has settled and is not structurally sound. Finally, the accessible ramp needs replacement and a lift was selected as an alternative due to the condensed footprint allowing for more garden space in the rear of the property.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Initial Design for Grant Application | 0 | 25,000 | 0 | 0 | 0 | 25,000 |
| **Total** | **0** | **25,000** | **0** | **0** | **0** | **25,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 25,000 | 0 | 0 | 0 | 25,000 |
| **Total** | **0** | **25,000** | **0** | **0** | **0** | **25,000** |

## Project Timeline

- March - Hire an architect with historical background
- July - Complete initial designs for inclusion in a grant application packet

# Public Works Center - Central Garage Office Floor Improvements

Department: FACILITIES CAPITAL

Project Years: 2027 - 2027

## Project Description

Floor resurfacing in the Central Garage office and parts room at the Public Works Center. The floor is a paint product that was applied prior to staff relocation to the site. A more appropriate and durable floor coating will be applied to the floor to help keep the area clean for staff.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Floor coating | 0 | 30,000 | 0 | 0 | 0 | 30,000 |
| **Total** | **0** | **30,000** | **0** | **0** | **0** | **30,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 30,000 | 0 | 0 | 0 | 30,000 |
| **Total** | **0** | **30,000** | **0** | **0** | **0** | **30,000** |

## Project Timeline

Summer 2027 - will require relocation of staff offices and parts room for 2 weeks

# Public Works Center - Eastern Fence Replacement

Department: FACILITIES CAPITAL

Project Years: 2027 - 2027

## Project Description

Replacement of the eastern fence line at the Public Works Center The existing 6' chain link fence has become overgrown with vegetation. The current vegetation will be cleared and the fence will be replaced with an 8' high privacy chain link fence to increase security of the facility as well as cut down on light pollution into the neighboring property.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fence replacement | 0 | 170,000 | 0 | 0 | 0 | 170,000 |
| **Total** | **0** | **170,000** | **0** | **0** | **0** | **170,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 170,000 | 0 | 0 | 0 | 170,000 |
| **Total** | **0** | **170,000** | **0** | **0** | **0** | **170,000** |

## Project Timeline

Construction: Summer 2027

# Public Works Center - Electrical Panel Upgrade

Department: FACILITIES CAPITAL

Project Years: 2027 - 2030

## Project Description

Multi-year replacement of the electrical system components at the Public Works Center. The electrical panels and system at the Public Works Center are largely remnants of the original construction nearly 50 years ago. The equipment is aging and parts have been extremely hard to find.  This will be a multi-year phased approach to update the entire building's electrical system.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Electrical Panel Upgrades | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 200,000 |
| **Total** | **0** | **50,000** | **50,000** | **50,000** | **50,000** | **200,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 200,000 |
| **Total** | **0** | **50,000** | **50,000** | **50,000** | **50,000** | **200,000** |

## Project Timeline

Work will be performed annually during summer months to reduce the impact on Public Works Operations and Central Garage staff.

# Public Works Center - Elevator Code Upgrades

Department: FACILITIES CAPITAL

Project Years: 2027 - 2027

## Project Description

Replacement of the elevator mechanical equipment and button stations at the Public Works Center. The elevator mechanical equipment will be nearing the end of its useful life in the coming years. Proactive replacement of the equipment is critical to maintaining sufficient access for the public to use this critical facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Elevator Code Upgrades | 0 | 125,000 | 0 | 0 | 0 | 125,000 |
| **Total** | **0** | **125,000** | **0** | **0** | **0** | **125,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 125,000 | 0 | 0 | 0 | 125,000 |
| **Total** | **0** | **125,000** | **0** | **0** | **0** | **125,000** |

## Project Timeline

- February - Feasibility hearing
- April - Bid Award
- July - Construct i on

# Sibley Park - Pavilion HVAC Improvements

Department: FACILITIES CAPITAL

Project Years: 2027 - 2027

## Project Description

The existing system will be replaced with new equipment. Energy efficient heat pumps will be explored if mechanical spaces allow.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sibley Park Pavilion HVAC Improvements | 0 | 60,000 | 0 | 0 | 0 | 60,000 |
| **Total** | **0** | **60,000** | **0** | **0** | **0** | **60,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 60,000 | 0 | 0 | 0 | 60,000 |
| **Total** | **0** | **60,000** | **0** | **0** | **0** | **60,000** |

## Project Timeline

- January - Request for quotations
- April - Installation prior to graduation season start

# Tourtellotte Pool - FF&E

Department: FACILITIES CAPITAL

Project Years: 2027 - 2030

## Project Description

Various items would be selected each year for replacement based on the anticipated end of their useful life. This includes the following: pool deck equipment, safety equipment, minor repairs to pool mechanical equipment, pool maintenance equipment, etc.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Pool FF&E | 0 | 50,000 | 25,000 | 25,000 | 25,000 | 125,000 |
| **Total** | **0** | **50,000** | **25,000** | **25,000** | **25,000** | **125,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 50,000 | 25,000 | 25,000 | 25,000 | 125,000 |
| **Total** | **0** | **50,000** | **25,000** | **25,000** | **25,000** | **125,000** |

## Project Timeline

Equipment would be purchased as needed but likely in the months leading up to the pool opening for the season.

# Facilities - Fire Alarm Panel Replacements

Department: FACILITIES CAPITAL

Project Years: 2028 - 2029

## Project Description

Multi year project to replace existing fire alarm panels throughout city buildings. Fire alarm panels have a life expectancy of 10-15 years. Several of our facilities have panels within this range. The city is also undertaking a consolidation of our fire alarm monitoring service to provide a more streamlined system for monitoring all of our facilities. The organization currently utilize 4 separate monitoring vendors and it is time consuming to update contact lists for each as staff changes occur.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fire Alarm replacements | 0 | 0 | 40,000 | 35,000 | 0 | 75,000 |
| **Total** | **0** | **0** | **40,000** | **35,000** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 40,000 | 35,000 | 0 | 75,000 |
| **Total** | **0** | **0** | **40,000** | **35,000** | **0** | **75,000** |

## Project Timeline

Work will be undertaken in spring of each year.

# Public Works Center - Fire Door Replacement

Department: FACILITIES CAPITAL

Project Years: 2028 - 2030

## Project Description

Many of the fire rated doors within the facility are original to the building's construction and have had components fail. Due to the failures, most doors have been removed or propped open to allow movement through the building. Having a fire separation between spaces is critical should an incident occur. This would be a multi year project to replace all of the fire doors in the facility including new frames and door hardware.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fire Door Replacement | 0 | 0 | 22,500 | 25,000 | 25,000 | 72,500 |
| **Total** | **0** | **0** | **22,500** | **25,000** | **25,000** | **72,500** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 22,500 | 25,000 | 25,000 | 72,500 |
| **Total** | **0** | **0** | **22,500** | **25,000** | **25,000** | **72,500** |

## Project Timeline

Work would be done in the spring of each year prior to the busy summer season starting.

# Park Pavilion - Appliance Replacement

Department: FACILITIES CAPITAL

Project Years: 2029 - 2029

## Project Description

Replacement of the appliances at Floyd Roberts Pavilion, Sibley Park Pavilion, Sibley Park Giving Barn, and the Caledonia Community Center.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Park Pavilion - Appliance Replacement | 0 | 0 | 0 | 25,000 | 0 | 25,000 |
| **Total** | **0** | **0** | **0** | **25,000** | **0** | **25,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 25,000 | 0 | 25,000 |
| **Total** | **0** | **0** | **0** | **25,000** | **0** | **25,000** |

## Project Timeline

Appliances would be replaced as rental schedules allow.

# Public Works Center - Central Garage In-Floor Exhaust Fan Replacement

Department: FACILITIES CAPITAL

Project Years: 2029 - 2029

## Project Description

Replacement of the exhaust fan for the in floor exhaust at the Public Works Center. The central garage has the capability to use the in floor exhaust system to safely operate and test vehicles in the maintenance bays. The exhaust fan predates the relocation of Public Works staff to the current site and staff recommends replacement prior to failure.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Exhaust Fan | 0 | 0 | 0 | 30,000 | 0 | 30,000 |
| **Total** | **0** | **0** | **0** | **30,000** | **0** | **30,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 30,000 | 0 | 30,000 |
| **Total** | **0** | **0** | **0** | **30,000** | **0** | **30,000** |

## Project Timeline

Summer 2029

# Tourtellotte Pool - Pump Rebuilds

Department: FACILITIES CAPITAL

Project Years: 2029 - 2029

## Project Description

The current 6 pump motors would be removed from the pump pit and sent off to be rebuilt and reinstalled.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Rebuild pool pumps | 0 | 0 | 0 | 45,000 | 0 | 45,000 |
| **Total** | **0** | **0** | **0** | **45,000** | **0** | **45,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 45,000 | 0 | 45,000 |
| **Total** | **0** | **0** | **0** | **45,000** | **0** | **45,000** |

## Project Timeline

- February - Removal of pumps and delivery to electrical contractor
- April - Pumps are delivered and reinstalled for pool startup

# Central Garage - Mobile Truck Lift

Department: FACILITIES CAPITAL

Project Years: 2030 - 2030

## Project Description

Project will include the purchase of 4 column lifts and a wing plow attachment to allow for maintenance of the snow fleet in our facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Mobile Truck Lift | 0 | 0 | 0 | 0 | 100,000 | 100,000 |
| **Total** | **0** | **0** | **0** | **0** | **100,000** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 100,000 | 100,000 |
| **Total** | **0** | **0** | **0** | **0** | **100,000** | **100,000** |

## Project Timeline

Purchase equipment in January 2030.

# Parks Capital Replacement Fund

| Parks | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Projected Fund Balance | $ 2,324,366 | $1,281,866 | $1,261,866 | $ 1,000,866 | $ 1,199,366 |
| Budgeted Amount for Parks CIP Projects (General Fund) Note: these funds may only be used for existing parks | $525,000 | $540,000 | $555,000 | $570,000 | $585,000 |
| **Guaranteed Available Funds** | $2,849,366 | $1,821,866 | $1,816,866 | $1,570,866 | $1,784,366 |
| Less Restricted (Splash Pad & Pickleball) | ($580,000) | | | | |
| CBDG Funds (*) If qualifying project | $0 | $0 | $0 | $0 | $0 |
| Grants (awarded**) | $0 | $0 | $0 | $0 | $0 |
| Other contributions ! | | | | | |
| **Available Funds** | $2,269,366 | $1,821,866 | $1,816,866 | $1,570,866 | $1,784,366 |

| Project Name | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Illustrative |
|---|---|---|---|---|---|---|---|
| Shelter Improvements * Note: Rasmussen Shelter planned for 2026; Sibley Park backside for 2027 | $ (50,000) | $ (55,000) | $ (60,000) | $ (65,000) | $ (70,000) | **$ (300,000)** | |
| Rasmussen Floating Trail*** ($250K CIP, $250 Grant applied for in 2022; not successful; moved to 2029; 2028 design costs) | $ - | | $ (50,000) | $ (250,000) | | **$ (300,000)** | |
| Land of Memories New Playground Improvements *** (DNR $200K/CIP $350K - $200 in 2025/150K in 2026) | $ (150,000) | | | | | **$ (150,000)** | |
| Land of Memories Existing Playground Replacement | | $ (150,000) | | | | **$ (150,000)** | |
| West Mankato Park Upgrades (playground and shelter relocation)*** Apply for DNR grant for this park ($300k CIP, $300k Grant) | | $ (25,000) | $ (600,000) | | | **$ (625,000)** | |
| Tennis Court Resurfacing (Alexander and Erlandson) | | $ (150,000) | | | | **$ (150,000)** | |
| Jaycee Park Improvements (50K for overall park design in 2028) | | | $ (50,000) | | | **$ (50,000)** | $ - |
| Thomas Park Playground, Rink and Flagpole | $ (32,500) | | $ - | | $ - | **$ (32,500)** | |
| Pilot project for engagement of new/expanded groups in parks - Phase 3 | | $ (50,000) | $ (50,000) | $ (50,000) | $ (50,000) | **$ (200,000)** | |
| Alexander Park - upgrade tennis court lights retrofit (repaint light poles; redo light kits; new electric lines) | | $ (75,000) | | | | **$ (75,000)** | |
| Erlandson Park - upgrade tennis court lights (repaint light poles; redo light kits; new electric lines) | | $ - | | | | **$ -** | $ 50,000 |
| Thomas Park - upgrade hockey rink lights | | | | | $ (100,000) | **$ (100,000)** | $ - |
| Stoltzman Park - upgrade rink lights (repaint light poles; redo light kits; new electric lines) | | $ (50,000) | | | | **$ (50,000)** | |
| Bike Racks - replacement & additions | $ (5,000) | $ (5,000) | $ (6,000) | $ (6,500) | $ (7,000) | **$ (29,500)** | |
| Surface Upgrades - Caledonia | | $ - | | | | **$ -** | $ 465,000 |
| Groh Park Development (DNR Grant $250K, Charter bonds $500K) *** | $ - | $ - | | | | **$ -** | $ 1,000,000 |
| PW Parks *@ (100K CDBG, 125K PIL, 325K Charter Bonds, 200K DNR Grant) | $ - | $ - | | | | **$ -** | $ 1,000,000 |
| Pickleball Court Replacements - Tourtellotte Park | $ (750,000) | | | | | | |
| CIP funding incurred | $ (987,500) | $ (560,000) | $ (816,000) | $ (371,500) | $ (227,000) | **$ (2,962,000)** | |
| Kearney Pond Park !@ (10K Other, 440K Charter,) | | | | | | **$ -** | $ 450,000 |
| Proposed Charter Bond Funding Incurred | $ - | $ - | | | | **$ -** | |
| **Total Capital Enhancement** | **$ (987,500)** | **$ (560,000)** | **$ (816,000)** | **$ (371,500)** | **$ (227,000)** | **$ (5,174,000)** | $ 2,965,000 |
| | | | | | | | |
| Fund Balance - Restricted (Splash Pad) | $ 580,000 | $ 580,000 | $ 580,000 | $ 580,000 | $ 580,000 | | |
| Fund Balance | $ 1,281,866 | $ 1,261,866 | $ 1,000,866 | $ 1,199,366 | $ 1,557,366 | | |
| Fund Balance Target | $ 775,000 | $ 798,000 | $ 822,000 | $ 847,000 | $ 872,000 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Bike Racks - replacement & additions | 2026 | 5,000 |
| Land of Memories - New Playground Improvements | 2026 | 150,000 |
| Pickleball Court Replacements - Tourtellotte Park | 2026 | 750,000 |
| Shelter Improvements | 2026 | 50,000 |
| Thomas Park Playground, Rink and Flagpole | 2026 | 32,500 |
| **Total** | | **987,500** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Alexander and Erlandson - tennis court resurfacing | 2027 | 150,000 |
| Alexander Park - tennis court lights | 2027 | 75,000 |
| Bike Racks - replacement & additions | 2027 | 5,000 |
| Land of Memories - Existing Playground Replacement | 2027 | 150,000 |
| Parks Pilot Project Phase 3 | 2027 | 50,000 |
| Shelter Improvements | 2027 | 55,000 |
| Stoltzman Park - rink lighting | 2027 | 50,000 |
| West Mankato Park Upgrades | 2027 | 25,000 |
| **Total** | | **560,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Bike Racks - replacement & additions | 2028 | 6,000 |
| Jaycee Park - Park improvements | 2028 | 50,000 |
| Parks Pilot Project Phase 3 | 2028 | 50,000 |
| Rasmussen Floating Trail | 2028 | 50,000 |
| Shelter Improvements | 2028 | 60,000 |
| West Mankato Park Upgrades | 2028 | 600,000 |
| **Total** | | **816,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Bike Racks - replacement & additions | 2029 | 6,500 |
| Parks Pilot Project Phase 3 | 2029 | 50,000 |
| Rasmussen Floating Trail | 2029 | 500,000 |
| Shelter Improvements | 2029 | 65,000 |
| **Total** | | **621,500** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Bike Racks - replacement & additions | 2030 | 7,000 |
| Parks Pilot Project Phase 3 | 2030 | 50,000 |
| Shelter Improvements | 2030 | 70,000 |
| Thomas Park - upgrade hockey rink lights | 2030 | 100,000 |
| **Total** | | **227,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| Development of Park on PWC Land-Behind Public Works Building | 2030 | 1,000,000 |
| Erlandson Park - Upgrade tennis court lights | 2030 | 50,000 |
| Groh Park Development | 2030 | 1,000,000 |
| Kearney Pond Park Improvements | 2030 | 450,000 |
| Parks Surface Upgrades - Caledonia | 2026 | 465,000 |
| **Total** | | **2,965,000** |

# Land of Memories - New Playground Improvements

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2025 - 2026

## Project Description

A new playground unit will be installed in Land of Memories Park. The play equipment will be designed to meet CPSC requirements for safe play equipment and will provide opportunities for play in accordance with ADA requirements.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Land of Memories new playground installation | 150,000 | 0 | 0 | 0 | 0 | 150,000 |
| **Total** | **150,000** | **0** | **0** | **0** | **0** | **150,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 150,000 | 0 | 0 | 0 | 0 | 150,000 |
| Other Sources | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **150,000** | **0** | **0** | **0** | **0** | **150,000** |

## Project Timeline

The project is estimated to be complete in 2025 and 2026.

# Bike Racks - replacement & additions

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2026 - 2030

## Project Description

n/a

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Bike Racks - replacement & additions | 5,000 | 5,000 | 6,000 | 6,500 | 7,000 | 29,500 |
| **Total** | **5,000** | **5,000** | **6,000** | **6,500** | **7,000** | **29,500** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 5,000 | 5,000 | 6,000 | 6,500 | 7,000 | 29,500 |
| **Total** | **5,000** | **5,000** | **6,000** | **6,500** | **7,000** | **29,500** |

## Project Timeline

Bike rack installation is planned over the next 5 years.

# Pickleball Court Replacements - Tourtellotte Park

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2026 - 2026

## Project Description

N/A

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Pickleball Court Replacements | 750,000 | 0 | 0 | 0 | 0 | 750,000 |
| **Total** | **750,000** | **0** | **0** | **0** | **0** | **750,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 750,000 | 0 | 0 | 0 | 0 | 750,000 |
| **Total** | **750,000** | **0** | **0** | **0** | **0** | **750,000** |

## Project Timeline

N/A

# Shelter Improvements

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2026 - 2030

## Project Description

This funding is to provide maintenance and replacement of park shelters throughout the City of Mankato. Highland Both shelters 1 & 2 at Highland Park shelters are programmed for cosmetic and structural upgrades in 2025. Work will include concrete rehabilitation at Shelter #2 (east side) as well as structural repairs and painting. Work at Shelter #1 (west side) will include electrical repairs, concrete siding on the gable ends, concrete board and batten ceilings, paint, and minor concrete repair work. The work with refresh these facilities bring them up to a manageable maintenance level, and make them more cohesive with the previous upgrades that have been performed in the park.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Shelter upgrades/replacemet | 50,000 | 55,000 | 60,000 | 65,000 | 70,000 | 300,000 |
| **Total** | **50,000** | **55,000** | **60,000** | **65,000** | **70,000** | **300,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 50,000 | 55,000 | 60,000 | 65,000 | 70,000 | 300,000 |
| Other Sources | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **50,000** | **55,000** | **60,000** | **65,000** | **70,000** | **300,000** |

## Project Timeline

Funding is planned for 2025-2029.

# Thomas Park Playground, Rink and Flagpole

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2026 - 2026

## Project Description

Installation of a flagpole. Playground equipment replacement is planned for Thomas Park. Updates to the existing ice rink including replacing the current asphalt surface with concrete and incorporate multi-season uses for the space.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Flag pole | 32,500 | 0 | 0 | 0 | 0 | 32,500 |
| **Total** | **32,500** | **0** | **0** | **0** | **0** | **32,500** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 32,500 | 0 | 0 | 0 | 0 | 32,500 |
| **Total** | **32,500** | **0** | **0** | **0** | **0** | **32,500** |

## Project Timeline

Flagpole installation is planned for 2026; design work is planned for 2029, and playground and ice rink upgrades are illustrative.

# Alexander and Erlandson - tennis court resurfacing

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Resurfacing of the tennis courts at Alexander Park and Erlandson Park is planned. Resurfacing includes cleaning and washing, crack milling, routing and filling, patching of low areas, a new color system coat and stripping.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Alexander and Erlandson tennis court resurfacing | 0 | 150,000 | 0 | 0 | 0 | 150,000 |
| **Total** | **0** | **150,000** | **0** | **0** | **0** | **150,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 150,000 | 0 | 0 | 0 | 150,000 |
| **Total** | **0** | **150,000** | **0** | **0** | **0** | **150,000** |

## Project Timeline

Work is planned for 2027.

# Alexander Park - tennis court lights

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Replacing the court lights will result in energy reduction and equipment modernization. Repainting of the light polies, reconfiguration of the light kits and new electrical lines are planned.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Alexander Park - tennis court lights | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Project Timeline

The project is planned for 2027.

# Land of Memories - Existing Playground Replacement

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

The existing playground system in Land of Memories campground area was installed in 1994. The equipment has reached its useful life and finding replacement parts is difficult. A new, similar-sized system is proposed in the same location as the current system.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Land of Memories - campground playground system replacement | 0 | 150,000 | 0 | 0 | 0 | 150,000 |
| **Total** | **0** | **150,000** | **0** | **0** | **0** | **150,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 150,000 | 0 | 0 | 0 | 150,000 |
| **Total** | **0** | **150,000** | **0** | **0** | **0** | **150,000** |

## Project Timeline

The project is planned for 2026.

# Parks Pilot Project Phase 3

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2030

## Project Description

Parks Pilot Project, Phase 3, a continuation of a project started in 2024, continued in 2025, is proposed for continuation in 2027. The parks pilot project is proposed to assess and trial possibilities to increase user groups in the parks. Past projects include the concrete ping pong table in Stoltzman Park, hammock stands, gaga pit and concrete cornhole boards.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Parks Pilot Project Phase 3 | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 200,000 |
| **Total** | **0** | **50,000** | **50,000** | **50,000** | **50,000** | **200,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 200,000 |
| **Total** | **0** | **50,000** | **50,000** | **50,000** | **50,000** | **200,000** |

## Project Timeline

The next phase is contemplated in 2027.

# Stoltzman Park - rink lighting

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2027

## Project Description

Replacing the court lights will result in energy reduction and equipment modernization.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Stoltzman Park - rink lighting upgrades | 0 | 50,000 | 0 | 0 | 0 | 50,000 |
| **Total** | **0** | **50,000** | **0** | **0** | **0** | **50,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 50,000 | 0 | 0 | 0 | 50,000 |
| **Total** | **0** | **50,000** | **0** | **0** | **0** | **50,000** |

## Project Timeline

The project is planned for 2027.

# West Mankato Park Upgrades

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2027 - 2028

## Project Description

The playground system and shelter in West Mankato Park are scheduled for upgrades. Park improvements will include shelter replacement, sidewalk and playground updates. The equipment and shelter in West Mankato Park are nearing their useful life and require replacement.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Design Costs | 0 | 25,000 | 0 | 0 | 0 | 25,000 |
| Playground | 0 | 0 | 325,000 | 0 | 0 | 325,000 |
| Shelter and Accessible Sidewalk | 0 | 0 | 275,000 | 0 | 0 | 275,000 |
| **Total** | **0** | **25,000** | **600,000** | **0** | **0** | **625,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 25,000 | 600,000 | 0 | 0 | 625,000 |
| **Total** | **0** | **25,000** | **600,000** | **0** | **0** | **625,000** |

## Project Timeline

The project is scheduled for 2027, and is contingent upon receiving grant funding.

# Jaycee Park - Park improvements

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2028 - 2028

## Project Description

Design work to study and prepare a comprehensive park plan for Jaycee Park is proposed. Playground equipment replacement at Jaycee Park is needed. Parking lot reconstruction and restroom facility reconstruction are also necessary.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Jaycee Park design/comprehensive plan | 0 | 0 | 50,000 | 0 | 0 | 50,000 |
| **Total** | **0** | **0** | **50,000** | **0** | **0** | **50,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 50,000 | 0 | 0 | 50,000 |
| **Total** | **0** | **0** | **50,000** | **0** | **0** | **50,000** |

## Project Timeline

The cost for preparation of a comprehensive plan is scheduled for 2028.

# Rasmussen Floating Trail

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2028 - 2029

## Project Description

The floating trail in Rasmussen Woods requires rebuilding. Maintenance and improvements are needed to the Rasmussen Woods floating trail due to flooding. Because of the sensitive nature of the area, advanced design work is anticipated.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Rasmussen Floating Trail | 0 | 0 | 50,000 | 500,000 | 0 | 550,000 |
| **Total** | **0** | **0** | **50,000** | **500,000** | **0** | **550,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 50,000 | 250,000 | 0 | 300,000 |
| Other Sources | 0 | 0 | 0 | 250,000 | 0 | 250,000 |
| **Total** | **0** | **0** | **50,000** | **500,000** | **0** | **550,000** |

## Project Timeline

Planned improvements in 2029, and design work is anticipated for 2028.

# Thomas Park - upgrade hockey rink lights

Department: PARKS CAPITAL REPLACEMENT FUND

Project Years: 2030 - 2030

## Project Description

Replacing the court lights will result in energy reduction and equipment modernization.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Thomas Park tennis court lights | 0 | 0 | 0 | 0 | 100,000 | 100,000 |
| **Total** | **0** | **0** | **0** | **0** | **100,000** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 100,000 | 100,000 |
| **Total** | **0** | **0** | **0** | **0** | **100,000** | **100,000** |

## Project Timeline

The project is planned for 2023 in conjunction with the rink and playground improvements.

# Water Capital Improvement Fund

| Water Capital | 2026 | 2027 | 2028 | 2029 | 2030 | | |
|---|---|---|---|---|---|---|---|
| Projected Fund Balance | $8,731,994 | $6,614,994 | $4,464,994 | $1,102,994 | $2,387,994 | | |
| | | | | | | | |
| Transfer-In Water | $1,000,000 | $2,000,000 | $2,000,000 | $2,000,000 | $2,000,000 | | |
| Transfer-In Meter Replacement | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | | |
| | | | | | | | |
| Available Funds | $9,831,994 | $8,714,994 | $6,564,994 | $3,202,994 | $4,487,994 | | |

| Project Title | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Illustrative |
|---|---|---|---|---|---|---|---|
| Balcerzak Tower Rehab | $1,950,000 | | | | | $1,950,000 | |
| Softener HVAC Replacement | | | $300,000 | | | $300,000 | |
| Water Handling Facility (WHF) HVAC Replacement | | | $80,000 | | | $80,000 | |
| Surge protection devices on the incoming power to buildings and MCC's | | | | $125,000 | | $125,000 | |
| High Lift Pump Station HVAC Replacement | | | | $215,000 | | $215,000 | |
| Madison Tower Rehab - RFP 2030 rehab 2031 | | | | | $50,000 | $50,000 | |
| Well 13 Lateral Installation | $50,000 | $3,915,000 | | | | $3,965,000 | |
| RO Pilot test | $275,000 | | | | | $275,000 | |
| Deep Well Emergency Connection | | $35,000 | $1,112,000 | | | $1,147,000 | |
| RFP for new water tower design/build | | $75,000 | | | | $75,000 | |
| Dolph Reservoir Roof Replacement | | | $200,000 | | | $200,000 | |
| Booster installation at North City Reservoir | | $50,000 | $3,015,000 | | | $3,065,000 | |
| Dolph Booster Pump upgrade | | | | | $900,000 | $900,000 | |
| Rehab Dolph reservoir driveway | $175,000 | | | | | $175,000 | |
| Membrane Filter Replacement | | | $575,000 | | | $575,000 | |
| Remote site PLC upgrade | | $75,000 | | $75,000 | $90,000 | $240,000 | |
| WHF Overhead Door Replacement | $17,000 | | | | | $17,000 | |
| Well 15 rehab and inspection | | | $80,000 | | | $80,000 | |
| WTP Upper Roof Replacement | | | | $300,000 | | $300,000 | |
| HWY 14 Watermain Lining | $650,000 | | | | | $650,000 | |
| Water Meter Replacement | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | $500,000 | |
| **Total** | **$3,217,000** | **$4,250,000** | **$5,462,000** | **$815,000** | **$1,140,000** | **$14,884,000** | $ - |
| | | | | | | | |
| Water Meter Reserve | $400,000 | $500,000 | $600,000 | $700,000 | $800,000 | | |
| Fund Balance | $6,614,994 | $4,464,994 | $1,102,994 | $2,387,994 | $3,347,994 | | |
| Reserve Target | $1,000,000 | $1,030,000 | $1,060,000 | $1,090,000 | $1,120,000 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Balcerzak Tower Rehab | 2026 | 1,950,000 |
| Dolph Station Driveway Rehab | 2026 | 175,000 |
| Highway 14 Watermain Lining | 2026 | 650,000 |
| RO Pilot test | 2026 | 275,000 |
| Water Meter Replacement | 2026 | 100,000 |
| Well 13 Lateral installation | 2026 | 50,000 |
| WHF Overhead Door Replacement | 2026 | 17,000 |
| **Total** | | **3,217,000** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Booster installation at North City Reservoir | 2027 | 50,000 |
| Deep Well Emergency Connection | 2027 | 35,000 |
| Remote Site PLC upgrade | 2027 | 75,000 |
| RFP for new Water Tower | 2027 | 75,000 |
| Water Meter Replacement | 2027 | 100,000 |
| Well 13 Lateral installation | 2027 | 3,915,000 |
| **Total** | | **4,250,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Booster installation at North City Reservoir | 2028 | 3,015,000 |
| Deep Well Emergency Connection | 2028 | 1,112,000 |
| Dolph Reservoir Roof Replacement | 2028 | 200,000 |
| Membrane Filter Replacement | 2028 | 575,000 |
| Remote Site PLC upgrade | 2028 | 0 |
| Softener HVAC Replacement | 2028 | 300,000 |
| Water Meter Replacement | 2028 | 100,000 |
| Well 15 rehab and inspection | 2028 | 80,000 |
| WHF HVAC Replacement | 2028 | 80,000 |
| **Total** | | **5,462,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| High Lift Pump Station HVAC Replacement | 2029 | 215,000 |

| Project Name | Project Year | Project Cost |
|---|---|---|
| Remote Site PLC upgrade | 2029 | 75,000 |
| Surge Protection device additions | 2029 | 125,000 |
| Water Meter Replacement | 2029 | 100,000 |
| WTP Upper Roof Replacement | 2029 | 300,000 |
| **Total** | | **815,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Dolph Booster Pump Upgrade | 2030 | 900,000 |
| Madison Tower Rehab RFP | 2030 | 50,000 |
| Remote Site PLC upgrade | 2030 | 90,000 |
| Water Meter Replacement | 2030 | 100,000 |
| **Total** | | **1,140,000** |

# Balcerzak Tower Rehab

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2025 - 2026

## Project Description

Balcerzak Tower has coating failures at the weld seams, rust pushing through the support beams on the roof of the tower, lead paint on the interior dry side, spiral staircase that needs removal, support footing repair due to concrete failure, paint failure of interior dry paint that is not lead. Complete rehab will ensure the integrity of the structure for years to come.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Balcerzak Tower Rehab | 1,950,000 | 0 | 0 | 0 | 0 | 1,950,000 |
| **Total** | **1,950,000** | **0** | **0** | **0** | **0** | **1,950,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 1,950,000 | 0 | 0 | 0 | 0 | 1,950,000 |
| **Total** | **1,950,000** | **0** | **0** | **0** | **0** | **1,950,000** |

## Project Timeline

TBD

# Dolph Station Driveway Rehab

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2026

## Project Description

Dolph Booster station access road replacement.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 175,000 | 0 | 0 | 0 | 0 | 175,000 |
| **Total** | **175,000** | **0** | **0** | **0** | **0** | **175,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Water Revenue | 175,000 | 0 | 0 | 0 | 0 | 175,000 |
| **Total** | **175,000** | **0** | **0** | **0** | **0** | **175,000** |

## Project Timeline

Summer of 2026 depending on contractor's schedule.

# Highway 14 Watermain Lining

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2026

## Project Description

Reinforce the 12-inch ductile iron pipe by lining it.

## Engagement Strategy

- Community Investment Plan
- Open House
- City Website (community investment plan project pages)
- Other

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Highway 14 West water main lining | 650,000 | 0 | 0 | 0 | 0 | 650,000 |
| **Total** | **650,000** | **0** | **0** | **0** | **0** | **650,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 650,000 | 0 | 0 | 0 | 0 | 650,000 |
| **Total** | **650,000** | **0** | **0** | **0** | **0** | **650,000** |

## Project Timeline

2026 based off the contractor's schedule.

# RO Pilot test

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2026

## Project Description

6 month pilot test verifying the compatibility of an RO system and Mankato's drinking water supply.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 275,000 | 0 | 0 | 0 | 0 | 275,000 |
| **Total** | **275,000** | **0** | **0** | **0** | **0** | **275,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 275,000 | 0 | 0 | 0 | 0 | 275,000 |
| **Total** | **275,000** | **0** | **0** | **0** | **0** | **275,000** |

## Project Timeline

Spring into summer of 2026.

# Water Meter Replacement

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2033

## Project Description

Annual contribution towards future Water Meter Replacement

Water meters typically have a 20 year lifecycle which with the current replacement in 2024-2026 we would be looking to start saving up for future replacements via cash versus having to take on new debt.

## Engagement Strategy

N/A

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Water Meter Reserve | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| **Total** | **100,000** | **100,000** | **100,000** | **100,000** | **100,000** | **500,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| **Total** | **100,000** | **100,000** | **100,000** | **100,000** | **100,000** | **500,000** |

## Project Timeline

2023 -2043 - annual contribution

# Well 13 Lateral installation

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2027

## Project Description

Well 13 lateral replacement.  The work will need to be done in the off peak pumping.  Which is October-March and the duration of the project will be 4 months.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 50,000 | 3,915,000 | 0 | 0 | 0 | 3,965,000 |
| **Total** | **50,000** | **3,915,000** | **0** | **0** | **0** | **3,965,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 50,000 | 3,915,000 | 0 | 0 | 0 | 3,965,000 |
| **Total** | **50,000** | **3,915,000** | **0** | **0** | **0** | **3,965,000** |

## Project Timeline

Fall of 2026 into 2027.

# WHF Overhead Door Replacement

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2026

## Project Description

WHF drive through bay door replacement

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 17,000 | 0 | 0 | 0 | 0 | 17,000 |
| **Total** | **17,000** | **0** | **0** | **0** | **0** | **17,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Water Revenue | 17,000 | 0 | 0 | 0 | 0 | 17,000 |
| **Total** | **17,000** | **0** | **0** | **0** | **0** | **17,000** |

## Project Timeline

Spring based on contractor's schedule and availability of materials

# Booster installation at North City Reservoir

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2027 - 2028

## Project Description

Booster pump installation, installation of a water main along highway 14 and under to connect tot he upper system, roof replacement, and install a blacktop driveway with concrete apron

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Boosters Installation | 0 | 50,000 | 3,015,000 | 0 | 0 | 3,065,000 |
| **Total** | **0** | **50,000** | **3,015,000** | **0** | **0** | **3,065,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loan/Bond Proceeds | 0 | 50,000 | 3,015,000 | 0 | 0 | 3,065,000 |
| **Total** | **0** | **50,000** | **3,015,000** | **0** | **0** | **3,065,000** |

## Project Timeline

RFP in 2026 with the installation of pipe, pumps, roof, and driveway in 2027.

# Deep Well Emergency Connection

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2027 - 2028

## Project Description

Deep well bypass for critical outage situations.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 0 | 35,000 | 1,112,000 | 0 | 0 | 1,147,000 |
| **Total** | **0** | **35,000** | **1,112,000** | **0** | **0** | **1,147,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 35,000 | 1,112,000 | 0 | 0 | 1,147,000 |
| **Total** | **0** | **35,000** | **1,112,000** | **0** | **0** | **1,147,000** |

## Project Timeline

Fall of 2027

# Remote Site PLC upgrade

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2027 - 2030

## Project Description

PLC (Programmable Logic Controller) replacement/upgrade at the remote sites The PLC's have been installed since the early 2000's and are obsolete. The products are outdated with replacement parts difficult to find.  A PLC upgrade is required to effectively communicate with the rest of the WTP infrastructure into the future.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Remote Site PLC upgrade | 0 | 75,000 | 0 | 75,000 | 90,000 | 240,000 |
| **Total** | **0** | **75,000** | **0** | **75,000** | **90,000** | **240,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 75,000 | 0 | 75,000 | 90,000 | 240,000 |
| **Total** | **0** | **75,000** | **0** | **75,000** | **90,000** | **240,000** |

## Project Timeline

Fall of 2027

# RFP for new Water Tower

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2027 - 2027

## Project Description

RFP in 2027 for the installation of a third water tower on the east end of town. In the RFP will be design, location, capacity, and bidding for contractors. The current timeline for RFP to construction is 30-60 months out. Tower would be built in 2030 based off contractor projections.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Project Timeline

Spring of 2027

# Dolph Reservoir Roof Replacement

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2028 - 2028

## Project Description

Dolph Reservoir roof replacement.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 0 | 0 | 200,000 | 0 | 0 | 200,000 |
| **Total** | **0** | **0** | **200,000** | **0** | **0** | **200,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 200,000 | 0 | 0 | 200,000 |
| **Total** | **0** | **0** | **200,000** | **0** | **0** | **200,000** |

## Project Timeline

Summer of 2028

# Membrane Filter Replacement

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2028 - 2028

## Project Description

Replacement of 640 membrane modules.

The facility has 8 membranes filter skids consisting of 80 modules each making a total of 640 filter modules total in the facility. 320 modules were replaced in 2017 and 320 in 2018. I would like to begin replacement in 2027 by completing a 50% replacement the middle of the year. This will begin to spread out future module replacements. The membranes cannot be stored on site. They must be put into service when purchased since there is no guaranteed shelf life if they are not actually on-line receiving water. As the filter modules age the small internal strands become brittle and break.

Detection is through declining Log Removal Values (LRV), increase Membrane Integrity Testing (MIT)-water flow testing, and the use of sounding gear. The WTP maintenance department is spending one full day every month to maintain an acceptable LRV. The MN Department of Health requires an LRV of 4.0 for potable water. The WTP has set a standard of removing a filter from service for repair if an LRV falls below 4.30. We feel that this proactive approach will keep our team ahead of any arising issues. It will also allow us the time to attend to other emergency repairs before completing membrane repairs. Due to the regulations, extended lead time and increasing maintenance costs it is critical that these be replaced in a timely manner.

The LRV is a number that is calculated by using the last known filtration volume, last known pressure/trans membrane pressure, and the displaced flow on the Membrane Integrity Panel. This test is done daily to record any perforations in the membrane surface where contaminants would have the possibility to pass.

Membrane pinning is a process where the leaks are isolated to the A or B side of the filter. Maintenance will conduct a MIT Diagnostic on the filter in question. At this time they will use an electronic stethoscope to listen for fiber breakage. All vessels with possible leaks are recorded. The filter is then drained and locked out. The modules are pulled and submerged in a water bath, the filtrate side of the fiber is pressurized with air. If there is a leak, air bubbles will expose themselves from one of the 10,000 fibers on the module surface.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Construction | 0 | 0 | 575,000 | 0 | 0 | 575,000 |
| **Total** | **0** | **0** | **575,000** | **0** | **0** | **575,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 575,000 | 0 | 0 | 575,000 |
| **Total** | **0** | **0** | **575,000** | **0** | **0** | **575,000** |

## Project Timeline

Installation Fall of 2027 or spring of 2028

# Softener HVAC Replacement

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2028 - 2028

## Project Description

Replacement of the rooftop units. We have been cycling through them as parts become obsolete or the maintenance items exceeds the value of the unit. Burners have begun to corrode in recent years.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 0 | 0 | 300,000 | 0 | 0 | 300,000 |
| **Total** | **0** | **0** | **300,000** | **0** | **0** | **300,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Water Revenue | 0 | 0 | 300,000 | 0 | 0 | 300,000 |
| **Total** | **0** | **0** | **300,000** | **0** | **0** | **300,000** |

## Project Timeline

Spring of 2028

# Well 15 rehab and inspection

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2028 - 2028

## Project Description

n/a

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| well 15 rehab and inspection | 0 | 0 | 80,000 | 0 | 0 | 80,000 |
| **Total** | **0** | **0** | **80,000** | **0** | **0** | **80,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 80,000 | 0 | 0 | 80,000 |
| **Total** | **0** | **0** | **80,000** | **0** | **0** | **80,000** |

## Project Timeline

n/a

# WHF HVAC Replacement

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2028 - 2028

## Project Description

Replace the original rooftop unit.  would be 29 years of use at the time of replacement.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 0 | 0 | 80,000 | 0 | 0 | 80,000 |
| **Total** | **0** | **0** | **80,000** | **0** | **0** | **80,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Water Revenue | 0 | 0 | 80,000 | 0 | 0 | 80,000 |
| **Total** | **0** | **0** | **80,000** | **0** | **0** | **80,000** |

## Project Timeline

Spring based off contractor's schedule and lead time.

# High Lift Pump Station HVAC Replacement

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2029 - 2029

## Project Description

Replace the HVAC for the building based off contractor's schedule.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 0 | 0 | 0 | 215,000 | 0 | 215,000 |
| **Total** | **0** | **0** | **0** | **215,000** | **0** | **215,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Water Revenue | 0 | 0 | 0 | 215,000 | 0 | 215,000 |
| **Total** | **0** | **0** | **0** | **215,000** | **0** | **215,000** |

## Project Timeline

Based off Contractor.

# Surge Protection device additions

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2029 - 2029

## Project Description

Add electrical protection devices.  With all the sensitive electrical components they are prone to failure under surges so this will protect the drives, PLC's, and other sensitive equipment.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 0 | 0 | 0 | 125,000 | 0 | 125,000 |
| **Total** | **0** | **0** | **0** | **125,000** | **0** | **125,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Water Revenue | 0 | 0 | 0 | 125,000 | 0 | 125,000 |
| **Total** | **0** | **0** | **0** | **125,000** | **0** | **125,000** |

## Project Timeline

Spring based off lead and contractor schedule

# WTP Upper Roof Replacement

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2029 - 2029

## Project Description

Main Water Plant Roof Replacement.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 0 | 0 | 0 | 300,000 | 0 | 300,000 |
| **Total** | **0** | **0** | **0** | **300,000** | **0** | **300,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 300,000 | 0 | 300,000 |
| **Total** | **0** | **0** | **0** | **300,000** | **0** | **300,000** |

## Project Timeline

Summer of 2029, depending on contractor's schedule.

# Dolph Booster Pump Upgrade

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2030 - 2030

## Project Description

The current boosters produce a maximum amount of 1350 gallons per minute. To meet the growing demand of the East side of Mankato the boosters will need to be upsized to keep a sufficiently producing third booster station. The upgrade would include the installation of a generator.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 0 | 0 | 0 | 0 | 900,000 | 900,000 |
| **Total** | **0** | **0** | **0** | **0** | **900,000** | **900,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 900,000 | 900,000 |
| **Total** | **0** | **0** | **0** | **0** | **900,000** | **900,000** |

## Project Timeline

Fall of 2030

# Madison Tower Rehab RFP

Department: WATER CAPITAL IMPROVEMENT FUND

Project Years: 2030 - 2030

## Project Description

RFP for the design, bidding, and project management of the full wet and dry rehab of the tower.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| | 0 | 0 | 0 | 0 | 50,000 | 50,000 |
| **Total** | **0** | **0** | **0** | **0** | **50,000** | **50,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 50,000 | 50,000 |
| **Total** | **0** | **0** | **0** | **0** | **50,000** | **50,000** |

## Project Timeline

Winter/Spring of 2030.

# Wastewater Plant Capital Improvement Fund

| **Wastewater Plant Capital Impr** | 2026 | 2027 | 2028 | 2029 | 2030 | |
|---|---|---|---|---|---|---|
| Projected Fund Balance | $5,299,412 | $6,337,707 | $7,913,947 | $5,442,250 | $7,333,367 | |
| **Transfer-In Wastewater** | **$2,000,000** | **$2,000,000** | **$2,000,000** | **$2,000,000** | **$2,000,000** | |
| **Blower Reserve - Release** | | | **$1,537,500** | | | |
| **Available Funds** | $ 7,299,412 | $ 8,337,707 | $ 11,451,447 | $ 7,442,250 | $ 9,333,367 | |

| **Project Title** | **2026** | **2027** | **2028** | **2029** | 2030 | **Total** |
|---|---|---|---|---|---|---|
| Blower Replacement with turbo blowers | | | $5,300,000 | | | **$5,300,000** |
| Disc filter panel replacement | $65,000 | | $68,000 | | | **$133,000** |
| EQ Tank Propeller Mixers | | | | | $85,963 | **$85,963** |
| Influent Pumps VFD replacement | $94,057 | $98,760 | $103,698 | $108,883 | | **$405,398** |
| Chlorine Analyzer replacement | $52,648 | | | | | **$52,648** |
| 20 Year Facility plan | | | $500,000 | | | **$500,000** |
| WRF Reclaim pump rebuilds | $50,000 | | $37,500 | | $55,000 | **$142,500** |
| WRF Actiflo lamella tube replacement | | $325,000 | | | | **$325,000** |
| Secondary Scum Pump station removal | $200,000 | | | | | **$200,000** |
| Regional trunk line - engineering work / construction 3rd ave | $500,000 | | | | | **$500,000** |
| **Total** | **$961,705** | **$423,760** | **$6,009,198** | **$108,883** | **$140,963** | **$7,644,508** |
| | | | | | | |
| Blower Replacement Reserve | $1,537,500 | $1,537,500 | $0 | $0 | $0 | |
| Fund Balance | $6,337,707 | $7,913,947 | $5,442,250 | $7,333,367 | $9,192,404 | |
| Reserve Target | $ 1,000,000 | $ 1,030,000 | $ 1,060,000 | $ 1,090,000 | $ 1,120,000 | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| 2025 - Upgrade regional trunk line - Thompson Ravine to WRRF (customer community line) | 2026 | 500,000 |
| Chlorine analyzer replacement | 2026 | 52,648 |
| Disc filter panel replacement 22 - 2028 | 2026 | 65,000 |
| Influent VFD replacement | 2026 | 94,057 |
| Reclaim Pump Rebuilds | 2026 | 50,000 |
| Secondary scum station removal | 2026 | 200,000 |
| **Total** | | **961,705** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Actiflo Lamella Tube Replacement | 2027 | 325,000 |
| Disc filter panel replacement 22 - 2028 | 2027 | 0 |
| Influent VFD replacement | 2027 | 98,760 |
| Reclaim Pump Rebuilds | 2027 | 0 |
| **Total** | | **423,760** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| 20 Year WRRF Facility plan | 2028 | 500,000 |
| 2028 - Blower Replacement with turbo blowers | 2028 | 5,300,000 |
| Disc filter panel replacement 22 - 2028 | 2028 | 68,000 |
| Influent VFD replacement | 2028 | 103,698 |
| Reclaim Pump Rebuilds | 2028 | 37,500 |
| **Total** | | **6,009,198** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Influent VFD replacement | 2029 | 108,883 |
| Reclaim Pump Rebuilds | 2029 | 0 |
| **Total** | | **108,883** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| EQ Tank Propeller Mixers | 2030 | 85,963 |
| Reclaim Pump Rebuilds | 2030 | 55,000 |
| **Total** | | **140,963** |

# 2025 - Upgrade regional trunk line - Thompson Ravine to WRRF (customer community line)

Department: WASTEWATER PLANT CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2026

## Project Description

Increase the overall size of the interceptor pipe running from Thompson Ravine to Pine street where it enters the WRRF. During the SEH collection study, and the Bolton and Menk / Black and Veatch facility plan, the collection interception entering the WRRF from the east to Thompson Ravine was determined to be a flow bottle neck during high flows. This has the potential cause back-ups of the sanitary system more often then other areas of the city, and have the potential to hinder growth the of the city, as normal usage over the system is over loading sections of the interceptor. Since the development of the reports the execution of the project was to be aligned with road overlays in the area.

## Engagement Strategy

Community Investment Plan open house

City website (Community Investment Plan project pages)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| construction | 400,000 | 0 | 0 | 0 | 0 | 400,000 |
| contingency | 0 | 0 | 0 | 0 | 0 | 0 |
| engineering | 100,000 | 0 | 0 | 0 | 0 | 100,000 |
| Materials | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **500,000** | **0** | **0** | **0** | **0** | **500,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 500,000 | 0 | 0 | 0 | 0 | 500,000 |
| Loan/Bond Proceeds | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **500,000** | **0** | **0** | **0** | **0** | **500,000** |

## Project Timeline

Work with internal engineering staff in 2025 on design plan.

In 2026 install a section of new sanitary pipe along 3rd ave to align with Blue Earth Counties planned reconstruction of the road in 2026.

# Chlorine analyzer replacement

Department: WASTEWATER PLANT CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2026

## Project Description

Order new chlorine analyzers for reuse water system.

Remove existing ORP meters to be repurposed in other parts of the plant.

Replumb supply water to new location.

Install new analyzers.

Perform control work to connect new analyzers to SCADA.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Chlorine analyzers | 30,148 | 0 | 0 | 0 | 0 | 30,148 |
| Construction install | 12,000 | 0 | 0 | 0 | 0 | 12,000 |
| Controls adjustment | 5,000 | 0 | 0 | 0 | 0 | 5,000 |
| Plumbing | 5,500 | 0 | 0 | 0 | 0 | 5,500 |
| **Total** | **52,648** | **0** | **0** | **0** | **0** | **52,648** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 52,648 | 0 | 0 | 0 | 0 | 52,648 |
| **Total** | **52,648** | **0** | **0** | **0** | **0** | **52,648** |

## Project Timeline

- Order equipment Jan 2025
- Install equipment in late spring utilizing onsite contractor for D&D project.

# Disc filter panel replacement 22 - 2028

Department: WASTEWATER PLANT CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2028

## Project Description

Mankato's WRRF disc filters focus on removing fine particulates to meet turbidity standards prior to sending water to Mankato Energy Center and Riverfront Park as reuse water. The panels stretch over time thus requiring periodic replacement. Replacement of the panels requires ordering from the filter manufacture, no alternative supplier exists, and installing them with plant personnel. The facility has 4 filters, and replacement will be spread over 4 years to reduce annual impact. afterwards this will enter a 5 year replacement schedule unless usage requires adjustment. Proper filtration is required by permit, and helps reduce chemical costs of disinfection. Costs below are based on last replacement costs in 2018 with a 3% annual price increase.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Replacement Filter Panels | 65,000 | 0 | 68,000 | 0 | 0 | 133,000 |
| **Total** | **65,000** | **0** | **68,000** | **0** | **0** | **133,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 65,000 | 0 | 68,000 | 0 | 0 | 133,000 |
| **Total** | **65,000** | **0** | **68,000** | **0** | **0** | **133,000** |

## Project Timeline

Panels will be ordered from supplier in December of the year prior to install.  Delivery takes 10 - 12 weeks, and will be installed in the spring to avoid peak power demand of summer by Mankato Energy Center.

# Influent VFD replacement

Department: WASTEWATER PLANT CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2029

## Project Description

Variable Frequency Drives (VFD's) modulate the current to motors to allow them to run at different speeds, this allows pumps to run at the most efficient energy curve for the motor and plant operations. Replacement of influent pump VFD's would be to swap existing VFD's with new more efficient and capable versions then existing models. Project would not replace any of the pumps or motors at the building VFD's have a 7 to 15 year life expectancy. The influent pump station drives were installed in 2000, and one required replacement in 2010. The current drives are becoming obsolete, and parts are becoming harder to find. Mankato preforms annual inspections on these drives, and intend to replace these drives prior to failure due to the criticality of the drives. The Influent pump station houses 6 main pumps, thus at 1 VFD a year the project would take 6 years to complete. Current regional growth trends indicate capacity of pump station is adequate for next 20 years (as long as inflow and infiltration is programmed to be reduced), thus the new VFD's would fully depreciate prior to replacement.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Replace 1 VFD drive at IPS | 94,057 | 98,760 | 103,698 | 108,883 | 0 | 405,398 |
| **Total** | **94,057** | **98,760** | **103,698** | **108,883** | **0** | **405,398** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 94,057 | 98,760 | 103,698 | 108,883 | 0 | 405,398 |
| **Total** | **94,057** | **98,760** | **103,698** | **108,883** | **0** | **405,398** |

## Project Timeline

Order drives in spring of the year. Delivery schedule for drives is 25 to 30 weeks. Once on-site Mankato will hire an electrical contractor to install the drives, and an integrator to program the new drives into the facility. First drive replacement is 2023 so work being preformed in the building for the digester upgrade can be done prior to these drives are replaced, which will reduce cost of integration.

# Reclaim Pump Rebuilds

Department: WASTEWATER PLANT CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2030

## Project Description

Remove 1 reclaim pump per year to inspect for excessive wear, and repair recommended parts. Pumps were last rebuilt in 2016, so this is keeping with a 10 year rebuild schedule.

## Engagement Strategy

na

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Pump Rebuilds | 50,000 | 0 | 37,500 | 0 | 55,000 | 142,500 |
| **Total** | **50,000** | **0** | **37,500** | **0** | **55,000** | **142,500** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 50,000 | 0 | 37,500 | 0 | 55,000 | 142,500 |
| **Total** | **50,000** | **0** | **37,500** | **0** | **55,000** | **142,500** |

## Project Timeline

- Early Spring or late fall of 2026 remove pump for inspection and rebuild. Timing will be dependent on power plant schedule.
- 2026 and 2028 will be 150 hp pump rebuilds
- 2027 and 2029 will be 300 hp pump rebuilds

# Secondary scum station removal

Department: WASTEWATER PLANT CAPITAL IMPROVEMENT FUND

Project Years: 2026 - 2026

## Project Description

Removal of piping and electrical system for scum removal system near the final clarifiers. Install a drain pipe 50 feet to allow all scum build up to flow back to the front of the plant to offload from new RDT's being installed.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| construction | 200,000 | 0 | 0 | 0 | 0 | 200,000 |
| **Total** | **200,000** | **0** | **0** | **0** | **0** | **200,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 200,000 | 0 | 0 | 0 | 0 | 200,000 |
| **Total** | **200,000** | **0** | **0** | **0** | **0** | **200,000** |

## Project Timeline

- Fall of 2025 design project using Bolton and Menk or Black and Veatch contract.
- Spring / summer - bid project or issue work change direct i vet o Rice Laket o perf or m work.

# Actiflo Lamella Tube Replacement

Department: WASTEWATER PLANT CAPITAL IMPROVEMENT FUND

Project Years: 2027 - 2027

## Project Description

Replace aging lamella tubes with more efficient version. Lamella tubes are plastic honeycomb shaped media with a varying lifespan around 20 years. The material is starting to show signs of degradation, and there is potential for a more efficient architecture to be explored.

## Engagement Strategy

n/a

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Actiflo Lamella Tube Replacement | 0 | 325,000 | 0 | 0 | 0 | 325,000 |
| **Total** | **0** | **325,000** | **0** | **0** | **0** | **325,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 325,000 | 0 | 0 | 0 | 325,000 |
| **Total** | **0** | **325,000** | **0** | **0** | **0** | **325,000** |

## Project Timeline

- Winter of 2026 - engineering design
- Spring 2027 - product ordered
- Fall of 2027 - installation during MEC shutdown

# 20 Year WRRF Facility plan

Department: WASTEWATER PLANT CAPITAL IMPROVEMENT FUND

Project Years: 2028 - 2028

## Project Description

Mankato WRRF would request proposals from engineering firms as done in 2015 for the last facility plan. The selected engineering firm would review the facility and over two years produce a 20 year facility plan for the facility as was done in 2017. Mankato WRRF requires accurate and up-to-date facility plan for PFA funding of major capital projects and for permit renewals. Mankato's needs are outpacing the planned replacement schedule indicated in the existing plan , which may require minor adjustments for PFA funding. The timing of the facility plan renewal aligns with the Disinfection and Digestion project and the WRRF entering a permit renewal year allowing for a good recalibration of the existing facility plan and designing future major capital projects for the next 20 years.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Engineering Design of Facility Plan | 0 | 0 | 500,000 | 0 | 0 | 500,000 |
| **Total** | **0** | **0** | **500,000** | **0** | **0** | **500,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 500,000 | 0 | 0 | 500,000 |
| **Total** | **0** | **0** | **500,000** | **0** | **0** | **500,000** |

## Project Timeline

- Summer of 2025 - internal team prepares scope of project
- Fall of 2025 - Request for bids based on internal scope goes out
- Spring of 2026 - Engineer selected and design starts
- Winter of 2026 - Facility plan completed

# 2028 - Blower Replacement with turbo blowers

Department: WASTEWATER PLANT CAPITAL IMPROVEMENT FUND

Project Years: 2028 - 2028

## Project Description

Current blowers would be replaced with high efficiency turbo blowers to reduce overall electrical costs, and be sized in preparation for biological nutrient removal in the future. Current blowers are highly inefficient, and current turbo blowers are around 6 years ROI. The current blowers will be rebuilt by end of 2022 and are rebuilt every 6 to 8 years. Capital in years prior to 2029 is being allocated to pay for blowers. If it was determined to change this to an ESCO based project, funds saved can be allocated to the initial startup of the project.

## Engagement Strategy

- Community Investment Plan open house
- City website (Community Investment Plan project pages)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Equipment | 0 | 0 | 5,300,000 | 0 | 0 | 5,300,000 |
| **Total** | **0** | **0** | **5,300,000** | **0** | **0** | **5,300,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 5,300,000 | 0 | 0 | 5,300,000 |
| **Total** | **0** | **0** | **5,300,000** | **0** | **0** | **5,300,000** |

## Project Timeline

- 2025 - 2026 - RFQ an engineering firm to begin design work on the turbo blowers
- 2027 - bid project
- 2027 - 2028 - construction

# EQ Tank Propeller Mixers

Department: WASTEWATER PLANT CAPITAL IMPROVEMENT FUND

Project Years: 2030 - 2030

## Project Description

Installation of three submersible propeller mixers into one equalization tank. The mixers would allow settled solids to stay in suspension thus reducing treatment impacts at the facility. Includes mounting equipment, installation costs, motors, and mixers. Does not include electrical costs for installation, which will be paid from line item budget.The WRRF equalization tanks have been actively used for the past 5 years to modulate for entering the facility. The equalization allows for reduced chemical usage in the plant, to maintain adequate water supply for the power plant, and to reduce shock loading to the biological process at the plant. The current mixers are too small to function, and technology has changed drastically in regards to mixing technologies.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Consulting | 0 | 0 | 0 | 0 | 30,963 | 30,963 |
| Mixing Equipment and installation | 0 | 0 | 0 | 0 | 55,000 | 55,000 |
| **Total** | **0** | **0** | **0** | **0** | **85,963** | **85,963** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 85,963 | 85,963 |
| **Total** | **0** | **0** | **0** | **0** | **85,963** | **85,963** |

## Project Timeline

- Project moved to post facility plan in 2026.
- Will update timeline in 2027 budget input.

# WW Collections Capital Improvement Fund

| Sewer Collection Capital | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Projected Fund Balance | $198,001 | $398,001 | $598,001 | $798,001 | $998,001 |
| Transfer-In Sewer Capital | $200,000 | $200,000 | $200,000 | $200,000 | $200,000 |
| Available Funds | $ 398,001 | $ 598,001 | $ 798,001 | $ 998,001 | $ 1,198,001 |

| Project Title | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| **Total** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | | **$0.00** |

| | | | | | |
|---|---|---|---|---|---|
| Fund Balance | $ 398,001 | $ 598,001 | $ 798,001 | $ 998,001 | $ 1,198,001 |
| Reserve Target | $ 500,000 | $ 515,000 | $ 530,000 | $ 545,000 | $ 560,000 |

# Stormwater Capital Fund

| Stormwater Capital | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Projected Fund Balance | $2,862,647 | $2,914,660 | $3,639,660 | $2,881,534 | $2,833,928 |
| Transfer-In Stormwater | $850,000 | $925,000 | $950,000 | $850,000 | $850,000 |
| Available Funds | $3,712,647 | $3,839,660 | $4,589,660 | $3,731,534 | $3,683,928 |

| Project Title | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Illustrative |
|---|---|---|---|---|---|---|---|
| Honeymead Pump Station Facility & Electrical | $697,988 | | | | | **$697,988** | |
| Indian Creek Pump Station Facility & Electrical | | $100,000 | $1,508,126 | | | **$1,608,126** | |
| Mulberry Pumping Station Facility & Electrical | | | $100,000 | $797,606 | | **$897,606** | |
| Warren Creek Facility & Electrical | | | | | | **$0** | $1,523,833 |
| Private Property BMPs | $100,000 | $100,000 | $100,000 | $100,000 | | **$400,000** | |
| **Total** | **$797,988** | **$200,000** | **$1,708,126** | **$897,606** | **$0** | **$3,603,719** | $1,523,833 |
| Fund Balance | $2,914,660 | $3,639,660 | $2,881,534 | $2,833,928 | $3,683,928 | | |
| Reserve Target | $ 1,750,000 | $ 2,000,000 | $ 2,060,000 | $ 2,120,000 | $ 2,180,000 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Honeymead Pump Station Facility & Electrical | 2026 | 697,988 |
| Private Property BMPs | 2026 | 100,000 |
| **Total** | | **797,988** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Indian Creek Pump Station Facility & Electrical | 2027 | 100,000 |
| Private Property BMPs | 2027 | 100,000 |
| **Total** | | **200,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Indian Creek Pump Station Facility & Electrical | 2028 | 1,508,126 |
| Mulberry Pumping Station Facility & Electrical | 2028 | 100,000 |
| Private Property BMPs | 2028 | 100,000 |
| **Total** | | **1,708,126** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mulberry Pumping Station Facility & Electrical | 2029 | 797,606 |
| Private Property BMPs | 2029 | 100,000 |
| **Total** | | **897,606** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| Warren Creek Facility & Electrical | 2030 | 1,523,833 |
| **Total** | | **1,523,833** |

# Honeymead Pump Station Facility & Electrical

Department: STORMWATER CAPITAL FUND

Project Years: 2026 - 2026

## Project Description

Honeymead Pump Station is located adjacent to Sibley Park, at the intersection of Spence Street and West 3rd Street. It is part of the USACE Stage 2 drainage area, which is approximately 293 acres in size, and includes the area tributary to three storm water pump stations, including the Le Hillier East pump station and the Le Hillier West pump station. Of the three, only the Honeymead pump station is located within the City of Mankato. The Honeymead pump station has three vertical turbine pumps, with a design capacity of 52,400 gallons per minute (gpm)/

Several deficiencies were noted in the station. These included structural deterioration in the building components and electrical issues that need to be addressed to ensure the reliability of the station. The detail of the deterioration and reliability issues are noted in the 2017 Flood Risk Reduction System Pump Station Modernization Study performed by SEH. This project is being proposed to be done as a Section 208 project with the US Army Corps of engineering. This may allow for additional outside funding from the Corps, but the amount will not be determined until the Section 208 application is submitted 18 months before the start of the project.

## Engagement Strategy

- Community Investment Plan open house
- City website (Community Investment Plan project pages)
- Other

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Construction | 628,189 | 0 | 0 | 0 | 0 | 628,189 |
| Contingency | 69,799 | 0 | 0 | 0 | 0 | 69,799 |
| Engineering | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **697,988** | **0** | **0** | **0** | **0** | **697,988** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Stormwater Revenue | 697,988 | 0 | 0 | 0 | 0 | 697,988 |
| **Total** | **697,988** | **0** | **0** | **0** | **0** | **697,988** |

## Project Timeline

This project will be design the year prior to construction and submitted to COE for approval for construction in the project year.

# Private Property BMPs

Department: STORMWATER CAPITAL FUND

Project Years: 2026 - 2029

## Project Description

As a part of the Surface Water Management Policy, a cost sharing program for property owners has been established. This program provides a public contribution to private improvements that are on surface water conveyances that carry public water. In order to promote improvements along surface waters a cost sharing program was established as a part of the Surface Water Management Policy. By promoting private investment along surface waters conveying public drainage property owner will be able to achieve the desired level of service of an improvement should for private property.

## Engagement Strategy

- Community Investment Plan open house
- City website (Community Investment Plan project pages)
- Other

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| BMPs | 100,000 | 100,000 | 100,000 | 100,000 | 0 | 400,000 |
| **Total** | **100,000** | **100,000** | **100,000** | **100,000** | **0** | **400,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 100,000 | 100,000 | 100,000 | 100,000 | 0 | 400,000 |
| **Total** | **100,000** | **100,000** | **100,000** | **100,000** | **0** | **400,000** |

## Project Timeline

The timeline is developed for individual projects as they are submitted.

# Indian Creek Pump Station Facility & Electrical

Department: STORMWATER CAPITAL FUND

Project Years: 2027 - 2028

## Project Description

The Indian Creek Pump Station is located near the intersection of Poplar Street and Sibley Parkway. The total drainage area of the Indian Creek pump station is approximately 5,720 acres. The station has four vertical turbine pumps with a design capacity of 136,000 gpm. Several deficiencies were noted in the station. These included structural deterioration in the building components and electrical issues that need to be addressed to ensure the reliability of the station. The detail of the deterioration and reliability issues are noted in the 2017 Flood Risk Reduction System Pump Station Modernization Study performed by SEH. This project is being proposed to be done as a Section 208 project with the US Army Corps of engineering.

## Engagement Strategy

- Community Investment Plan open house
- City website (Community Investment Plan project pages)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Construction | 0 | 0 | 1,357,314 | 0 | 0 | 1,357,314 |
| Contingency | 0 | 0 | 150,812 | 0 | 0 | 150,812 |
| Engineering | 0 | 100,000 | 0 | 0 | 0 | 100,000 |
| **Total** | **0** | **100,000** | **1,508,126** | **0** | **0** | **1,608,126** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Stormwater Revenue | 0 | 100,000 | 1,508,126 | 0 | 0 | 1,608,126 |
| **Total** | **0** | **100,000** | **1,508,126** | **0** | **0** | **1,608,126** |

## Project Timeline

- January – Feasibility
- March – Bid
- May – Construction
- October – Project completion

# Mulberry Pumping Station Facility & Electrical

Department: STORMWATER CAPITAL FUND

Project Years: 2028 - 2029

## Project Description

Mulberry Pump Station is located north of the Mulberry Street bridge.

Several deficiencies were noted in the station. These included structural deterioration in the building components and electrical issues that need to be addressed to ensure the reliability of the station. The detail of the deterioration and reliability issues are noted in the 2017 Flood Risk Reduction System Pump Station Modernization Study performed by SEH. This project is being proposed to be done as a Section 208 project with the US Army Corps of engineering. This may allow for additional outside funding from the Corps, but the amount will not be determined until the Section 208 application is submitted 18 months before the start of the project.

## Engagement Strategy

- Community Investment Plan open house
- City website (Community Investment Plan project pages)
- Other

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Pump Station Improvements | 0 | 0 | 100,000 | 797,606 | 0 | 897,606 |
| **Total** | **0** | **0** | **100,000** | **797,606** | **0** | **897,606** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 100,000 | 797,606 | 0 | 897,606 |
| **Total** | **0** | **0** | **100,000** | **797,606** | **0** | **897,606** |

## Project Timeline

This project will be design the year prior to construction and submitted to COE for approval for construction in the project year.

# Sales Tax CIP

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# Sales Tax - Airport

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| Airport Capital Improvement Fund | 2026 | 2027 | 2028 | 2029 | 2030 | | |
|---|---|---|---|---|---|---|---|
| Projected Fund Balance | ($118,650) | ($563,275) | ($569,125) | ($914,025) | ($1,128,025) | | |
| Transfer-In Airport | $432,000 | $440,000 | $448,000 | $456,000 | $456,000 | | |
| Available Funds | $ 313,350 | $ (123,275) | $ (121,125) | $ (458,025) | $ (672,025) | | |
| **Project Title** | **2026** | **2027** | **2028** | **2029** | **2030** | **Total** | Illustrative |
| Acquire Airport Tractor/Mower | | (37,500) | | | | **(37,500)** | |
| Runway 04-22 Shift Planning Study | (1,250) | | | | | **(1,250)** | |
| Air Traffic Control Tower Construction | (632,550) | | | | | **(632,550)** | |
| Flail Mower Attachment | | (39,000) | | | | **(39,000)** | |
| Acquire Snow Removal Equipment (SRE) Loader and Plow | (11,250) | | | | | **(11,250)** | |
| Acquire Snow Removal Equipment (SRE) Self Propelled Snowblower | | (18,750) | | | | **(18,750)** | |
| Parking Lot/Entrance Road Pavement Rehabilitation | (90,000) | | | | | **(90,000)** | |
| Runway 04-22 Shift Environmental Assessment | | (7,500) | | | | **(7,500)** | |
| Runway 04/22 Shift / Temporary Extension Design | | | (15,000) | | | **(15,000)** | |
| Runway 04/22 Shift, Reconstruction, Runway Lighting & Signage | | | (359,625) | | | **(359,625)** | |
| Runway 15/33 Pavement Reconstruction | | | | (300,000) | | **(300,000)** | |
| Runway 15/33 Rehabilitate Runway Lights | | | | (75,000) | | **(75,000)** | |
| Taxiway A/D/E Intersection Reconstruction | (29,000) | | | | | **(29,000)** | |
| Construct Wildlife Fencing | | | | | (112,500) | **(112,500)** | |
| Construct Service Road | | | | | (45,000) | **(45,000)** | |
| Replace Airfield Electrical Vault | | | | (10,000) | | **(10,000)** | |
| Taxilane Pavement Reconstruction J/K/N/O/P/Q | | (243,100) | | | | **(243,100)** | |
| Taxiway A Reconstruction | | | | (125,000) | | **(125,000)** | |
| Runway Protection Zone (RPZ) Land Acquisition | | | (6,250) | | | **(6,250)** | |
| Taxiway B Reconstruction | | | (192,025) | | | **(192,025)** | |
| Acquire Snow Removal Equipment (SRE) - Boom Truck with Jets | | | (120,000) | | | **(120,000)** | |
| 3030 S Airport Rd Hangar (Piston Shop) Roof Replacement | | | | (160,000) | | **(160,000)** | |
| Relocate Airport Beacon | (10,500) | | | | | **(10,500)** | |
| Overhead Door Maintenance | (40,000) | (50,000) | (30,000) | | (50,000) | **(170,000)** | |
| Heater & Exhaust Fan Replacement | (30,000) | | (30,000) | | (30,000) | **(90,000)** | |
| Airport Facility Rekey & Hardware Replacement | (30,000) | (50,000) | (40,000) | | (20,000) | **(140,000)** | |
| Enhanced Taxiway Markings (Part 139) | (2,075) | | | | | **(2,075)** | |
| Airport Terminal HVAC Replacement | | | | | | - | (1,200,000) |
| Airport Terminal Roof Replacement | | | | | | - | (960,000) |
| Total | **(876,625)** | **(445,850)** | **(792,900)** | **(670,000)** | **(257,500)** | **(3,042,875)** | **($2,160,000)** |
| Fund Balance | ($563,275) | ($569,125) | ($914,025) | ($1,128,025) | ($929,525) | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Acquire Snow Removal Equipment (SRE) Loader and Plow | 2026 | 450,000 |
| Construct New Federal Contract Airport Traffic Control Tower | 2026 | 25,302,000 |
| Enhanced Taxiway Markings (Part 139) | 2026 | 83,000 |
| Mankato Regional Airport - Airport Facility Rekey | 2026 | 30,000 |
| Mankato Regional Airport - Heater & Exhaust Fan Replacement | 2026 | 30,000 |
| Mankato Regional Airport - Overhead Door Maintenance | 2026 | 40,000 |
| Parking Lot / Entrance Road Pavement Rehabilitation | 2026 | 300,000 |
| Runway 04-22 Shift Planning Study | 2026 | 50,000 |
| Taxiway A/D/E Intersection Reconstruction | 2026 | 1,160,000 |
| **Total** | | **27,445,000** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Acquire Airport Tractor/Mower | 2027 | 125,000 |
| Acquire Flail Mower Attachment | 2027 | 130,000 |
| Acquire Snow Removal Equipment (SRE) Self Propelled Snowblower | 2027 | 750,000 |
| Mankato Regional Airport - Airport Facility Rekey | 2027 | 50,000 |
| Mankato Regional Airport - Heater & Exhaust Fan Replacement | 2027 | 0 |
| Mankato Regional Airport - Overhead Door Maintenance | 2027 | 50,000 |
| Runway 04-22 Shift Environmental Assessment | 2027 | 150,000 |
| Taxi Lanes J/K/N/O/P/Q Pavement Rehabilitation | 2027 | 1,104,900 |
| **Total** | | **2,359,900** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Acquire Snow Removal Equipment (SRE) - Boom Truck with Jets | 2028 | 400,000 |
| Mankato Regional Airport - Airport Facility Rekey | 2028 | 40,000 |
| Mankato Regional Airport - Heater & Exhaust Fan Replacement | 2028 | 30,000 |
| Mankato Regional Airport - Overhead Door Maintenance | 2028 | 30,000 |
| Runway 04-22 Shift / Temporary Extension Design | 2028 | 300,000 |
| Runway 04/22 Shift, Reconstruction, Runway Lighting & Signage | 2028 | 7,192,500 |
| Runway Protection Zone (RPZ) Land Acquisition | 2028 | 125,000 |
| Taxiway B Reconstruction | 2028 | 2,226,376 |
| **Total** | | **10,343,876** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| 3030 S Airport Rd Hangar (Piston Shop) Roof Replacement | 2029 | 160,000 |
| Mankato Regional Airport - Airport Facility Rekey | 2029 | 0 |
| Mankato Regional Airport - Heater & Exhaust Fan Replacement | 2029 | 0 |
| Mankato Regional Airport - Overhead Door Maintenance | 2029 | 0 |
| Rehabilitate Airfield Electrical Vault | 2029 | 200,000 |
| Runway 15/33 Pavement Reconstruction | 2029 | 6,000,000 |
| Runway 15/33 Rehabilitate Runway Lights | 2029 | 1,500,000 |
| Taxiway A Reconstruction | 2029 | 2,500,000 |
| **Total** | | **10,360,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Construct Service Road | 2030 | 900,000 |
| Construct Wildlife Fencing | 2030 | 2,250,000 |
| Mankato Regional Airport - Airport Facility Rekey | 2030 | 20,000 |
| Mankato Regional Airport - Heater & Exhaust Fan Replacement | 2030 | 30,000 |
| Mankato Regional Airport - Overhead Door Maintenance | 2030 | 50,000 |
| **Total** | | **3,250,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| Airport Terminal HVAC Replacement | 2030 | 1,200,000 |
| Airport Terminal Roof Replacement | 2030 | 960,000 |
| **Total** | | **2,160,000** |

# Acquire Snow Removal Equipment (SRE) Loader and Plow

Department: SALES TAX - AIRPORT

Project Years: 2026 - 2026

## Project Description

Replace Snow Removal Equipment (SRE) - Loader and Plow Unit #91. Price confirmed by Ben Sparks 5/29/2025. (SS)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Snow REmoval Equipment (SRE) Loader and Plow | 450,000 | 0 | 0 | 0 | 0 | 450,000 |
| **Total** | **450,000** | **0** | **0** | **0** | **0** | **450,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 11,250 | 0 | 0 | 0 | 0 | 11,250 |
| Federal Funding | 427,500 | 0 | 0 | 0 | 0 | 427,500 |
| State Funding | 11,250 | 0 | 0 | 0 | 0 | 11,250 |
| **Total** | **450,000** | **0** | **0** | **0** | **0** | **450,000** |

## Project Timeline

n/a

# Construct New Federal Contract Airport Traffic Control Tower

Department: SALES TAX - AIRPORT

Project Years: 2026 - 2026

## Project Description

Construct a new federal contract Airport Traffic Control Tower. Includes Construction $18,089,000, Design Contingency $2,713,000, Equipment $1,500,000 and Engineering $3,000,000 (ss)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Construct New Federal Contract Airport Traffic Control Tower | 25,302,000 | 0 | 0 | 0 | 0 | 25,302,000 |
| **Total** | **25,302,000** | **0** | **0** | **0** | **0** | **25,302,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 632,550 | 0 | 0 | 0 | 0 | 632,550 |
| Federal Funding | 24,036,900 | 0 | 0 | 0 | 0 | 24,036,900 |
| State Funding | 632,550 | 0 | 0 | 0 | 0 | 632,550 |
| **Total** | **25,302,000** | **0** | **0** | **0** | **0** | **25,302,000** |

## Project Timeline

n/a

# Enhanced Taxiway Markings (Part 139)

Department: SALES TAX - AIRPORT

Project Years: 2026 - 2026

## Project Description

Enhanced taxiway markings are intended to provide additional visual cues to taxiing pilots to help them identify the location of the runway holding position as a runway incursion prevention initiative. For Part 139 airports, all taxiways that intersect a runway must have an enhanced taxiway centerline marking. Includes Construction $62,000, Engineering $16,000, and Administrative Costs $5,000. (ss)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Enhanced Taxiway Marking (Part 139) | 83,000 | 0 | 0 | 0 | 0 | 83,000 |
| **Total** | **83,000** | **0** | **0** | **0** | **0** | **83,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Federal Funding | 78,850 | 0 | 0 | 0 | 0 | 78,850 |
| Sales Tax | 2,075 | 0 | 0 | 0 | 0 | 2,075 |
| State Funding | 2,075 | 0 | 0 | 0 | 0 | 2,075 |
| **Total** | **83,000** | **0** | **0** | **0** | **0** | **83,000** |

## Project Timeline

Federal Fiscal Grant Year 2026

# Mankato Regional Airport - Airport Facility Rekey

Department: SALES TAX - AIRPORT

Project Years: 2026 - 2030

## Project Description

Rekey of the entire airport complex - multi year project. There are over 75 hangar units on the airfield. A rekey of the airport facility is needed to bring the complex into conformity with the city wide keying system currently in place. This will also allow updates to failed door hardware and simplify the keying structure to make it easier for staff to identify the correct key. With the addition of the air traffic control tower and FAA staff on site daily, security and access control will need to be increased from the current levels.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Airport rekey | 30,000 | 50,000 | 40,000 | 0 | 20,000 | 140,000 |
| **Total** | **30,000** | **50,000** | **40,000** | **0** | **20,000** | **140,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 30,000 | 50,000 | 40,000 | 0 | 20,000 | 140,000 |
| **Total** | **30,000** | **50,000** | **40,000** | **0** | **20,000** | **140,000** |

## Project Timeline

Phased approach with work completed in the summer months as time allows.

# Mankato Regional Airport - Heater & Exhaust Fan Replacement

Department: SALES TAX - AIRPORT

Project Years: 2026 - 2030

## Project Description

Multi year project to replace failing mechanical equipment in Airport buildings Many of the heaters and exhaust fans in the hangers and ancillary buildings at the Mankato Regional Airport are past or nearing the end of their useful life. Maintenance costs are increasing and spare parts are becoming more difficult to acquire. A replacement schedule is being developed for the equipment to prevent service interruption in the event of a failure. New equipment will be placed on a regular preventative maintenance schedule to ensure a long service life.

## Engagement Strategy

- City projects, including sales tax items.
- Community Investment Plan open house.
- City website (Community Investment Plan project pages)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Heater & Exhaust Fan Replacement | 30,000 | 0 | 30,000 | 0 | 30,000 | 90,000 |
| **Total** | **30,000** | **0** | **30,000** | **0** | **30,000** | **90,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 30,000 | 0 | 30,000 | 0 | 30,000 | 90,000 |
| **Total** | **30,000** | **0** | **30,000** | **0** | **30,000** | **90,000** |

## Project Timeline

Replacements would take place in the summer months of each project year.

# Mankato Regional Airport - Overhead Door Maintenance

Department: SALES TAX - AIRPORT

Project Years: 2026 - 2030

## Project Description

Replacement of failing overhead and hanger door components and installation of additional safety devices. A majority of the overhead and hanger door hardware and mechanisms date to the time of construction for each of the buildings, some dating back 40+ years. A significant number of failures have occurred in the last few years with several near accidents. A significant investment is needed to restore the doors to a safe operating condition. Additional safety features will be installed on the highest use doors.

## Engagement Strategy

City projects, including sales tax items. Community Investment Plan open house. City website (Community Investment Plan project pages).

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Door maintenance | 40,000 | 50,000 | 30,000 | 0 | 50,000 | 170,000 |
| **Total** | **40,000** | **50,000** | **30,000** | **0** | **50,000** | **170,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 40,000 | 50,000 | 30,000 | 0 | 50,000 | 170,000 |
| **Total** | **40,000** | **50,000** | **30,000** | **0** | **50,000** | **170,000** |

## Project Timeline

Repairs will be made each spring/summer.

# Parking Lot / Entrance Road Pavement Rehabilitation

Department: SALES TAX - AIRPORT

Project Years: 2026 - 2026

## Project Description

Landside improvements to rehabilitate the Airport Parking Lot / Airport Entrance Road Pavement. (SS)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Rehabilitate the Airport Parking Lot / Airport Entrance Road Pavement. | 300,000 | 0 | 0 | 0 | 0 | 300,000 |
| **Total** | **300,000** | **0** | **0** | **0** | **0** | **300,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 90,000 | 0 | 0 | 0 | 0 | 90,000 |
| State Funding | 210,000 | 0 | 0 | 0 | 0 | 210,000 |
| **Total** | **300,000** | **0** | **0** | **0** | **0** | **300,000** |

## Project Timeline

N/A

# Runway 04-22 Shift Planning Study

Department: SALES TAX - AIRPORT

Project Years: 2026 - 2026

## Project Description

Sequenced part of the Runway 04/22 Shift / Temporary Extension (400') Project. The project has been delayed to later years on account of the Airport Traffic Control Tower project. (SS)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Runway 04-22 Shift Planning Study | 50,000 | 0 | 0 | 0 | 0 | 50,000 |
| **Total** | **50,000** | **0** | **0** | **0** | **0** | **50,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Federal Funding | 47,500 | 0 | 0 | 0 | 0 | 47,500 |
| Sales Tax | 1,250 | 0 | 0 | 0 | 0 | 1,250 |
| State Funding | 1,250 | 0 | 0 | 0 | 0 | 1,250 |
| **Total** | **50,000** | **0** | **0** | **0** | **0** | **50,000** |

## Project Timeline

n/a

# Taxiway A/D/E Intersection Reconstruction

Department: SALES TAX - AIRPORT

Project Years: 2026 - 2026

## Project Description

Reconstruct the intersection of Taxiway A/D/E to improve safety of the intersection, improve the movement of non-aircraft, and recondition the pavement. Includes Construction $985,000, Engineering $170,000, and Administrative $5,000 (SS)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Taxiway A/D/E Intersection Reconstruction | 1,160,000 | 0 | 0 | 0 | 0 | 1,160,000 |
| **Total** | **1,160,000** | **0** | **0** | **0** | **0** | **1,160,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Federal Funding | 1,102,000 | 0 | 0 | 0 | 0 | 1,102,000 |
| Sales Tax | 29,000 | 0 | 0 | 0 | 0 | 29,000 |
| State Funding | 29,000 | 0 | 0 | 0 | 0 | 29,000 |
| **Total** | **1,160,000** | **0** | **0** | **0** | **0** | **1,160,000** |

## Project Timeline

N/A

# Acquire Airport Tractor/Mower

Department: SALES TAX - AIRPORT

Project Years: 2027 - 2027

## Project Description

Acquire Airport tractor/mower to replace unit #95. This tractor/mower would be a replacement unit for one of the current tractors at the airport. This piece of equipment is primarily used for mowing in the summer months. Purchase dependent on receiving a MNDOT grant.

## Engagement Strategy

City projects, including sales tax items. Community Investment Plan open house. City website (Community Investment Plan project pages

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Acquire tractor/mower | 0 | 125,000 | 0 | 0 | 0 | 125,000 |
| **Total** | **0** | **125,000** | **0** | **0** | **0** | **125,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 37,500 | 0 | 0 | 0 | 37,500 |
| State Funding | 0 | 87,500 | 0 | 0 | 0 | 87,500 |
| **Total** | **0** | **125,000** | **0** | **0** | **0** | **125,000** |

## Project Timeline

Depending upon grant timelines (SS)

# Acquire Flail Mower Attachment

Department: SALES TAX - AIRPORT

Project Years: 2027 - 2027

## Project Description

Acquire flail mower attachment for airport tractor. A flail mower attachment for the airport tractor would be a new piece of equipment. The flail mower is used for cutting larger brush and vegetation that would not be able to be cut with a standard rotary mower. This would allow for more cost effective maintenance of some of the areas on the airport grounds to be maintained vs. using manpower to cut back brush.

Purchase dependent on receiving a MNDOT grant.

## Engagement Strategy

City projects, including sales tax items. Community Investment Plan open house. City website (Community Investment Plan project pages.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Acquire flail mower attachment | 0 | 130,000 | 0 | 0 | 0 | 130,000 |
| **Total** | **0** | **130,000** | **0** | **0** | **0** | **130,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 39,000 | 0 | 0 | 0 | 39,000 |
| State Funding | 0 | 91,000 | 0 | 0 | 0 | 91,000 |
| **Total** | **0** | **130,000** | **0** | **0** | **0** | **130,000** |

## Project Timeline

Depends upon State Grant timelines

# Acquire Snow Removal Equipment (SRE) Self Propelled Snow-blower

Department: SALES TAX - AIRPORT

Project Years: 2027 - 2027

## Project Description

Acquire Snow Removal Equipment (SRE) Self Propelled Snowblower to replace Unit #93

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Acquire SRE | 0 | 750,000 | 0 | 0 | 0 | 750,000 |
| **Total** | **0** | **750,000** | **0** | **0** | **0** | **750,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 18,750 | 0 | 0 | 0 | 18,750 |
| Federal Funding | 0 | 712,500 | 0 | 0 | 0 | 712,500 |
| State Funding | 0 | 18,750 | 0 | 0 | 0 | 18,750 |
| **Total** | **0** | **750,000** | **0** | **0** | **0** | **750,000** |

## Project Timeline

na

# Runway 04-22 Shift Environmental Assessment

Department: SALES TAX - AIRPORT

Project Years: 2027 - 2027

## Project Description

Sequenced part of the Runway 04/22 Shift / Temporary Extension (400') Project. The project has been delayed to later years on account of the Airport Traffic Control Tower project. (SS)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Runway 04-22 Shift Environmental Assessment | 0 | 150,000 | 0 | 0 | 0 | 150,000 |
| **Total** | **0** | **150,000** | **0** | **0** | **0** | **150,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Federal Funding | 0 | 135,000 | 0 | 0 | 0 | 135,000 |
| Sales Tax | 0 | 7,500 | 0 | 0 | 0 | 7,500 |
| State Funding | 0 | 7,500 | 0 | 0 | 0 | 7,500 |
| **Total** | **0** | **150,000** | **0** | **0** | **0** | **150,000** |

## Project Timeline

n/a

# Taxi Lanes J/K/N/O/P/Q Pavement Rehabilitation

Department: SALES TAX - AIRPORT

Project Years: 2027 - 2027

## Project Description

Provides for the rehabilitation of Taxi Lanes J, K, N, O, P, and Q to extend the useful life. Work will include removal, asphalt paving, and pavement markings. Includes Construction $930,000, Engineering $170,000, and Administrative $5,000 (ss)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Taxi Lanes J, K, N, O, P and Q Rehabilitation | 0 | 1,104,900 | 0 | 0 | 0 | 1,104,900 |
| **Total** | **0** | **1,104,900** | **0** | **0** | **0** | **1,104,900** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Federal Funding | 0 | 318,240 | 0 | 0 | 0 | 318,240 |
| Sales Tax | 0 | 243,000 | 0 | 0 | 0 | 243,000 |
| State Funding | 0 | 543,660 | 0 | 0 | 0 | 543,660 |
| **Total** | **0** | **1,104,900** | **0** | **0** | **0** | **1,104,900** |

## Project Timeline

n/a

# Acquire Snow Removal Equipment (SRE) - Boom Truck with Jets

Department: SALES TAX - AIRPORT

Project Years: 2028 - 2028

## Project Description

N/A

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Snow Removal Equipment | 0 | 0 | 400,000 | 0 | 0 | 400,000 |
| **Total** | **0** | **0** | **400,000** | **0** | **0** | **400,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 120,000 | 0 | 0 | 120,000 |
| State Funding | 0 | 0 | 280,000 | 0 | 0 | 280,000 |
| **Total** | **0** | **0** | **400,000** | **0** | **0** | **400,000** |

## Project Timeline

N/A

# Runway 04-22 Shift / Temporary Extension Design

Department: SALES TAX - AIRPORT

Project Years: 2028 - 2028

## Project Description

Sequenced part of the Runway 04/22 Shift / Temporary Extension (400') Project. The project has been delayed to later years on account of the Airport Traffic Control Tower project. (SS)

Originally stated: As part of the 2027 04/22 runway shift design work needs to be completed.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Design | 0 | 0 | 300,000 | 0 | 0 | 300,000 |
| **Total** | **0** | **0** | **300,000** | **0** | **0** | **300,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 15,000 | 0 | 0 | 15,000 |
| Federal Funding | 0 | 0 | 270,000 | 0 | 0 | 270,000 |
| State Funding | 0 | 0 | 15,000 | 0 | 0 | 15,000 |
| **Total** | **0** | **0** | **300,000** | **0** | **0** | **300,000** |

## Project Timeline

N/A

# Runway 04/22 Shift, Reconstruction, Runway Lighting & Signage

Department: SALES TAX - AIRPORT

Project Years: 2028 - 2028

## Project Description

This multi-year project seeks to improve the runway visibility zone (RVZ) by shifting Runway 04/22 400-feet to the northwest, replace the Runway End Identifier Lights (REIL) Lights / Precision Approach Path Indicator (PAPI), runway lights, and reconstruct the remaining 4,000-feet of runway pavement. Runway 15-33 was extended in 2007 from 5,400 feet to 6,600 feet. However, with the extension, the line-of-sight points associated with Runways 15/33 and 04/22 shifted the runway visibility zone (RVZ) onto the terminal apron. As a result, use of the apron for aircraft parking is not allowed since it would impede the line-of-sight requirements. According to AC 150/5300-13A, a modification to this requirement may be approved if an acceptable level of safety is maintained as a result of:

"1) the airport has a 24-hour control tower; and 2) the operation of the control tower will continue based on acceptable activity forecasts."

Thus, to allow for use of the terminal apron (Apron A) for flight training, corporate and potential charter operations, a modification of the RVZ is needed. Options considered as part of the alternatives analysis include: 1) No build 2) Reconfigure apron parking area geometry/parking areas, 3) Shift Runway 04/22 Northeast by 200 feet, 4) Shift Runway 04/22 Northeast by 400 feet, and/or 5) Shift Runway 04/22 Northeast by 1,114-feet. The preferred long-term RVZ mitigation alternative is Option 4 to shift Runway 4-22 by 400 feet to the northeast to allow for existing and a reasonable future apron expansion without parked aircraft within the RVZ. A short-term interim solution is Option 1, which would allow the airport to meet design standards but reduce capacity and convenience. Other options did not improve apron utility significantly or result in a higher development cost. Option 4 provides a reasonable balance between cost and utility. This project will be reevaluated pending the outcome and timeline of the FAA Air Traffic Control Tower but will most likely still be needed as the tower will not be in operation 24-hours a day.

## Engagement Strategy

Community projects, including sales tax items. Community Investment Plan open house (future opportunities--detailed on overall Community Investment Plan communications and engagement action plan). City website (Community Investment Plan project pages and respective webpage). Direct mail to area residents living near project. Focus groups. Pop-up events. Informational materials (print and electronic). Online newsletter. News release and email notification asking for input. Utility insert. Online engagement tools. Surveys (online). Online city calendar. Social media Video. Other. City projects, including sales tax items. Community Investment Plan open house. City website (Community Investment Plan project pages).

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Pavement Reconstruction | 0 | 0 | 4,303,000 | 0 | 0 | 4,303,000 |
| Reconstruct Runway Signage | 0 | 0 | 245,000 | 0 | 0 | 245,000 |
| Rehabilitate Runway Lights | 0 | 0 | 882,000 | 0 | 0 | 882,000 |
| REIL/PAPI Light Replacement | 0 | 0 | 291,000 | 0 | 0 | 291,000 |
| Shift/Temporary Extension | 0 | 0 | 1,471,500 | 0 | 0 | 1,471,500 |
| **Total** | **0** | **0** | **7,192,500** | **0** | **0** | **7,192,500** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 359,625 | 0 | 0 | 359,625 |
| Federal Funding | 0 | 0 | 6,473,250 | 0 | 0 | 6,473,250 |
| State Funding | 0 | 0 | 359,625 | 0 | 0 | 359,625 |
| **Total** | **0** | **0** | **7,192,500** | **0** | **0** | **7,192,500** |

## Project Timeline

Timeline does not accurately reflect the delayed implementation of the project; however, the sequence is valid. (SS)

- 2023 - Master Plan Update Required (Triggering Event)
- 2025 - Environmental Assessment
- 2026 - Land Acquisition- Runway 22 Approach (Parcel 15C- 6.6 ac)
- 2026 - Runway 04/22 Shift / Temporary Extension (400') Design
- 2027 - Runway 04/22 Shift / Temporary Extension (400') Construction
- 2027 - Runway 04/22 REIL/PAPI Replacement
- 2027 - Replace 04/22 Runway Lights
- 2027 - Runway 04/22 Pavement Reconstruction

# Runway Protection Zone (RPZ) Land Acquisition

Department: SALES TAX - AIRPORT

Project Years: 2028 - 2028

## Project Description

Land acquisition of parcel 15C totaling 1.2 acres and 15B totaling 5.4 acres in order to accomplish runway 04/22 shift and temporary extension. Identified in the Masterplan to improve the runway protection zone.

This is a change from the previous acquisition entry of 3C and 22A totaling 4.8 acres because they are not associated with runway 04/22 (SS)

## Engagement Strategy

Community projects, including sales tax items. Community Investment Plan open house (future opportunities--detailed on overall Community Investment Plan communications and engagement action plan). City website (Community Investment Plan project pages and respective webpage). Direct mail to area residents living near project. Focus groups. Pop-up events. Informational materials (print and electronic). Online newsletter. News release and email notification asking for input. Utility insert. Online engagement tools. Surveys (online). Online city calendar. Social media Video. Other. City projects, including sales tax items. Community Investment Plan open house. City website (Community Investment Plan project pages).

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Acquire Parcel 15C (6.6 ac) | 0 | 0 | 125,000 | 0 | 0 | 125,000 |
| **Total** | **0** | **0** | **125,000** | **0** | **0** | **125,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 6,250 | 0 | 0 | 6,250 |
| Federal Funding | 0 | 0 | 112,500 | 0 | 0 | 112,500 |
| State Funding | 0 | 0 | 6,250 | 0 | 0 | 6,250 |
| **Total** | **0** | **0** | **125,000** | **0** | **0** | **125,000** |

## Project Timeline

2028 - Acquire parcel - Originally scheduled for 2026, the entire project has shifted to later years due to the Airport Traffic Control Tower Project (SS)

# Taxiway B Reconstruction

Department: SALES TAX - AIRPORT

Project Years: 2028 - 2028

## Project Description

Associated with Runway 04/22 Shift restores full useful life.

Includes Construction $1,954,810 Engineering $266,565 Admin $5,000 (ss)

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Taxiway B Reconstruction | 0 | 0 | 2,226,376 | 0 | 0 | 2,226,376 |
| **Total** | **0** | **0** | **2,226,376** | **0** | **0** | **2,226,376** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 192,025 | 0 | 0 | 192,025 |
| Federal Funding | 0 | 0 | 1,713,196 | 0 | 0 | 1,713,196 |
| State Funding | 0 | 0 | 321,155 | 0 | 0 | 321,155 |
| **Total** | **0** | **0** | **2,226,376** | **0** | **0** | **2,226,376** |

## Project Timeline

n/a

# 3030 S Airport Rd Hangar (Piston Shop) Roof Replacement

Department: SALES TAX - AIRPORT

Project Years: 2029 - 2029

## Project Description

The existing roof has been in need of replacement for some time. A coating was applied to the seams and certain leaking areas in 2023 to provide us a few extra years until replacement could be budgeted. The existing metal roof will be removed and a new roof will be installed.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| 3030 S Airport Rd Hangar (Piston Shop) Roof Replacement | 0 | 0 | 0 | 160,000 | 0 | 160,000 |
| **Total** | **0** | **0** | **0** | **160,000** | **0** | **160,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 160,000 | 0 | 160,000 |
| **Total** | **0** | **0** | **0** | **160,000** | **0** | **160,000** |

## Project Timeline

- February - Request Quotat i ons
- June - Construct i on

# Rehabilitate Airfield Electrical Vault

Department: SALES TAX - AIRPORT

Project Years: 2029 - 2029

## Project Description

Replace and expand the electrical vault which houses the controls for the runway lights. The electrical vault and emergency generator are housed in a building located just south of the Airport Beacon adjacent to Airport Maintenance and Terminal Facilities. Both the Electrical Vault and emergency generator, which was replaced in 2001, provides back-up power to the terminal, maintenance, CFR and gray electrical building as well as all taxiway and runway lights. As part of the airport masterplan, upgrades to the older vault regulators are recommended in addition to vault expansion.

## Engagement Strategy

Community projects, including sales tax items. Community Investment Plan open house (future opportunities--detailed on overall Community Investment Plan communications and engagement action plan). City website (Community Investment Plan project pages and respective webpage). Direct mail to area residents living near project. Focus groups. Pop-up events. Informational materials (print and electronic). Online newsletter. News release and email notification asking for input. Utility insert. Online engagement tools. Surveys (online). Online city calendar. Social media Video. Other. City projects, including sales tax items. Community Investment Plan open house. City website (Community Investment Plan project pages).

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Construction | 0 | 0 | 0 | 200,000 | 0 | 200,000 |
| **Total** | **0** | **0** | **0** | **200,000** | **0** | **200,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 10,000 | 0 | 10,000 |
| Federal Funding | 0 | 0 | 0 | 180,000 | 0 | 180,000 |
| State Funding | 0 | 0 | 0 | 10,000 | 0 | 10,000 |
| **Total** | **0** | **0** | **0** | **200,000** | **0** | **200,000** |

## Project Timeline

Timeline extended from 2027

- 2029 - Design
- 2029 - Construct i on

# Runway 15/33 Pavement Reconstruction

Department: SALES TAX - AIRPORT

Project Years: 2029 - 2029

## Project Description

N/A

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Reconstruction | 0 | 0 | 0 | 6,000,000 | 0 | 6,000,000 |
| **Total** | **0** | **0** | **0** | **6,000,000** | **0** | **6,000,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 300,000 | 0 | 300,000 |
| Federal Funding | 0 | 0 | 0 | 5,400,000 | 0 | 5,400,000 |
| State Funding | 0 | 0 | 0 | 300,000 | 0 | 300,000 |
| **Total** | **0** | **0** | **0** | **6,000,000** | **0** | **6,000,000** |

## Project Timeline

N/A

# Runway 15/33 Rehabilitate Runway Lights

Department: SALES TAX - AIRPORT

Project Years: 2029 - 2029

## Project Description

N/A

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Replacement | 0 | 0 | 0 | 1,500,000 | 0 | 1,500,000 |
| **Total** | **0** | **0** | **0** | **1,500,000** | **0** | **1,500,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 75,000 | 0 | 75,000 |
| Federal Funding | 0 | 0 | 0 | 1,350,000 | 0 | 1,350,000 |
| State Funding | 0 | 0 | 0 | 75,000 | 0 | 75,000 |
| **Total** | **0** | **0** | **0** | **1,500,000** | **0** | **1,500,000** |

## Project Timeline

N/A

# Taxiway A Reconstruction

Department: SALES TAX - AIRPORT

Project Years: 2029 - 2029

## Project Description

N/A

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Reconstruction | 0 | 0 | 0 | 2,500,000 | 0 | 2,500,000 |
| **Total** | **0** | **0** | **0** | **2,500,000** | **0** | **2,500,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 125,000 | 0 | 125,000 |
| Federal Funding | 0 | 0 | 0 | 2,250,000 | 0 | 2,250,000 |
| State Funding | 0 | 0 | 0 | 125,000 | 0 | 125,000 |
| **Total** | **0** | **0** | **0** | **2,500,000** | **0** | **2,500,000** |

## Project Timeline

N/A

# Construct Service Road

Department: SALES TAX - AIRPORT

Project Years: 2030 - 2030

## Project Description

Construct service road.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Construct Service Road | 0 | 0 | 0 | 0 | 900,000 | 900,000 |
| **Total** | **0** | **0** | **0** | **0** | **900,000** | **900,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 45,000 | 45,000 |
| Federal Funding | 0 | 0 | 0 | 0 | 810,000 | 810,000 |
| State Funding | 0 | 0 | 0 | 0 | 45,000 | 45,000 |
| **Total** | **0** | **0** | **0** | **0** | **900,000** | **900,000** |

## Project Timeline

N/A

# Construct Wildlife Fencing

Department: SALES TAX - AIRPORT

Project Years: 2030 - 2030

## Project Description

Construct wildlife fencing.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Construct Wildlife Fence | 0 | 0 | 0 | 0 | 2,250,000 | 2,250,000 |
| **Total** | **0** | **0** | **0** | **0** | **2,250,000** | **2,250,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 0 | 0 | 112,500 | 112,500 |
| Federal Funding | 0 | 0 | 0 | 0 | 2,025,000 | 2,025,000 |
| State Funding | 0 | 0 | 0 | 0 | 112,500 | 112,500 |
| **Total** | **0** | **0** | **0** | **0** | **2,250,000** | **2,250,000** |

## Project Timeline

N/A

# Sales Tax - Civic Center

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**Mankato Civic Center**

| | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| **Projected fund balance** | $ 1,263,044 | $ 1,468,044 | $ 1,113,204 | $ 1,209,204 | $ 1,277,204 |
| Interest on Investments | $ 12,000 | $ 12,000 | $ 12,000 | $ 12,000 | $ 12,000 |
| Transfer In - Sales Tax | $ 595,000 | $ 607,000 | $ 619,000 | $ 631,000 | $ 643,000 |
| Arena Audio & Banquet Hall Lighting | | | | | |
| Revenue Total | $ 607,000 | $ 619,000 | $ 631,000 | $ 643,000 | $ 655,000 |
| **Available Funds** | $ 1,870,044 | $ 2,087,044 | $ 1,744,204 | $ 1,852,204 | $ 1,932,204 |

| Project Name | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Illustrative |
|---|---|---|---|---|---|---|---|
| Mankato Civic Center - Fixtures, Furniture, and Equipment | $ (100,000) | $ (50,000) | $ (100,000) | $ (100,000) | $ (100,000) | **$ (450,000)** | |
| Mankato Civic Center - Fire & Exterior Door Replacement | $ (120,000) | | $ (50,000) | $ (50,000) | $ (50,000) | **$ (270,000)** | |
| Mankato Civic Center - ARMER Radio Replacements | $ (32,000) | $ (27,500) | $ (60,000) | | | **$ (119,500)** | |
| Mankato Civic Center - HVAC Replacements | | | $ (50,000) | $ (55,000) | $ (55,000) | **$ (160,000)** | |
| Mankato Civic Center - Building Automation System Controls Upgrades | | | | $ (100,000) | | **$ (100,000)** | |
| Mankato Civic Center - Loading Dock Pedestrian Gates | | $ (28,000) | | | | **$ (28,000)** | |
| Mankato Civic Center - Ice Plant Ammonia Valve Replacement | | $ (60,000) | | | | **$ (60,000)** | |
| Mankato Civic Center - Restroom Refresh Phase 2 - Banquet Hall | | $ (325,000) | | | | **$ (325,000)** | |
| Mankato Civic Center - Restroom Refresh Phase 3 - Arena Concourse East | | | | | | **$ -** | $ (225,000) |
| Mankato Civic Center - Restroom Refresh Phase 4 - Arena Concourse West | | | | | | **$ -** | $ (275,000) |
| Mankato Civic Center - Restroom Refresh Phase 5 - Arena Concourse South | | | | | | **$ -** | $ (325,000) |
| Mankato Civic Center - Restroom Refresh Phase 6 - Arena Concourse North | | | | | | **$ -** | $ (450,000) |
| Mankato Civic Center - Restroom Refresh Phase 7 - Arena Lobby West | | | | | | **$ -** | $ (325,000) |
| Mankato Civic Center - Escalator Controller Replacement | | | | | $ (160,000) | **$ (160,000)** | |
| Mankato Civic Center - Air Handler #10 Fresh Air Intake Design | | $ (25,000) | | | | **$ (25,000)** | |
| Mankato Civic Center - Air Handler #10 Fresh Air Intake Construction | | | $ (100,000) | | | **$ (100,000)** | |
| Mankato Civic Center - Arena First Floor Restroom ADA changing table reconfiguration | | | | | | **$ -** | $ (80,000) |
| Mankato Civic Center - Fire Panel Upgrade | | | | $ (100,000) | | **$ (100,000)** | |
| Mankato Civic Center - Grand Hall Exhaust | | | | | | **$ -** | $ (275,000) |
| Mankato Civic Center - Dehumidification Wheel Replacement | | | | $ (70,000) | | **$ (70,000)** | |
| Mankato Civic Center - Reception Hall Exterior Tuckpointing | | $ (308,340) | | | | **$ (308,340)** | |
| Mankato Civic Center - Reception Hall Interior Stone Repairs | | | | | $ (120,000) | **$ (120,000)** | |
| Mankato Civic Center - Building Exterior Base Lime Stone Replacement | | | | | | **$ -** | $ (300,000) |
| Mankato Civic Center - Walk In Cooler/Freezer Replacements | | | | | | **$ -** | $ (200,000) |
| Mankato Civic Center - Arena Chair Replacement | | | | | | **$ -** | $ (300,000) |
| Mankato Civic Center - Arena Lobby Glass Curtain Wall Window Resealing | | | | | | **$ -** | $ (350,000) |
| Mankato Civic Center - Main Boiler Plant Replacement Design | | | | $ (100,000) | | **$ (100,000)** | |
| Mankato Civic Center - Main Boiler Plant Replacement | | | | | | **$ -** | $ (2,600,000) |
| Mankato Civic Center - Reverse Osmosis Water System for Arena Ice | | | | | | **$ -** | $ (120,000) |
| Mankato Civic Center - Terrazzo Replacement | | | | | | **$ -** | $ (425,000) |
| Mankato Civic Center - Elevator Code Upgrades | $ (150,000) | $ (150,000) | $ (175,000) | | | **$ (475,000)** | |
| Mankato Civic Center - Arena Stage Replacement | | | | | | **$ -** | $ (100,000) |
| **Total** | **$ (402,000)** | **$ (973,840)** | **$ (535,000)** | **$ (575,000)** | **$ (485,000)** | **$ (2,970,840)** | **$ (6,350,000)** |
| Fund Balance | $ 1,468,044 | $ 1,113,204 | $ 1,209,204 | $ 1,277,204 | $ 1,447,204 | | |
| Fund Balance Target | $ 1,060,000 | $ 1,090,000 | $ 1,120,000 | $ 1,150,000 | $ 1,180,000 | | |
| Project Count | 4 | 8 | 6 | 7 | 5 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Civic Center - ARMER Radio Replacements | 2026 | 32,000 |
| Mankato Civic Center - Elevator Code Upgrades | 2026 | 150,000 |
| Mankato Civic Center - Fire & Exterior Door Replacement | 2026 | 120,000 |
| Mankato Civic Center - Fixtures, Furniture, and Equipment | 2026 | 100,000 |
| **Total** | | **402,000** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Civic Center - Air Handler #10 Fresh Air Intake Design | 2027 | 25,000 |
| Mankato Civic Center - ARMER Radio Replacements | 2027 | 27,500 |
| Mankato Civic Center - Elevator Code Upgrades | 2027 | 150,000 |
| Mankato Civic Center - Fire & Exterior Door Replacement | 2027 | 0 |
| Mankato Civic Center - Fixtures, Furniture, and Equipment | 2027 | 50,000 |
| Mankato Civic Center - Ice Plant Ammonia Valve Replacement | 2027 | 60,000 |
| Mankato Civic Center - Loading Dock Pedestrian Gates | 2027 | 28,000 |
| Mankato Civic Center - Reception Hall Exterior Tuckpointing | 2027 | 308,340 |
| Mankato Civic Center - Restroom Refresh Phase 2 - Banquet Hall | 2027 | 325,000 |
| **Total** | | **973,840** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Civic Center - Air Handler #10 Fresh Air Intake Construction | 2028 | 100,000 |
| Mankato Civic Center - ARMER Radio Replacements | 2028 | 60,000 |
| Mankato Civic Center - Elevator Code Upgrades | 2028 | 175,000 |
| Mankato Civic Center - Fire & Exterior Door Replacement | 2028 | 50,000 |
| Mankato Civic Center - Fixtures, Furniture, and Equipment | 2028 | 100,000 |
| Mankato Civic Center - HVAC Replacements | 2028 | 50,000 |
| **Total** | | **535,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Civic Center - Building Automation System Controls Upgrades | 2029 | 100,000 |
| Mankato Civic Center - Dehumidification Wheel Replacement | 2029 | 70,000 |
| Mankato Civic Center - Fire & Exterior Door Replacement | 2029 | 50,000 |

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Civic Center - Fire Panel Upgrade | 2029 | 100,000 |
| Mankato Civic Center - Fixtures, Furniture, and Equipment | 2029 | 100,000 |
| Mankato Civic Center - HVAC Replacements | 2029 | 55,000 |
| Mankato Civic Center - Main Boiler Plant Replacement Design | 2029 | 100,000 |
| **Total** | | **575,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Civic Center - Escalator Controller Replacement | 2030 | 160,000 |
| Mankato Civic Center - Fire & Exterior Door Replacement | 2030 | 50,000 |
| Mankato Civic Center - Fixtures, Furniture, and Equipment | 2030 | 100,000 |
| Mankato Civic Center - HVAC Replacements | 2030 | 55,000 |
| Mankato Civic Center - Reception Hall Interior Stone Repairs | 2030 | 120,000 |
| **Total** | | **485,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Civic Center - Arena Chair Replacement | 2031 | 300,000 |
| Mankato Civic Center - Arena First Floor Restroom ADA changing table reconfiguration | 2031 | 80,000 |
| Mankato Civic Center - Arena Lobby Glass Curtain Wall Window Resealing | 2031 | 350,000 |
| Mankato Civic Center - Arena Stage Replacement | 2031 | 100,000 |
| Mankato Civic Center - Building Exterior base lime stone replacement | 2031 | 300,000 |
| Mankato Civic Center - Grand Hall Exhaust | 2031 | 275,000 |
| Mankato Civic Center - Main Boiler Plant Replacement | 2031 | 2,600,000 |
| Mankato Civic Center - Restroom Refresh Phase 3 - Arena Concourse East | 2031 | 225,000 |
| Mankato Civic Center - Restroom Refresh Phase 4 - Arena Concourse West | 2031 | 275,000 |
| Mankato Civic Center - Restroom Refresh Phase 5 - Arena Concourse South | 2031 | 325,000 |
| Mankato Civic Center - Restroom Refresh Phase 6 - Arena Concourse North | 2031 | 450,000 |
| Mankato Civic Center - Restroom Refresh Phase 7 - Arena Lobby West | 2031 | 325,000 |
| Mankato Civic Center - Reverse Osmosis Water System for Arena Ice | 2031 | 120,000 |
| Mankato Civic Center - Terrazzo Replacement | 2031 | 425,000 |
| Mankato Civic Center - Walk In Cooler/Freezer Replacements | 2031 | 200,000 |
| **Total** | | **6,350,000** |

# Mankato Civic Center - ARMER Radio Replacements

Department: SALES TAX - CIVIC CENTER

Project Years: 2026 - 2028

## Project Description

This project will replace all of the existing used radios currently being utilized by Civic Center and event security staff. Year 1 will include all full time staff radios. Year 2 will include all part time staff radios. Year 3 will include all security personnel radios. The current radios are no longer supported by the manufacturer and can not be updated.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| New ARMER Radios | 32,000 | 27,500 | 60,000 | 0 | 0 | 119,500 |
| **Total** | **32,000** | **27,500** | **60,000** | **0** | **0** | **119,500** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Other Sources | 32,000 | 27,500 | 60,000 | 0 | 0 | 119,500 |
| **Total** | **32,000** | **27,500** | **60,000** | **0** | **0** | **119,500** |

## Project Timeline

- February - Purchase equipment each year
- April - Public Safety staf f pr ogr a mt he ne w r adi os
- May - Equipment ready for use

# Mankato Civic Center - Elevator Code Upgrades

Department: SALES TAX - CIVIC CENTER

Project Years: 2026 - 2028

## Project Description

Replacement of the elevator mechanical equipment and button stations at the Civic Center. The elevator mechanical equipment will be nearing the end of its useful life in the coming years. Pro-active replacement of the equipment is critical to maintaining sufficient access for the public to use this critical facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Elevator Code Upgrades | 150,000 | 150,000 | 175,000 | 0 | 0 | 475,000 |
| **Total** | **150,000** | **150,000** | **175,000** | **0** | **0** | **475,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 150,000 | 150,000 | 175,000 | 0 | 0 | 475,000 |
| **Total** | **150,000** | **150,000** | **175,000** | **0** | **0** | **475,000** |

## Project Timeline

One elevator per year with each following the same schedule:

- February - Feasibility hearing
- April - Bid Award
- July - Construct i on

# Mankato Civic Center - Fire & Exterior Door Replacement

Department: SALES TAX - CIVIC CENTER

Project Years: 2026 - 2030

## Project Description

Multi-year project to replace the aging fire and exterior doors within the facility The fire doors throughout the original facility are beginning to fail as normal wear and tear has taken its toll. These doors see considerable use and need to be kept in good condition to maintain their fire rating. A needs based multi year approach will be undertaken to fund the complete replacement of the original 1995 doors throughout the facility. Additionally, the exterior doors are starting to fail and replacement is warranted due to security concerns within the facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Door Replacements | 120,000 | 0 | 50,000 | 50,000 | 50,000 | 270,000 |
| **Total** | **120,000** | **0** | **50,000** | **50,000** | **50,000** | **270,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 120,000 | 0 | 50,000 | 50,000 | 50,000 | 270,000 |
| **Total** | **120,000** | **0** | **50,000** | **50,000** | **50,000** | **270,000** |

## Project Timeline

Installation will occur around event load each year.

# Mankato Civic Center - Fixtures, Furniture, and Equipment

Department: SALES TAX - CIVIC CENTER

Project Years: 2026 - 2030

## Project Description

This is funding set aside for various furniture, fixtures, and smaller projects that may arise during the year. As the original portion of the building ages, the furniture and fixtures that were purchased with the original construction continue to wear out and require replacement.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| FF&E Replacement | 100,000 | 50,000 | 100,000 | 100,000 | 100,000 | 450,000 |
| **Total** | **100,000** | **50,000** | **100,000** | **100,000** | **100,000** | **450,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 100,000 | 50,000 | 100,000 | 100,000 | 100,000 | 450,000 |
| **Total** | **100,000** | **50,000** | **100,000** | **100,000** | **100,000** | **450,000** |

## Project Timeline

Throughout Fiscal Year

# Mankato Civic Center - Air Handler #10 Fresh Air Intake Design

Department: SALES TAX - CIVIC CENTER

Project Years: 2027 - 2027

## Project Description

Design will be undertaken for a fresh air intake servicing the office area of the civic center. Design drawings will be extensive given the large amount of existing mechanical lines in the area and conflict avoidance during design will save on overall project costs.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Mankato Civic Center - Air Handler #10 Fresh Air Intake Design | 0 | 25,000 | 0 | 0 | 0 | 25,000 |
| **Total** | **0** | **25,000** | **0** | **0** | **0** | **25,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 25,000 | 0 | 0 | 0 | 25,000 |
| **Total** | **0** | **25,000** | **0** | **0** | **0** | **25,000** |

## Project Timeline

February - Hire Mechanical Engineer

September - Final Plan Set ready

# Mankato Civic Center - Ice Plant Ammonia Valve Replacement

Department: SALES TAX - CIVIC CENTER

Project Years: 2027 - 2027

## Project Description

There are roughly a dozen valves that will be in need of replacement. This project will also include some relabeling to bring it into conformity with the new plant at All Seasons Arena so shared staff are working with the same terminology and color coding.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Ammonia Valve Replacement | 0 | 60,000 | 0 | 0 | 0 | 60,000 |
| **Total** | **0** | **60,000** | **0** | **0** | **0** | **60,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 60,000 | 0 | 0 | 0 | 60,000 |
| **Total** | **0** | **60,000** | **0** | **0** | **0** | **60,000** |

## Project Timeline

- March - Request quotations
- May - install valves after plant shutdown in April

# Mankato Civic Center - Loading Dock Pedestrian Gates

Department: SALES TAX - CIVIC CENTER

Project Years: 2027 - 2027

## Project Description

During safety walk thrus performed by staff and our safety consultant, this was identified as a potential fall hazard and needs to be addressed. These pedestrian gates fold up when not in use and do not interfere with the use of the dock. There are currently 2 loading docks on the arena side that will have these installed and 2 on the Grand Hall side of the building.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Loading dock gates | 0 | 28,000 | 0 | 0 | 0 | 28,000 |
| **Total** | **0** | **28,000** | **0** | **0** | **0** | **28,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 28,000 | 0 | 0 | 0 | 28,000 |
| **Total** | **0** | **28,000** | **0** | **0** | **0** | **28,000** |

## Project Timeline

- January - Request quotat i on
- April - Receive gates and install

# Mankato Civic Center - Reception Hall Exterior Tuckpointing

Department: SALES TAX - CIVIC CENTER

Project Years: 2027 - 2027

## Project Description

Tuckpointing of the exterior brick and stone of the Reception Hall (Former First National Bank building/Ellerbe Room). In 2021, a facility audit was conducted by a local architecture firm to identify a 10 year needs assessment to ensure the upkeep of this historic structure. Tuckpointing was identified as a near term improvement to ensure the structural integrity of the building envelope is preserved.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Exterior Tuckpointing Reception Hall | 0 | 308,340 | 0 | 0 | 0 | 308,340 |
| **Total** | **0** | **308,340** | **0** | **0** | **0** | **308,340** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 308,340 | 0 | 0 | 0 | 308,340 |
| **Total** | **0** | **308,340** | **0** | **0** | **0** | **308,340** |

## Project Timeline

- February - Feasibility Hearing and hiring of an architect
- April - Bid Award
- July/August - Construct i on

# Mankato Civic Center - Restroom Refresh Phase 2 - Banquet Hall

Department: SALES TAX - CIVIC CENTER

Project Years: 2027 - 2027

## Project Description

This project will include the complete remodel of the Banquet Hall restrooms located on the 1st and 2nd floors of the original building. The piping in this area has seen several failures over the last few years. Due to the location of the piping in the walls, the restrooms will be demoed and reconstructed with new finishes. If the fixtures can be salvaged, they will be reused. The faucets and flushometers were replaced a few years ago and will be salvaged and reused.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Restroom Refresh Phase 2 | 0 | 325,000 | 0 | 0 | 0 | 325,000 |
| **Total** | **0** | **325,000** | **0** | **0** | **0** | **325,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 325,000 | 0 | 0 | 0 | 325,000 |
| **Total** | **0** | **325,000** | **0** | **0** | **0** | **325,000** |

## Project Timeline

- January - Feasibility Hearing and hiring of an architect
- April - Bid Award
- July/August - Construct i on

# Mankato Civic Center - Air Handler #10 Fresh Air Intake Construction

Department: SALES TAX - CIVIC CENTER

Project Years: 2028 - 2028

## Project Description

Design will be undertaken for a fresh air intake servicing the office area of the civic center. Design drawings will be extensive given the large amount of existing mechanical lines in the area and conflict avoidance during design will save on overall project costs. Construction will occur in 2028 and include a new fresh air duct with electronic controlled damper tied to the building automation system.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Air Handler #10 Fresh Air Intake Construction | 0 | 0 | 100,000 | 0 | 0 | 100,000 |
| **Total** | **0** | **0** | **100,000** | **0** | **0** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 0 | 100,000 | 0 | 0 | 100,000 |
| **Total** | **0** | **0** | **100,000** | **0** | **0** | **100,000** |

## Project Timeline

- February - Request for Quotat i ons
- April - Construct i onf dl o wng hockey seas on

# Mankato Civic Center - HVAC Replacements

Department: SALES TAX - CIVIC CENTER

Project Years: 2028 - 2030

## Project Description

There are 24 unit heaters that have small leaks and need replacement. Unit heaters will eventually fail.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| HVAC Replacements | 0 | 0 | 50,000 | 55,000 | 55,000 | 160,000 |
| **Total** | **0** | **0** | **50,000** | **55,000** | **55,000** | **160,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 0 | 50,000 | 55,000 | 55,000 | 160,000 |
| **Total** | **0** | **0** | **50,000** | **55,000** | **55,000** | **160,000** |

## Project Timeline

Replacements will occur in the spring/summer of each calendar year.

# Mankato Civic Center - Building Automation System Controls Upgrades

Department: SALES TAX - CIVIC CENTER

Project Years: 2029 - 2029

## Project Description

The controllers in the building are aging and many are in need of replacement. We will begin replacing them starting in 2029.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Mankato Civic Center - Building Automation System Controls Upgrades | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| **Total** | **0** | **0** | **0** | **100,000** | **0** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| **Total** | **0** | **0** | **0** | **100,000** | **0** | **100,000** |

## Project Timeline

- February - Receive quotat i on
- May/June - Construct i on

# Mankato Civic Center - Dehumidification Wheel Replacement

Department: SALES TAX - CIVIC CENTER

Project Years: 2029 - 2029

## Project Description

Replacement of the desiccant dehumidification unit wheel. The wheel will reach the end of its 10 year lifespan and will be in need of replacement in 2028-2029.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Desiccant Wheel | 0 | 0 | 0 | 70,000 | 0 | 70,000 |
| **Total** | **0** | **0** | **0** | **70,000** | **0** | **70,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 0 | 0 | 70,000 | 0 | 70,000 |
| **Total** | **0** | **0** | **0** | **70,000** | **0** | **70,000** |

## Project Timeline

Purchase and install - Summer 2029

# Mankato Civic Center - Fire Panel Upgrade

Department: SALES TAX - CIVIC CENTER

Project Years: 2029 - 2029

## Project Description

The panel would be replaced and the system migrated to one location. With the addition of the Grand Hall, it was decided for cost savings to leave the old fire panel in the existing location but make it report to the new Grand Hall fire panel. Upon activation, staff is required to go to both panel locations to identify where the issue is as they don't communicate correctly with each other thus slowing response times. The new system will be tied into one system at one location and be brought up to current code.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Fire Panel Upgrade | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| **Total** | **0** | **0** | **0** | **100,000** | **0** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| **Total** | **0** | **0** | **0** | **100,000** | **0** | **100,000** |

## Project Timeline

- January - Obtain quotat i ons
- June/July - Construct i on

# Mankato Civic Center - Main Boiler Plant Replacement Design

Department: SALES TAX - CIVIC CENTER

Project Years: 2029 - 2029

## Project Description

Replacement of the original facility boiler plant. The original boiler plant is inefficient and aging.The boiler plant would be replaced with new condensing boiler technology allowing for a 95%+ efficiency and creating a smaller footprint within the building. The decrease in required floor space will free up space for a new use.

An architect and mechanical engineer would be hired to design the new plant and create contract documents in anticipation of a project in the near future.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Main Boiler Replacement Design | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| **Total** | **0** | **0** | **0** | **100,000** | **0** | **100,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| **Total** | **0** | **0** | **0** | **100,000** | **0** | **100,000** |

## Project Timeline

- March - Hire a design f i r m
- October - Documents complete

# Mankato Civic Center - Escalator Controller Replacement

Department: SALES TAX - CIVIC CENTER

Project Years: 2030 - 2030

## Project Description

Update the two escalator controllers in the front lobby of the Civic Center. The two escalators in the front lobby of the Civic Center still have the original mechanical relay control equipment. Replacement parts are no longer being manufactured and even though after market parts are still available, facilities staff is recommending the upgrade of these controllers to solid state equipment. Staff continue to see significant repairs to these units and delays in obtaining necessary parts.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Escalator Obsolete Controller Replacement | 0 | 0 | 0 | 0 | 160,000 | 160,000 |
| **Total** | **0** | **0** | **0** | **0** | **160,000** | **160,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 0 | 0 | 0 | 160,000 | 160,000 |
| **Total** | **0** | **0** | **0** | **0** | **160,000** | **160,000** |

## Project Timeline

- January - Feasibility Hearing
- March - Award Bids
- June/July - Construct i on

# Mankato Civic Center - Reception Hall Interior Stone Repairs

Department: SALES TAX - CIVIC CENTER

Project Years: 2030 - 2030

## Project Description

Repairs to the interior stone in the Reception Hall (former First National Bank building/Ellerbe Room). In 2021, a facility audit was conducted by a local architecture firm to identify a 10 year needs assessment to ensure the upkeep of this historic structure. Repairs to the interior stone was identified as a near term improvement to ensure the preservation of the historic interior features of the building.The existing limestone slabs installed on the lower portions of the walls are hung with original wire hangers which are deteriorating and have the potential for future failure. Four pieces of stone were reset in 2020 in the bar area of the Reception Hall after some of these hangers failed.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Interior Stone Repairs Reception Hall | 0 | 0 | 0 | 0 | 120,000 | 120,000 |
| **Total** | **0** | **0** | **0** | **0** | **120,000** | **120,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 0 | 0 | 0 | 120,000 | 120,000 |
| **Total** | **0** | **0** | **0** | **0** | **120,000** | **120,000** |

## Project Timeline

- January - Request for Quotat i ons
- June - Construct i on

# Sales Tax - Parking

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| Sales Tax - Parking | 2026 | 2027 | 2028 | 2029 | 2030 | | |
|---|---|---|---|---|---|---|---|
| Projected fund balance | $ 1,343,324 | $ 1,409,324 | $ 1,279,324 | $ 1,003,324 | $ 1,131,324 | | |
| Sales Tax - Parking | $ 216,000 | $ 220,000 | $ 224,000 | $ 228,000 | $ 232,000 | | |
| **Available Funds** | $ 1,559,324 | $ 1,629,324 | $ 1,503,324 | $ 1,231,324 | $ 1,363,324 | | |
| **Project Name** | **2026** | **2027** | **2028** | **2029** | **2030** | **Total** | **Illustrative** |
| Mankato Place Ramp - Center Stairwell Reconstruction | | | $ (500,000) | | | **$ (500,000)** | |
| Ramp Structural Repairs | | $ (100,000) | | $ (100,000) | $ (100,000) | **$ (300,000)** | |
| Skyway Repairs | $ (75,000) | | | | | **$ (75,000)** | |
| Stairway Roof Replacements | | $ (75,000) | | | | **$ (75,000)** | |
| Civic Center Ramp - Tunnel Improvements | $ (75,000) | | | | | **$ (75,000)** | |
| Civic Center Ramp - Elevator Code Upgrades | | $ (175,000) | | | | **$ (175,000)** | |
| Civic Center Ramp - Aesthetic Improvements | | | | | | **$ -** | $ (1,500,000) |
| Mankato Place Ramp - Elevator Code Upgrades | | | | | $ (200,000) | **$ (200,000)** | |
| Civic Center Ramp - Drive Lane Coating Replacement | | | | | | **$ -** | $ (300,000) |
| Mankato Place Ramp - Drive Lane Coating Replacement | | | | | | **$ -** | $ (300,000) |
| Civic Center Ramp - Riverfront Drive Stairwell Reconstruction | | | | | | **$ -** | $ (650,000) |
| **Total** | **$ (150,000)** | **$ (350,000)** | **$ (500,000)** | **$ (100,000)** | **$ (300,000)** | **$ (1,400,000)** | $ (2,750,000) |
| Fund Balance | $ 1,409,324 | $ 1,279,324 | $ 1,003,324 | $ 1,131,324 | $ 1,063,324 | | |
| Fund Balance Target | $ 1,000,000 | $ 1,000,000 | $ 1,000,000 | $ 1,000,000 | $ 1,000,000 | | |
| Project Count | 2 | 3 | 1 | 1 | 2 | | |

# CIP Fund Overview 2026

| Project Name | Project Year | Project Cost |
|---|---|---|
| Civic Center Ramp - Tunnel Improvements | 2026 | 75,000 |
| Skyway Repairs | 2026 | 75,000 |
| **Total** | | **150,000** |

# CIP Fund Overview 2027

| Project Name | Project Year | Project Cost |
|---|---|---|
| Civic Center Ramp - Elevator Code Upgrades | 2027 | 175,000 |
| Ramp Structural Repairs | 2027 | 100,000 |
| Stairway Roof Replacements | 2027 | 75,000 |
| **Total** | | **350,000** |

# CIP Fund Overview 2028

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Place Ramp - Center Stairwell Reconstruction | 2028 | 500,000 |
| Ramp Structural Repairs | 2028 | 0 |
| **Total** | | **500,000** |

# CIP Fund Overview 2029

| Project Name | Project Year | Project Cost |
|---|---|---|
| Ramp Structural Repairs | 2029 | 100,000 |
| **Total** | | **100,000** |

# CIP Fund Overview 2030

| Project Name | Project Year | Project Cost |
|---|---|---|
| Mankato Place Ramp - Elevator Code Upgrades | 2030 | 200,000 |
| Ramp Structural Repairs | 2030 | 100,000 |
| **Total** | | **300,000** |

# Illustrative CIP Fund Overview

| Project Name | Project Year | Project Cost |
|---|---|---|
| Civic Center Ramp - Aesthetic Improvements | 2031 | 1,500,000 |
| Civic Center Ramp - Drive Lane Coating Replacement | 2030 | 300,000 |
| Civic Center Ramp - Riverfront Drive Stairwell Reconstruction | 2030 | 650,000 |
| Mankato Place Ramp - Drive Lane Coating Replacement | 2030 | 300,000 |
| **Total** | | **2,750,000** |

# Civic Center Ramp - Tunnel Improvements

Department: SALES TAX - PARKING

Project Years: 2026 - 2026

## Project Description

The project will include a new concrete raised sidewalk on the existing northbound lane of travel, a reconfigured storm sewer intake structure, painting, and electrical improvements.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Tunnel Improvements | 75,000 | 0 | 0 | 0 | 0 | 75,000 |
| **Total** | **75,000** | **0** | **0** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 75,000 | 0 | 0 | 0 | 0 | 75,000 |
| **Total** | **75,000** | **0** | **0** | **0** | **0** | **75,000** |

## Project Timeline

- January - request for quotations will be released
- September - Construction

# Skyway Repairs

Department: SALES TAX - PARKING

Project Years: 2026 - 2026

## Project Description

Installation of a slip joint expansion seal will be installed at the T intersection by the ramp and the windows will be recaulked from both the interior and exterior.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Skyway Repairs | 75,000 | 0 | 0 | 0 | 0 | 75,000 |
| **Total** | **75,000** | **0** | **0** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 75,000 | 0 | 0 | 0 | 0 | 75,000 |
| **Total** | **75,000** | **0** | **0** | **0** | **0** | **75,000** |

## Project Timeline

- April - Request for Quotations released
- July - Construction

# Civic Center Ramp - Elevator Code Upgrades

Department: SALES TAX - PARKING

Project Years: 2027 - 2027

## Project Description

Replacement of the elevator mechanical equipment and button stations at the Civic Center Ramp. The elevator mechanical equipment will be nearing the end of its useful life in the coming years. Proactive replacement of the equipment is critical to maintaining sufficient access for the public to use this critical facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Elevator Code Upgrades | 0 | 175,000 | 0 | 0 | 0 | 175,000 |
| **Total** | **0** | **175,000** | **0** | **0** | **0** | **175,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 175,000 | 0 | 0 | 0 | 175,000 |
| **Total** | **0** | **175,000** | **0** | **0** | **0** | **175,000** |

## Project Timeline

- February - Feasibility hearing
- April - Bid Award
- July - Construct i on

# Ramp Structural Repairs

Department: SALES TAX - PARKING

Project Years: 2027 - 2030

## Project Description

Every year, staff and a consultant do a visual walk thru of each of the downtown parking ramps as well as an in depth review of one ramp each year. During these reviews, any items of note are identified and staff reach out to contractors for quotes to repair them as soon as practical. Any larger items will be submitted separately through the standard budget process.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Structural Repairs | 0 | 100,000 | 0 | 100,000 | 100,000 | 300,000 |
| **Total** | **0** | **100,000** | **0** | **100,000** | **100,000** | **300,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 100,000 | 0 | 100,000 | 100,000 | 300,000 |
| **Total** | **0** | **100,000** | **0** | **100,000** | **100,000** | **300,000** |

## Project Timeline

Work will be completed as staff time allows each year.

# Stairway Roof Replacements

Department: SALES TAX - PARKING

Project Years: 2027 - 2027

## Project Description

Roof inspections will assist in determining which roofs are replaced next however the north and south stairwell of the Mankato Place Ramp are identified as needing improvement due to previous leaks.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Stairway Roof Replacements | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| **Total** | **0** | **75,000** | **0** | **0** | **0** | **75,000** |

## Project Timeline

- April - Request for quotat i ons
- June/July - Construct i on

# Mankato Place Ramp - Center Stairwell Reconstruction

Department: SALES TAX - PARKING

Project Years: 2028 - 2028

## Project Description

Reconstruction of the center stairwell to incorporate a wider, more accessible staircase. Improve accessibility and aesthetics of the Mankato Place Ramp. City staff receive numerous complaints about this area and improving the look and use of the space will increase the foot traffic thereby reducing the likelihood of continued vandalism.

## Engagement Strategy

Community Investment Plan open house

City website (Community Investment Plan project pages)

Engagement with members of the Parking Special Service District

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Parking ramp improvements | 0 | 0 | 500,000 | 0 | 0 | 500,000 |
| **Total** | **0** | **0** | **500,000** | **0** | **0** | **500,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Capital Replacement Account | 0 | 0 | 500,000 | 0 | 0 | 500,000 |
| **Total** | **0** | **0** | **500,000** | **0** | **0** | **500,000** |

## Project Timeline

- Design: Winter 2024
- Construction: Spring/Summer 2025

# Mankato Place Ramp - Elevator Code Upgrades

Department: SALES TAX - PARKING

Project Years: 2030 - 2030

## Project Description

Replacement of the elevator mechanical equipment and button stations at the Mankato Place Ramp. The elevator mechanical equipment will be nearing the end of its useful life in the coming years. Proactive replacement of the equipment is critical to maintaining sufficient access for the public to use this critical facility.

## Project Uses

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Elevator Code Upgrades | 0 | 0 | 0 | 0 | 200,000 | 200,000 |
| **Total** | **0** | **0** | **0** | **0** | **200,000** | **200,000** |

## Funding and Sources

| | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|
| Sales Tax | 0 | 0 | 0 | 0 | 200,000 | 200,000 |
| **Total** | **0** | **0** | **0** | **0** | **200,000** | **200,000** |

## Project Timeline

- February - Feasibility hearing
- April - Bid Award
- July - Construct i on

# Sales Tax - Riverfront Park

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**Riverfront Park**

| | 2026 | 2027 | 2028 | 2029 | 2030 | |
|---|---|---|---|---|---|---|
| **Projected fund balance** | $ 2,595,000 | $ 2,595,000 | $ 2,801,000 | $ 3,013,000 | $ 3,231,000 | |
| Transfer In - Sales Tax | $ 200,000 | $ 206,000 | $ 212,000 | $ 218,000 | $ 224,000 | |
| **Available Funds** | $ 2,795,000 | $ 2,801,000 | $ 3,013,000 | $ 3,231,000 | $ 3,455,000 | |
| **Project Name** | **2026** | **2027** | **2028** | **2029** | **2030** | Total |
| | | | | | | $ - |
| | | | | | | $ - |
| | | | | | | $ - |
| **Total** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| Fund Balance | $ 2,795,000 | $ 2,801,000 | $ 3,013,000 | $ 3,231,000 | $ 3,455,000 | |

# Sales Tax - Special Projects

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Master Cash Flow
City Sales Tax
Existing and Future Cash Flow
August 2025 Version

| | | | 2026 | 2027 | 2028 | 2029 | 2030 | Totals | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance on January 1** | | | **7,145,671** | **8,202,950** | **10,203,135** | **12,246,026** | **14,329,524** | | **16,405,049** | **18,463,275** | **16,369,106** | **14,311,749** | **12,293,974** | **10,258,683** | **8,264,787** | **6,299,078** | **3,129,987** |
| **Cash Inflows:** | | | | | | | | | | | | | | | | | - |
| Interest | | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | **25,000** | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 10,000 | **75,000** |
| Vehicle Tax | | | 190,000 | 195,000 | 200,000 | 205,000 | 210,000 | **1,000,000** | 215,000 | 220,000 | 225,000 | 230,000 | 230,000 | 230,000 | 230,000 | 230,000 | **3,020,000** |
| Sales Tax Proceeds | | | 6,438,750 | 6,503,138 | 6,568,169 | 6,633,851 | 6,700,189 | **32,844,096** | 6,767,191 | 6,834,863 | 6,903,211 | 6,972,244 | 7,041,966 | 7,112,386 | 7,183,510 | 7,255,345 | **95,615,000** |
| **Available Funds** | | | **13,779,421** | **14,906,088** | **16,976,304** | **19,089,877** | **21,244,714** | | **23,392,240** | **25,523,137** | **23,502,318** | **21,518,993** | **19,570,940** | **17,606,069** | **15,683,297** | **13,794,423** | **181,836,129** |
| | | | | | | | | | | | | | | | | | |
| **Cash Outflows:** | | | | | | | | | | | | | | | | | |
| Debt Service - 2015 Expansion - Principal only | | | | | | | | | | | | | | | | | - |
| *2022A New Debt Service (issue bonds in 2022) | | **$6.41 million; 3%, 16 years** | (546,775) | (540,150) | (538,275) | (540,525) | (536,900) | **(2,702,625)** | (539,400) | (538,100) | (541,100) | (538,400) | (540,000) | (535,900) | (536,100) | (535,500) | **(7,544,025)** |
| *2022C New Debt Service (issue bonds in 2022) | | **$11.955 million, 3.73%, 16 years** | (1,122,175) | (1,120,675) | (1,122,550) | (1,117,800) | (1,116,425) | **(5,599,625)** | (1,118,175) | (1,117,925) | (1,115,675) | (1,116,300) | (1,114,675) | (1,110,800) | (1,114,800) | (1,116,900) | **(15,641,300)** |
| *2024B ASA Debt Service (issue bonds in 2024) | | **$1.515 million, 3.47%, 14 years** | (129,025) | (138,128) | (134,453) | (136,028) | (137,340) | **(674,973)** | (138,390) | (133,927) | (134,715) | (135,240) | (135,503) | (135,503) | (135,240) | (408,660) | **(2,169,490)** |
| **2031 New Debt Service (issue bonds in 2031) | | **$25 million, 4.2%, 6 years** | | | | | | | - | (4,196,079) | (4,196,079) | (4,196,079) | (4,196,079) | (4,196,079) | (4,196,079) | (4,196,079) | **(29,372,553)** |
| | | | | | | | | | | | | | | | | | |
| Bond Interest / Core Block / Admin | | | (1,012,496) | (930,000) | (930,000) | (930,000) | (930,000) | **(4,732,496)** | (930,000) | (930,000) | (930,000) | (930,000) | (930,000) | (930,000) | (930,000) | (930,000) | **(13,102,496)** |
| **Existing Depreciation Funds:** | | | | | | | | | | | | | | | | | |
| Capital Replacement Transfer - RFP | | | (200,000) | (206,000) | (212,000) | (218,000) | (224,000) | **(1,060,000)** | (231,000) | (238,000) | (245,000) | (252,000) | (260,000) | (268,000) | (276,000) | (284,000) | **(3,338,000)** |
| Capital Replacement Transfer - Parking | | | (216,000) | (220,000) | (224,000) | (228,000) | (233,000) | **(1,121,000)** | (238,000) | (243,000) | (248,000) | (253,000) | (258,000) | (263,000) | (268,000) | (273,000) | **(3,398,000)** |
| Capital Replacement Transfer - Airport | | | (432,000) | (441,000) | (450,000) | (459,000) | (468,000) | **(2,250,000)** | (477,000) | (487,000) | (497,000) | (507,000) | (517,000) | (527,000) | (538,000) | (549,000) | **(6,817,000)** |
| Capital Replacement Transfer - Civic Center | | | (595,000) | (607,000) | (619,000) | (631,000) | (644,000) | **(3,096,000)** | (657,000) | (670,000) | (683,000) | (697,000) | (711,000) | (725,000) | (740,000) | (755,000) | **(9,378,000)** |
| **Capital Project Repayments:** | | | | | | | | | | | | | | | | | - |
| Capital Repayment- SE Water Quality Land | | **$390k Balance** | (390,000) | | | | | **(390,000)** | | | | | | | | | **(390,000)** |
| Capital Repayment - LOM Riverbank Stabilization | | **$3.1 MM balance** | | (200,000) | (200,000) | (200,000) | (200,000) | **(800,000)** | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) | (550,000) | **(3,100,000)** |
| Capital Repayment - Kerns Bridge | | **$880k Balance** | (880,000) | | | | | **(880,000)** | | | | | | | | | **(880,000)** |
| **Building Capital Repayments - Internal Financing:** | | | | | | | | | | | | | | | | | - |
| Capital Repayment - CC Expansion | | **$2.6 Balance** | | (150,000) | (150,000) | (150,000) | (150,000) | **(600,000)** | (150,000) | (150,000) | (150,000) | (150,000) | (200,000) | (200,000) | (200,000) | (800,000) | **(2,600,000)** |
| Capital Repayment - Franklin Rogers Park | | **$2.8 Balance** | | (150,000) | (150,000) | (150,000) | (200,000) | **(650,000)** | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (750,000) | **(2,800,000)** |
| Pre-2009 Deficits (Civic Center) | | **$53k Balance** | (53,000) | | | | | **(53,000)** | | | | | | | | | **(53,000)** |
| Projected Expenditures | | | (5,576,471) | (4,702,953) | (4,730,278) | (4,760,353) | (4,839,665) | **(24,609,719)** | (4,928,965) | (9,154,031) | (9,190,569) | (9,225,019) | (9,312,256) | (9,341,281) | (9,384,219) | (11,148,139) | **(101,133,863)** |
| | | | | | | | | - | | | | | | | | | |
| **Balance on December 31** | | | **8,202,950** | **10,203,135** | **12,246,026** | **14,329,524** | **16,405,049** | | **18,463,275** | **16,369,106** | **14,311,749** | **12,293,974** | **10,258,683** | **8,264,787** | **6,299,078** | **2,646,284** | |
| Minimum Bond Reserve | | | 1,798,953 | 1,795,278 | 1,794,353 | 1,790,665 | 1,795,965 | | 5,986,031 | 5,987,569 | 5,986,019 | 5,986,256 | 5,978,281 | 5,982,219 | 6,257,139 | 0 | |
| Regional Rec Fund Balance | | | 440,000 | 440,000 | 440,000 | 440,000 | 440,000 | | 440,000 | 440,000 | 440,000 | 440,000 | 440,000 | 440,000 | 440,000 | 440,000 | |

# General Financial Policies

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# City of Mankato
# Financial Management Policies

# Table of Contents


**Overview** ..... 6

**Auditor Independence** ..... 6

**Budgetary and Financial Control** ..... 7

Overview ..... 7

Operating Budget ..... 8

**Capital Assets** ..... 10

Overview ..... 10

Capital Asset Definitions and Categories ..... 10

Capitalization Thresholds ..... 16

Acquisition of Capital Assets ..... 16

Best Practices ..... 17

Depreciation of Capital Assets ..... 18

Capital Assets Estimated Useful Life ..... 18

**Capital Improvement Program** ..... 21

**Conduit Debt** ..... 22

Overview ..... 22

Policy ..... 22

Other Information ..... 24

**Debt Management** ..... 25

Overview ..... 25

Policy ..... 25

**Electronic Payments** ..... 26

Overview ..... 26

Definitions ..... 27

Policy ..... 28

**Expense Reimbursement & Travel** ..... 28

Overview ..... 28

Authorization ..... 28

Reimbursement Guidelines ..... 29

Reimbursable Expenses ..... 29

Mayor and Council Members ..... 30

**Interfund Loans** ..... 30

Overview ..... 30

Policy ..... 31

**Investments** ..... **31**
Overview ..... 31
Scope ..... 31
Objectives ..... 31
Safety ..... 32
Liquidity ..... 32
Yield ..... 32
Delegation of Authority ..... 33
Investment Advisors ..... 33
Prudence ..... 33
Internal Controls ..... 33
Authorized Investments and Collateralization ..... 34
Diversification ..... 36
Performance Standards ..... 37
Marking to Market ..... 37
Conflict of Interest ..... 37
Broker Representations ..... 37
Financial Reporting ..... 37
**Inventory Assets** ..... **38**
**Petty Cash** ..... **39**
Employee Reimbursements ..... 39
Cash Drawers ..... 39
**Post-Issuance Compliance** ..... **40**
Overview ..... 40
Expenditure/Use of Bond Proceeds ..... 40
Use of Bond Financed Property ..... 41
Investments ..... 41
Record Management and Retention ..... 42
Overall Responsibility ..... 42
Exhibit A: Reimbursement Bond Summary ..... 43
Exhibit B: Summary of Revenue Procedure 97-13 ..... 43
Exhibit C: Remedial Provisions Applicable to Bonds ..... 47
**Purchasing** ..... **49**
Overview ..... 49
General Purchasing Guidelines ..... 49

Purchase and Bidding Requirements....50
Sealed Bidding Process....50
Awarding Contracts....52
Rejecting Bids....52
"Best Value" Procurement Alternative....53
State Contract Purchases....54
Guaranteed Energy Savings Agreements....54
IC – 134 - Withholding Certificates....54
Responsible Contractor Compliance....55
Certificate of Insurance....55
Change Orders....55
Supplementary Agreements....57
Purchase or Lease of Used Public Safety Equipment....57
Contracts, Leases and Lease Purchases....57
Federal Awards....57
Quick Reference Guide to Federal Awards Governed by Uniform Guidance....57
Purchase Cards....57
Emergency Purchases....58
Sales Tax....58
Out of State Purchases....58
Classified Advertisement Websites (Craigslist, Facebook Marketplace, etc.)....58
1099 Information....59
**Revenues....59**
Policy....59
Revenue Collections....60
**Risk Management....60**
Overview....60
Policy....61
**Standards of Conduct....61**
Receipt or Solicitation of Gifts (Gift Law)....61
Personal Conflicts of Interest....62
**Federal Grant Policy....62**
General Grant Guidance....63
Internal Controls....65
Travel....65

Financial Management and Accounting Records....65
Documentation .... 66
Personnel Compensation Documentation.... 67
Conflict of Interest .... 67
Activities Allowed/Un-allowed and Allowable Costs/Cost Principles ....68
Cash Management .... 68
Eligibility.... 69
Equipment and Real Property Management.... 69
Procedures for Disposition of Equipment .... 69
Matching, Level of Effort and Earmarking .... 70
Period of Performance.... 71
Procurement, Suspension and Debarment .... 71
Program Income .... 74
Reporting.... 74
Financial Reporting .... 76
Sub-recipient Monitoring .... 76
Special Tests and Provisions .... 77
Fund Balance Reserve Policy….78
Fund Balance Classification……...78
Fund Balance Targets…….79
Monitoring and Replenishment of Reserves……...79

## OVERVIEW

The City of Mankato (the City) is responsible to its taxpayers to carefully account for public funds, to manage municipal finances wisely, and ensure it is capable of adequately funding and providing local government services needed by the community. Financial policies provide the framework for the overall fiscal management of a city.

Employees are responsible for being aware of and following City policies and state and federal statutes. This single resource guide has been compiled for the convenience of employees to assist with the faithful discharge of duties. These financial policies will be reviewed periodically to determine if changes are necessary. The reference to management in these policies refers to City management unless defined otherwise.

## AUDITOR INDEPENDENCE

In accordance with the Government Accountability Office, the authority on local government audits, in all matters relating to audit work, the external auditor shall be free both in fact and appearance from personal, external and organizational impairments to independence.

- The City's external audit organization shall not be responsible for designing, developing and/or installing the City's accounting system or its operating system where this system generates information used in preparing financial statements for the City of Mankato.
- External auditors shall not develop a performance measurement system, or any other system relied upon in developing financial statements.
- The external auditors may prepare draft financial statements, schedules or perform other duties provided they are based on City management's direction and the work results in a recommendation to City management.
- Decisions based on the external auditor's recommendations must be approved by City management.
- External auditors shall provide routine advice to the City of Mankato and its management to assist them in activities such as establishing internal controls or implementing audit recommendations and can answer the technical questions and provide training, however, they may not direct or unduly influence management with those decisions.

Any non-audit work related to tax rulings, arbitrage, attestation, compilation, sales tax audits, counted value audits and financial report assistance proposed by the auditors must be approved by the City Manager prior to hiring them.

# BUDGETARY AND FINANCIAL CONTROL

## Overview

General budgetary and financial control is to be centralized in one department whose functions shall include, but not be limited to, the following:

- Budget compilation
- Budget monitoring
- Income and expenditure projections
- Capital improvement financing
- Risk management (see Risk Management Policy)
- Screening of Conduit Debt applications (see Conduit Debt Policy)
- Cash and investment management (see Investment Policy)
- Monitoring financial data for warning signals or trends
- Preparing financial summary reports for key funds at least quarterly
- Maintaining a detailed inventory listing of all material fixed assets to adequately ensure proper accounting of assets.
- Conducting financial analysis to provide the future staffing and operational expenditure implications.
- Accounts Receivable
- Receipts, Collections and Customer Billing
- Accounts Payable

The City will maintain a program for the investment of funds consistent with the City's Investment Policy.

## Operating Budget

The City will develop two-year budgets in odd numbered years. In even numbered years, the previously developed budget for the following year will be fine-tuned, as necessary. The City will:

- Adopt a balanced operating budget for the General Fund. A balanced budget is one in which revenues and other financing sources are equal to expenditures and other financing uses.
- Pay for current expenditures with current revenues.
- Avoid, if possible, balancing current revenues with funds needed for future expenditures.
- Not budget to accrue future revenues.
- Place excess revenue from a specific fiscal year into the City's reserves in a manner consistent with the City's fund balance reserve policies.
- Avoid postponing expenditures, rolling over short-term debt, and using reserves to balance the operating budget.
- Set the salary or wages of each City employee through a determination by the City Manager, within the pay range for such employee established by the City Council.
- Protect against unforeseen events; the City Council may budget for and maintain a contingency reserve in accordance with the City's fund balance reserve policies.
- Appropriate administrative and general government costs to all its funds as appropriate and practical. These charges will be identified in the annual budget.
- Monitor revenues and departmental expenditures through the collaborative effort of the City Council, City Manager and Department Heads to ensure adherence to budgeted amounts. Budget roll-up group expenditures may not exceed the total budgeted amount. However, individual line items within a specific budget roll-up group may be exceeded. If budgeted roll-up group expenditures exceed or are expected to exceed the allotted budgeted amount, the Department Head can request a budget amendment which requires approval of the City Manager and/or Director of Administrative Services.
- Review and update the schedule of fund balances, reserves and working capital in all other operating funds of the City and determine adequacy of those money balances, using specified guidelines and criteria in conjunction with the budgets set annually.

The operating budget policies ensure the City's annual operating expenditures are consistent with past expenditures and respond to long-term objectives rather than short-term benefits. The policies allow the City to maintain stable levels of service, expenditures, and tax levies over time. These policies are most critical to programs funded with property tax revenue because accommodating large fluctuations in this revenue source can impose hardship on the citizens.

Department Heads will be responsible for administration of their respective Department Budgets and are required to submit requests for any required budget adjustments, such as supplemental appropriations, to the City Manager and Director of Administrative Services before the program incurs cost overruns for the annual budget period.

Primary responsibility for the management of budgeted funds lies with the Department Heads. Such management includes, but is not limited to, reviewing expenditures before authorization, reviewing monthly financial reports to detect errors and assess progress, and staying within expense or expenditure budget authorization. All costs incurred must be reasonable and necessary. Department Heads shall be responsible for contacting City Manager or Director of Administrative Services should there be any questions regarding financial management or if the issue or concern is related to internal controls. The City Manager and Director of Administrative Services will routinely monitor overall budget operating progress throughout the year.

- The City will not use one-time accounting principal changes to balance the budget for any fund.

- The City will provide ample time and opportunity for public input into its budget deliberations each year.

- The City Manager may make transfer of appropriations within a fund or organization code. The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a fund or organization code. Upon written request by the City Manager, the City Council may transfer, by resolution, part of or all of any unencumbered appropriation balance from one fund or organization code to another.

- City Council approval is required for budget changes that reduce the amount of an appropriation. The budget changes can be made at any City Council meeting with prior approval from the City Manager.

- Annual requests to encumber current year funds must be sent to the Director of Administrative Services by mid-January. Encumbrance requests must be submitted on a prescribed form and have the available current year funds remaining in their budget roll-up. The City Manager and the Director of Administrative Services must approve all encumbrances for Departments to carry over into the following year. These approved encumbrances will be treated as accounts payable, on the general ledger at year end, as the City does not allow unused budgets to carry-over into the following year.

- The modified accrual basis will be used for all governmental funds in the budget. Under this basis, revenues are recognized in the accounting period as they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. The accrual basis will be used for the budgets of the enterprise funds in the operating budget. Under this basis, revenues are recognized in the accounting period that they are earned and measurable. Expenses are recognized in the accounting period that they are incurred, if measurable. The basis of budgeting is the same as the basis of accounting used in the City's audited financial statements.

The City will establish and maintain the highest standard of accounting practices, in conformity with Generally Accepted Accounting Principles (GAAP) and with recommended best practices as promulgated by the Government Finance Officers Association (GFOA).

The City will arrange for an annual audit of all funds and account types by independent certified public accountants qualified and licensed to issue such reports.

The City will strive to obtain each year the annual GFOA Certificate of Achievement for Excellence in Financial Reporting.

Regular monthly reports will present a summary of financial activity by major type of funds as compared to budget. Department Heads will review monthly reports comparing actual revenues and expenditures to the budgeted amounts.

The City will strive to obtain, each year, the GFOA Distinguished Budget Award and the Certificate of Achievement for Excellence in Financial Reporting.

The City integrates key performance indicators to measure operational performance where practical. Performance data for individual departments are included in the budget document. Performance data should be directly related to the stated goals and objectives of the unit and focus on results and accomplishments rather than inputs. Performance indicators should provide a meaningful way to assess the effectiveness and efficiency of each operational unit.

# CAPITAL ASSETS

## Overview

It is the policy of the City to maintain appropriate procedures regarding the procurement, management, and disposal of all capital assets in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34). The Capital Assets Policy addresses classes of assets, determination of useful lives, and calculation of depreciation.

Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, easements, works of art and historical treasurers acquired by the City for use in providing services to its citizens. A capital asset is to be reported and depreciated in government-wide financial statements. In the government-wide financial statements, assets not capitalized are expended in the year of acquisition.

Capital assets purchased with debt proceeds will be depreciated over their estimated useful lives. Capitalizing these assets will minimize the potential of reporting negative net assets in the statement of net assets.

## Capital Asset Definitions and Categories

**Land** - is the surface or crust of the earth, which can be used to support structures, and may be used to grow crops, grass, shrubs, and trees; and is characterized as having an unlimited life. Land is to be capitalized but not depreciated. It is recorded at historical cost and remains at that cost until disposal. If there is a gain or loss on the sale of land it is reported as a special item in the statement of activities.

**Land Improvements** - consist of betterments, site preparation, and site improvements (other than buildings) that ready land for its intended use. The costs associated with improvements to land are added to the cost of the land. Land improvements can be further categorized as inexhaustible, not requiring maintenance or replacement; or exhaustible, e.g., parking lots, landscaping and fencing.

Examples of items to be capitalized as land and land improvements include:

- Purchase price or fair value
- Commissions
- Professional fees, includes title searches, architect, legal, engineering, appraisal, surveying, environmental assessments
- Land excavation, fill, grading, and drainage

- Demolition of existing buildings and improvements, less salvage
- Removal, relocation or reconstruction of property owned by others, i.e., power, telephone and railroad lines
- Interest on mortgages accrued at date of purchase
- Accrued and unpaid taxes at date of purchase
- Other costs incurred in acquiring the land
- Water wells, including initial cost for drilling, the pump and its casing
- Permanent right-of-way

**Other Improvements** - include land improvements that are exhaustible in nature and enhance the quality or facilitate the use of land for a specific purpose.

Examples of items to be capitalized as other improvements include:

- Fencing and gates
- Landscaping
- Parking lots, driveways, and parking barriers
- Outdoor sprinkler and irrigation systems
- Recreation areas and athletic fields, including bleachers
- Paths and trails
- Septic systems
- Stadia
- Swimming pools, tennis courts, basketball courts, skate parks
- Fountains
- Plazas and pavilions
- Retaining walls

**Buildings** - refer to a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable. Certain buildings or structures that are ancillary parts of infrastructure networks, such as well houses and pumping stations will be reported as infrastructure rather than as buildings.

Example of items to be capitalized as building:

*Purchased Buildings:*

- Original purchase price
- Expenses for remodeling, reconditioning, or altering a purchased building to make it ready for its intended purpose
- Environmental complies, i.e., asbestos abatement
- Professional fees, includes architect, engineer, management fees for design and supervision, legal
- Cancellation or buyout of existing leases
- Other costs required to place or render the asset into operation

*Constructed Buildings:*

- Completed project costs
- Cost of excavation or grading or filling of land for a specific building
- Expenses incurred for the preparation of plans, specifications, blueprints
- Building permits
- Costs of temporary buildings used during construction
- Additions to buildings, i.e., expansions, extensions, or enlargements

**Building Improvements** - include capitalized costs that materially extend the useful life of a building or increase the value of a building, or both, beyond one year. Building improvements should not include maintenance and repairs done in the normal course of business.

Examples of items to be capitalized as building improvements include:

- Installation or upgrade of heating and cooling systems, including ceiling fans and attic fans
- Original installation or upgrade of wall or ceiling covering such as carpeting, tiles, paneling, or parquet
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, rafters, joists, steel grids, or other interior framing
- Installation or upgrade of window or doorframes, upgrading windows or doors, built-in closet and cabinets
- Interior renovation of casings, baseboards, light fixtures, ceiling trim
- Installation or upgrade of plumbing and electrical wiring
- Installation or upgrade of telecommunication system

Example of items considered repairs or maintenance in nature and should not be capitalized as buildings or building improvements include:

- Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value of the building
- Improvement projects of minimal or no added life expectancy and/or value to the building
- Plumbing or electrical repairs
- Cleaning; pest extermination, or other periodic maintenance
- Interior decoration, i.e., draperies, blinds, curtain roads, wallpaper
- Exterior decoration, i.e., detachable awnings, uncovered porches, decorative fences
- Maintenance-type interior renovation including repainting, touch-up plastering, replacement of carpet, tile, or pane sections, and refinishing of sinks and fixtures
- Replacement of a part or component of a building with a new part of the same type and performance capabilities, e.g., replacement of an old boiler with a new one of the same type and performance capabilities
- Any other maintenance-related expenditure, which does not increase the value of the building

**Equipment, Machinery, and Vehicles** - refer to fixed or movable tangible assets used for operations, the benefits of which extend beyond one year from date of receipt.

Examples of expenditures to be capitalized as equipment, machinery, and vehicles include:

- Original contract or invoice price
- Freight charges
- Handling and storage charges
- In-transit insurance charges
- Sales, use, and other taxes imposed on the acquisition
- Installation charges
- Charges for testing and preparation for use
- Cost of reconditioning used items when purchased
- Parts and labor associated with the construction of equipment, machinery, or vehicle

Note that the cost of extended warranties and/or maintenance agreements, which can be separately identified from the cost of the equipment, machinery, or vehicle shall not be capitalized.

**Infrastructure Assets** - are long-lived capital assets that are linear and stationary in nature and can be preserved for a significantly greater number of years than most capital assets.

Examples of infrastructure assets include:

- Roads, streets, curbs, gutters, sidewalks
- Bridges
- Water and sanitary sewer systems
- Drainage and storm water systems
- Streetlight systems
- Signage

Infrastructure assets shall be capitalized and depreciated unless the modified approach is used. The modified approach is an alternative to reporting depreciation for infrastructure assets that meet the following criteria:

- The assets are managed using a qualifying asset management system; and
- It is documented that the assets are being preserved at or above a condition level established by the City.

Under the modified approach the infrastructure, infrastructure assets are being maintained over time at a consistent physical condition level determined in advance by the government, assets are not depreciated, and only the costs that increase the capacity or efficiency of the asset are capitalized, while all other expenditures that preserve the useful life of the assets are expensed. Only infrastructure assets that comprise a network or subsystem of a network can be reported using the modified approach.

**Other Capital Assets** - includes computer software that is either purchased or developed for internal use, which should be capitalized, if the cost of the software exceeds the capitalization threshold and depreciated over the software's estimated useful life. Capitalization of computer software includes software license fees if the total dollar amount of the fee divided by the number of units or terminals exceeds the threshold.

Examples of expenditures to be capitalized as computer software include:

- External direct costs of materials and services, i.e., third-party fees for services.
- Costs to obtain software from third parties.
- Travel costs incurred by employees in their duties directly associated with development.
- Payroll and payroll-related costs of employees directly associated with or devoting time to encoding, installing, or testing.
- Costs to develop or obtain software that allows for access or conversion of old data by new information systems.

Note that upgrades and enhancements should only be capitalized to the extent that they increase the functionality of the product.

**Leased Property -** Any transaction meeting the definition of long-term leased property as defined by GASB standards, would be recorded as a lease payable and will be measured at the present value of the payments under the provisions of the lease. The asset would equal the lease liability plus any prepayments and certain initial direct costs. An exception is made for a short-term lease arrangement.

In the governmental funds, which report on a modified accrual basis, capital assets and long-term liabilities are not reported. Rather, when a lease is entered into the government reports an expenditure equal to that present value amount and another financing source - capital lease agreement.

## Capitalization Thresholds

For financial reporting purposes only, the City will classify and establish capitalization thresholds for each asset class as follows:

| Capital Asset Classification | Capitalization Threshold |
|---|---|
| Land | $1 |
| Land Improvements | $25,000 |
| Other improvements | $25,000 |
| Building and building improvements | $50,000 |
| Machinery and equipment | $10,000 |
| Vehicles | $10,000 |
| Infrastructure | $50,000 |
| Construction-in-progress | Accumulate all costs and capitalize if over $25,000 when complete. |
| Other assets | $10,000 |

All information in regard to the City asset acquisition, retention, and disposal is maintained and reported to the Administrative Services Department-Finance.

## Acquisition of Capital Assets

Report capital assets at historical costs, which includes most costs necessary to placing a capital asset into its intended use or state of operation. Historical cost includes the vendor's invoice, the value of any trade-in or allowance, sales tax, initial installation cost (excluding in-house labor), modifications, attachments, accessories, or apparatus; and ancillary charges such as freight and transportation charges, site preparation costs, and professional fees.

In the event the historical cost of a capital asset is not determinable, it will be necessary to record an estimated historical cost of the asset using alternative methods. Alternative methods include standard costing and normal costing. Standard costing estimates the historical cost of a capital asset by establishing the average cost of obtaining the same or a similar asset at the time of acquisition.

Normal costing estimates historical cost based on the current cost to either reproduce or replace the capital asset, indexed by a reciprocal factor from the estimated acquisition date, i.e., taking the value of acquiring the asset new today and then discounting that amount by an appropriate inflation factor back to the date of acquisition.

A significant issue when recording capital assets is the question of when an expenditure is capitalized as an improvement versus recorded as repairs or maintenance expense. The key consideration for determining whether to capitalize expenditures depends on whether the cost incurred, significantly extends the asset's useful life, increases its capacity, or improves its efficiency. Capitalize asset improvement costs if:

- The costs exceed the capitalization thresholds; and
- One of the following criteria is met:
    - The value of the asset or estimated life is increased by 25% of the original cost of life period
    - The cost results in an increase in capacity of the asset; or
    - The efficiency of the asset is increased by more than 10%.

If the above criteria are not met, then the cost should be recorded as a repair and maintenance expense within the appropriate expense function.

Capital assets donated to the City shall be reported at fair value. Fair value is the amount at which an asset could be exchanged in a current transfer at *arm's length* between willing parties, other than in a forced or liquidation sale. Donations are defined as voluntary contributions of resources to the City by a non-governmental entity. A voluntary contribution of resources between governmental entities is not a donation.

## Best Practices

The responsibility for the custody, use, control, and care of City property lies within each department. The following best practices should be applied:

- Assets should be tagged, where practicable, with a unique identifier.
- All assets should be properly secured to deter theft, damage, or improper use.
- Periodic physical inventories of capital assets should be performed not less than annually to ensure the physical accountability of all capital assets and accuracy of financial records. The physical inventory should be performed by employees other than those responsible for the custody of the related assets or an outside firm.
- It is each City employee's responsibility to use property only for City purposes and to exercise reasonable care for its safekeeping.
- City assets should be properly maintained to prevent shortening of their useful life.
- Transfers of assets to a different department or disposals must be communicated to Finance within 30 days.

## Depreciation of Capital Assets

Depreciation is the process of allocating the cost of a tangible asset to the periods of benefit. Capital assets shall be depreciated over their estimated useful life with exception of the following:

- Inexhaustible assets, i.e., land, and land improvements that do not require maintenance or replacement, e.g., certain works of art and historical treasures.
- Infrastructure assets reported using the modified approach.
- Construction work-in-progress.

For financial purposes the City will use the straight-line method of depreciation, which allocates the cost evenly over the life of the asset. Generally, at the end of an asset's life, the sum of the amounts charged for depreciation in each accounting period, or accumulated depreciation, will equal the original cost less salvage value.

Assets should be periodically evaluated to identify low-performing or idle assets that may need to be sold or disposed of.

## Capital Assets Estimated Useful Life

**Other Improvements**

| | |
|---|---|
| Fencing and gates | 20 years |
| Landscaping | 10 years |
| Parking lots, driveways, and parking barriers | 20 years |
| Outdoor sprinkler and irrigation systems | 20 years |
| Recreation areas and athletic fields, including bleachers | 20 years |
| Paths and trails | 20 years |
| Swimming pools, tennis courts, basketball courts, skate parks | 20 years |
| Outdoor lighting | 20 years |

**Building and Building Improvements**

| | |
|---|---|
| Buildings | 40 years |
| Roof | 20 years |
| HVAC (heating, ventilation, air conditioning) | 20 years |
| Electrical | 30 years |
| Plumbing | 30 years |
| Sprinkler system | 20 years |
| Security and fire alarm system | 10 years |
| Cabling | 10 years |
| Floor covering other than carpet | 15 years |
| Carpeting | 10 years |
| Interior construction | 15 years |
| Interior renovation | 10 years |
| Elevators | 20 years |

**Equipment, Machinery, and Vehicles**

| | |
|---|---|
| Audio visual equipment | 5 years |
| Business machines and office equipment | 5 years |
| Telecommunication equipment | 5 years |
| Computer equipment and software | 5 years |
| Fire Department equipment | 10 years |
| Furniture and fixtures, excluding structural components of a building | 10 years |
| Grounds equipment (mowers, tractors, bobcats) | 8 years |
| Kitchen equipment (appliances) | 10 years |
| Lab equipment | 10 years |
| Law enforcement equipment | 5 years |
| Machinery, tools and other equipment | 5 years |
| Outdoor equipment (playgrounds, scoreboards) | 15 years |
| Photocopiers | 5 years |
| Cars, light general-purpose trucks (actual weight less than 13,000 pounds) | 10 years |
| Heavy general-purpose truck and equipment e.g., front loaders, graders (Actual weight greater than 13,000 pounds) | 15 years |
| Firefighter trucks | 15 years |

**Infrastructure**

| | |
|---|---|
| Roads, streets, curb, and gutter | 20 years |
| Parking lots | 20 years |
| Sidewalks | 20 years |
| Water, sanitary sewer, storm sewer systems | 50 years |

[1] Estimated useful life values derived from the Internal Revenue Service Alternative Depreciation System (ADS) but adjusted by staff for the needs of the City.

## CAPITAL EQUIPMENT DISPOSAL

**Selling Capital Equipment Assets to External Entities -** Departments can sell capital equipment assets that were purchased with non-sponsored or sponsored funds to external entities. The accounting for the transaction is dependent on the source of the funds, status of the project and the type of disposal. The City must have title to the asset before it can be sold. Finance can verify the City has title to the equipment. Contact Finance for assistance in determining ownership. **Selling Capital Equipment Assets that were Purchased with Sponsored Funds -** Departments can sell capital equipment assets that were purchased with sponsored funds; however, only when the capital equipment is no longer needed for the original project or program. Prior to selling, the department must use the equipment in connection with other federally-sponsored activities, in the following order of priority: (1) activities sponsored by the federal awarding agency which funded the original project, then (2) activities sponsored by other federal awarding agencies. If such activities don't exist, the department can sell the capital equipment.

**Departments must:**

1. Be good stewards of City property to ensure the Fair Market Value (FMV) or selling price is appropriate.
    - Determine the net book value (NBV) by using the existing asset management reports in the Tyler Munis Asset Management module.
    - For assistance in determining the NBV or ownership, please contact Finance.
    - The asset should be sold at Fair Market Value. Determine FMV by obtaining an official appraisal or comparable price information from three different external sources (EBAY, Vendor, etc.) in writing (print screen is acceptable).
2. Complete form *Capital Equipment Asset Disposal* form.
3. Forward the form to Finance.
    - The Department Head, Director of Administrative Services or City Manager's signature is required on this form.
4. Administrative Services - Finance will review the form to ensure the City has title to the asset.
5. If Administrative Services - Finance authorizes the disposal, an approved copy will be sent back to the submitting department.
    - The disposal cannot occur if it has not been approved by Administrative Services.
6. When the approved copy is received by the department, the property may be sold to the buyer.
    - The capital equipment asset number should be removed before the item leaves the City premises.
7. The Department must create an invoice within Tyler-Munis to the buyer for the amount of the sale.
8. The buyer should pay the department with a check made out to "City of Mankato."
9. The buyer must sign a receipt for the property. The receipt must be retained by the department, along with the approved *Capital Equipment Asset Disposal* form.
10. Administrative Services – Finance will make the appropriate adjustments in the Tyler Munis Asset Management module.

Other Consideration:

- Vehicles: All vehicle sales must go through the Central Garage Superintendent.

Technology: All technology sales must be approved by the Information Technology Director to be approved. IT will also ensure any technology asset is properly disposed of any data associated with the organization.

# CAPITAL IMPROVEMENT PROGRAM

As part of the annual operating budgeting process a community investment plan is created which identifies short-term and long-term initiatives. This plan is comprised of two sections – surface transportation, capital replacement and sales tax construction – and reflects all identified capital improvement activity for a five-year period and is updated on an annual basis.

Capital improvements for the upcoming year will be incorporated into the operating budget.

The adoption of the five-year capital improvement is to assist in planning and provide direction for City departments, but it does not establish permanent City Council commitment to projects either in scope or timeline for construction. In the plan, the City will:

- Identify the estimated cost and potential funding sources for each capital project before the proposal is submitted to the Council for approval and in that process will determine the most effective financing method for the proposed project. All construction projects shall include at least a ten percent contingency prior to receiving bids.

- Ensure all capital improvements in accordance with the adopted capital improvement program, or as it is amended by the Council. Capital purchases, not otherwise funded through an approved budget, shall require City Council approval.

- Enact each five-year capital improvement program based on a rolling multi-year capital improvement plan update.

- Coordinate development of the capital improvement budget with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.

- Use inter-governmental assistance to finance only those capital improvements that are consistent with the capital improvement plan and City priorities and operating and maintenance costs have been included in operating budget forecasts.

- Maintain all assets at a level adequate to protect the City's and its citizens' capital investment and to minimize future maintenance and replacement costs.

# CONDUIT DEBT

## Overview

Under the Minnesota Municipal Industrial Development Act, *Minnesota Statutes, Sections 469.152 to 469.1655* (the "Industrial Development Act"), the City of Mankato, Minnesota has authority to issue revenue bonds or notes to attract or promote economically sound industry and commerce to the City, including the development of facilities by qualified 501(c)(3) organizations.

Under Minnesota Statutes, Chapter 462C (the "Housing Act") the City is authorized to issue housing revenue bonds to finance multi- family residential housing projects for low- and moderate-income persons and elderly persons.

The City Council is aware that such financing for certain private activities may be of benefit to the City and will consider requests for tax exempt financing subject to these Guidelines. The City Council considers tax exempt financing to be a privilege, not a right.

It is the judgment of the City Council that tax exempt financing is to be used on a selective basis to encourage certain development that offers a benefit to the City as a whole, including employment and housing opportunities. It is the applicant's responsibility to demonstrate the benefit to the City. The applicant should understand that although approval may have been granted by the City for the issuance of financing for a similar project or a similar debt structure that is not a basis upon which approval will be granted. Each application will be judged on the merits of the project as it relates to the public purposes of the Housing Act or the Industrial Development Act and the benefit to the City at the time the request for financing is being considered.

## Policy

The City Council will consider tax exempt financing for manufacturing and health care facilities, and other facilities operated by qualified 501(c)(3) organizations, under the Industrial Development Act; and housing projects under the Housing Act. An applicant for tax-exempt financing pursuant to the Industrial Development Act must submit to the City the application on the form prescribed by the City Clerk.

The project must be a positive benefit to the City. The project must be of a nature that the City wishes to attract, or an existing business which the City wishes to retain or expand within the City, considering employment opportunities, incentive for further development, impact on City services, and support for the industrial, commercial or health care operations currently located in the City. A housing project must provide significant housing opportunities for low- and moderate-income persons or the elderly.

City staff, upon request, may grant an applicant a pre-application review. The purpose of the pre-application review is to inform applicants of the possibility of rejection or the possible basis for such a rejection. The fact that the project is not rejected at the pre-application stage is not to be construed as approval of the project or as an indication that the project will be approved upon formal request to the Council. Requests for tax-exempt financing may be rejected by the City whether or not the project was submitted to a pre-application review and regardless of the outcome or recommendation of that pre-application review.

A request for pre-application review must be in writing, addressed to the City Manager, and set forth the name of the project, the type of project intended and the name, address and telephone number of the person who will be representing the applicant at the pre-application review, together with such additional information as the applicant desires to submit.

The City will appoint bond counsel for the bond issue, which will normally be the City's regularly retained bond counsel.

Pursuant to the Industrial Development Act and the Housing Act, consideration of an application for tax exempt financing must be done at a public hearing held by the Council.

The City is to be reimbursed and held harmless for and from any out-of-pocket expenses related to the tax-exempt financing including, but not limited to, legal fees, financial advisor fees, and bond counsel fees, the City's expenses in connection with the application, and any deposits or application fees required under state law to secure allocation of bonding authority.

A non-refundable application fee in the amount of $2,500 must be included with the submission of the application, and a $7,500 refundable fee to be applied to the expenses of the City, any additional costs incurred by the City will be paid by the applicant.

- **Projects within City limits - .6% of bond issue amount**
    - Prior to closing and delivery of the bonds for the project, the applicant must pay to the City, or commit to pay a one-time administrative fee equal to .6% of principal of the bonds issue amount for any project commencing within City limits.
- **Projects outside of City limits - 1% of bond issue amount**
    - Revenue bonds issued for projects outside of the City limits shall be charged a one-time administrative fee equal to 1.0% of the bond issue amount. Notwithstanding anything to the contrary herein, the administrative fees required by this paragraph will be reduced to the extent needed to ensure that the fee does not affect the tax-exempt status of the bonds under Internal Revenue Code of 1986, amended and related regulations.

Should the tax-exempt financing request cause the City's total bonding for the year to exceed $10,000,000 in a year the City would otherwise be eligible to issue bank qualified bonds, (bonds with tax incentives to banks), any interest rate differential between bank qualified and non-bank qualified bonds shall be estimated and the difference paid by the borrower. If the City would have exceeded this amount without the tax-exempt issue, no differential would be calculated or paid by the borrower.

Applications for financing must be made on the forms attached to these Guidelines. In addition, the applicant must furnish a description of the project, together with a brief description of applicant and the proposed financing in such form as required at the time of application. The City will not review financial statements, nor form any opinions as to the financial success of the proposed business plan.

The City may, in its sole discretion, withdraw its preliminary approval of a project any time if in its judgment the purposes of the Act will not be served by going forward with the project and its financing.

## Other Information

**Ratings**

The City will give its most favorable consideration to proposed tax-exempt bond issues that have the rating of "A" or better by Moody's Investment Service or Standard & Poor's Corporation. Issues carrying lower ratings or non-rated issues may be sold only to institutional or other investors on a private placement basis and must be in denominations of at least $100,000. A lower denomination, but not less than $25,000, may be allowed if specifically authorized by the City Council in cases where the bonds are rated above investment grade and the bonds are sold only to institutional or accredited investors as defined under the Securities Act of 1933. The City Council may depart from this guideline when, in its judgment, the project is of a level of merit and public purpose to justify the departure; and in the case of such a departure, the City Council must state its reasons therefore in the resolution awarding the sale of bonds.

**Refundings**

The City Council will normally approve the refunding of a tax-exempt issue but only upon a showing by the applicant of (i) substantial debt service savings, (ii) the removal of bond covenants significantly impairing the financial feasibility of the project, or (iii) both (i) and (ii). In the case of refunding of bonds, a one-time administrative fee of .025% of the bond issue amount and the non-refundable administrative application fee of $2,500 must be paid together with reimbursing the City all out of pocket costs. If the original financing was not completed with the City of Mankato, a fee of 0.50% of the bond issue amount shall be charged for the refunding. Such fees must be paid in full prior to closing the refunding bonds.

**Subsequent Proceedings**

Where changes to the underlying documents or credit facilities of outstanding bond issues are to be made and require Council action (including changes that are a "deemed reissuance" under Internal Revenue Service regulation), no administrative fee is charged but a non-refundable fee of $2,500 must be deposited with the City to cover administrative costs. Additional costs incurred by the City will be paid by the applicant. No formal application form is required.

**Issue by another Political Subdivision**

The City may consider requests for tax-exempt financing of projects in the City by other political subdivisions in cases where the project is done in conjunction with other communities, the financing needed for the [City Name] portion is small as compared to the total multi-jurisdictional project and where the development provides community services to the vicinity including [City Name]. In these cases, the non-refundable application fee of $2,500 must be paid and all procedures through the approval of the preliminary resolution followed.

**City Contact**

Initial contacts about tax exempt financing are made by contacting:

City of Mankato
City Manager
10 Civic Center Plaza
Mankato, MN 56001
507-387-8600

**Deadlines**

The City Council conducts all tax-exempt financing matters at regularly scheduled City Council meetings. Documents for City Council consideration must be at the City office no later than 10 calendar days prior to the next City Council meeting at which the matter is to be considered. In the case of a publicly offered bond issue, the documents, when submitted, may specify a maximum price and maximum effective interest rate if prices and rates have not yet been established.

# DEBT MANAGEMENT

## Overview

The debt management policy defines the role of debt in the City's total financial strategy to avoid using debt in a manner that weakens the City's overall financial condition, establishes limits on the amount of City debt which will allow for manageable debt service costs and maintains the best possible credit rating.

## Policy

The City has established the following guidelines for the borrowing of funds:

- The City will confine long-term borrowing to capital improvements, equipment or projects that have a life of more than 5 years and cannot be financed from current revenues.
- The City will strive to keep the total maturity length of general obligation bonds below 20 years. In all cases, the maturity shall be shorter than the life of the related assets.
- The City may issue debt under the City Charter. Charter bonds may be issued in an amount equal to ¼ of 1% of the assessed valuation of the City in any calendar year without approval of voters in a referendum election (Section 6.15 of City Code).
- The Administrative Services Department-Finance may recommend the issuance of tax increment bonds. If the City has entered into a tax increment financing (TIP) plan with a developer that identified TIP bonds as a financing source, then a determination is made to either issue the bonds or internally finance the project.
- The Administrative Services Department-Finance may recommend the issuance of revenue general obligation bonds in the City intends to pledge the revenue of a particular fund.
- The City, when possible, will use special assessment revenue (including G.O. backed revenue) or other self-supporting bonds instead of general obligation bonds.
- The City will strive to keep the direct debt per capita and direct debt as a percent of estimated market value at or below the median set out by the credit rating agencies.
- Total general obligation debt will not exceed the statutory limit of three percent of the estimated Full Market Value of taxable property in the City as required by Minnesota State Statute.
- The City will not use long-term debt for current operations.

- The City will maintain frequent and regular communications with bond rating agencies about its financial condition and will follow a policy of full disclosure in every financial report and bond prospectus. The City will comply with Securities Exchange Commission (SEC) reporting requirements.

- The City will comply with IRS regulations concerning use of, and reinvestment of, bond proceeds. The City will monitor potential arbitrage earnings. If arbitrage earnings are believed to be above amounts provided by IRS regulations, the City will set aside funds to pay the appropriate amount as required.

- Refinancing or bond refunding will only be undertaken when there is significant economic advantage to the City, and when it does not conflict with other fiscal or credit policies.

- Interfund borrowing shall have a reasonable repayment schedule and be approved by Council resolution. Refer to the policies set for in the Interfund Loan Policy.

- The maintenance of the best possible credit rating shall be a major factor in all financial decisions. For the purposes of issuing debt, bond rating categories shall be used as a means of assessing the City's financial condition.

# ELECTRONIC PAYMENTS

## Overview

Electronic payments are financial transactions that are often initiated using computer terminals, online banking automated phone systems or other methods of electronic funds transfer in effort to reduce cost and improve security and efficiency. Use of the electronic payments will:

- Eliminate the storage, handling, and processing of paper checks.

- Reduce the time spent on reconciliation.

- Eliminate the occurrence of lost or stolen checks and the cost of check reissuance.

- Reduce security risks, including reducing the visibility of information used in check payment fraud.

- Improve the tracking of payments through enterprise resource planning (ERP) systems and integration with banking technologies.

## Definitions

***Automated clearing house (ACH)*** - movement of funds in a batch process, which is best for high volume, low dollar transactions such as payroll, expense reimbursement, and routine vendor payments, as the cost per transaction is low relative to other forms of electronic payment.

***Wire transfer*** - immediate movement of funds between bank accounts with guaranteed settlement, which is most suitable for high dollar transactions because the cost per transaction is high relative to other forms of electronic payment.

***Purchasing (procurement or PCard) cards*** - a credit card transaction designed to reduce the volume of local "house" accounts, purchase orders issued or to eliminate petty cash. Purchasing cards are used at the point of sale, which is convenient for the customer, and payments are made in aggregate. Vendors that accept the payment will pay a processing fee. There is usually no cost to the government, and the issuing bank usually provides a rebate based on transaction volume.

***Electronic accounts payable*** - a credit card transaction, often without physical cards, that allows governments to pay invoices electronically. These transactions are similar to purchasing cards but occur after the point of sale and thus do not provide the processing benefits of purchasing cards. As with purchasing cards, the vendor pays a processing fee, and the government usually receives a rebate.

### Policy

The City will ensure the use of electronic fund transfers and receipts are initiated, executed and approved in a secure manner. Payments issued by accounts payable are made by Automated Clearing House by means of Electronic Funds Transfers (EFT).

All EFT payments will be coordinated and submitted through the Administrative Services Department-Finance. The Controller will approve all new, and changes to, electronic funds transfer requests, ensuring the payment via wire is necessary, all required documentation is provided and appropriately approved, and the request and banking account information is accurate and valid.

## EXPENSE REIMBURSEMENT & TRAVEL

### Overview

This policy establishes guidelines and procedures for the payment and reimbursement of travel and other expenses incurred by employees and officials in the conduct of approved City business. This policy applies to all employees and City Officials. All travel time for non-exempt employees will be paid in accordance with State and Federal regulations or collective bargaining agreements.

### Authorization

Acceptable forms of travel include, but are not limited to, meetings, workshops, continuing education, conferences, training/professional development, and license/certification maintenance for existing employees.

Employees must fill out a Travel Request Form prior to City related travel and submit to their designated approving authority for approval as indicated below. All out-of-state travel will be approved by the City Council. All requests forms will be retained in accordance with the approved data retention policy within Tyler content management (TCM).

Designated Approving Authority

- Department Heads: Approving authorities for all employees assigned to their departments.
- City Manager: The approving authority for all Department Heads.

## Reimbursement Guidelines

All travel purchases should be made with a City issued purchasing card, if available. All reimbursable travel expenses must be itemized on a Travel Expenses Report and submitted to the employee's designated approving authority for approval within thirty (30) working days of returning from travel. Receipts must be provided for all expense reimbursements, except mileage, and can be provided as the original receipt, photocopies or in electronic format.

## Reimbursable Expenses

**Lodging**

The City will pay for the cost of a single room or the next larger size if a single room is not available. Lodging should be chosen based on convenience and proximity to the reason for travel. Lodging should be comparable to other facilities in the area. All receipts need to be itemized.

**Registration Fees**

To be reimbursed, a completed registration form and website link to conference brochure showing schedule of sessions offered and meals provided must be submitted. Fees must be itemized on a Travel Expenses Report.

**Transportation**

Should be selected based on minimum expense to the City and convenience to the employee.

The City will reimburse the actual cost of a coach class airline ticket and one bag (if not included in the price of the ticket). Any credits toward free or reduced-rate airline tickets or other benefits received by an employee because of air travel paid for with City funds, shall, if possible, be transferred to the City or used by the employee for subsequent City travel. All such credits and other benefits must be reported to the City Controller within 90 days after they are earned or received.

The City will pay for the cost-effective type/size of rental car (i.e., compact). Other ground transportation such as buses or taxis will be reimbursed provided it is the most cost effective and efficient mode of ground transportation.

Employees shall use a City vehicle for all travel within the State of Minnesota except when authorized or instructed to use their own vehicle. An employee electing to use their personal vehicle when a City vehicle is available does so at their own risk and may not be reimbursed. The City shall not be responsible for any damage to the employee's vehicle or any other vehicle if the employee elects to use their own vehicle when City vehicle is available. This provision does not apply to those employees who receive a car allowance

Mileage will be reimbursed at the current standard mileage rate for each mile driven on City business, while using a non-city furnished vehicle. Reimbursement will not be made when a City vehicle is available. Toll charges shall be reimbursed.

**Meals & Incidental Expenses**

Reimbursement will be provided for meals and incidentals as a result of business travel, and which are not included in a registration fee.

Reimbursement will be based on the Meal & Incidental Expense (M&IE) table established by the General Services Administration (https://www.gsa.gov/travel/plan-book/per-diem-rates) and based on the location at which the expense occurred. The City will not reimburse for the cost of alcoholic beverages.

**Incidental Expenses**

Incidental expenses are included in the meals and incidental expense rate and are not reimbursed separately. An incidental expense is defined as tips given to porters, baggage carriers, hotel staff, and staff of ships.

**Meals for Others**

Meals for others may be reimbursed by the City with prior authorization. An employee, acting as a representative of the City, may occasionally be in the position of paying for a meal for other persons who have official business with the City.

**Miscellaneous Expenses**

Miscellaneous expenses may include parking meters and lot costs, or gas and other City vehicle related items.

**Non-reimbursable Expenses**

Non-reimbursable expenses o\include alcoholic beverages, movies in hotel room, hotel fees for items such as health club and dry-cleaning services.

**International Travel**

All international travel must be approved by the City Council.

**Exceptions**

Any deviation from this policy must be approved by the City Manager.

### Mayor and Council Members

Per Sec. 2.04, effective January 1, 2009, the Mayor and Council Members are eligible to receive a per diem payment of one hundred fifty dollars ($150.00) per day up to four (4) days per calendar year. This compensation is expected to reimburse council members for full weekdays when they are absent from their primary employment to attend out-of-town Council retreats, training, or legislative events on behalf of the City.

## INTERFUND LOANS

### Overview

The interfund loan policy provides the parameters by which the City may alleviate cash flow shortages in the various City funds with temporary loans from other funds. Interfund loans are intended to be a temporary internal financing mechanism which may be used to alleviate the need for debt issuance on a project that requires only short-term financing and/or to provide temporary internal financing on a project for which permanent financing will take place at a later date.

### Policy

It is the policy of the City Council that interfund loans between the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds or the Enterprise Funds may be used to alleviate a temporary cash deficiency. The loan shall be accounted for as a temporary borrowing between funds or accounts and shall not be available for appropriation or be considered revenue to the borrowing fund or account. Amounts transferred shall be repaid within 180 calendar days or as approved by Council resolution. Borrowing shall occur only when the fund or account receiving the money will earn sufficient revenue during the current fiscal year, to repay the amount transferred. No more than 75 percent of the maximum money held in any fund or account during a current fiscal year may be loaned or transferred.

Such loans shall not be used to balance the budget of the borrowing fund, nor shall they deter any function or project for which the loaning fund was established.

The City Council must adopt a resolution before any interfund loan transaction takes place. The resolution shall contain the exact amount of the loan, the funds involved, the purpose of the loan, the specific source of funds for repayment, the schedule for repayment and any interest rate involved.

## INVESTMENTS

### Overview

It is the policy of the City of Mankato to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the City and conforming to all state and local statutes governing the investment of public funds. The purpose of this Policy is to develop an overall program for cash investments, designed and managed with a high degree of professionalism, worthy of the public trust; to establish that appointed officials and employees are custodians of a portfolio which shall be subject to public review; to establish cash investment objectives, delegation of authority, standards of prudence, internal controls, authorized investments, selection process for investments, and broker representations.

### Scope

This Policy applies to the investment and deposit of all funds of the City of Mankato.

Except for cash in certain restricted and special funds, the City of Mankato will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### Objectives

At all times, investments of the City of Mankato shall be in accordance with Minnesota Statutes Chapter 118A and amendments thereto. The primary objectives of the City of Mankato's investment activities shall be in the following order of priority:

## Safety

Safety of principal is the foremost objective of the investment portfolio. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk, interest rate risk, and custodial risk.

Credit Risk: Credit Risk is the risk of loss due to failure of the security issuer or backer. Thus, designated depositories shall have insurance through the FDIC (Federal Insurance) or the SIPC (Securities Investor Protection Corporation). To ensure safety, it is the policy of the City of Mankato that when considering an investment, all depositories under consideration be cross- checked against existing investments to make certain that funds in excess of insurance limits are not made in the same institution unless collateralized as outlined below. Furthermore, the City of Mankato will approve all financial institutions, brokers, and advisers with which the City of Mankato will do business. If the City of Mankato chooses to engage an investment advisor, that investment advisor may choose to utilize any broker-dealer that it deems prudent. Qualified investment advisors assisting the City in the management of its overall portfolio may purchase and sell investment securities in accordance with this policy and may utilize their own approved list of broker-dealers and security issuers; however, the list shall fully comply with the criteria maintained in this policy.

Interest Rate Risk: Interest Rate Risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The City of Mankato will minimize Interest Rate Risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

Custodial Risk: The City will minimize deposit Custodial Risk, which is the risk of loss due to failure of the depository bank (or credit union), by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.

## Liquidity

The investment portfolio shall remain sufficiently liquid to meet projected disbursement requirements. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Generally, investments shall have "laddered" maturities so that money becomes available on a regular schedule. Liquid funds will allow the City to meet possible cash emergencies without being penalized on investments.

## Yield

The investment portfolio shall be designed to manage the funds to maximize returns consistent with items A and B above and within the requirements set forth in this Policy. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal
- A security swap would improve the quality.
- Liquidity needs of the portfolio require that the security be sold.

## Delegation of Authority

Responsibility for the investment program is hereby delegated from the City of Mankato to the Administrative Services Director and/or the Controller. Authority to conduct actual investment transactions may be delegated to the Administrative Services Director, and/or the Controller, who shall act in accordance with procedures as established with this investment policy. The authorized individuals, when acting in accordance with this Policy and exercising due diligence, shall not be held responsible for losses, provided that the losses are reported immediately, and that appropriate action is taken to control further losses.

## Investment Advisors

The City of Mankato may utilize SEC registered investment advisory/management firms (External Investment Managers) to invest segments of the portfolio. The External Investment Managers will operate within the constraints of this Investment Policy and an executed Investment Advisory Agreement. The External Investment Managers shall have discretion over the assigned segment of the portfolio. All External Investment Managers shall purchase and sell investment securities in accordance with Minnesota Statute 118A, this Investment Policy and the Investment Advisory Agreement. External Investment Managers must be registered under the Investment Advisers Act of 1940 and be licensed and registered to do business in Minnesota and registered as an investment advisor through IARD (Investment Advisor Registration Depository) in Minnesota.

## Prudence

The standard of prudence to be used by investment officials shall be the "prudent investor" and shall be applied in the context of managing the investments. All investment transactions shall be made in good faith with the degree of judgment and care, under the circumstances, that a person of prudence, discretion and intelligence would exercise in the management of their own affairs. This standard of prudence shall mean not for speculation, and with consideration of the probable safety of the capital as well as the probable investment return derived from assets.

## Internal Controls

Internal controls are designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. Before the City of Mankato invests any surplus funds, competitive quotations shall be obtained. Written quotations from local financial institutions shall be obtained via fax, email or other form of written documentation, with all of them receiving the exact same rate request. Verbal quotations shall be received from all other brokers, along with a subsequent confirmation. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, quotations will be requested for instruments that meet the maturity requirement. If no specific maturity is required, a yield analysis will be conducted to determine which maturities would be most advantageous. Quotations will be requested from financial institutions for various options with regard to term and investment type. The City of Mankato will accept the quotation, which provides the highest rate of return within the maturity required and within the limits of this Policy.

The Administrative Services Director and/or the Controller will report periodically to the City Council on the total of all funds invested and the total interest received on all securities year to date.

## Authorized Investments and Collateralization

All City of Mankato investments and deposits shall be those allowable by Minnesota Statutes Chapter 118A and amendments thereto. In accordance with Minnesota Statutes 118A, collateralization will be required on all demand deposit accounts, including checking, savings, and money market accounts, and non-negotiable certificates of deposit in excess of federal deposit insurance.

State law defines the types of securities that a financial institution may pledge as collateral for public deposits. These securities include:

- United States Treasury Issues
- Issues of US Government Agencies and Instrumentalities
- Obligations of State and Local Governments
- Time Deposits (Certificates of Deposits fully insured by the federal deposit insurance company or federal agency).

Since the amount a public entity has on deposit will vary from time to time, the financial institution needs sufficient amounts of pledged collateral to cover 110% of the uninsured amount on deposit during peak deposit times.

State law permits investment in the following types of securities:

- Federal Securities - Treasury bills, notes and bonds, as well as bonds and notes issued by or guaranteed by U.S. Government Agencies such as the Small Business Administration or GNMA, or by U.S. Government instrumentalities such as FNMA, Federal Home Loan Bank, or Federal Farm Credit Bank or FHLMC (Freddie Mac)
- State and Local Securities - Bonds and other debt instruments issued by cities, counties, states or other governmental units subject to rating requirements as defined under Minnesota Statutes 118A.
- Commercial Paper-Rated short-term debt issued by U.S. corporations or their Canadian subsidiaries
- Guaranteed Investment Contracts
- Certificates of Deposit-Issued by U.S. Banks fully insured by FDIC
- Bankers' Acceptances-Issued by U.S. Banks
- Money Market Mutual Funds- Subject to certain ratings
- Government Investment Pools, including the 4M Funds, the Liquid Asset Fund, MAGIC Fund, and MN Trust

The following diversification parameters have been established and will be reviewed periodically by the Administrative Services Director and/or Controller for all funds:

| Sector | Sector Maximum | Per Issuer Maximum | MinimumRatings Requirement |
|---|---|---|---|
| U.S. Treasuries | 100% | 100% | N/A |
| Federal Agencies | 75% | 40% | N/A |
| Federal Agency Mortgage-Backed Securities (MBS) | 50% | 5% | N/A |
| Municipal Bonds | 50% | 5% | General obligation bonds must be rated "A" or better by a NRSRO; revenue obligation bonds must be rated "AA" or better by a NRSRO |
| Commercial Paper | 50% | 5% | Rated in the highest quality category by at least two NRSRO's |
| Certificates of Deposit | 50% | 5% | None, if fully collateralized |
| Bankers' Acceptances | 50% | 5% | Highest short-term rating by two NRSROs |
| Money Market Mutual Funds | 100% | 100% | Highest fund quality and volatility rating categories by all NRSROs, if rated |
| Local Government Investment Pools | 100% | 100% | Highest fund quality and volatility rating categories by all NRSROs, if rated |

***Additional Portfolio Guidelines:***

- Bonds must be rated by at least by one Nationally Recognized Securities Rating Organization ("NRSRO"). If the downgrade of a single bond forces the holding below the lowest rating allowed for that security, the advisor will notify City of Mankato within a reasonable timeframe, the holding will be discussed, and a decision made based on valuation by the Advisor whether to hold or sell the bond with consent of the City of Mankato.

- Individual holdings of obligors other than those backed by the U.S. Government, its agencies, or its instrumentalities are limited to 3% of the total market value of the portfolio at the time of purchase.

- Investment managers shall purchase or sell securities through firm(s) offering the best price and execution, unless otherwise directed by the Client.

- All fixed income investments will be U.S. dollar denominated.

- The percentage of the overall portfolio to be invested in certificates of deposit, commercial paper, bankers' acceptances, or municipal bonds shall be limited to a maximum of 50% for each security type.

- Investments made by the City must mature within five (5) years from the date of settlement unless the investments are matched to a specific obligation or debt of the City. This maximum maturity requirement applies to all individual investments except for federal agency mortgage-backed securities and for federal agency collateralized mortgage obligations. Federal agency mortgage-backed securities and federal agency collateralized mortgage obligations will be limited to a weighted average life (WAL) of five years.

- Any percentage limits, maturity length, rating requirements, or other investment parameters will be calculated and/or evaluated based on the original cost of each investment at the time of purchase, based on the settlement date, of the security in determining compliance with these investment guidelines.

An investment purchased by a public entity can only be held in safekeeping with:

- a Federal Reserve Bank,

- a United States bank with corporate trust powers,

- a primary reporting dealer to the Federal Reserve Bank of New York (primary reporting dealers), or

- a broker dealer having its principal executive office in Minnesota

## Diversification

The City of Mankato will attempt to diversify its investments according to type and maturity. The portfolio, as much as possible, will contain both short-term and long-term investments.

The City of Mankato will attempt to match its investments with anticipated cash flow requirements. Extended maturities may be utilized to take advantage of higher yields.

## Investment Monitoring

Investment Advisors will provide monthly reporting on the status of the current investment portfolio and individual transaction executed over the last month. The report will include the following:

- Listing of individual securities held at the end of the reporting period

- Realized and unrealized gains or losses resulting from appreciation or deprecation by listing the cost and market value of securities one-year duration that are not intended to be held until maturity

- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.

- Listing of investments by maturity date

- Percentage of the total portfolio which each type of investment represents

- The market value of the portfolio shall be calculated and issued monthly

## Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken and the benchmark shall have a similar weighted average maturity as the portfolio.

- Stated Benchmark/or Fixed Income Portfolio: Barclays Capital 0-3 Government Index (75%)/ Bank of America/Merrill Lynch 3-month T-Bill (25%)

- Stated Benchmark/or Short-Term Cash Portfolio: Barclays 3 Month T-Bill

## Marking to Market

The market value of the portfolio shall be calculated and updated in the financial reporting for the City of Mankato at least quarterly.

## Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Officers and employees with authority to make, recommend, or vote on major decisions regarding the expenditure or investment of public funds must disclose certain information, as required under Minn. Stat. §10A.07, if they will be involved in decisions or take actions that substantially affect their financial interests or those of a business with which they are associated.

## Broker Representations

Municipalities must obtain from their brokers certain representations regarding future investments. Pursuant to Minnesota Statutes 118A, the City shall provide each broker with the City's investment policy, and the securities broker shall submit a certification annually to the City stating that the officer has reviewed the investment policies and objectives, as well as applicable state law, and agrees to disclose potential conflicts of interest or risk to public funds that might arise out of business transactions between the firm and the City. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving the City's funds.

This policy shall be reviewed on an annual basis. Any changes must be approved by the City Council.

## Financial Reporting

Finance staff is charged with the responsibility of preparing a periodic investment report, including a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last period in the City's Financial Reports. Reports will include listing of individual securities held at the end of the reporting period, name of broker agent, listing of investments by maturity date, yield, percentage of the total portfolio which each type of investment represents, gains or losses mark to market of all securities and other information as requested by the City.

## INVENTORY ASSETS

Inventory assets include tangible items that are held for resale or are used/consumed in offering services. A few examples of inventory the City has are fuel, water meters, and parts/equipment. The following steps should be taken to ensure proper controls and financial reporting of inventory:

- Safeguard. All inventory assets should be safeguarded at all times using locks or kept in a secured building. Access to those buildings should be limited to employees who work there and if possible, further secured in a locked room or locked shelving/cabinets.

- Organize. Inventory should be stored in an organized manner, sorted with the same items grouped together.

- Verify new shipments. When a new shipment of inventory is received, the quantity of the items received should be verified against the quantity invoiced. Any variances should be addressed with the vendor.

- Accurate records. There should be accurate records of quantities on hand at all times. Inventory should be tracked with an inventory system or other recordkeeping. Finance will reconcile the reports to the financial records.

- Physical Inventory Count. A physical inventory count should be taken at least once a year at the end of December. Employees who do not have access to the inventory system/recordkeeping should be assigned to take the inventory. Discrepancies between the physical count and inventory reports should be researched. The year-end physical inventory should be submitted to Finance for review and to enter any adjustments, if necessary.

- Communicate. Any new inventory held by a department needs to be communicated to Finance to ensure proper financial reporting.

# PETTY CASH

Petty cash is maintained by two separate locations:  Civic Center and Parking.

**Employee Reimbursements**

Employees may request reimbursement for expenses less than $25 from the Administrative Services Department-Finance.  In order to receive reimbursement, the employee must present a receipt that has been signed by their supervisor. Any amounts over $25 must be processed through Accounts Payable.  Loans and employee check cashing are not allowed.

**Cash Drawers**

Departments utilizing cash drawers are responsible for:

- Safeguarding the cash.
- Knowing employee reimbursements are not allowed from departmental cash drawers.
- Knowing which expenditures are allowable prior to authorizing disbursement of funds.
- Keeping accurate daily records and supporting documentation of the fund.
- Reconciling the activity to the dollar amount of the fund
- Submitting a monthly reconciliation to Finance.  Finance performs a physical audit of the petty cash quarterly (at a minimum)

Replenishment of the petty cash amount is done when necessary.  Petty cash disbursements are processed through Accounts Payable. The amount of the replenishment is equal to the amount that has been disbursed since the last replenishment.

# POST-ISSUANCE COMPLIANCE

## Overview

These procedures are adopted by the Issuer to ensure that interest on tax-exempt bonds of the Issuer (the "Bonds") remains excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

These written procedures are intended to formally memorialize certain policies and practices of the Issuer previously adopted or followed by the Issuer in connection with its issuance of Bonds. The Issuer reserves the right to use its discretion as necessary and appropriate to make exceptions to these procedures as facts and circumstances warrant.

## Expenditure/Use of Bond Proceeds

Expenditure of Bond proceeds will be regularly reviewed by the City Manager for consistency with the Bond documents, including any Bond Resolution and the Issuer's Tax Certificate.

The Issuer has separately established procedures for preparation and review of requests for Bond proceeds as part of its accounting system.

Requests must identify the Bond-financed property in conformity with the Issuer's Tax Certificate executed at closing of the Bonds, including the character of the Bond-financed property. Such information is contained as part of the Issuer's accounting system coding.

None of the proceeds of the Bonds will be used to reimburse the Issuer for costs paid prior to the date of issuance of the Bonds unless the Issuer shall have fully complied with Section 1.150-2 of the Treasury Regulations with respect to such reimbursed amounts, which section is summarized in Exhibit A.

Staff costs may be financed with Bond proceeds only to the extent they are properly capitalized as a cost of a capital project under generally accepted accounting principles and federal tax law.

Requests for expenditures will be summarized in a "final allocation" of Bond proceeds to uses not later than 18 months after the in-service date of the Bond-financed property (and in any event not later than 5 years and 60 days after the issuance of the Bonds and not later than 60 days after earlier retirement of the issue) in a manner consistent with the Code and Treasury Regulations and the applicable Tax Certificate.

Expenditure of proceeds of the Bonds will be measured against the Issuer's Tax Certificate expectation to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the capital project and fully spend the net sale and investment proceeds. If exceptions under the Code are not met, calculations of rebate liability will be performed or caused to be performed by as provided herein.

If there are any Bond proceeds remaining other than in a reserve or debt service fund established pursuant to the Bond Resolution after completion of the projects, such proceeds shall be applied in a manner consistent with the applicable Bond Resolution and Tax Certificate or pursuant to advice from Bond Counsel.

If Bond proceeds are to be used to make a grant to an unrelated party, a grant agreement will be reviewed prior to execution for compliance with the Code. Such agreement will be approved by the City Manager, with advice or consent of Bond Counsel, as necessary. The repayment of any portion of a grant by the grantee shall be treated as unspent Bond proceeds.

If Bond proceeds are to be loaned to a conduit borrower, such conduit borrower will be required to agree to all terms of the Tax Certificate and provide evidence of post-issuance tax compliance procedures deemed adequate and consistent with those set forth herein; and all such obligations for post-issuance tax compliance shall be assumed by such conduit borrower. The City Manager shall be the primary contact for all conduit borrowers and related compliance matters.

## Use of Bond Financed Property

Use of Bond-financed property when completed and placed in service will be reviewed by the City Manager. Appropriate city facility managers, including staff responsible for asset management, shall be trained regarding restrictions on the use of Bond proceeds and facilities financed thereby and instructed to consult with the City Manager regarding any third-party contract concerning use of the facilities, including without limitation leases, use, management or service contracts, and research contracts.

Upon issuance of Bonds, there shall be no expectation that the Bond-financed property will be sold or otherwise disposed of by the Issuer during the term of the Bonds, except for replacement due to normal wear and tear or obsolescence.

Agreements with third parties for lease, use, management, or any other service agreement or research contract with respect to, or non-governmental use in respect of, Bond-financed property will be reviewed prior to execution for compliance with the Code. Such agreement will be approved by the City Manager, who will be responsible for determining whether the proposed agreement (1) results in private business use of the facilities, and (2) if applicable, meets the compensation, term and other requirements under Revenue Procedures 97-13 (included as Exhibit B) and 2007-47; all upon advice of Bond Counsel, as necessary.

No item of Bond-financed property will be sold or transferred by the Issuer without approval of the City Manager, who shall seek advice of Bond Counsel as necessary, to provide guidance as to "remedial action" that may be required under the applicable Treasury Regulations if Bonds financing such property remain outstanding as of the date of sale or transfer of such property. Remedial action is summarized in Exhibit C hereto.

The Issuer acknowledges that any sale, transfer, change in use, or change in users of the Bond financed property may require remedial action, as previously described, or resolution pursuant to the IRS Voluntary Closing Agreement Program (or "VCAP") to assist in resolving violations of the federal tax laws applicable to the Bonds.

## Investments

Investment of Bond proceeds in compliance with the arbitrage and rebate requirements of the Code and applicable Treasury Regulations will be managed and supervised by City Finance Staff.

Guaranteed investment contracts ("GICs") will be purchased according to the fair market value provisions of applicable Treasury Regulations, including bid requirements and fee limitations.

Calculations of rebate liability will be performed annually, or as needed, by the City Controller or by outside consultants as delegated by the City.

Upon final expenditure of the gross proceeds of Bonds, and in any event promptly following the fifth anniversary of the date of issuance of the Bonds or earlier retirement of the Bonds, the City Manager will consult a qualified professional to prepare a spending exception report or an arbitrage rebate computation (as applicable) for the issue of Bonds.

Rebate payments, as required based upon the advice of a qualified professional, will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance of the Bonds and (b) the final retirement of the Bond issue.

## Record Management and Retention

Management and retention of records related to Bond issues will be maintained by the City Manager.

**Bonds records** - will be retained for not less than the life of the Bonds, plus any refunding bonds, plus three years. Such records may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions.

**Bond issuance records** - shall include a transcript of documents executed in connection with the issuance of the Bonds and any amendments; and copies of rebate calculations and records of payments, including Forms 8038-T.

**Bond proceed expenditures records** - include requisitions; trustee statements, if applicable; and final allocation of proceeds.

**Use of Bond-financed property records** - include all third-party contracts concerning use of the facilities, including (without limitation) leases, use, management or service contracts, and research contracts.

**Investments records** - include GIC documents under the Treasury Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

## Overall Responsibility

Overall administration and coordination of this policy and the procedures set forth herein are the responsibility of the City Manager. Review of compliance with this policy and the procedures set forth herein shall be undertaken periodically, and in any event, not less than annually.

The Issuer understands that failure to comply with these policies and procedures could result in the retroactive loss of the exclusion of interest on Bonds from federal gross and Minnesota taxable net income; and, thus, it would be advisable to consult with Bond Counsel in advance regarding deviations from the facts and expectations as set forth in the closing certifications relating to any issue of Bonds.

Any violations or potential violations of federal tax requirements shall promptly be reported to the City Manager, and the City Manager will engage qualified consultants and bond counsel to further investigate potential violations or undertake appropriate remedial actions, which actions shall be approved by the governing body of the Issuer.

## Exhibit A: Reimbursement Bond Summary

Following is a general summary of the requirements relating to bonds that are issued to reimburse expenditures that were paid prior to the date of issuance of bonds ("Reimbursement Bonds").

Reimbursement Bond proceeds cannot be used to reimburse expenditures paid more than 60 days prior to the adoption of the declaration of official intent/reimbursement resolution, which must contain:

- a general functional description of the property to which the reimbursement relates or an identification of the fund or account from which the expenditure is to be paid and a general functional description of the purposes of such fund or account; and

- the maximum principal amount of debt to be issued.

Reimbursement Bonds must be issued not later than 18 months after the later of (i) the date on which the original expenditure is paid, or (ii) the date on which the property is placed in service, but in any case, not more than three years after the date on which the original expenditure is paid. If possible, actual reimbursement should be made within 30 days of the date of issuance of the Reimbursement Bonds.

Note that there are exceptions for "de Minimis" amounts (not in excess of the lesser of $100,000 or 5% of proceeds of the issue) and for "preliminary expenditures" (such as architectural, engineering, surveying, soil testing and similar costs and costs of issuance), so long as such preliminary expenditures do not exceed 20% of the aggregate issue price.

## Exhibit B: Summary of Revenue Procedure 97-13

**Background**

A management, service, or incentive payment contract with a private service provider with respect to tax exempt bond-financed property may result in private business use of that property, based on all facts and circumstances. None of the compensation may be based on a share of net profits.

Revenue Procedure 97-13 establishes conditions under which a management contract generally does not result in private business use. Issuers and bond counsel typically attempt to satisfy, or substantially satisfy, one of these "safe harbors" because of uncertainty as to the treatment of nonconforming contracts. Below is a brief summary of the provisions of Rev. Proc. 93-17, as modified by Rev. Proc. 2001-39.

Rev. Proc. 93-17 establishes conditions based on (1) the compensation arrangements and the term of the agreement, and (2) whether the service provider has any role or relationship with the "qualified user"[1] that substantially limits the qualified user's ability to exercise its rights under the contract.

**General Rules**

In all events, the contract must provide for reasonable compensation for services rendered, with no compensation based, in whole or in part, on a share of net profits from the operation of the facility. Reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties is not by itself treated as compensation. The compensation, with the percentage determined by the term of the contract, subject to additional conditions, as described under "Compensation Safe Harbors" below, generally may be computed by:

- a periodic fixed fee, which is a stated dollar amount for a specified period of time[2];
- a percentage fee, which is a percentage of gross revenues (or adjusted gross revenues) of the facility or a percentage of expenses of the facility, but not both;
- a capitation fee, which is a fixed periodic amount for each person for whom the service provider or the qualified user assumes the responsibility to provide all needed services for a specified period so long as the quantity and type of services actually provided to covered persons varies substantially[3];
- a per-unit fee, which is a fee based on a unit of service specified in the contract or otherwise specifically determined by an independent third party or the qualified user[4]; or
- a productivity reward equal to a stated dollar amount based on increases or decreases in gross revenues (or adjusted gross revenues), or reductions in total expenses (but not both increases in gross revenues (or adjusted gross revenues) and reductions in total expenses) in any annual period during the term of the contract.

[1] A "qualified user" of the financed property is a state or local governmental unit (or instrumentality thereof) or a 501(c)(3) organization if the financed property is not used in an unrelated trade or business under section 513(a) of the Internal Revenue Code.

[2] A periodic fixed fee may include an automatic increase based on a specific, objective, external standard that is not linked to the output or efficiency of the facility in question.

[3] A capitation fee may include an automatic increase based on a specified, objective, external standard that is not linked to the output or efficiency of the facility. A capitation fee may also include a variable component of up to 20 percent of the total capitation fee designed to protect the service provider against risks such as catastrophic loss.

[4] A periodic fee may include an automatic increase based on a specified, objective, external standard that is not linked to the output or efficiency of the facility.

The service provider must not have any role or relationship with the qualified user that, in effect, substantially limits the qualified user's ability to exercise its rights, including cancellation rights, under the contract based on all facts and circumstances. The relationship does not limit the qualified user's ability to exercise its rights if the following conditions are satisfied: (1) not more than 20 percent of the voting power of the governing body of the qualified user in the aggregate is vested in the service provider and its directors, officers, shareholders, and employees, (2) overlapping board members do not include the chief executive officers of the service provider or its governing body or the qualified user or its governing body, and (3) the qualified user and the service provider are not related parties.

**Compensation Safe Harbors**

A management contract generally will not result in private business use if the compensation arrangement meets the criteria in one of the following categories:

*50% Periodic Fixed Fee Contracts*

- At least 50 percent of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee;
- the term of the contract, including all renewal options[5] in favor of the service provider, does not exceed 5 years; and
- the contract is terminable by the qualified user of the facility on reasonable notice, without penalty or cause, at the end of the third year of the contract term.

*80% Periodic Fixed Fee Contracts*

- At least 80 percent of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee; and
- The term of the contract, including all renewal options in favor of the service provider, does not exceed the lesser of 80 percent of the reasonably expected useful life of the financed property and 10 years.

For purposes of this safe harbor (but not the 50% periodic fixed fee safe harbor), a one-time incentive award during the term of the contract under which compensation automatically increases by a single, stated dollar amount when a gross revenue or expense target (but not both) is reached may be considered part of a fixed fee arrangement.

*95% Periodic Fixed Fee Contracts*

- At least 95 percent of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee; and
- The term of the contract, including all renewal options in favor of the service provider, does not exceed the lesser of 80 percent of the reasonably expected useful life of the financed property and 15 years.

For purposes of this safe harbor (but not the 50% periodic fixed fee safe harbor), a one-time incentive award during the term of the contract under which compensation automatically increases by a single, stated dollar amount when a gross revenue or expense target (but not both) is reached may be considered part of a fixed fee arrangement.

[5]A provision under which a contract is automatically renewed absent cancellation by either party is not a renewal option (even if it is expected to be renewed).

*Capitation Fee Contracts (with or without fixed fees)*

- All of the compensation for services is based on a capitation fee or a combination of a capitation fee and a periodic fixed fee
- the term of the contract, including all renewal options in favor of the service provider, does not exceed 5 years; and
- The contract is terminable by the qualified user of the facility on reasonable notice, without penalty or cause, at the end of the third year of the contract term.

*Per-unit Fee Contracts (with or without fixed fees)*

- All of the compensation for services is based on a per-unit fee or a combination of a per-unit fee and a periodic fixed fee
- the term of the contract, including all renewal options in favor of the service provider, does not exceed 3 years; and
- The contract is terminable by the qualified user of the facility on reasonable notice, without penalty or cause, at the end of the second year of the contract term.

*Percentage of Revenue or Expenses*

- All the compensation for services is based on a percentage of fees charged or a combination of a per-unit fee and a percentage of revenue or expense fee;
- the term of the contract, including all renewal options in favor of the service provider, does not exceed 2 years; and
- The contract is terminable by the qualified user of the facility on reasonable notice, without penalty or cause, at the end of the first year of the contract term.

During the start-up period, however, compensation may be based on a percentage of either gross revenues, adjusted gross revenues, or expenses of a facility. The contract must be terminable by the qualified user on reasonable notice, without penalty or cause, at the end of the first year of the contract term. This safe harbor applies only to contracts under which the service provider primarily provides services to third parties and management contracts involving a facility during an initial start-up period for which there have been insufficient operations to establish a reasonable estimate of the amount of the annual gross revenues and expenses (for example, a contract for general management services for the first year of operations).

**Revision of Compensation Arrangements**

Please note that if the compensation arrangements of a management contract are materially revised, the compensation arrangements are "retested" as of the date of the material revision, and the management contract is treated as one that was newly entered into as of the date of the material revision.

## Exhibit C: Remedial Provisions Applicable to Bonds

The Issuer acknowledges that any deliberate action by the Issuer after Bond issuance that results in a satisfaction of the private business tests or the private loan test will result in private activity bond status unless one or more qualifying remedial actions are taken by the Issuer. Specifically, Treasury Regulations provide that actions are not treated as deliberate actions if (A) five conditional requirements are met, and (B) one of three remedial actions is taken, with respect to the disposition proceeds and nonqualified bonds*:

*The portion of the outstanding bonds in an amount that, if the remaining bonds were issued on the date on which the deliberate action occurs, the remaining bonds would not satisfy the private business use test or the private loan financing test, as applicable. The amount of private business use is the highest percentage of business use in any one-year period, commencing with the deliberate action

**Conditional Requirements**

- *Reasonable Expectations* – The Issuer reasonably expected on the issue date that it would not meet the private business tests or the private loan test for the whole term of the bonds; and

- *Reasonable Bond Maturity* – The term of the issue must not be unreasonably long; this requirement is met if the weighted average maturity of the bond issue is not greater than 120% of the expected economic life of the property financed; and

- *Fair Market Value Consideration* – The terms of any agreement (relating to satisfaction of a private activity bond test) must be bona fide and at arm's-length, and the new user must pay a fair market value consideration for the use of the bond- financed property; and

- *Disposition Proceeds Are Gross Proceeds* – The Issuer must treat any disposition proceeds as gross proceeds subject to arbitrage/rebate restrictions; and

- *Proceeds Spent for Authorized Purpose* – Except as described with respect to redemption and defeasance options below, prior to deliberate actions, the affected proceeds must have been spent for the authorized purposes under the applicable bond documents.

**<u>Remedial Actions</u> – Under Treasury Regulations, Sections 1.141-12(d), (e) and (f):**

- *Redemption of Non-Qualified Bonds* – Under the general rule, all nonqualified bonds of the issue must be redeemed. Tax- exempt bond proceeds (i.e., refunding bond proceeds) cannot be used unless the tax-exempt bonds are qualified bonds, taking into account the purchaser's use of the facility. The bonds must be redeemed within 90 days of the date of the deliberate action or a defeasance escrow for the bonds must be established within such 90-day period. Special rules apply to transfers exclusively for cash and to defeasance escrows.
- *Alternative Use of Disposition Proceeds* – To meet this requirement, all disposition proceeds must be in cash, the issuer must reasonably expect to expend the proceeds within 2 years, the new use must not meet the private business tests or the private loan test (and the issuer cannot take any action subsequent to the date of the deliberate action to cause the tests to be met), and any unused proceeds must satisfy the redemption requirement in the preceding paragraph.

- *Alternative Use of Facility* – This remedial action is satisfied if the bond-financed property itself (as distinguished from the proceeds of the issue) is used in an alternative manner (e.g., for a different purpose or by a different person); the nonqualified bonds are treated as reissued on the date of the deliberate action and independently meet all of the requirements for tax exemption under Sections 141 through 150 of the Code, except the arbitrage and rebate rules of Section 148, for the remaining term of the nonqualified bonds; the deliberate action does not involve a transfer of the property to a purchaser that finances the acquisition with the proceeds of another issue of tax-exempt bonds; and any disposition proceeds, other than those arising from an agreement to provide services, resulting from the deliberate action are used to pay debt service on the bonds on the next available payment date or escrowed within 90 days of receipt and yield restricted to pay debt service on the next available payment date.

The above is only a brief summary of remedial actions, and additional special rules may be applicable. As provided in the Issuer's Compliance Procedures for Tax-Exempt Bonds, the City Manager shall seek advice of Bond Counsel as necessary to provide guidance as to "remedial action" that may be required under the applicable Treasury Regulations.

The Commissioner of the IRS may, by publication, provide for additional remedial actions. In addition, the IRS provides a program in which issuers/borrowers which cannot meet a listed remedial action can enter into a closing agreement with the IRS to avoid private activity bond status. The closing agreement program includes several conditions, including providing for the redemption of the bonds and paying the IRS an amount based on an assumption that the non-qualified bonds are taxable from the date of the subsequent act until they are redeemed.

# PURCHASING

## Overview

The City will procure goods and services required to meet the needs and fulfill the City's mission as economically feasible, in a manner that is efficient, unbiased, and complies with all federal, state, and local laws as well as all other City policies.

The budget allocates funds for the purchase of personnel, supplies, other services, and capital. Requests cannot be made for items outside the budget except under special circumstances. These special circumstances will have to be approved by the City Manager. The Purchasing Agent is the City Manager.

A City expenditure must meet the following standards to be legal:

- **Public Purpose** – There must be a public purpose for the expenditure.
- **Authority** – There must be specific or implied authority for the expenditure in statute or the City's charter.
- **Proper Procedure** – City processing guidelines must be followed including obtaining an appropriate receipt or invoice, meeting approval requirements, and timely processing of information.

## General Purchasing Guidelines

- The majority of the City's purchases are decentralized, meaning each department negotiates with the vendor and processes the request for payments. Departments are responsible for ensuring policy compliance. Finance is responsible for processing requested purchase orders, processing payments, and monitoring policy compliance.
- The Administrative Services Department-Finance processes payments on a set schedule. Supporting documentation shall be provided with the invoice prior to payments being made. Cities are required by statute to pay invoices within 35 days unless there are pre-arranged payment terms or a dispute of the invoice.
- The purchaser and the person authorizing the purchase are responsible for ensuring that purchase prices are reasonable and accurate. The purchaser must confirm the prices charged by the vendor match the prices offered by the vendor when the original contract was signed.
- Invoices should be coded to the correct account codes based on the type of expenditure, not available funds in various line items of the budget. Failure to code properly skews actual expenses and provides inaccurate historical data for future budgeting.
- Before a city makes the final payment to a contractor under a contract requiring the employment of employees, it must make sure the contractor and any subcontractors have complied with withholding tax laws. For more information, please see the IC-134 section.
- At year end, invoices that are received early the next year which are for goods or services that were ordered and received in the previous year will be recorded against the previous year.

## Purchase and Bidding Requirements

| Value of Purchase or Contract | Type of quote required – construction, contracted services, goods & services contracts | Approval required by | Written bid specifications | Sealed bids required | Contract required: |
|---|---|---|---|---|---|
| Under $10,000 | None | Department Head | Not required | No | No |
| $10,001 - $49,999 | Two telephone quotes are preferred | City Manager | Not required | No | No |
| $50,000 - $174,999 | Two written quotes required unless special circumstances are noted; consult cooperative purchasing programs | City Manager | As required based on type of purchase | No | Construction projects yes; commodities at discretion of City Manager |
| Greater than $175,000 | City Clerk must advertise in City's legal newspaper | City Council | Required | Yes | Yes |

[*] *Exceptions to the City Council approval requirement includes professional services (engineers, lawyers, architects, and accountants as well as other services requiring technical or professional training like refuse hauling and janitorial services) and insurance contracts (however, the City must seek requests for proposals for group insurance).*
[**] *Written quotes must be kept on file for at least one year.*
[***] *Contracts over $175,000 require a performance and payment bond*

**Sealed Bidding Process**

The originating department must ensure that the following steps are taken:

- Make sure that funds have been appropriated for this contract.
- Make proper publication in the official City newspaper(s).
- Distribute terms, conditions, and specifications, and answer any bidder questions.
- Open sealed bids at an appropriate time and place, and then tabulate.
- Award the contract to the lowest responsible bidder. *Minn. Stat. § 412.311, subd. 1.*
- In the event a low bidder is not recommended, fully document the reason(s). Consult the City Attorney.
- Prepare and present to the Council a request for approval of the award. The contract shall be signed by the Mayor. The signed resolution must be maintained for 10 years after the project completion. The department can retain these in the project file.

Advertisements for sealed bids must be published in the City's official newspaper at least ten days before the last date for submission of bids. The published notice must contain the following:

- A description of the project or purchase being sought.
- The availability and location of specifications.
- Bid requirements (such as sealed bids, or any accompanying bid security).
- Where the bids must be submitted.
- The deadline for submitting bids.
- The time and place of the bid opening.
- The City officers who will be present for the opening.
- A statement indicating that the City may delay the award until certain events occur.
- A statement indicating that the City reserves the right to reject all bids submitted.

Bid security in the amount of five percent (5%) of the bid shall be submitted to the City Clerk. The bid security guarantees that in the event the bidder's offer is accepted, the bidder will enter into a contract in accordance with the proposal. Bid security of the successful bidder will be returned upon execution of the contract documents. Bid securities of unsuccessful bidders will be returned within a reasonable time period (*Minnesota Statute §574.27*). Failure of the successful bidder to execute the contract and furnish applicable bonds within ten (10) days after receiving written notice of the award shall cause the bid security to be forfeited as liquidated damages to the City. The City Council at this time may award the contract to the next lower competent bidder unless the Council determines that public interest will be better served by accepting a higher bid, or the contract may be re-advertised.

The bids must be opened and tabulated at the time and place specified in the newspaper. Preferably this should be completed 10 working days in advance of the City Council meeting to allow for a thorough review and re-tabulation of the bids and to allow for reference checks as appropriate. If this timeframe is not attainable, the Department Director must be notified to ensure the bid process requirements can still be met.

A recommendation can then be made to the City Council, and the City Council will award or deny the contract.

Bids rejected by Council must be kept on file for 6 years and retained in the departmental project file.

Other Bidding Reminders:

- The City cannot avoid bidding requirements by splitting a contract into several contracts, each of which is below the minimum amount requiring bids.
    - For example, the City cannot purchase $200,000 of lumber in several transactions, each involving an expenditure of less than $175,000. However, if materials or work logically fall into two separate contracts because they involve separate transactions, as for the service of contractors specializing in different kinds of work, there is no reason why the City cannot negotiate the contracts individually without sealed bids if the bids do not exceed the $175,000 minimum.

- The proposals and specifications must allow for free and full competition. Specifications may not be written so as to exclude all but one type or kind of supplies or equipment.

- The City may not accept a bid that includes a number of items when the advertisement called for separate bids for each item.

- The City must re-bid when they make a material change in the specifications of the contract, even if the change would not affect the rank order of the bids received. With respect to contracts awarded on a unit price, after work has been commenced on the improvement undertaken, the council may, without advertising for bids, authorize changes in the contract so as to include additional units of work at the same unit price if the cost of the additional work does not exceed 25 percent of the original contract price. Original contract price means that figure determined by multiplying the estimated number of units required by the unit price.

- *Minnesota Statutes Chapter 429* (local improvement code) applies to all public improvement contracts (i.e., sewer, water and streets) being financed with special assessments.

- Cities are not required by statute to follow the competitive bidding process for the following types of contracts: professional services, insurance contracts, reverse auctions, purchases from other government agencies, real estate, cooperative purchasing allowed under Minn. Stat. §429.041 and public safety equipment.

- If the estimated cost of a local improvement project financed by special assessments exceeds $350,000 (twice the amount for mandatory competitive bidding), the publication must be made at least three weeks before the last date for submission of bids, in the City's official newspaper and either at least once in a newspaper published in a city of the first class or in a recognized industry trade journal.

**Awarding Contracts**

For contracts procured through sealed bids or multiple quotes, the City must award the contract to the lowest responsible bidder. The bidder who submits the lowest bid or quote in dollars is not necessarily the "lowest responsible bidder." Responsibility in bids means financial responsibility, but also integrity, skill, and the likelihood of the bidder doing faithful and satisfactory work. A contract must be awarded to the lowest responsible bidder unless the "Best Value" alternative set forth below is followed.

**Rejecting Bids**

The City has the right to reject any and all bids (requests for proposals, requests for bids, sealed bids). All data submitted in response to bid requests are private until bids are opened. If bids are rejected prior to the completion of the evaluation or selection process, all data, other than that made public at the bid opening, remain private until a re-solicitation of bids results in completion of the selection process. If the rejection occurs after the completion of the selection process, the data remains public. If a re-solicitation of bids does not occur within one year of the bid opening date, the remaining data becomes public.

**“Best Value” Procurement Alternative**

*Minnesota Statute 471.345* allows the City to use a “Best Value” alternative instead of awarding the bid to the lowest responsible bidder. Best value procurement is a process based on competitive proposals that awards the contract to the vendor or contractor offering the best value, taking into account the specifications of the request for proposals, the price and specific performance criteria. Consulting with the City Attorney is advised if you wish to use the “Best Value” alternative.

**State Contract Purchases**

Cooperative purchasing contracts provide an opportunity for the City to purchase goods and services at reduced costs. The State of Minnesota periodically establishes specifications and publicly bid for various commodities and services. The City is empowered to make purchases under such cooperative purchasing arrangements and may purchase from this contract without otherwise rebidding or receiving quotations. It is still required to receive the appropriate approvals.

If the City is not utilizing the state's cooperative purchasing venture, the City may consider another national municipal association's purchasing alliance or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations.

**Guaranteed Energy Savings Agreements**

State Statues authorize the City to enter into a guaranteed energy savings agreement with a qualified provider for the purpose of implementing comprehensive utility cost-saving measures to improve the energy efficiency of various municipal facilities within the City so long as the implementation costs will not exceed the amount to be saved in utility and maintenance costs over a twenty year period with said utility and maintenance cost savings guaranteed in writing by the qualified provider. The City shall follow all requirements as prescribed in Statute related to this authority to enter into Guaranteed Energy Savings Agreements.

**IC – 134 - Withholding Certificates**

No state agency or local unit of government can make final payment to a contractor until the Department of Revenue has certified that the contractor and any subcontractor have fulfilled the requirements of Minnesota withholding tax laws. The terms “contractor” and “subcontractor” are limited to those who supply labor, or a combination of labor and materials for specific construction, repairs, rehabilitation or improvements. The terms do not include dealers, merchants, suppliers or contractors who only supply materials. On-going maintenance services (such as mowing, road grading, or snowplowing) are excluded from this requirement. Contractors and subcontractors show compliance by submitting a withholding affidavit to the Minnesota Department of Revenue. If a contractor or subcontractor has withheld taxes as required, the Department of Revenue will return an electronic confirmation or sign and return the Form IC-134, certifying compliance. Finance will need a copy of the confirmed IC-134 form from the vendor to release final payment. Contact Finance if there is uncertainty if an invoice requires one. Work with the Minnesota Department of Revenue if a contract or a subcontractor are not cooperative in complying with IC-134 requirements.

**Responsible Contractor Compliance**

A contractor responding to a solicitation document of a contracting authority shall submit to the contracting authority a signed statement under oath by an owner or officer verifying compliance with each of the minimum criteria in *subdivision 3 of Minnesota Statute 16C.285*, with the exception of clause (7), at the time that it responds to the solicitation document. A contracting authority may accept a signed statement under oath as sufficient to demonstrate that a contractor is a responsible contractor and shall not be held liable for awarding a contract in reasonable reliance on that statement. A prime contractor, subcontractor, or motor carrier that fails to verify compliance with any one of the required minimum criteria or makes a false statement under oath in a verification of compliance shall be ineligible to be awarded a construction contract on the project for which the verification was submitted. A false statement under oath verifying compliance with any of the minimum criteria may result in termination of a construction contract that has already been awarded to a prime contractor or subcontractor or motor carrier that submits a false statement. A contracting authority shall not be liable for declining to award a contract or terminating a contract based on a reasonable determination that contractor failed to verify compliance with the minimum criteria or falsely stated that it meets the minimum criteria. A verification of compliance need not be notarized. An electronic verification of compliance made and submitted as part of an electronic bid shall be an acceptable verification of compliance under this section, provided that it contains an electronic signature as defined in section 325L.02, paragraph (h) of *Minnesota Statues 16C.285*.

**Certificate of Insurance**

Before beginning work on a contract, the Contractor must submit to the City, and obtain the City's approval, a certificate of insurance. This certificate shall be composed of a Standard Form C.I.C.C.-701 or an ACORD 25 form. The certificate of insurance shall list the City as the policies additional insured and shall be maintained at all times throughout the life of the contract and provide for the following minimum coverage.

- Comprehensive General Liability: $1,000,000.00 per occurrence; $2,000,000 aggregate
- Automobile Liability for All Automobiles: $1,000,000.00 combined single limit
- Workman's Compensation: Statutory Amounts

The insurance cancellation language should state that the company will provide the City with 30 days' written notice of cancellation (include this requirement in bid specifications if applicable).

**Change Orders**

The contract cost, once established by the Council, shall represent the maximum obligation to the City. Any change orders or supplemental agreements which affect the cost of the contract shall be reviewed by the City Manager and City Representative managing the contract. The City

Manager has the authority to and may authorize and approve any change order or supplemental agreement up to $100,000 not to exceed 10% of the total project cost and submit a report to City Council. For projects above $2,500,000, the City Manager will forward the justification for the change order to the City Council for approval in the event the total change orders to date exceed 5% of construction cost. This authority shall not apply to supplementary agreements for contracts for improvements financed by bonds issued pursuant to the provision of *Minnesota Statutes, Chapter 429*. The City Manager, as soon as practicable after approval of any supplementary agreement shall prepare and submit a report to City Council. In no event will payment in excess of the contract cost be made until such approval has been obtained. With respect to contracts awarded on a unit price, after work has been commenced on the improvement undertaken, the council may, without advertising for bids, authorize changes in the contract so as to include additional units of work at the same unit price if the cost of the additional work does not exceed 25 percent of the original contract price. Original contract price means that figure determined by multiplying the estimated number of units required by the unit price.

**Purchase or Lease of Used Public Safety Equipment**

Cities are granted authority to lease, or purchase used public safety equipment ("vehicles and specialized equipment used by a fire department, in firefighting, ambulance and emergency medical treatment services, rescue, and hazardous materials response") without bidding in certain specified circumstances. Competitive bidding or proposals are not required, "if the equipment is clearly and legitimately limited to a single source of supply, and the contract price may be best established by direct negotiation."

**Contracts, Leases and Lease Purchases**

All contractual, lease and lease purchase agreements require review and approval from the City Manager. The City Manager may elect to consult with various internal and external professional resources to evaluate risk, legality and consistency of a contract, lease or lease purchase. Lease Performance Bonds are sometimes prudent for lease purchases; if you are unsure whether a Lease Performance Bond should be required, consult the City Attorney.

## Federal Awards

Under Uniform Guidance there are additional procurement requirements that need to be considered when making purchases related to a federal program. Departments need to consider the full requirements in relation to each procurement method as described in *2 CFR 200.317–326.*

**Quick Reference Guide to Federal Awards Governed by Uniform Guidance**

| Value of Contract | Solicitation Process |
|---|---|
| Less than $10,000 | Quotation (two, if practicable) or open market |
| $10,000–$175,000[1] | Direct negotiation (at least two written quotes) |
| Greater than $175,000[1] | Competitive Bidding (sealed bids) required |

[1] *Federal guidelines are less restrictive than MN State Statute. These amounts represent the more restrictive State Statute guidelines which should be followed.*

## Purchase Cards

Purchase cards will be issued to departments and various divisions as deemed necessary for use during emergencies, employee travel, online purchase(s) or unpredictable circumstances. Each purchase card, unless otherwise authorized by the City Manager, will contain a maximum limit of $1,000 per purchase, with a total monthly transaction limit not to exceed $5,000. These limits can be increased with a request, accompanied by a demonstrated need, to the Director of Administrative Services or his/her designee. All purchase cards will be processed in the City financial software by the last day of the month. Purchase cards is subject to the purchasing policy and the spending thresholds established within leases.

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Purchase cards should not be utilized for any purchase of goods and/or services associated with contracts, inventory items, PayPal/eBay, or unapproved travel related expenditure as outlined in the City of Mankato Personnel Policy.

Purchase cards should not be used for personal use.

Failure to adhere to the provisions associated above will result in additional user(s) training and/or revoking

utilization of City of Mankato purchase cards.

## Emergency Purchases

During a declared emergency, the City is, notwithstanding any statutory or charter provisions to the contrary, empowered, through the Council, acting within or without the corporate limits of the City, to enter into contracts and incur obligations necessary to combat disaster by protecting the health and safety of persons and property and providing emergency assistance to the victims of such disaster.

In the event of a declared emergency, the City of Mankato may exceed its delegated purchasing authority and does not need to follow the solicitation process as specified in the emergency management state statutes. These statutes give cities the ability to declare an emergency for a limited period of time and waive the requirement to use mandated contracting procedures.

Only what is needed to expeditiously reestablish the functions of government, the protection of property, or the health or safety of people is eligible for the emergency authority exception.

## Sales Tax

Purchases made by the City are generally not taxable. Purchases must be billed to and paid for by the City. Purchases made by employees are taxable, even if reimbursed. To purchase items exempt from tax, the vendor must be given a completed ST3 Certificate of Exemption form.

Some items remain taxable such as some motor vehicles, prepared food, lodging, construction materials and supplies purchased by a contractor or subcontractor under a lump-sum contract. Please review the sales tax exemption guidelines for governments on the MN Department of Revenue website. If an invoice does not itemize sales tax, you must obtain a corrected invoice from the vendor if sales tax is applicable on the item purchased.

## Out of State Purchases

Sales tax is part of the total cost. Even though some purchases are made from an out of state vendor, the City is required to submit to the State of Minnesota use tax for applicable taxable items invoiced without the tax.

## Classified Advertisement Websites (Craigslist, Facebook Marketplace, etc.)

The City, as a whole, typically does not recommend utilizing classified advertisement websites for purchases. If a purchase is made through one of these marketplaces, the seller must be agreeable to receiving a check and providing a receipt at time of pickup. Under no circumstances will payment be made in advance of receiving product. A copy of the advertisement with the purchase price must be submitted to Finance.

## Payment of Rewards

Rewards will only be paid out when verifiable information is received that leads to the arrest of the suspect(s) for whom the reward money is offered. Within 30 days of the arrest of the person responsible for committing the crime in question, the City will make payment to the tipster(s) via check. Authorization of payment will be made by the Director of Public Safety, or their designee, to the City's Finance Department.

### 1099 Information

The City is obligated to report to the Internal Revenue Service payments to an individual or partnership for services rendered that exceed $600 in a calendar year. To do so, the City needs the recipient's business tax identification number or social security number. This tax information should be collected on a W-9 form and provided to the Finance Division when a new vendor is used. Vendors who should receive a 1099 are noted when they are entered into the financial management software.

## REVENUES

### Policy

The City will provide a diversified and strong set of revenues to ensure a stable revenue system and match revenues with similar uses to ensure adequate funding for the various City services and programs over the long-term. In order to accomplish these goals, the City will do the following:

- Conservatively estimate and budget for its annual revenues by an objective, analytical process. All existing and potential revenue sources will be re-examined annually.

- Formally designate, by resolution, all Federal, State, County, or other grants towards a specific program or service (absent any outside legal restrictions). When possible, general-purpose aids will only be used for capital or non- recurring expenditures and not for on-going operations.

- Direct Local Government Aid (LGA) allotments that exceed the prior year towards capital needs. In doing this, it is the objective of the City to utilize as much LGA towards capital projects and minimize, to the extent possible, the use of LGA for operational expenditures.

- Strive to establish all user charges and fees for General Fund program activities at a level related to the full cost of providing the services, or as adjusted for particular program goals. The City will review the full cost of activities supported by user fees to identify the impact of inflation and other cost increases and will review these fees along with the resulting net property tax costs during the budget process. Sensitivity to market rates will also be considered in setting fees.

- Set fees and user charges for each enterprise fund such as water, sewer, or storm water at a level that fully supports the total direct and indirect cost of the activity, including depreciation of capital assets and debt service, to maintain a positive cash flow and provide adequate working capital. Replacement (or bonding for replacement) of enterprise infrastructure will be paid for from accumulated (or annual) earnings of the respective system.

## Revenue Collections

Departments should exercise prudent cash management in the handling of cash receipts. "Cash" receipts refer to all revenue collected in the form of cash, coin, checks and credit cards. The following steps should be taken to ensure proper cash handling:

- **Safeguarded**. All revenue received at each location should be adequately safeguarded at all times. Until deposited, all revenue collections should be kept in locked drawers, cash boxes or a locked safe.

- **Timely receipting.** Revenue collected throughout the day should be properly receipted and/or documented at the time the transaction occurred.

- **Daily cash counts**. At the end of each day, two employees must count the cash. A register or other supporting documentation should be printed and reconciled to the cash counted. Any discrepancies should be researched and resolved or reported to Finance immediately.

- **Deposits brought to Finance daily**. A daily deposit should be prepared, placed in a sealed, tamper evident bag and brought to the Administrative Services Department-Finance daily.

- **Communication with Finance**. New revenue sources should be communicated to Finance and all billings must be processed through the city's ERP software. No cash, other than approved petty cash, can be held within a department unless it is approved by the Controller.

# RISK MANAGEMENT

## Overview

The risk management program will minimize the impact of legal liabilities, natural disasters or other emergencies through the following activities:

- Loss prevention - prevent losses where possible.

- Loss control - reduce or mitigate losses.

- Loss financing - provide a means to finance losses.

- Loss information management - collect and analyze data to make prudent prevention, control and financing decisions.

### Policy

In the risk management program, the City will:

- Review and analyze all areas of risk to, whenever possible, avoid and reduce risks or transfer risks to other entities. Of the risks that must be retained, it shall be the policy to fund the risks which the City can afford and transfer all other risks to insurers.
- Conduct periodic educational safety and risk avoidance programs within the various departments.
- Analyze on an ongoing basis the feasibility of self-funding and other cooperative funding options in lieu of purchasing outside insurance to provide the best and most economical loss coverage available.
- Maintain the deductible amount considered prudent factoring in the relationship between the cost of insurance and the City's ability to sustain the loss.

## STANDARDS OF CONDUCT

### Receipt or Solicitation of Gifts (Gift Law)

No employee shall receive or solicit any gift from any person, business or organization having any business, administrative, legislative, and contractual or any other relationship with the City. A gift is any money, tangible or intangible personal property, food, beverage, loan, forbearance or forgiveness of indebtedness, promise, service, or entertainment.

Gifts may not be accepted which are intended for a specific employee or official. Goodwill gestures not exceeding an estimated $5 are permitted. An example of an acceptable goodwill gesture is holiday cookies from a resident which can be shared among employees. Employees attending a grand opening, expo, or other public event, where food, gifts or small memorabilia are available to the public, are permitted. City employees are also permitted to accept food or beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program. The prohibitions do not apply if a gift is given to a staff member due to their membership in a group when an equivalent gift is given to the other members of the group.

The law prohibits gifts to city officials, not to cities themselves. Cities may accept gifts of real or personal property and use them in accordance with the terms prescribed by the donor. A resolution accepting the gift and the donor's terms must receive an affirmative vote of two-thirds of the members of the City Council. A city may not, however, accept gifts for religious or sectarian purposes.

### Personal Conflicts of Interest

The credibility of the City of Mankato rests heavily upon the confidence which taxpayers have in City employees to render fair and impartial services to all without regard to personal interest and/or political influence. The delivery of public services to our citizens requires that employees avoid any activity which suggests a conflict of interest between their private interests and City responsibilities.

City employees and their family members, shall not engage in or have financial interest in any business or other activity which could reasonably lead to a conflict of interest with the employee's primary City responsibilities. “Family members” shall be deemed to include the employee; the spouse, parents, children, and siblings of the employee; the parents, children and siblings of the spouse; and direct descendants of any family members.

Examples of activities which violate this policy include, but are not limited to:

- having an interest in any business which has contracts or other direct dealings with the City of Mankato.
- activities which require the employee to interpret City Codes, ordinances, or regulations when such activity involves matters with which the employee has business and/or family ties.
- consulting activities carried out within the City of Mankato if such consulting involves talents or skills primarily related to the employee's City work responsibilities.
- using City time or equipment to engage in activities intended to produce income for the employee.

## FEDERAL GRANT POLICY

This policy is to document federal grant procedures and to form a policy in accordance with required audit standards and to Office of Management and Budget (OMB) Federal requirements.

The intent of the policy is to ensure compliance with General Procurement standards and Equipment Management Requirements.

These procedures will be decentralized which means each department will oversee and document the requirements and fulfillment the federal grant requirements; this could and should also be used for more sizable and complex state grants. As a standard practice, the city will address Federal Grant Standards as part of the bidding process where applicable.

Under federal guidelines the City (including the EDA) will need to have a single audit when federal expenditures (grants) are greater than $750,000.

Please note, in many cases this money is passed through the state; so just because it comes from a state department does not mean it is a state grant. You will need to review the grant document in each case and determine whether it is a state or federal grant; if you are not sure you may receive a definitive answer from the grant representative from the state. At this same time, you may obtain the Catalog of Federal Domestic Assistance (CFDA) number from the agency if it is not in the grant document. This is a five-digit number in this format: ##.### (two numbers which denotes an administering federal department, and then 3 numbers which is

the grant number within the federal department. According to regulations the Federal award ID and year; name of federal awarding agency; and the pass-through entity's name (if applicable) need to be included in the financial system when applicable.

## General Grant Guidance

- Find a project or purchase that fits a federal grant criteria.
- Responsible department will contact appropriate state or federal department to start the process and inquire about the grant requirements.
- Start a file during this process and label everything well so there is no difficulty finding the documents needed when being audited.

department will create an appropriate notice for the government body (City Council and/or EDA) to request approval of the application to receive this new grant.

  - This action form should contain ALL important information concerning this grant even INCLUDING any additional requirements that the grant may have such as continuing reporting for years to come; inability to sell an asset after used for certain amount of time; required future upkeep of an asset at local entities expense; or other important information as deemed appropriate.

- Responsible department needs to document all requirements and then follow the grant procedures whenever applicable. These requirements may need to be fulfilled before the grant can be submitted. Some requirements may be (please note that some of these may not be able to be documented or completed until after grant award):
  - Improvement plan
  - Is this improvement plan in a 5-year capital plan
  - Plans and specifications
  - Bidding requirements
  - Data requirements (i.e., invoice and receipt retention, reports, schedules, etc.)
  - May need to hire a consulting firm
  - Scope of project
  - Cost estimates
  - Projected timelines
  - What project reports will be required
  - Document what steps will be needed for grant closeout
- Once you have all the documents required to apply for the grant, then you may submit the grant application.
- You need to obtain all necessary grant documents and requirements once the grant is approved.
- Follow through the project to completion.
- File all grant reports as required per the grant on a timely basis. Ensure all requirements are well documented.

## Internal Controls

Uniform guidance requires our organization to have effective controls in place to manage federal awards and show compliance with Federal statutes, regulations, and terms and conditions of the award when applicable.

- The section "General Grant Guidance" and following our internal policies will fulfill these requirements.

Uniform guidance requires there are reasonable procedures in place to protect Personally Identifiable Information (PII) as sensitive by Federal agency or pass-through entity when applicable.

- The City of Mankato and the Mankato EDA have approved the City of Mankato Data Practices Policy that outlines different types of data and what must be followed regarding dissemination of data. This policy may not be all encompassing; however, between that and implementation of other grant rules and procedures the controls are in place to protect PPI.
- PPI data must be kept in a locking file cabinet or computer system that is only accessible to people authorized to have that access.
- Follow other normal operating procedures in regard to purchase requisitions, contracting and bidding, and submitting of claims.

## Travel

According to federal grant guidelines, the City's travel policy is in accordance with what is allowed for travel costs.

- Travel guidelines must be followed. Travel policies are within the personnel policy guidelines and Human Resources Department sends out updates to any mileage and meal per diems that have changed.
- If costs for a conference are being charged to a grant directly or through an indirect cost allocation; the supporting documentation of attendance must be retained by the participant and/or department.

## Financial Management and Accounting Records

Financial system must identify all federal awards in all accounts that are received and expended by:

- CFDA number and title
- Federal award ID and year
- Name of federal awarding agency
- Pass-through entity's name

**Major Federal Grants** - Each department will need to contact either the Finance Director or the Accountant with the information in number one above for major federal grants so that we can oversee the set up the appropriate Project Accounting Codes by each department.

- Project accounting is a system that works along with the main general ledger. This will allow for proper identification the federal government is requiring.

- Major federal grants will be defined as grants that require multiple entries for the receipt of the federal grant and multiple expenditure items of the federal grant. It would also be further defined as greater than $100,000 in expenditures or revenues.

**Minor Federal Grants** – Each department, when asking for a federal grant to be receipted into the general ledger system, will need to be accompanied by the information in number one above so the information can be entered into the detailed description. The same is true for expenditures. When entered into the system the information required above will need to be entered into the detail description.

- A minor program would be a grant that is less than $100,000 and only has very a few number of transactions needing to be entered such as one receipt and one expenditure.

Each department must know the requirements of the grant they are receiving and ensure the allowability of costs are well documented including allowability of costs in accordance with Subpart E Cost Principles if applicable on the grant.

To receive advance payments, written procedures must be in place by the departments to minimize time between transfer of funds and disbursement by the entity whenever applicable.

Payments to subrecipients are:

- Not required to be maintained in separate depository accounts for federal awards,

- Required to be accounted for by receipt, obligation, and expenditure of federal awards. Documentation must be retained and detailed descriptions used on expenditures to the system. If using a project account, more defining items could be set up to provide better information but each department will need to contact finance department to assist with this process

## Documentation

Examples of documents associated with a particular action:

- Travel, e.g., airline tickets, authorized travel request, hotel receipts, conference registration, mileage records, etc.

- Procurement, e.g., request to buy (purchase), quotes from suppliers, written agreement/contract to purchase or an order, receipt of goods or completion of services, invoice, etc.

- Personnel Compensations (T&E), e.g., timesheets, calendars with worked hours, approved or authorized schedules.

- Performance Reports, e.g., activities completed, associated costs, log of attendees/those served, publications or written material, etc.

- Financial Reports, e.g., receipts, invoices, payroll schedules, etc.

## Personnel Compensation Documentation

Written policies and procedures for personnel compensation

- Employees will follow current personnel policies.

- Management must communicate with employees how to record their time on timesheets to designate the work is for a federal grant or possible federal grant.

- When entering time information, staff must enter the appropriate project accounting codes so payroll time is properly recorded.

- Timesheets must be recorded in Human Resources software for imaging and sorting for backup documentation to the federal grant (primarily used for FEMA grants).

- Documentation must be maintained for all employees whose salaries are paid in full or in part by a federal award and used in meeting cost sharing or matching requirements on federal awards whenever applicable.

## Conflict of Interest

All potential conflicts of interest must be disclosed in writing to the federal awarding agency.

City officials need to be aware of other interests employees may have or own. For example, if they are involved in a sideline business or a spouse involved in a business.

- Officials must be aware of their own business interests.

- Officials need to keep note of other businesses employees may be involved with.

- Officials should state to their employees and ask questions whether they are involved with other businesses.

- All employees should read and understand the code of Conduct in the City of Mankato employee handbook.

Federal award recipients must disclose, in a timely manner, all violations of Federal criminal law in writing that involve fraud, bribery or gratuities that affect a federal award. This information must be reported to the federal agency or pass-through entity. If you fail to do so you may forfeit a portion or all the federal award.

## Activities Allowed/Un-allowed and Allowable Costs/Cost Principles

Source of Governing Requirements – The requirements for activities allowed or un-allowed are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The requirements for allowable costs/cost principles are contained in 2 CFR 200 Subpart E, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

- All grant expenditures will follow 2 CFR 200 Subpart E, State law, City policy, and the provisions of the grant award agreement, which will also be considered in determining allowability. Grant funds will only be used for expenditures that are considered reasonable and necessary for the administration of the program.

- Grant expenditures will be approved initially through the purchasing process and again when the bill or invoice is received. This will be evidenced by approval via the City's accounting software. Accounts payable disbursements will not be processed for payment by the Administrative Services Department-Finance until necessary approval has been obtained.

- Payroll costs will be documented in accordance with 2 CFR 200 Subpart E. An indirect cost rate will only be charged to the grant to the extent that it was specifically approved through the grant budget/agreement.

## Cash Management

Source of Governing Requirements – The requirements for cash management are contained in OMB UG 2 CFR 200.302 & 305, program legislation, Federal awarding agency regulations, and the terms and conditions for the award. In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

- Substantially all the City's grants are awarded on a reimbursement basis. As such, program costs will be expended and disbursed prior to requesting reimbursement from the grantor agency.

- Cash draws will be initiated by the Administrative Services Director or designee who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained and signed/dated.

- The physical draw of cash will be processed through SWIFT (Minnesota's State-wide Integrated Financial Tools payment system) or through the means prescribed in the grant agreement.

- Supporting documentation from SWIFT or a copy of the cash draw paperwork will be filed along with the approved paperwork described above and retained for audit purposes.

- When cash is received in advance or drawn, the City will work to minimize time lapse between transfer of funds and disbursement by the City.

## Eligibility

Source of Governing Requirements – The requirements for eligibility are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

- Federal grants will only benefit those individuals and/or groups of participants that are deemed to be eligible.

## Equipment and Real Property Management

Source of Governing Requirements – The requirements for equipment are contained in OMB UG 2 CFR 200.310-316, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The following policies and procedures will also be applied to the extent that they do not conflict with or contradict any existing policies:

- All equipment will be used in the program for which it was acquired or, when appropriate and allowable, other federal programs.

- When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The designee will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.

- Equipment records will be maintained, and an appropriate system shall be used to safeguard equipment.

- When equipment is no longer needed for a federal program, it may be retained or sold with the Federal agency having a right to a proportionate amount of the current fair market value. Proper sales procedures shall be used that provide for competition to the extent practicable and result in the highest possible return.

## Procedures for Disposition of Equipment

The City will keep, sell or otherwise dispose of the equipment with no further obligation unless disposal requirements are specifically detailed in the grant.

A record of the date, reason and method of disposal or sale will be maintained with the equipment inventory.

Equipment purchased will be identified and kept in a capital asset listing. An equipment listing shall be maintained that includes the following:

- Asset number and description of the equipment
- Depreciation method & years of expected life
- Acquisition date
- Cost of the equipment
- Equipment classification (land, building, equipment, etc.)
- Make, Model, & Serial number or other identification number
- Vendor and invoice number to purchase equipment
- Disposition data including date and sale price of the equipment

A physical inventory of the property will be conducted periodically, and the results will be reconciled with the capital asset listing. A control system will be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage or theft will be investigated.

Maintenance procedures are in place to keep the equipment in good condition.

## Matching, Level of Effort and Earmarking

Source of Governing Requirements – The requirements for matching are contained in OMB UG 2 CFR 200.306, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The requirements for level of effort and earmarking are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The City defines "matching", "level of effort", and "earmarking" consistent with the definitions of the OMB UG Compliance Supplement:

Matching or cost sharing includes requirements to provide contributions (usually non-federal) or a specified amount or percentage of match federal awards. Matching may be in the form of allowable costs incurred or in-kind contributions (including third-party in-kind contributions).

Level of effort includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-federal or federal sources for specified activities to be maintained from period to period, and (c) federal funds to supplement and not supplant non-federal funding of services.

Earmarking includes requirements that specify the minimum and/or maximum amount of percentage of the program's funding that must/may be used for specified activities, including funds provided to sub-recipients. Earmarking may also be specified in relation to the types of participants covered.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

- Compliance with matching, level of effort and earmarking requirements will be the responsibility of the Administrative Services Director or designee.

- Adequate documentation will be maintained to support compliance with matching, level of effort, and earmarking requirements. Such information will be made available to City administration, auditors, and pass-through or grantor agencies, as requested.

- Maintenance of effort for grants through the State Minnesota will be determined at the State level.

## Period of Performance

Source of Governing Requirements – The requirements for period of performance of federal funds are contained in OMB UG 2 CFR 200.308-309 & 344, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

- Costs will be charged to an award only if the obligation was incurred during the funding period (unless pre-approved by the Federal awarding agency or pass-through grantor agency).
- All obligations will be liquidated not later than 120 days after the end of the funding period (or as specified by program legislation).
- Compliance with period of performance requirements will initially be assigned to the individual approving the allowability of the expense/payment. This will be subject to review and approval by the Administrative Services Department-Finance as part of the payment processing.

## Procurement, Suspension and Debarment

Source of Governing Requirements – The requirements for procurement are contained in OMB UG and 2 CFR 180, program legislation, Federal awarding agency regulations and the terms and conditions of the award. The requirements for suspension and debarment are contained in OMB UG and 2 CFR 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension; program legislation; Federal awarding agency regulations; and the terms and conditions of the award.

The City must have written procurement procedures that comply with federal, state, and local laws and regulations.

- Follow state guidelines (which are also in our internal control procedures document) in regard to bidding and contracting.
- Follow the internal controls document from the City of Mankato in relation to purchasing, bidding and contracting, purchase orders, and accounts payable. *If we follow these procedures, it should and must include full and open competition consistent with uniform guidance standards.*
    - Purchasing from small and minority businesses, women's business enterprises and labor surplus firms when applicable. Steps must include
        - Placing qualified small and minority businesses and women's business enterprises on a solicitation list;
        - Assuring that small and minority business, and women's business enterprises are solicited whenever they are potential sources;
        - Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;

        - Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises;
        - Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
        - Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in these five items above.

- Contract only with responsible contractors that can meet the requirements, and terms and conditions. Some items to consider are:
    - Contractor integrity
    - Compliance with public policy
    - Record of past performance
    - Financial and technical resources

- Conflicts of interest for procurement:
    - Follow code of conduct in the personnel policy manual.
    - Avoid purchasing unnecessary or duplicative items under the grant contract.
    - Maintain sufficient detailed records to provide an audit trail for the procurement.

- Identify the procurement method: Under federal guidelines there are different sizes of purchases and requirements that they follow.
    - Micro purchases are purchases not to exceed $10,000. This can increase up to $50,000 on an annual basis if the self-certification is done with any of the following supporting documentation: qualification as a low-risk auditee, annual internal institutional risk assessment, or a higher threshold consistent with State law ($25,000).
        - Follow normal purchasing procedures in the internal control documents. Issue purchase requisitions when policy requires.
        - Distribute as equitably as possible among qualified suppliers.
        - Policy is that you should get more than one price quote if the purchase is over $5,000. If the purchase is under $5,000 more than one quote is not required.

- Small purchase procedures which are relatively simple and informal procurement methods for securing services and supplies between $25,000 and $174,999 under federal guidelines.
    - Follow City guidelines in relation to purchasing, contracting and bidding for these items and follow state statutes which would require competitive quotes above $25,000 and sealed competitive bids after $174,999 when applicable or unless there is an exception to policy.
    - Stay in contact with the federal or state agency you are coordinating this grant with to ensure compliance.
- Sealed bid procurements with formal advertising are for items exceeding $175,000 (> $175,000 for the City of Mankato and Mankato EDA).
    - Follow city guidelines in relation to contracting and bidding which are the same as MN State statute (> $175,000).
    - Stay in contact with the federal or state agency you are coordinating this grant with to ensure compliance.
- Sealed bid procurements without formal advertising are for items exceeding $175,000. This would be a rarity that this will occur.
    - Follow city guidelines in relation to contracting and bidding (> $175,000) which are the same as MN State statute.
    - Stay in contact with the federal or state agency you are coordinating this grant with to ensure compliance.
    - Complete cost/price analysis;
        - Method used and level of analysis depends on facts surrounding the procurement action;
    - Recipient must make independent estimates before receiving bids or proposals.
- Non-competitive proposals or bids
    - Review use of non-competitive proposals, if used and when to use:
        - Item or service is available from only one source;
        - Public emergency exists;
        - Awarding agency or pass-through entity expressly authorizes non-competitive proposals in response to a written request from the City of Mankato or Mankato EDA;
        - Competition is inadequate after a solicitation is issued.

- Recipient must ensure that awarded contracts are not awarded to a contractor that is debarred or suspended.
    - Verify in Excluded Parties List System (EPLS) in the System for Award Management (SAM).

## Program Income

Source of Governing Requirements – The requirements for program income are found in OMB UG 2 CFR 200.307, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

- Program income will include (but will not be limited to): income from fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under a grant agreement, and payments of principal and interest on loans made with grant funds. It will not include interest on grant funds unless otherwise provided in the Federal awarding agency regulations or terms and conditions of the award.
- The City will allow program income to be used in one of three methods:
    - Deducted from outlays
    - Added to the project budget
    - Used to meet matching requirements

  In the absence of specific guidance in the Federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays.
- Program income, when applicable, will be accounted for as a revenue source in the same project code as the federal grant.

## Reporting

Uniform guidance requires Federal agencies to include performance goals or measures in awards and recipients are to report against those goals or measures.

- Read and understand the grant document in relation to performance reporting requirements.
- Performance reporting will require the following:
    - Recipients are to relate financial data to performance accomplishments;
    - Oversight and monitoring must cover each program or activity.
    - Performance report timeframes will be defined by awarding agency or pass-through entity.

- Expectations of performance reports (non-construction):
    - Comparison of actual accomplishments of each federal award for the established reporting period by submitting:
        - Quantifiable data (cost/units) when available
        - Trend data or data analysis
        - Other defined measures
    - Reasons why goals were not met:
        - Analysis/reason why goals not met
        - Explanation of any cost overruns
        - (Identification of or if goals will be met)
- Expectations of performance reports (construction)
    - On-site technical inspection report
    - Certified percentage of completion data
    - Additional reports as required by Federal agency
    - Data and Information that identifies:
        - Significant developments between scheduled reporting dates, e.g., delays, problems, adverse conditions
        - Identify any action taken, contemplated, or assistance needed
        - Identify favorable conditions
    - Policy and Procedures considerations:
        - Entities should consider having procedures that describe when to start collecting data for the report, who shall review the report, who shall sign the report, and when the report will be submitted.
        - Build in a timeline for submission and know the reportable measures for the reporting period to eliminate constant revisions.
        - For special data collection, procedures may need to reflect unique steps to take to collect and analyze data for reporting purposes - may require interim procedures to satisfy current reporting.

Report Certification:

- An authorizing official must sign a certification regarding the filing of documents.
    - When the grant is approved by the governing body the official that will be signing the grant documentation approved for all the grant documents going forward including this certification.
    - Certification: "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."

## Financial Reporting

- Use OMB approved government wide data collection instrument (currently SF-425 Federal Financial Report).
- Frequency of reporting will be identified in the grant documents. Check documentation.
- If more guidance is needed, please check with the federal agency or pass-through entity.

## Sub-recipient Monitoring

The City will ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and, if any of these data elements change, include the changes in subsequent subaward modification. Required information includes:

**Federal Award Identification**

- Subrecipient name (which must match the name associated with its unique entity identifier);
- Subrecipient's unique entity identifier;
- Federal Award Identification Number (FAIN);
- Federal Award Date (see §200.39 Federal award date) to the recipient by the Federal agency;
- Subaward Period of Performance Start and End Date;
- Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
- Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation;
- Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;

- Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

- Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;

- Assistance Listing Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listing Number at time of disbursement;

- Identification of whether the award is R&D; and

- Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).

The City will perform a written risk assessment of each subrecipient, evaluating their risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in 2 CFR 200.332.

The City will monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

The City will verify that every subrecipient is audited as required by OMB UG 2 CFR 200 Subpart F when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold.

## Special Tests and Provisions

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

- The Administrative Services Director or designee will be assigned the responsibility for identifying financial-related compliance requirements for special tests and provisions, determining approved methods for compliance, and retaining any necessary documentation. Program-related compliance requirements will be the responsibility of the department administering the grant.

# FUND BALANCE RESERVE POLICY

This policy will ensure that adequate resources are available to meet the cash flow needs for carrying out the regular operations of the City, while also providing the financial ability to address catastrophic events or major downturns in the economy.

## Fund Balance Classifications

**Nonspendable** – amounts that are not in a spendable form (e.g., inventory, prepaid items).

**Restricted** – amounts that are externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or by law through constitutional provisions of enabling legislation (e.g., grants or donations).

**Committed –** amounts that are imposed by City Council and can only be removed by Council action. Action to commit funds must be taken prior to the end of the fiscal year, but the amount may be determined in the subsequent period.

**Assigned –** amounts that are intended to be used for a specific purpose but are neither restricted or committed**.**

**Unassigned** – includes all amounts not contained in other classifications which are available for any legal purpose.

The City Council authorizes the City Manager and/or Director of Administrative Services, to *assign* fund balance that reflects the City's intended use of those funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed. When unrestricted resources are available for use, it is the City's policy to use resources in the following order: 1) committed 2) assigned 3) unassigned. These fund balance classifications apply only to Governmental Funds, not Enterprise or Internal Service Fund

## Fund Balance Targets

**General Fund –** The City will maintain a total fund balance of 40% of the following year's expenditure budget. If the fund balance exceeds 40%, the City Council may transfer such amounts to the capital fund(s) to reduce future capital and/or debt related costs. Additionally, the General Fund balance should not exceed 55% of the following year's expenditures.

**Special Revenue Funds –** Since the funds are established to account for the proceeds of specific revenue sources that are legally restricted, the amount of fund balance reserves is governed by those restrictions.

**Debt Service Funds –** The City will maintain sufficient reserves which equal or exceed the requirements dictated by bond covenants or federal regulations.

**Capital Project Funds –** The approval and financing of capital projects is provided in the City's Community Investment Plan. The City will strive to maintain a fund balance to fully support internally funded projects identified in the appropriate budget years of the plan. Each capital project fund balance will be reviewed annually to ensure projects in current and future years will have adequate funding.

**Enterprise Funds** – The City will strive to maintain a fund balance of three months of the following year's operating expenses (excluding depreciation), 100% of the following year's debt service and the average five-year balance of scheduled capital replacement costs.

**Internal Service Funds –** The City will strive to maintain a fund balance of three months of the following year's operating expenses (excluding depreciation) plus the average five-year balance of scheduled capital replacement costs.

## Monitoring and Replenishment of Reserves

The City Manager and Director of Administrative Services will review the adequacy of the reserves annually. If the actual reserves fall below the fund balance targets, the City Manager and Director of Administrative Services will create a detailed financial plan to restore balances to the minimum requirements that will be submitted to the City Council for review and approval.

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