



Capital Improvement Plan

PROPOSED 2026 – 2030

Capital Studies

Studies will continue to inform future council policy decisions:

- Data driven decision making
- Anticipated completion for 2028 budget
- Ongoing updates and management of data

Capital Studies

Water Treatment Plant Condition Assessment

May 2024

Parks Plan

June 2024 and ongoing

Pavement Management Plan

October 2024

Information Technology Master Plan

July 2025

Municipal Facilities Inventory

Planned September 2025

Fleet Study

Planned December 2025

Capital Studies

Traffic Signal Study	July 2025
Horizontal Infrastructure Study	Planned November 2025
Park Camera and Lighting Study	Planned February 2026
Sidewalk and Trail Plan	Planned March 2026
Infrastructure Trust Fund Study	Planned March 2026
Street Light Study	Planned June 2026
City Owned Property Study	Planned July 2026

2026 Plan

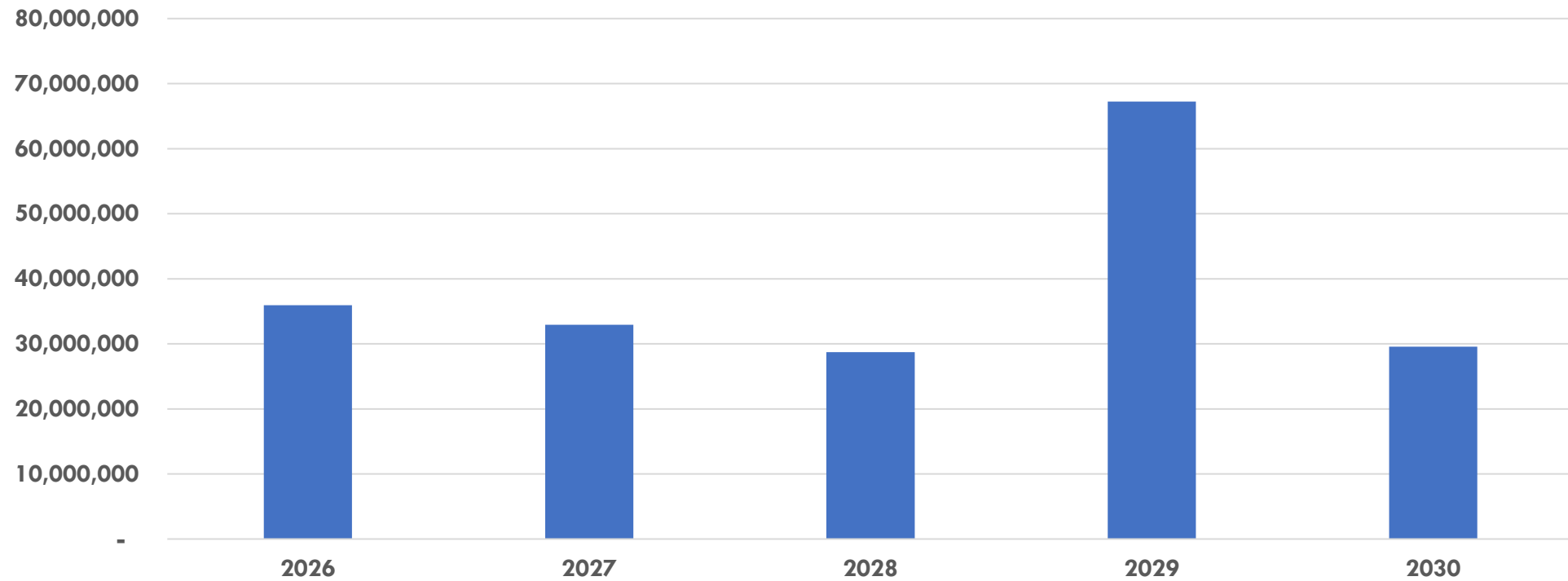
The FMP identified a 7.4% year over year tax increase:

- Balancing budget to the target
- Unpredictable conditions are a challenge the budget
- Responsible to support operations and future planning

2026 Realities

- Continued inflationary pressures
- Increasing demand for service
- Uncertainty around federal and state grants and funding
- Need to prioritize for a sustainable financial future

Capital Improvement Plan



Levy

- Forestry
- Infrastructure Trust
- Improvement Construction
- Street Maintenance
- Parks Renovation
- Equipment and Vehicle
- Information Technology

Special Revenue and Enterprise

- Cable
- Facilities
- Parks Investment
- Ames Center
- Ice Center
- Golf Course
- Water and Sewer
- Storm Water

Parks Renovation Fund

- Informed by parks plan
- Prioritize replacement of condition 1 and 2 items
- Safety is the priority
- Remove non-relevant amenities at end of life
- Complete additional studies to inform future projects

Parks Renovation Fund

Progress on condition 1 and 2 assets:

- Parks Asset Management Dashboard
- Last year 293 condition 1 and 2 assets identified (\$7M)
- 112 items completed in past year (38%), 27 (9%) in 2025
- Prioritized remaining 154 in current 5-year CIP planning

Parks Renovation Fund

Prioritize condition 1 and 2 assets:

- An additional 111 addressed in proposed 2026-2030 CIP
- Continuously updated, consistent condition scores
- Includes both operational and capital items
- Future study will inform trails and parks buildings investments

Parks Renovation Fund

Major 2026 projects with current condition score:

- \$745,000: Crystal Beach Park Playground Replacement – 1
- \$270,000: Kelleher Park Playground Replacement – 1
- \$240,000: Utecht Pond Trail Replacement – 2
- \$205,000: Lac Lavon Park Playground Replacement – 2

Parks Renovation Fund

Key assumptions:

- Annual 3.0% increase in the property tax levy through 2027, then 6% thereafter
- \$1,200,000 in host community landfill fee revenues in 2026

Parks Renovation Fund

Parks visioning:

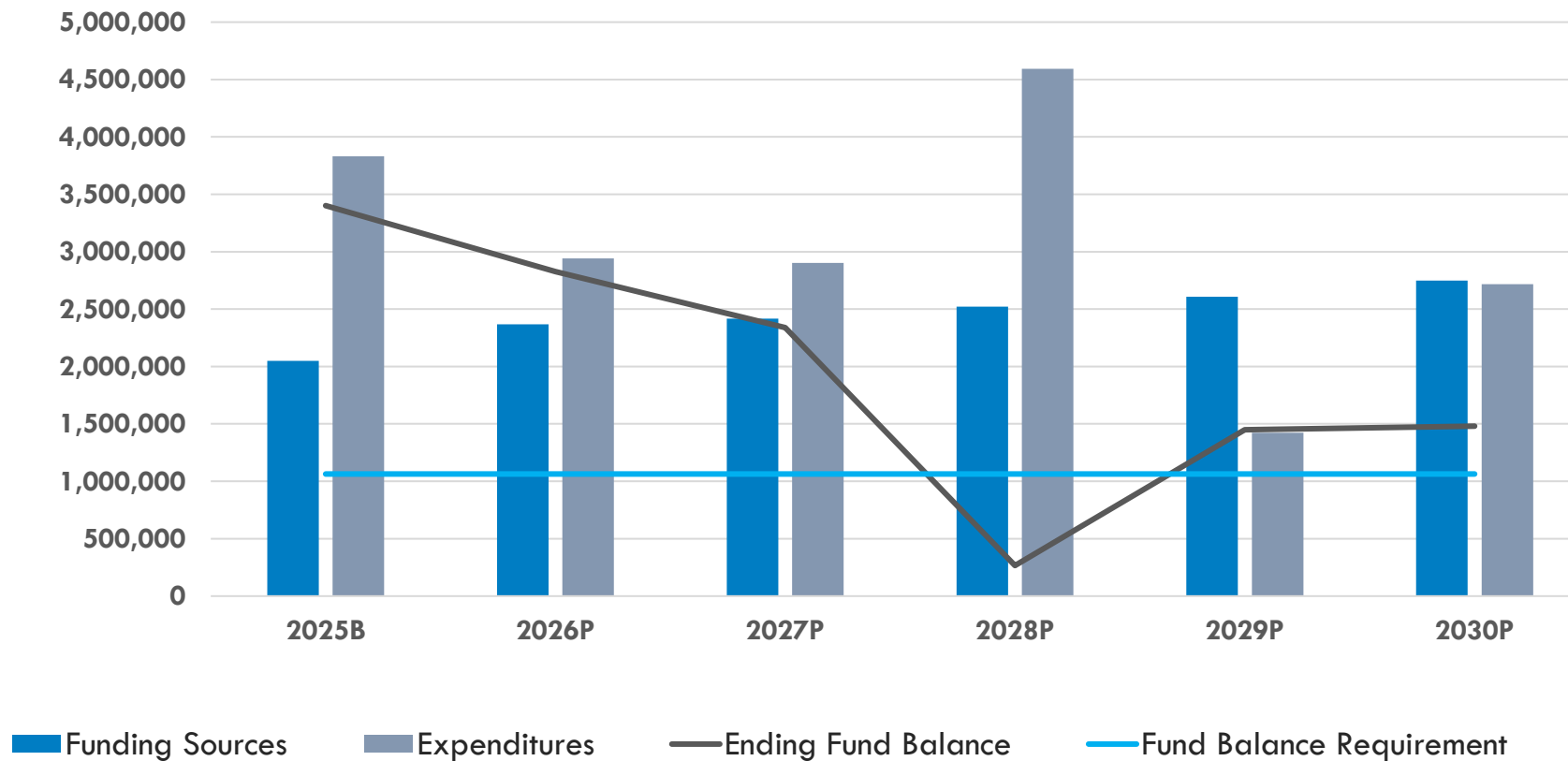
- Phase 1 included 26 community and neighborhood parks
- Guides existing maintenance and future improvements
- Base design concepts and visionary concepts

Parks Renovation Fund

Next steps:

- Prioritize condition 1 and 2 items identified in parks plan
- Parks buildings and shelters, sidewalk and trails, wayfinding
- Vision study for remaining parks

Parks Renovation Fund



Parks Investment Fund

Major 2026 projects:

- \$60,000: fiber and security in parks
- \$36,000: general park improvements

Parks Investment Fund

Key assumptions:

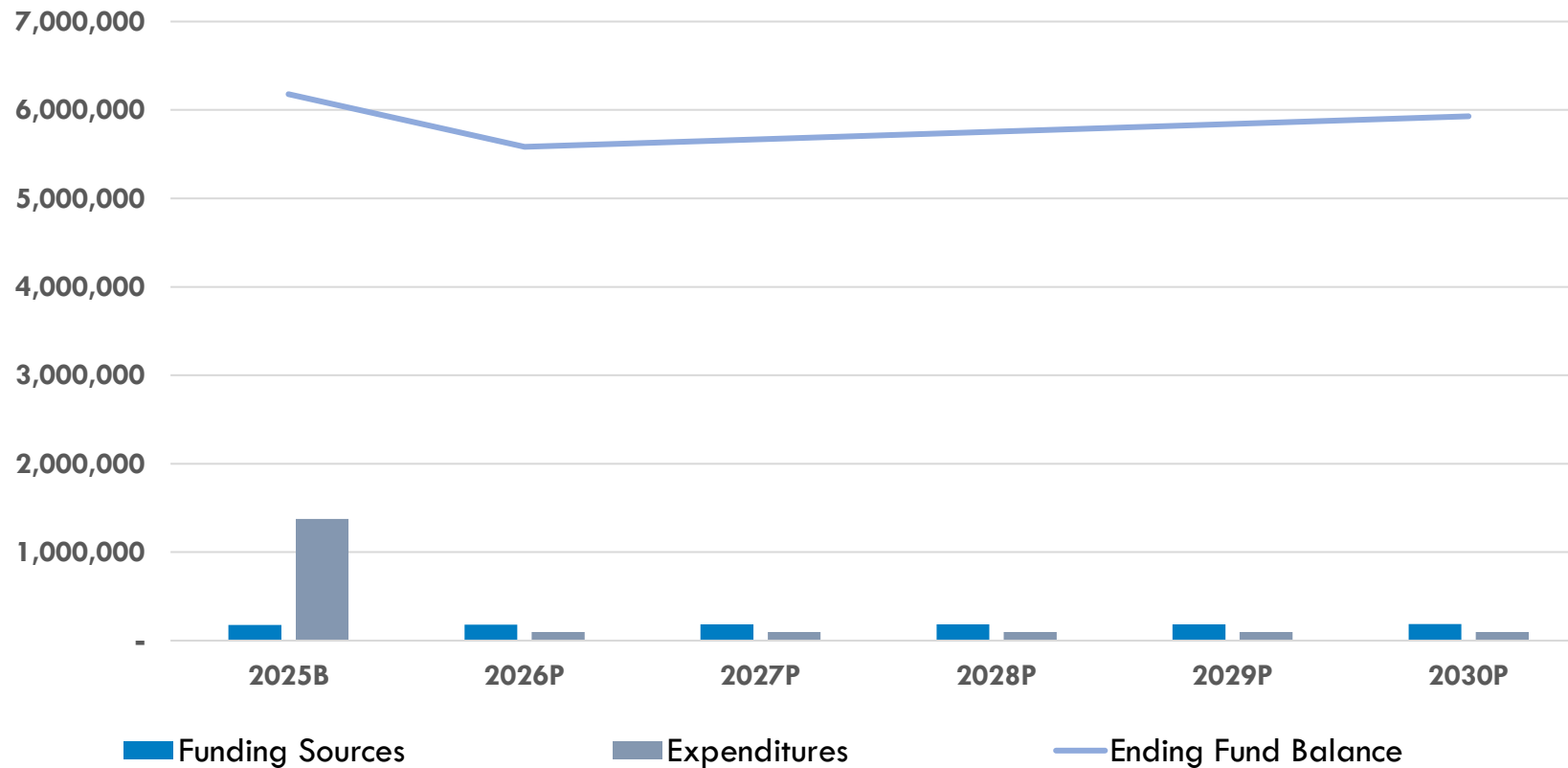
- Take care of what we have first
- Feasibility and engagement for Pickleball Project, \$1.15M budgeted in 2025
- Next phase visioning remaining parks

Parks Investment Fund

Key assumptions:

- Fund balance available for future projects \$5.9M
- Future improvements based on community engagement
- Consider parks vision plans when parks identified for improvement

Parks Investment Fund



Equipment and Vehicle Fund

Major 2026 projects:

- \$1,400,000: Fire Engine
- \$936,485: plow trucks (3)
- \$440,000: ambulance
- \$425,000: patrol squad vehicles (5)

Equipment and Vehicle Fund

- Demand for services and shorter replacement schedules
- Continued inflationary increases and long lead times
- Fleet study planned for December will inform future capital improvement plans

Equipment and Vehicle Fund

Key assumptions:

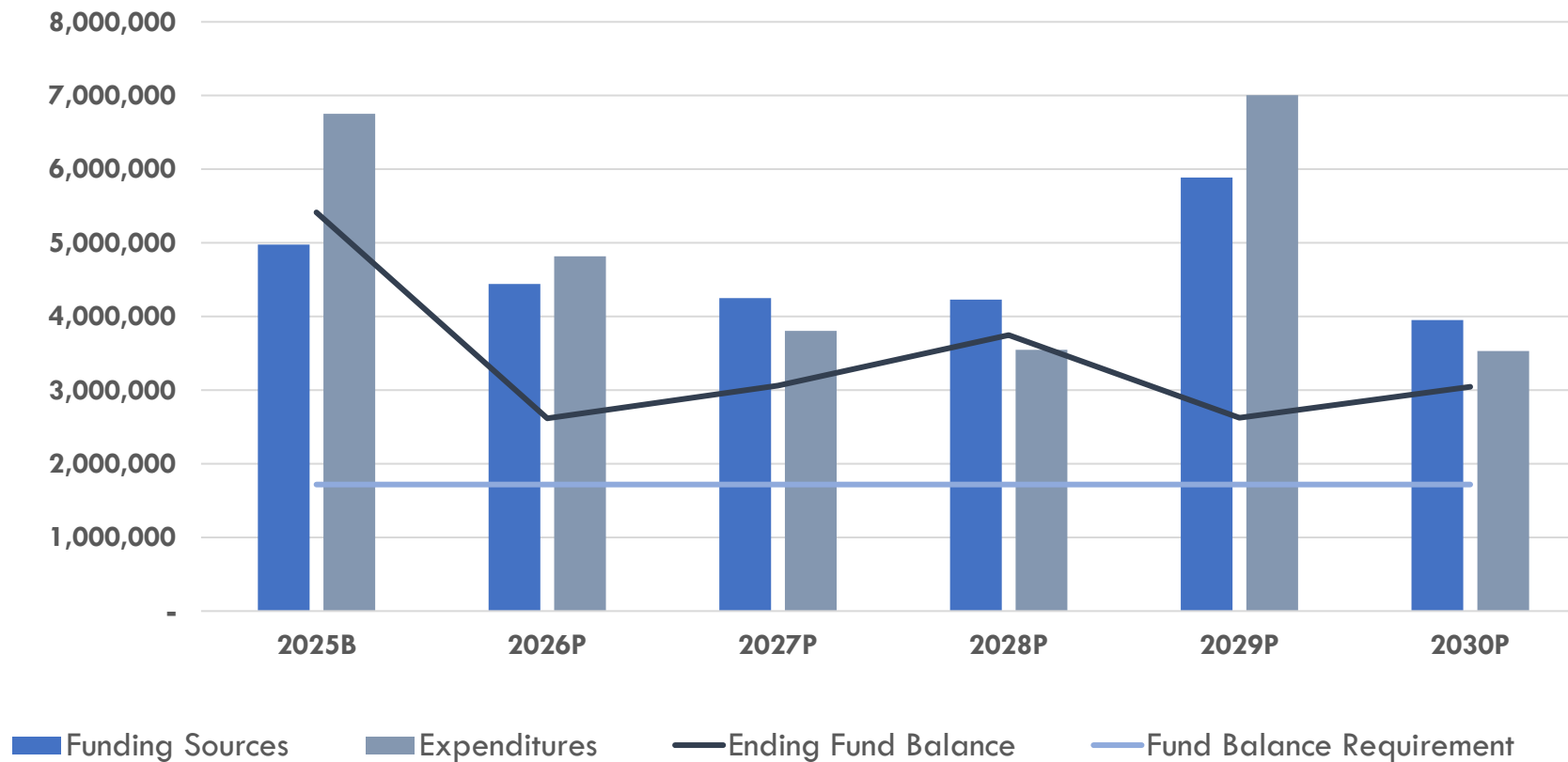
- Annual 3% levy increase through 2027; 6% beyond
- One-time public safety aid
- Assumes annual local government aid of \$429,148
- Host community landfill fee revenue averaging \$1,200,000

Equipment and Vehicle Fund

Key assumptions:

- 2025 includes carryforwards of \$3.2M prior year projects
- Additional debt financing included for 2026-2029
- Additional future debt will require debt levies in 2026-2030 and beyond

Equipment and Vehicle Fund



Information Technology Fund

Major 2026 projects:

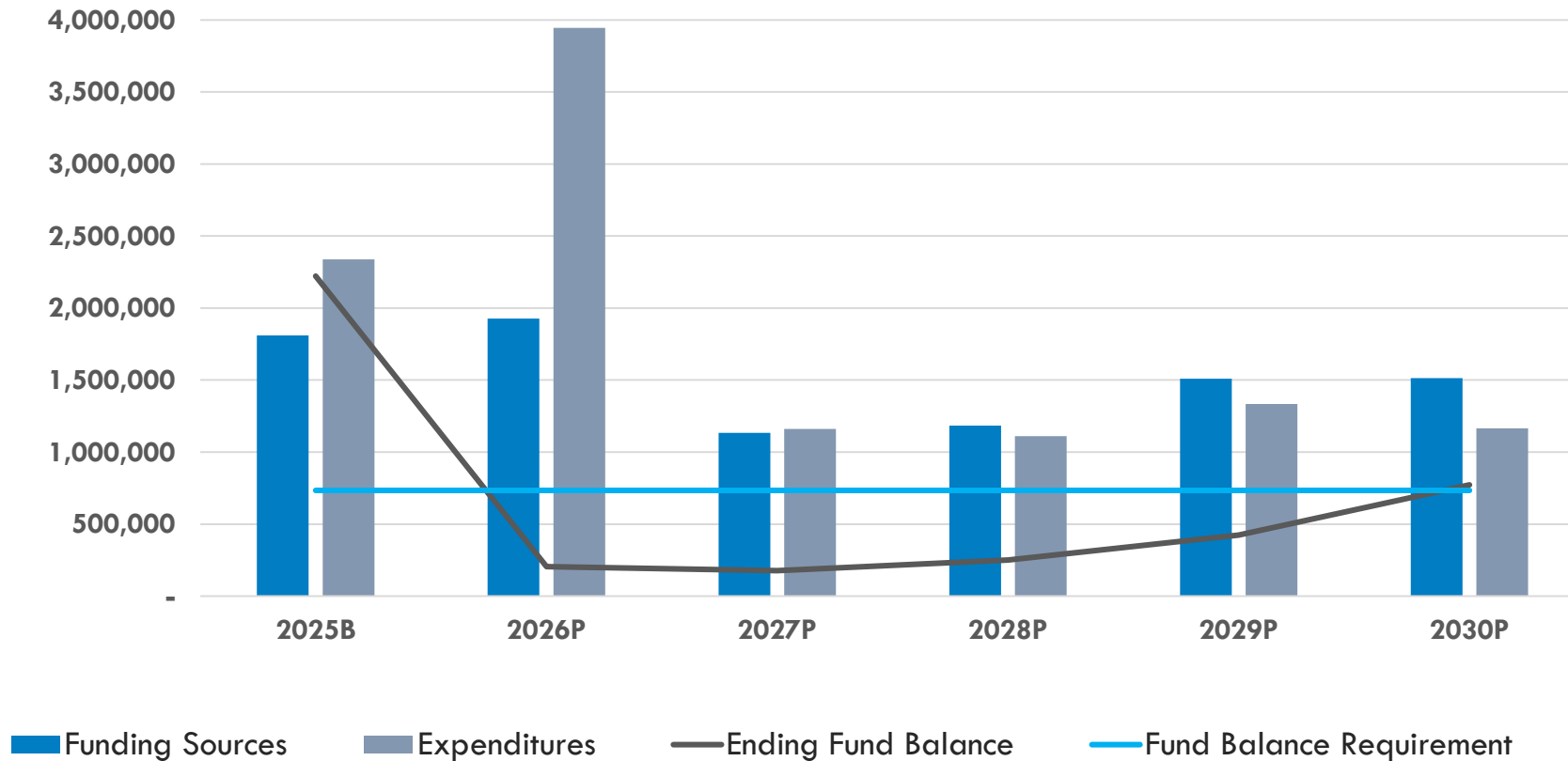
- \$2,815,000: ERP system
- \$224,000: Staff endpoint device replacements
- \$120,000: Network equipment replacements

Information Technology Fund

Key assumptions:

- Fund is receiving 12% increases in property taxes annually
- One-time general fund contribution for ERP system of \$390,000 (2024)
- One-time utility funding for ERP system of \$844,500 (2024)

Information Technology Fund



Infrastructure Trust Fund

Major 2026 projects:

- Street Improvements : \$4,380,000
- I-35W SB Exit Ramp to CR42 & Buck Hill Rd: \$2,070,000
- Nicollet Ave & Travelers Trail traffic Signal: \$500,000
- County Rd 5 & Southcross Dr Traffic Signal: \$400,000

Infrastructure Trust Fund

Key assumptions:

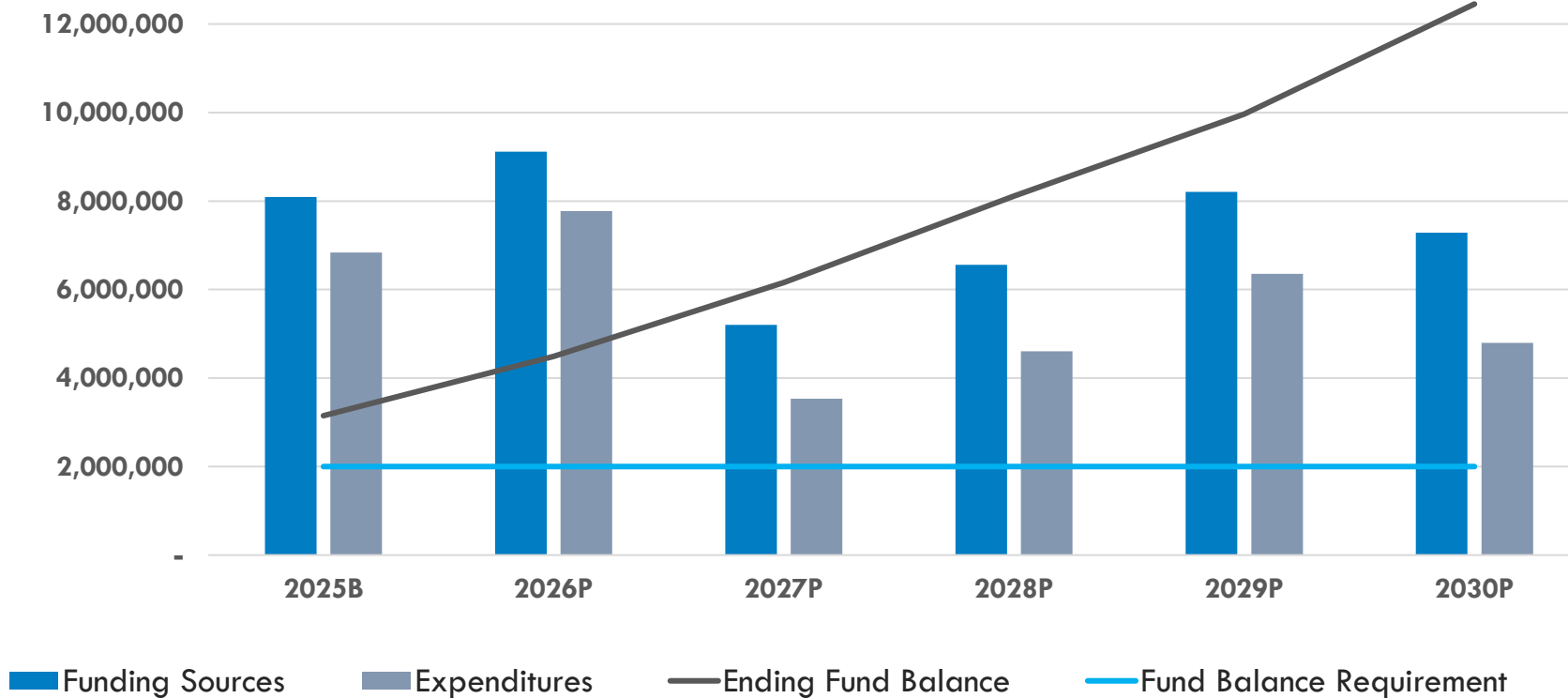
- 2026 includes 12% property tax increase; an average of 5% 2027 through 2030
- Municipal State Aid (MSA) level through 2030
- \$116,681 Transportation Advancement expected in 2026

Infrastructure Trust Fund

Key assumptions:

- No additional debt planned
- Capital planning informed by pavement management plan, traffic signal study and horizontal infrastructure study
- Future ITF Study planned for March 2026

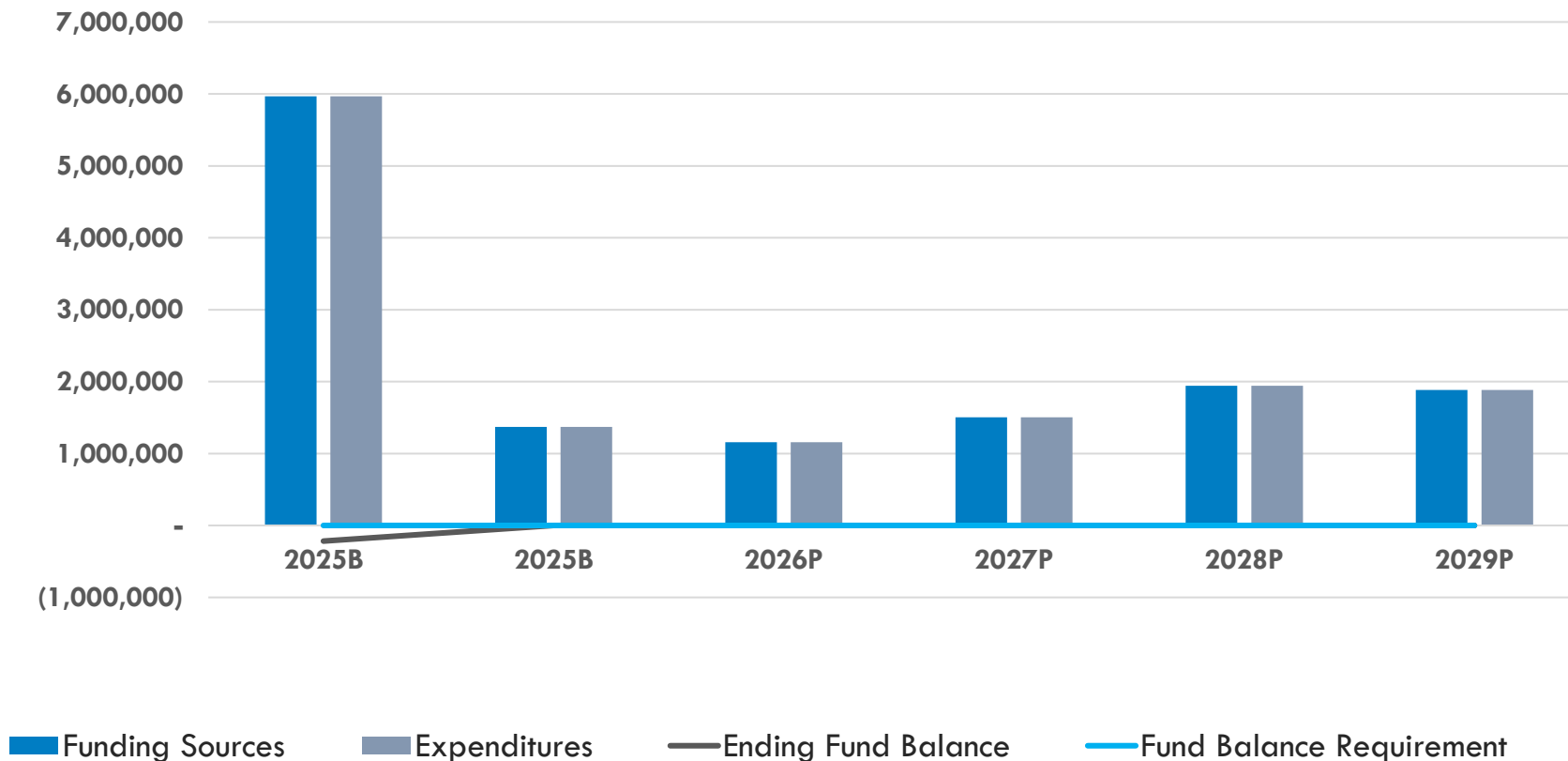
Infrastructure Trust Fund



Improvement Construction Fund

- Centralized street construction fund
- Zero Balance Fund
- Special Assessments for Street Improvement Projects
- State and Federal Grant for Street Projects
- No grants planned for 2026-2030

Improvement Construction Fund



Street Maintenance Fund

Major 2026 projects:

- \$502,800: preventative roadway maintenance
- \$100,800: pavement markings
- \$84,900: right of way maintenance

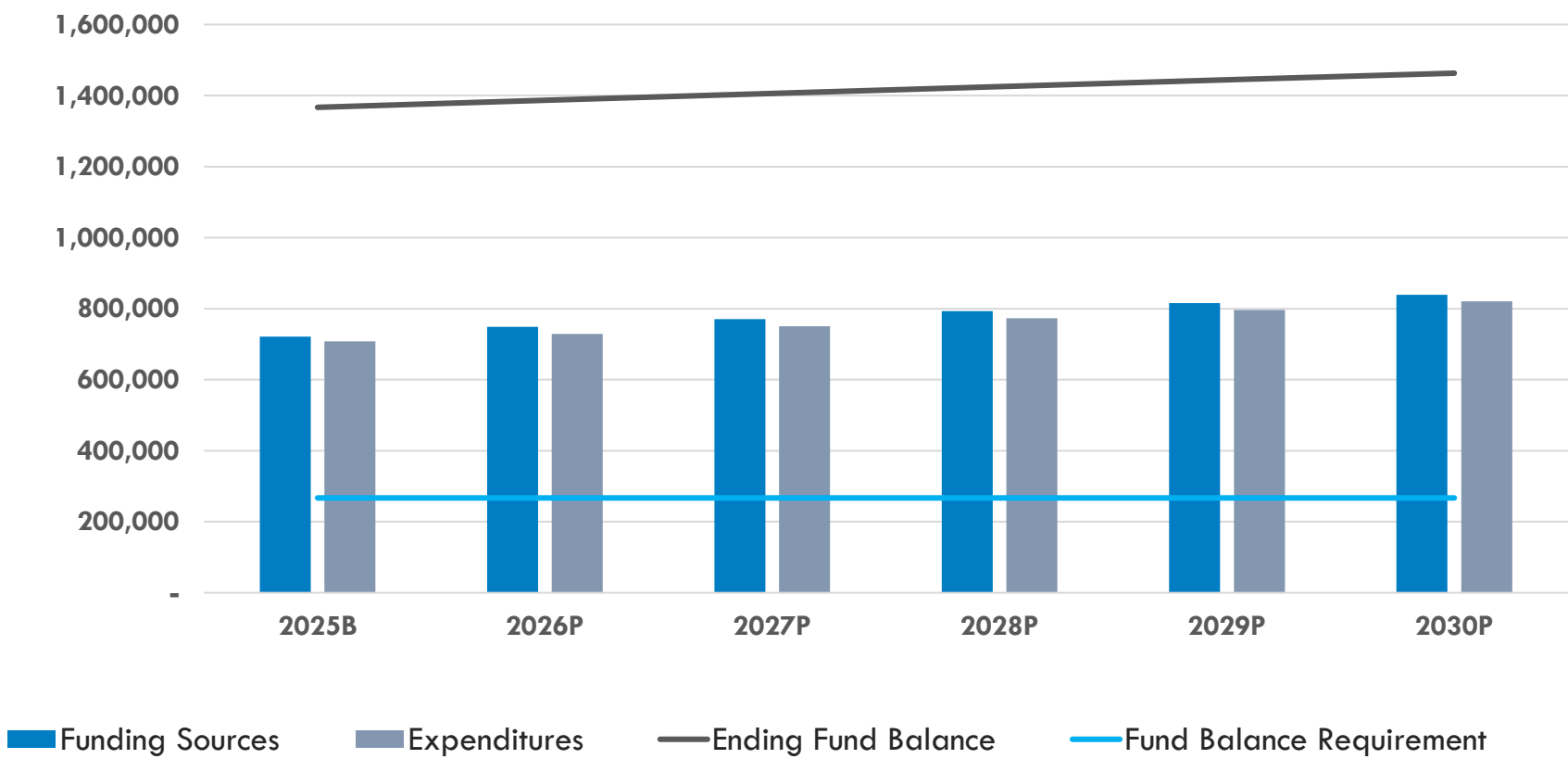
Street Maintenance Fund

Key assumptions:

- Transfers of \$420,800 from the General Fund
- Transfers of \$285,600 from the Water and Sewer and Storm Water Funds



Street Maintenance Fund



Facilities Fund

Police city hall:

- May 2025 groundbreaking with planned completion in 2028
- Bid day cost budget \$98,367,720
- Capital improvement bonds of \$68.6 issued in May 2025 with second tranche planned late 2026 (or early 2027).

Facilities Fund

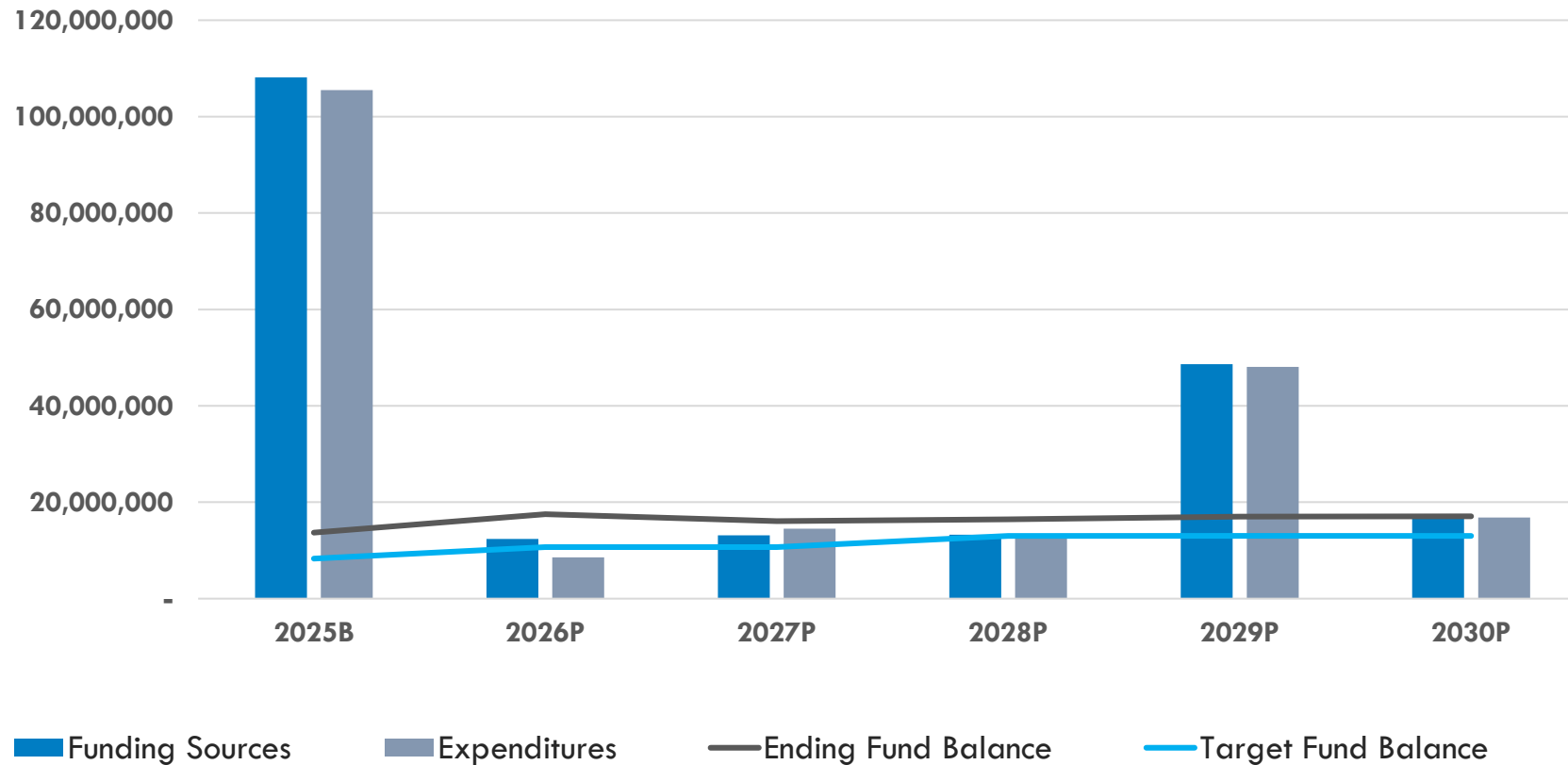
- Repair and maintenance across all facilities
- \$1,365,000 proposed for 2026
- More in-depth discussions about necessary facilities investments with Municipal Facilities Inventory planned in September

Facilities Fund

Key assumptions:

- Host Community Landfill Fees removed 2026-2030
- Utility Franchise fees in 2026 estimated at \$11,900,000
- Funds annual facilities debt service of \$7.2M in 2026
- Address facility needs across the city

Facilities Fund



Water and Sewer Utility Fund

Major 2026 projects:

- \$3,088,000: street improvements
- \$1,750,000: WTP header, effluent pipe & meter project
- \$1,385,000: well rehabilitation

Water and Sewer Utility Fund

Major 2026 projects:

- \$810,000: vitrified clay pipe (VCP) lining
- \$525,000: tank and reservoir projects
- \$400,000: ground water rehabilitation and repairs
- \$400,000 Nicollet Reservoir Roof

Water and Sewer Utility Fund

Key assumptions:

- High criticality items addressed in 5-year capital plan
- Engaged Ehlers to update the utility rate study
- 2025 study: water rate increases of 5.0%; sewer increases of 9.5%

Storm Water Utility Fund

Major 2026 projects:

- \$723,000: street improvements
- \$466,000: pond cleanout
- \$325,000: corrugated metal pipe (CMP) rehabilitation and replacement

Storm Water Utility Fund

Key assumptions:

- Engaged Ehlers to update the utility rate study
- 2025 study: rate increases of 2.5%
- Financial information planned for September fee meeting

2026 Budget Calendar

July 22	Discuss 2026-2030 Capital Improvements Plan
August 19	Discuss Proposed 2026 Budget and Tax Levy
August 19	Department Budget Presentations
September 9	Discuss Proposed 2026 Fees and Utility Rate Study
September 9	Department Budget Presentations

2026 Budget Calendar

September 16	Adopt Proposed City and EDA Property Tax Levy
November 25	Discuss Proposed 2026 Budget (if needed)
December 2	Adopt City and EDA Property Tax Levy and Budget