



MINUTES

**Mankato City Council
Public Budget Hearing
December 2, 2024 - 6 p.m.
IGC - Mankato Room**

1. Call Meeting to Order

Roll Call

Members Present: Jenn Melby-Kelley, Jessica Hatanpa, Dennis Dieken, Mike Laven, Kevin Mettler, and Mayor Najwa Massad.

Members Excused: Michael McLaughlin.

Staff Present: City Manager Susan Arntz, Administrative Services Director Parker Skophammer, and City Clerk Renae Kopischke.

Pledge of Allegiance

2. Approval of Agenda

Ms. Hatanpa moved and Mr. Laven seconded a motion to approve the agenda as written. The motion carried unanimously.

3. Public Hearings

- A. Mr. Skophammer presented an overview of the 2025 City Budget and Property Tax Levy. He reviewed the budgeting process, budget structure and key changes in revenues and expenditures.

Mr. Skophammer stated that the proposed final levy is set with an estimated tax extension rate of 39.37 percent. He indicated that the change in the 2025 levy is due to a \$448,264 or .71 percent increase in net tax capacity due to the impact of new construction. He shared property tax impact projections for the different property types for 2025. He reported on the general fund adjustments, which included increases in revenue for Local Government Aid, and rental housing licenses, as well as increases in expenditures for salaries and benefits costs, and general supplies, training supplies, seeds and shrubs and salt.

Ms. Hatanpa wondered where the funds go that do not get used if there is a light winter. It was noted that they are placed in the General Fund reserve.

Mr. Skophammer summarized the major utility fund adjustments that included increases to water and wastewater rates, refuse and recycling, stormwater fixed cost of service and streetlight rates. He commented that the EDA Levy is proposed to remain flat at \$365,000.

Ms. Hatanpa inquired about the increase in the streetlight utility. Mr. Skophammer replied that as more and more streetlights need to be replaced there will be an associated cost. Ms. Arntz also noted that streetlight replacement property for North Riverfront Drive in 2025.

Mr. Skophammer touched on internal service adjustments as salaries and benefits were increased for an additional Facilities Maintenance Supervisor as well as for COLA adjustments.

Mr. Skophammer explained the funding sources necessary to maintain the Capital Investments Program debt issuance. He stated that the overall revenue for Debt Service is anticipated at \$12,381,486 for 2025 with the proposed levy portion set at \$3,825,300. He noted that General Obligation debt is retired at a relatively rapid rate using a combination of the tax levy, assessments, utility revenue, and state and federal grants, with over 90 percent amortized over 10 years.

Mr. Skophammer concluded with the final recommended budget actions within each resolution.

Mayor Massad opened the public hearing. There being no one wishing to speak, Mayor Massad closed the public hearing. The following were the corresponding approvals.

Ms. Hatanpa moved and Mr. Laven seconded a motion to approve the Resolution adopting the 2024 Property Tax Levy payable in 2025.
The motion carried unanimously.

Mr. Dieken moved and Mr. Mettler seconded a motion to approve the Resolution adopting the 2025 City Operating Budget. The motion carried unanimously.

Ms. Hatanpa moved and Ms. Melby-Kelley seconded a motion to approve the Resolution adopting the 2025 Fee Schedule. The motion carried unanimously.

Mr. Laven moved and Mr. Mettler seconded a motion to approve the Resolution adopting the 2025 Community Investment Plan (CIP) Budget. The motion carried unanimously.

4. **Adjournment**

There being no further business before the Council, Mr. Laven moved and Ms. Melby-Kelley seconded a motion to adjourn. The meeting adjourned at 6:30 p.m.

Minutes Approved.

Mayor Massad

ATTEST:

Renae Kopischke
City Clerk