



MINUTES

**Mankato City Council
Public Budget Hearing
December 1, 2025 - 6 p.m.
IGC - Mankato Room**

1. Call Meeting to Order

Roll Call

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

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

Pledge of Allegiance

2. Approval of Agenda

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

3. Public Hearings

- A. Mr. Skophammer presented an overview of the 2026 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 40.76 percent. He indicated that the change in the 2026 levy is due to a \$1,255,122 or two percent increase in net tax capacity due to the impact of new construction and a small residential value increase. He shared property tax impact projections for the different property types for 2026.

He reported on the general fund adjustments, which included an increase in revenue of \$1,528,004, and a contingency set aside for uncollectible property taxes of just under 0.6%, as well as increases in expenditures for salaries and benefits costs but a decrease in general supplies. He noted the contractual increase with the main driver being engineering services.

Mr. Skophammer summarized the major utility fund adjustments that included increases to water and wastewater rates, with refuse and recycling, stormwater and streetlight rates remaining the same (no increase). He commented that the EDA Levy is proposed to remain flat at \$365,000.

Mr. Skophammer touched on internal service adjustments as salaries and benefits were increased due to COLA adjustments and some re-classifications.

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 \$11,191,691 for 2026 with the proposed levy portion set at \$3,600,000. He noted that General Obligation debt is retired at a relatively rapid rate using a combination of the tax levy, assessments, utility revenue, and non-local funds (state and federal grants), with over 90 percent amortized within 10 years.

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

Mayor Massad opened the public hearing.

Drew Campbell, 303 East Pleasant Street, requested that the city replace the sidewalk snow removal equipment downtown due to several pieces of the brushes coming off and ending up on the sidewalk. He commented on how a five percent levy annually for five years is over 20 percent. He asked that the Council consider all options for budget reductions.

Mr. McLaughlin referred to recent state and federal mandates that are and will affect local budgets, especially in 2027 and 2028.

Mayor Massad closed the public hearing.

Ms. Hatanpa moved and Mr. Laven seconded a motion to approve the Resolutions adopting the 2024 Property Tax Levy payable in 2025; adopting the 2025 City Operating Budget; adopting the 2025 Fee Schedule; and adopting the 2025 Community Investment Plan (CIP) Budget. The motion carried unanimously.

4. **Council Business**

- A. Ms. Arntz reported that staff have worked with MnDOT and the City of North Mankato to develop the proposed improvements to the Veteran's Bridge. She stated that the project is proposed for 2026 and includes two bridge segments. She explained that the first segment starts at 2nd Street and runs west to the Highway Interchange and is the portion of the bridge owned by the City of Mankato; the remainder of the bridge that runs west and connects to Belgrade Avenue in North Mankato is owned by the MnDOT. She referred to the proposed agreement that summarizes how the project will be managed and the cost share for all three entities.

Ms. Arntz indicated that the agreement suggests that the total Mankato obligation will be \$8,782,087.45 and references the \$6,388,101.24 of Federal Aid and \$2,393,986.22 of Non-Federal Aid (local match). She noted that Section 6.2.E of the agreement identifies that Local Bridge Replacement Program funds will be applied to Mankato's match, and we have confirmation that this will be up to \$2,000,000 in a letter from MnDOT on October 30, 2025. She explained that currently, the project estimates and the amounts shown in Schedule I show \$1,433,415.12 in eligible items; thus, if these costs remain as estimated, the Mankato local match will be reduced to \$960,571.09.

Ms. Arntz mentioned that while most of the construction will occur in 2026, it is likely that some work will extend into 2027. She added that the temporary easements are proposed to stay in place until December 2031 to allow follow-up and repair, if needed, and any obstructions within the easement areas will be removed by the completion of the construction contract in 2027 and full City use will be restored.

Mr. Laven moved and Mr. Mettler seconded a motion to approve the Resolution authorizing the City Manager to enter into a Cooperative Agreement with MNDOT for Project 1059682, Veteran's Bridge. The motion carried unanimously.

5. **Adjournment**

There being no further business, Mr. Laven moved and Ms. Hatanpa seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 6:40 p.m.

Minutes Approved.

Mayor Massad

ATTEST:

Renae Kopischke
City Clerk