~~No additional concerns were raised.~~

2.03: Review of 2027-2036 Capital Improvement Plan (CIP)

Finance Director Lund reviewed the proposed 2027–2036 Capital Improvement Plan, explaining that the document identifies anticipated capital projects, estimated expenditures, funding sources, and projected fund balances over the ten-year planning period. She emphasized that inclusion in the CIP does not authorize a project or expenditure. Individual projects must receive separate Council approval. The proposed 2027 expenditures align with the preliminary 2027 budget.

Finance Director Lund highlighted the fund balance projections included in the plan, noting that the Pavement Management Fund could be depleted around 2029 if all identified projects proceed as currently scheduled. The Parks Supplemental Plan was presented separately because several identified park projects remain unfunded. She clarified that the previously removed community center project was not included in the CIP, although the funding discussion still referenced a community center as an example. Staff agreed to remove the outdated reference.

Councilmember Peters questioned a $224,000 funding entry listed as "To Be Determined" for 2033.

Finance Director Lund explained that the amount relates to the Old Town Hall project, for which no funding source has been established. Potential grant funding remains under consideration.

Councilmembers also questioned why certain project categories showed no expenditures in later years and why projected capital spending declined from approximately $17.5 million in 2027 to $6.1 million in 2036.

Finance Director Lund explained that later-year projections are less developed because future equipment replacement, infrastructure needs, and project costs become more difficult to anticipate over a ten-year period. Additional projects and expenditures will likely be identified as those years approach.

The Council agreed to proceed with the proposed CIP review process. Staff anticipated requesting a public hearing in November and presenting the plan for adoption at the December 8, 2026, City Council meeting.

2.04: Discussion Regarding a Reorganization in Public Works

City Administrator Hagen presented a proposed reorganization of the Public Works Department in anticipation of Parks and Assistant Public Works Director Mark Riverblood's retirement, effective March 1, 2027.

City Administrator Hagen explained that the proposed changes would redistribute responsibilities, preserve institutional knowledge, address expanded utility operations, and improve management of parks, recreation, and environmental services.

- Unapproved -

The proposal included four components:

1. Reclassifying Recreation Coordinator Abby Proulx to Parks and Recreation Manager, with additional responsibilities for long-term parks planning, capital improvement projects, trails, and recreation programming.
2. Filling the Recreation Coordinator position vacated by Ms. Proulx.
3. Reclassifying Utility Supervisor John Nelson to a superintendent position, recognizing his expanded responsibilities associated with the water treatment facility and his ability to serve in a secondary leadership capacity within Public Works.
4. Reclassifying Senior Planner Chris Anderson to Environmental Manager and transferring the position to Public Works, while filling the resulting Senior Planner vacancy.

City Administrator Hagen noted that Ms. Proulx recently completed her Master of Public Administration degree, meets the preferred qualifications for the proposed position, and received favorable results from a leadership assessment.

Mr. Nelson's 28 years of City service and experience in utilities, public works, and fire services were cited as qualifications for expanded management and safety responsibilities.

City Administrator Hagen also highlighted Mr. Anderson's arborist certification and educational background in urban forestry. His proposed responsibilities would include tree preservation, boulevard and park tree management, resident education, recycling programs, environmental initiatives, and potential grant opportunities.

City Administrator Hagen explained that the first three components could be accommodated within the preliminary 2027 budget. The fourth component would require additional funding, estimated at $97,695, primarily to fill the Senior Planner position. Staff identified a potential Building Official Training Grant of up to $75,000 and other anticipated personnel savings as possible funding sources for 2027.

Councilmembers questioned the long-term financial implications of the Environmental Manager proposal, particularly because the grant would provide only temporary funding.

City Administrator Hagen acknowledged that ongoing costs would affect the property tax levy beginning in 2028 unless the city identified alternative revenue sources or reduced expenditures.

Councilmembers discussed whether a part-time planning position, expanded recycling revenue, future retirements, or alternative staffing arrangements could reduce the financial impact. Staff explained that Mr. Anderson currently divides his responsibilities between planning and environmental work, but finding a qualified part-time Senior Planner would be difficult.

Public Works Director Westby emphasized the importance of maintaining specialized tree care and environmental expertise as the City continues to develop. He noted that additional subdivisions increase the number of boulevard trees, landscaped areas, and other public assets requiring maintenance. He also highlighted the potential for continued environmental grant funding,

referencing recent awards of approximately $46,000 from the Minnesota Department of Natural Resources and $85,000 from the Metropolitan Council.

Councilmembers generally supported the proposed environmental responsibilities but expressed reservations about establishing an additional ongoing financial obligation outside the regular budget process.

The Council agreed to support the first three reorganization components, including Ms. Proulx's promotion, filling the Recreation Coordinator position, and Mr. Nelson's reclassification.

The Council deferred consideration of the fourth component, which involves Mr. Anderson's proposed Environmental Manager position and the corresponding Senior Planner replacement. Staff was encouraged to explore alternative funding, staffing arrangements, and potential budget-neutral solutions for future consideration.

2.05: Discussion Regarding Union Contract Negotiations (Closed Session)

City Administrator Hagen requested that the Council enter a closed session pursuant to Minnesota Statutes, Section 13D.03, to discuss the status of outstanding labor contract negotiations.
The Council agreed to close the meeting to discuss labor negotiations.

After reconvening in open session at 6:40 p.m., Mayor Heineman reported that the Council had discussed the LELS Crime Data Analyst contract in closed session. Staff was directed to continue discussions with the Crime Data Analysts at the next meeting regarding a tentative agreement and to address longevity provisions associated with the Captains' contract.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

None.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:59 p.m.

Respectfully submitted,

_____
Brian S. Hagen
City Administrator

ATTEST:

_____
Katie M. Schmidt
City Clerk

Drafted by Sue Osbeck
TimeSaver Off Site Secretarial, Inc.