



2022 Operating Budget 2022-2027 CIP

City Council Study Session



Team Rochester

Draft: 2/26/2021
Final: 8/16/2021

Budget, Capital Improvement, and Long Term Financial Management Plan Process



Scheduling

Budget Phase	Date	Focus
3: Development	06/28/2021 Study Session	Comprehensive Annual Financial Report and Audit Review/2021-2022 Baseline Budget Update (Complete)
4: Recommendation	07/19/2021 Study Session	Revenue Enhancement & Diversification (Complete)
4: Recommendation	08/23/2021 Study Session	Presentation of City Administrator's Recommended 2022-23 Operating Budget (Complete)
4: Recommendation	08/30/2021 Study Session	Discussion of City Administrator's Recommended 2022-23 Budget and Presentation of 2022-2027 Capital Improvement Plan
4: Recommendation	09/13/2021 Study Session	Discussion of City Administrator's Recommended 2022-23 Budget and Discussion of 2022-2027 Capital Improvement Plan
4: Recommendation	09/20/2021	Approve Preliminary Budget and Set Preliminary Levy
5: Adoption	11/08/2021	Review of final budget, CIP, & decision packages



Discussion Goals

2022-2023 City Administrator's Recommended Operating Budget Follow-up

2022-2027 Capital Improvement Plan

Park Referendum Investment Approach





**2022-2023 City Administrator's
Recommended Operating
Budget Follow-up**

City Council Follow-Up Items

- Preliminary levy and budget to be adopted on September 20th.
- Adopted levy may be less than preliminary but cannot be more.
- Conduct Budget Hearing on December 6th and adopt budget at December meeting.
- Council items from previous meeting:
 - Preliminary Budget and Levy Public Hearing?
 - Property Tax Impact
 - Transit Ridership Projections
 - Silver Lake Pool
 - Outside Agencies



Property Tax Impact (City tax portion only)

Median Home Value	Valuation Increase %	Tax Levy % Increase	Annual \$ Impact	Annual % Impact
\$ 275,000	0.0%	6.5%	\$ 25.00	1.9%
\$ 275,000	2.9% (\$283,000)	6.5%	\$ 68.00	5.2%

- This is highly variable property to property.
- Final tax capacity information is available in mid-September and updated estimates are provided at that time.



Transit Ridership Projections

- Currently at 35% ridership on fixed routes and 65% ridership on ZIPS
- Team agrees the 70% ridership projection could be aggressive; it would be the average if we were to reach 90-100% of 2019 ridership by the end of 2022.
- Ridership projections can be adjusted down if desired
- Expenditures can be managed to a certain extent based on ridership.
- Existing funding programs and transit specific American Rescue Plan Act funds cover the costs of operations.



Option to Open Silver Lake Pool in 2022

- **Projected Cost to Open in 2022 (admission collected) is \$95,000**
 - Attendance in 2021 with free admission was 6,990 (as of Aug 3)
 - Attendance in 2019 with admission was 3,601 (pre-COVID)
 - Improvements to Soldiers Field Pool may be implemented as soon as 2022-2023 depending on final council recommendation for referendum funding model (acceleration proposal).
 - Operating Silver Lake Pool in 2022-23 would provide the community with an outdoor aquatic option in the event Soldiers Field Pool is under construction.
 - Community survey results will inform outdoor aquatics investments.
 - Silver Lake and Soldiers Field Parks slated for master planning in 2021-2022 which will provide additional opportunity for community engagement.



Outside Agencies

	2021 Adopted	2022 Requested	2022 For Consideration	Difference from 2021
RNeighbors	101,700	101,700	101,700	0
125Live	108,000	120,000	105,000	-3,000
Art Center	173,160	173,160	170,000	-3,160
Southern Minnesota Initiative Foundation (SMIF)	18,000	18,000	15,000	-3,000
Rochester-Olmsted Youth Commission***	26,100	10,000	10,000	-16,100
History Center of Olmsted County	27,000	30,000	27,000	0
Human Rights Commission	5,400	6,000	5,400	0
Diversity Council	67,500	75,000	67,500	0
Civic Theater	0	75,000	15,000	15,000
Greater Rochester Advocates for Universities & Colleges (GRAUC)*	10,000	20,000	0	-10,000
Rochester Downtown Alliance*	90,000	125,000	125,000	35,000
Jeremiah Program**	0	10,000	10,000	10,000
First Homes**	0	20,000	10,000	10,000
Totals	626,860	783,860	661,600	37,740
Over Budget		-157,000	-34,740	City Council Discretion - \$94,271 – Some or all of this funding could be allocated to provide for requests that exceed 2022 baseline budget or to otherwise adjust the final 2022 allocations.
*OAO questions regarding fit with Strategic Priorities				In any case requests exceed the budgeted allocation AND the discretionary funding.
**OAO recommend for consideration for one time funding				
*** Relying on some unused 2020/2021 City Funding				



Outside Agencies, additional note

- Financials are required for entities receiving funding
- Recommendation is to follow the state guidelines of Financial Review for entities under \$750K total revenue, full audit for entities over \$750K





2022-2027 Capital Improvement Plan

What is a Capital Improvement Plan (CIP)?

The City of Rochester's Capital Improvement Plan is a mid-range plan, which spans 6 years. The CIP identifies projects and funding sources. The information also includes the 5-year capital improvement plan for Rochester Public Utilities (Electric Utility and Water Utility).

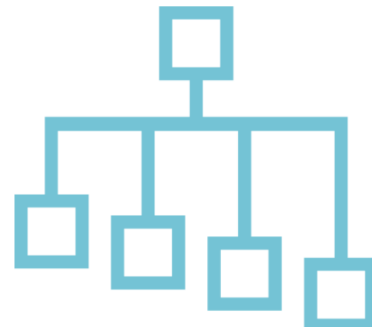
6 Year CIP Process



2022-2027 CIP Projects & 2022-2026 RPU CIP Projects



255 Projects



23 Categories



**\$628 Million
Total Investment**



2022-2027 CIP Projects & 2022-2026 RPU CIP Projects

Top 5 Funding Sources

There are 34 types of funding sources that are currently used to fund a CIP Project



Electric Utility
\$101,765,000



Federal Funds
\$74,356,326



General Obligation
Revenue Bonds
\$59,000,000



Tax Levy
\$50,144,330



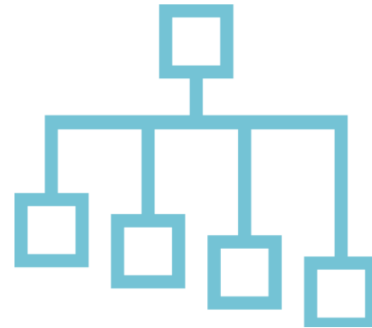
State DMC Funds
\$49,862,740



2022 CIP Projects



158 Projects



23 Categories



**\$132 Million
Total Investment**



2022 CIP Projects

Top 5 Funding Sources

There are 34 types of funding sources that can be used to fund a CIP Project



Electric Utility
\$24,904,000



State DMC
Funds
\$20,355,000



State Funds
\$11,930,000



Water Utility
\$10,527,000



Municipal State
Aid for Streets
\$9,635,000



**2022 – 5.7%
of CIP is
supported by
tax levy (\$7.6
million)**

**2021- 4.5% of
the CIP was
supported by
tax levy (\$6.2
million)**

	CIP Tax Levy					
	2022	2023	2024	2025	2026	2027
Airport	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parks	\$ 2,989,500	\$ 2,639,500	\$ 2,885,000	\$ 2,300,000	\$ 2,550,000	\$ 2,600,000
Golf	\$ 75,000	\$ 80,000	\$ 85,000	\$ 90,000	\$ 100,000	\$ 100,000
Rec Center	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Graham Arena	\$ 125,230	\$ -	\$ -	\$ -	\$ -	\$ -
Mayo Civic Center	\$ 354,600	\$ 354,600	\$ 354,600	\$ 354,600	\$ 354,600	\$ 354,600
Streets	\$ 1,700,000	\$ 2,225,000	\$ 3,023,000	\$ 4,332,000	\$ 4,562,000	\$ 4,605,000
Traffic	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 200,000
Pedestrian	\$ 352,500	\$ 775,000	\$ 515,000	\$ 415,000	\$ 435,000	\$ 480,000
Mass Transit	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ -
Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Rec Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Flood Control	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DMC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Abatement District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire	\$ 240,000	\$ 304,000	\$ 310,000	\$ 295,000	\$ 265,000	\$ 360,000
Police Department	\$ 397,000	\$ 397,000	\$ 397,000	\$ 30,000	\$ 30,000	\$ 30,000
Library	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	\$ 460,500	\$ 340,500	\$ 285,500	\$ 285,500	\$ 310,500	\$ 290,500
	\$ 7,594,330	\$ 8,015,600	\$ 8,255,100	\$ 8,502,100	\$ 8,757,100	\$ 9,020,100

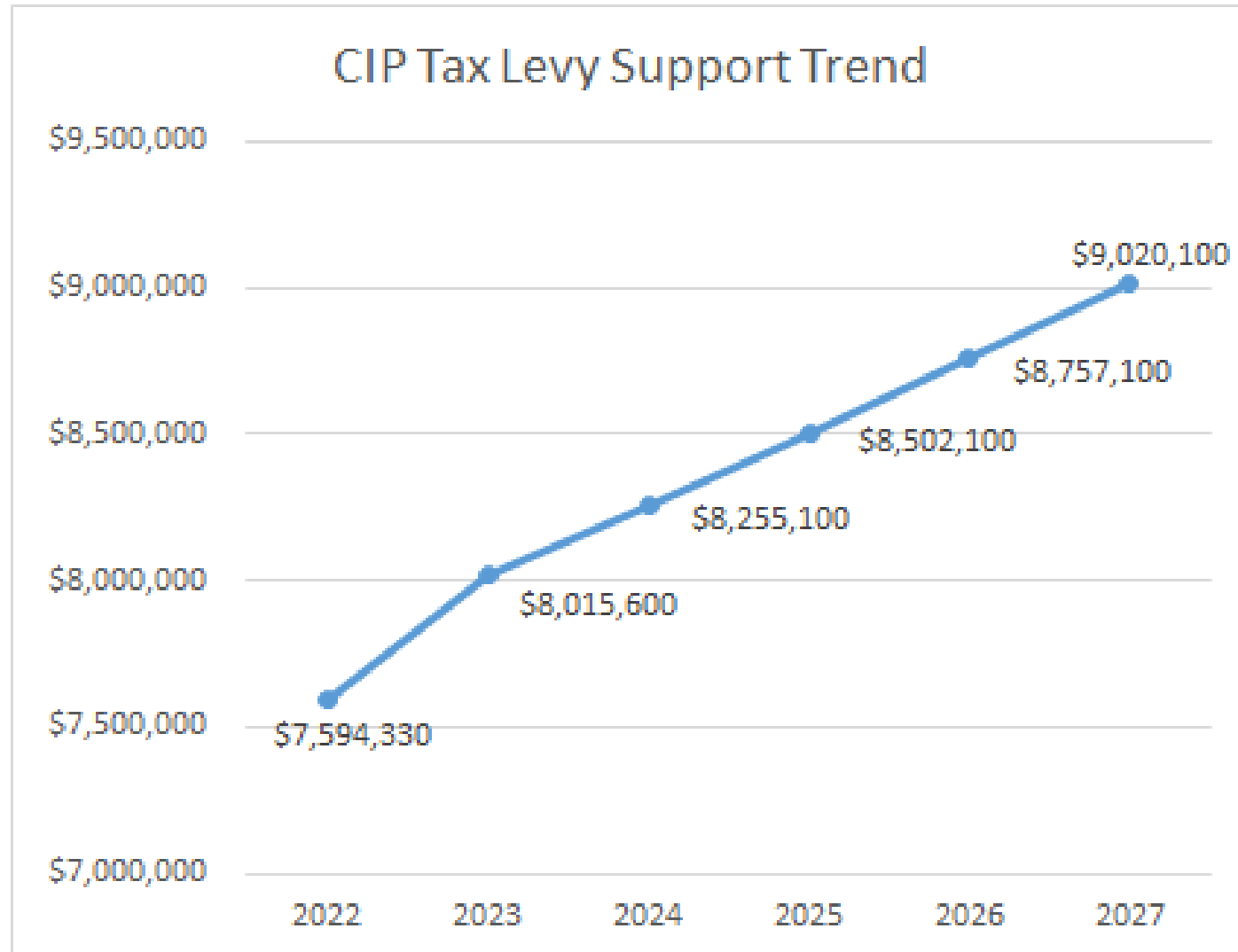


CIP Funding Sources

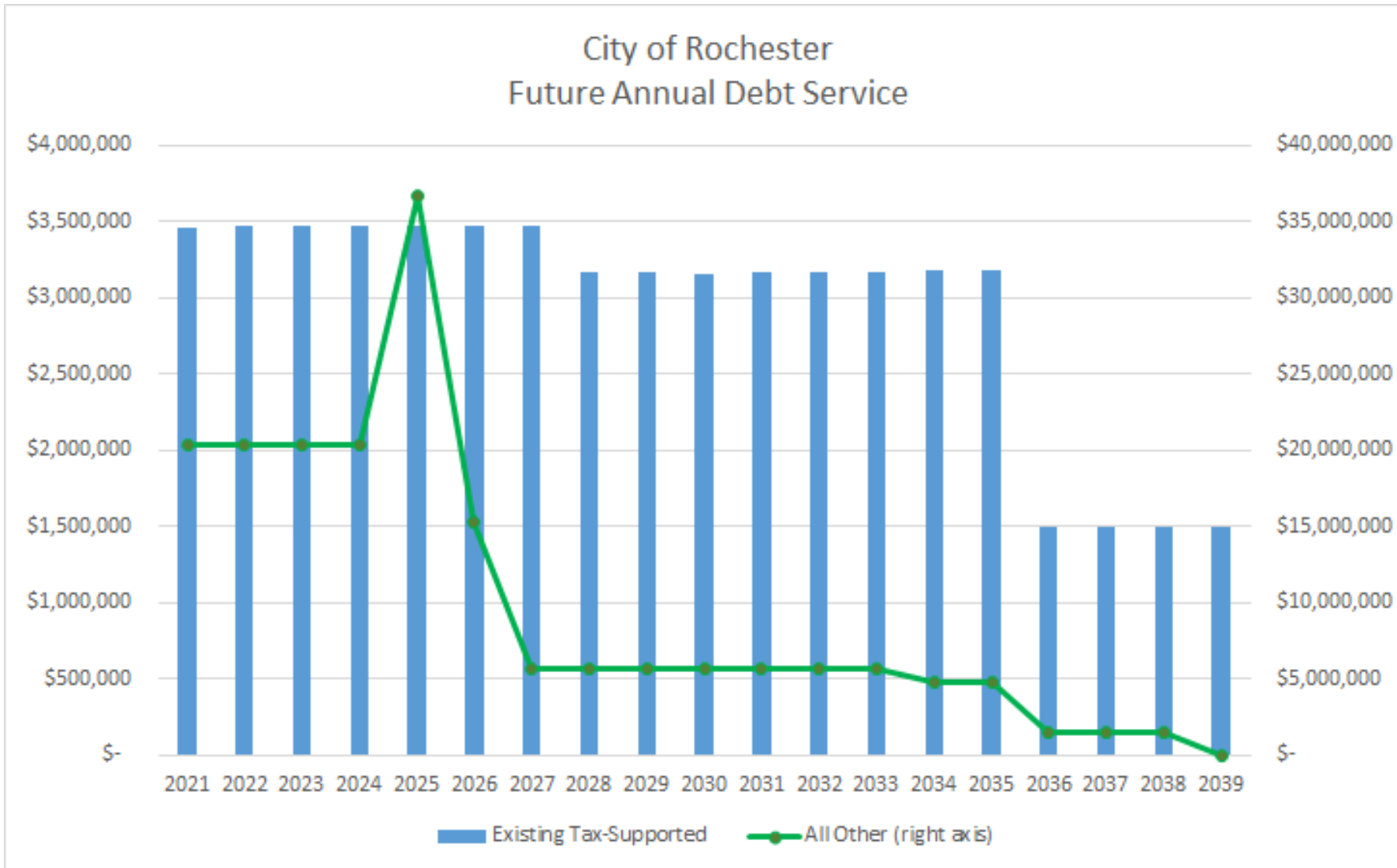
Sources of Funds	2022	2023	2024	2025	2026	2027	2022-2027 Total
Tax Levy	7,594,330	8,015,600	8,255,100	8,502,100	8,757,100	9,020,100	50,144,330
Local Government Aid	-	-	-	-	-	-	-
Tax Abatements	-	-	-	-	-	-	-
Tax Increment	-	-	-	-	-	-	-
Operating Transfer - fr General Fund	-	-	-	-	-	-	-
Operating Transfer - fr General Fund Sales Tax	-	-	-	-	-	-	-
Operating Transfer - fr Other Funds	301,105	66,786	402,052	87,876	112,411	335,348	1,305,578
Operating Transfer - fr Sewer Utility	1,766,000	1,924,000	3,876,000	2,451,000	2,101,000	1,951,000	14,069,000
Operating Transfer - fr Storm Wtr Utility	1,050,250	418,250	600,250	600,250	250	250	2,669,500
Flood Control Reserves	1,380,000	7,735,000	1,085,000	1,635,000	785,000	735,000	13,355,000
Electric Utility	1,819,500	4,500	4,500	4,500	4,500	4,500	1,842,000
Water Utility	670,500	306,500	635,500	750,500	500,500	400,500	3,264,000
Retained Earnings	6,342,500	7,918,523	5,142,048	4,838,736	8,231,400	4,333,200	36,806,407
Olmsted County	174,884	1,096,513	510,298	150,223	300,189	50,599	2,282,706
State	11,930,450	16,732,750	817,500	3,640,400	650,000	-	33,771,100
Municipal State Aid for Streets	9,634,948	7,207,204	2,765,000	3,891,000	8,150,000	8,800,000	40,448,152
State Loan Fund	-	-	-	-	-	-	-
Federal	5,156,300	27,675,911	32,641,170	7,276,545	1,129,600	476,800	74,356,326
Sales Tax 2013	-	-	-	-	-	-	-
Sales Tax DMC	6,735,877	7,630,672	3,728,223	3,828,613	3,931,923	4,038,238	29,893,546
Food & Beverage Tax	-	-	-	-	-	-	-
State DMC Funds	20,355,277	17,477,000	3,280,463	500,000	7,500,000	750,000	49,862,740
Transit Aid County DMC	6,017,748	6,199,613	5,076,024	3,200,000	3,000,000	-	23,493,385
Transit Aid State DMC	8,526,622	9,699,419	7,714,034	4,800,000	4,500,000	-	35,240,075
Lodging Tax	-	-	-	-	-	-	-
Private Funds	529,000	290,000	2,340,000	140,000	140,000	245,000	3,684,000
Water Availability Charges	-	-	-	-	-	-	-
Sewer Availability Charges	-	-	1,129,430	-	-	-	1,129,430
Storm Water Area Mgmt Charge	40,000	300,000	660,000	150,000	465,000	595,000	2,210,000
Traffic Improvement District Fees	-	-	100,000	-	-	-	100,000
Special Assessment Bonds	1,685,000	1,595,000	3,145,000	2,363,000	2,345,000	2,395,000	13,528,000
General Obligation Bonds	2,575,000	-	-	-	-	-	2,575,000
General Obligation Revenue Bonds	5,000,000	22,000,000	17,000,000	-	15,000,000	-	59,000,000
Project reserves	1,354,900	3,477,000	10,412,500	7,355,000	345,000	345,000	23,289,400
Totals	100,640,191	147,770,241	111,320,092	56,164,743	67,948,873	34,475,535	518,319,675



Projected Tax Levy CIP Support 2022-2027



Future of City of Rochester Annual Debt Service



Note: This does not include any projections for future debt issuance. This only reflects issued debt



CIP Unfunded Projects

- 2022 CIP Unfunded Projects Total= \$4,978,000
- There are additional unfunded liabilities such as:
 - Deferred maintenance on facilities
 - Street reconstruction and maintenance
 - Trails and sidewalks
 - Park asset preservation
 - Flood control system



CIP Project Highlights

slide

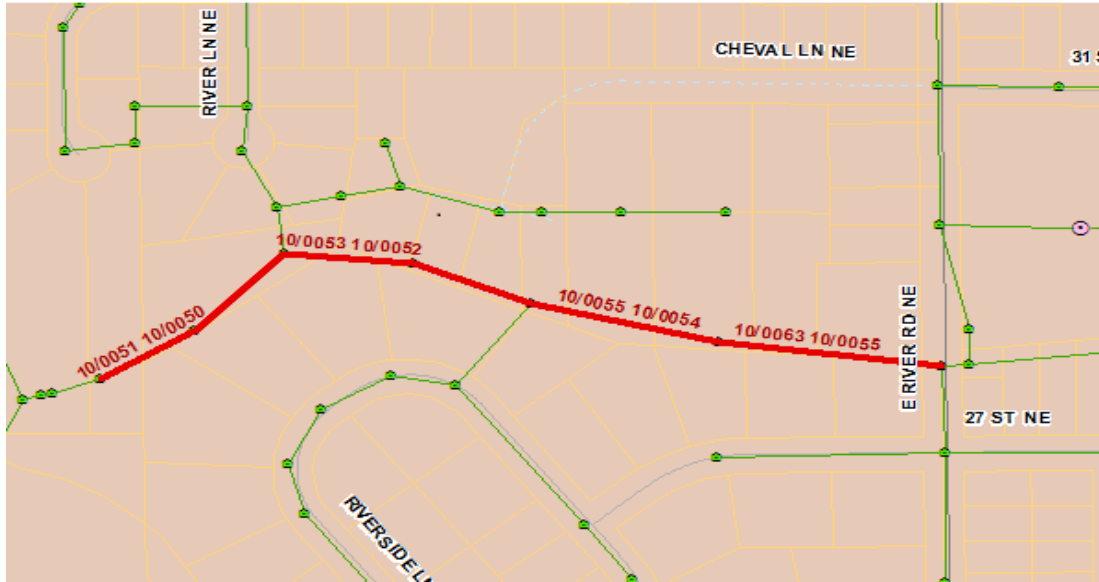


Water Reclamation Plant Upgrades
2022: \$5,000,000
2021-2027: \$69,000,000

Cascade Lake Park
2022: \$2,000,000

CIP Project Highlights

slide



East River Road Sewer Maintenance

2022: \$1,275,000

2021-2022: \$1,500,000



65th Street Reconstruction (Phases 1 & 2)

2022: \$10,700,000

2021-2023: \$18,400,000



ROCHESTER
PUBLIC UTILITIES
WE PLEDGE, WE DELIVER

Marion Road Substation

2022: \$7,900,000

2021-2022: \$17,900,000

Streets CIP

- 2022 Streets CIP Total= \$15,641,000
- 2022-2027 Streets CIP Total= \$82,186,000
- \$20 million unfunded annual need

	2022	2023	2024	2025	2026	2027
Annual Bituminous Rehab, Resurfacing & Preservation	\$900,000	\$900,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Annual Bituminous Street Reconstruction	\$600,000	\$825,000	\$1,623,000	\$2,932,000	\$3,162,000	\$3,205,000
CIP Debt Repayment	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Reconstruct 65 th Street (1)	\$10,704,000					
Marion Road Distribution Duct	\$3,200,000					
Reconstruct 65 th Street (2)		\$6,700,000				



Streets CIP Cont.

- 2022 Streets CIP Total= \$15,641,000
- 2022-2027 Streets CIP Total= \$82,186,000

	2022	2023	2024	2025	2026	2027
Annual Bridge Rehab		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Reconstruct Broadway		\$500,000	\$5,000,000	\$5,000,000		
Reconstruct Center Street			\$140,000	\$4,000,000		
Construct 6 th St. (MNDOT)			\$2,800,000			
Rehab Center Street			\$1,350,000			
Reconst. Shoppes on Maine				\$4,150,000		
Reconstruct 20 th St SW				\$300,000	\$6,900,000	
Clearwater Rd NW				\$200,000	\$1,000,000	
Rehab 4 th St. SE				\$100,000	\$800,000	
Reconstruct 11 th Ave E					\$700,000	\$8,000,000



Mayo Civic Center CIP

- 2022 Mayo Civic Center CIP Total= \$850,000
- 2022-2027 Mayo Civic Center CIP Total= \$3,300,000

	2022	2023	2024	2025	2026	2027
Art Center & Civic Theatre (One Roof Contribution)	\$470,000	\$470,000	\$355,000	\$355,000	\$355,000	\$355,000
Physical Plant Improvement	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
General Facility	\$360,000	\$200,000				
Exhibit Hall		\$25,000				
Riverview Suites		\$200,000				



Police Department CIP

- 2022 Police Department CIP Total= \$397,000
- 2022-2027 Police Department CIP Total= \$1,300,000

	2022	2023	2024	2025	2026	2027
Public Safety Camera System	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
North Station & Service Center Original Acquisition Repayment	\$367,000	\$367,000	\$367,000			

* We are currently evaluating funding an upgrade to our police records system with one time funding (ARPA or end of year contingency) and pursuing grants.



Fire Department CIP

- 2022 Fire Department CIP Total= \$240,000
- 2022-2027 Fire Department CIP Total= \$1,800,000

	2022	2023	2024	2025	2026	2027
Fire Station Infrastructure Improvements	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	
Siren Replacement & New Locations	\$10,000	\$45,000	\$10,000	\$45,000	\$10,000	\$45,000
Fire Records Software	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$25,000
Emergency Operations Center Technology	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$25,000
VHF Backup Radio Paging		\$10,000	\$10,000	\$10,000	\$15,000	\$15,000
Mesonet Weather Station		\$30,000				
tPt Now Rochester		\$1,500				



Library CIP

- 2022 Library CIP Total= \$350,000
- 2022-2027 Library CIP Total= \$1,400,000

	2022	2023	2024	2025	2026	2027
Computer Hardware/Software	\$290,000	\$57,000	\$192,000	\$78,000	\$102,000	\$325,000
Building Improvements	\$59,000	\$59,000	\$59,000	\$59,000	\$59,000	\$60,000



Administration CIP

- 2022 Administration CIP Total= \$468,000
- 2022-2027 Administration CIP Total= \$2,000,000

	2022	2023	2024	2025	2026	2027
125 Live Facility (Budgeted Contribution Subject to Agreement Approval)	\$193,000	\$193,000	\$193,000	\$193,000	\$193,000	\$193,000
City ERP System	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
City Metropolitan Network	\$50,000	\$50,000	\$25,000	\$25,000	\$25,000	\$25,000
City Wide IT Security Tooling	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Storage Area Network	\$150,000					
Time Entry System		\$25,000			\$25,000	
Badge Readers		\$5,000				\$5,000



Traffic CIP

- 2022 Traffic CIP Total= \$400,000
- 2022-2027 Traffic CIP Total= \$13,450,000

	2022	2023	2024	2025	2026	2027
Traffic Calming Program	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$200,000
Viola Rd NE & Century Hills Dr. NE Intersection Improv.	\$250,000	\$2,000,000				
Roadway Corridor Lighting		\$200,000		\$200,000		\$200,000
Broadway Ave S & 12th St. SW/SE (US 14) Intersection Improvements		\$3,500,000				
4 th St. SE & 19 th Ave SE Intersection Improvements			\$2,900,000			
55 th St. NW & 50 th Ave NW Intersection Improvements					\$250,000	\$1,500,000



Traffic CIP Cont.

- 2022 Traffic CIP Total= \$400,000
- 2022-2027 Traffic CIP Total= \$13,450,000

	2022	2023	2024	2025	2026	2027
2 nd St. NW & 3 rd /4 th Aves NW Intersection Improv.					\$500,000	
Civic Center Dr. NE & West Silver Lake Dr. NE Intersection Improvements					\$500,000	
Elton Hills Dr. NW & West River Pkwy NW Intersection Improvements						\$500,000



Pedestrian CIP

- 2022 Pedestrian CIP Total= \$2,010,000
- 2022-2027 Pedestrian CIP Total= \$14,400,000

	2022	2023	2024	2025	2026	2027
Annual Sidewalk Program	\$1,700,000	\$1,750,000	\$1,800,000	\$1,850,000	\$1,900,000	\$1,950,000
Pedestrian Crossing at DSIC & 41 st St. NW	\$125,000					
Annual Bituminous Path		\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Construct Trail along CP Railroad from 16 th St. SE to 20 th St. SE		\$600,000				
Construct Pedestrian Facilities on 37 th St. NW			\$100,000	\$847,000		



Mass Transit CIP

- 2022 Mass Transit CIP Total= \$4,187,500
- 2022-2027 Mass Transit CIP Total= \$16,800,000

	2022	2023	2024	2025	2026	2027
Bus Stop Improvements	\$250,000	\$250,000	\$250,000	\$250,000		
Replacement Buses for Regular Route Operations	\$3,000,000	\$3,165,000	\$3,180,000	\$1,800,000	\$600,000	\$600,000
Expansion Buses for Regular Route Operations	\$510,000	\$520,000	\$520,000	\$530,000		
Replacement Buses for ZIPS	\$340,000				\$800,000	
Transit Signal Priority System			\$140,000			



Airport CIP

- 2022 Airport CIP Total= \$70,000
- 2022-2027 Airport CIP Total= \$14,525,000

	2022	2023	2024	2025	2026	2027
Terminal Building Elevator Overhaul	\$70,000					
Parking Lot Upgrades & Reconstruction			\$135,000	\$4,320,000		
Hangar Design & Construction (lease dependent)			\$9,000,000			
Snow Removal Equipment (Blower)			\$1,000,000			



Parking CIP

- 2022 Parking CIP Total= \$513,000
- 2022-2027 Parking CIP Total= \$4,400,000

	2022	2023	2024	2025	2026	2027
Ramp Restorations	\$465,000	\$400,000	\$355,000	\$415,000	\$700,000	\$680,000
Install Charging Stations	\$48,000					
Government Center Lot		\$100,000	\$1,000,000			
New Meter Technologies			\$250,000			
Bicycle Parking Enhancements				\$15,000		



Sewer CIP

- 2022 Sewer CIP Total= \$4,495,000
- 2022-2027 Sewer CIP Total= \$27,475,000

	2022	2023	2024	2025	2026	2027
Annual Rehab & Repair	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Update Master Plan & Sewer Modeling	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Trunk Line Extension & Upsizing	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
2 nd St & 16 th Ave SE	\$150,000	\$425,000				
East River Rd NE	\$1,275,000					
Silver Lake Siphon	\$100,000	\$3,000,000				



Sewer CIP

- 2022 Sewer CIP Total= \$4,495,000
- 2022-2027 Sewer CIP Total= \$27,475,000

	2022	2023	2024	2025	2026	2027
Upgrades & Repairs on Sewer Flow Monitoring	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
7 th & 7 th NW	\$320,000					
6 th Ave & 16 th St SW		\$300,000	\$935,000			
4 th St SE				\$1,170,000	\$3,900,000	



Stormwater CIP

- 2022 Stormwater CIP Total= \$2,380,000
- 2022-2027 Stormwater CIP Total= \$14,395,000

	2022	2023	2024	2025	2026	2027
Stormwater Management Plan Update (Phase 2)	\$400,000	\$200,000				
Stormwater Utility Fee Rate Study	\$75,000					
Groundwater Mitigation Projects	\$490,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Flood Mitigation Projects	\$775,000	\$1,450,000	\$1,265,000	\$1,240,000	\$1,525,000	\$1,550,000
Regional Stormwater Detention Facility Projects	\$625,000	\$975,000	\$725,000	\$425,000	\$1,025,000	\$1,395,000
Stormwater Education Program & Grant Match	\$15,000	\$35,000	\$15,000	\$35,000	\$15,000	\$15,000



Flood Control CIP

- 2022 Flood Control CIP Total= \$1,380,000
- 2022-2027 Flood Control CIP Total= \$20,205,000

	2022	2023	2024	2025	2026	2027
Flood Control Management System Maintenance	\$380,000	\$285,000	\$285,000	\$285,000	\$285,000	\$235,000
Cascade Creek Stabilization	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Zumbro River Stabilization	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Remove Sediment Silver Lake, Cascade Lake, & Reservoirs	\$500,000	\$500,000	\$300,000			
Silver Lake Sediment Removal & Revitalization		\$13,100,000	\$200,000			
Remove Sediment South Zumbro Levee to Hwy 14				\$850,000		



Water Reclamation CIP

- 2022 Water Reclamation CIP Total= \$5,100,000
- 2022-2027 Water Reclamation CIP Total= \$66,600,000

	2022	2023	2024	2025	2026	2027
Equipment Replacement	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Phase 2 Liquid Treatment Upgrade	\$5,000,000	\$29,000,000	\$17,000,000			
Phase 3 Solid Treatment Upgrade					\$15,000,000	



Parks CIP

- 2022 Parks CIP Total= \$4,700,000
- 2022-2027 Parks CIP Total= \$20,000,000

	2022	2023	2024	2025	2026	2027
Park Referendum	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Emerald Ash Borer Management	\$175,000	\$150,000	\$150,000	\$150,000	\$200,000	\$400,000
Game Haven Active Nature Sports Park	\$365,000	\$15,000	\$15,000	\$15,000	\$165,000	\$15,000
Quarry Hill Park Projects	\$50,000	\$50,000	\$50,000	\$50,000	\$75,000	\$50,000
Plummer House	\$250,000	\$50,000	\$200,000	\$50,000	\$50,000	



Parks CIP

- 2022 Parks CIP Total= \$4,700,000
- 2022-2027 Parks CIP Total= \$20,000,000

	2022	2023	2024	2025	2026	2027
Neighborhood Park Development	\$50,000	\$50,000	\$50,000	\$50,000	\$75,000	\$100,000
Neighborhood Playground Replacement	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Cascade Lake Park	\$2,000,000	\$1,900,000	\$800,000			



Golf, Recreation Center & Graham Arena CIP

- 2022 Golf, Recreation Center & Graham Arena CIP Total= \$825,000
- 2022-2027 Golf, Recreation Center & Graham Arena CIP Total= \$2,405,000

	2022	2023	2024	2025	2026	2027
Golf Course System Improvements	\$75,000	\$80,000	\$85,000	\$90,000	\$100,000	\$100,000
Roof Replacement	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Repayment of Internal Borrowing (Air Handling)	\$500,000	\$500,000				
Graham Arena Improvements	\$125,000					





Park Referendum Investment Approach

Accelerated Investment Model (Recommended)

This model involves financing up to \$15 million in project costs to complete significant and top priority projects. Each year going forward it will utilize approximately \$1.0 million of the annual referendum for finance costs, leaving \$1.0 million remaining dollars to be used on additional annual projects.



Opportunities

- Large, city-wide impactful projects can be completed first
- Broader and higher number of user experiences will be enhanced and residents will be able to see the benefits of the levy earlier
- A variety of projects can still be completed in various areas annually
- Likely allows for more projects to be completed given financing costs will be lower than project cost escalation (inflation)



Challenges

- Approximately half of the referendum dollars are automatically spoken for annually for up to 20 years
- Depending on final projects selected we may need to contract for additional project management

Accelerated Investment Proposed Projects

The projects listed below could begin as early as 2022 and be completed sometime during 2024. Please note that the amounts you see below are the park referendum funding source only; some projects have additional funding sources

Project Park	Project Title	Estimated Cost	Operating & Maintenance Costs Above Current Budget
Soldiers Field	Aquatics (Pool +), Tennis, Trail, Lighting, Playground, Shelter	\$7,000,000	Yes
Silver Lake	Aquatics (Splash), Trail, Skate Park, Playground, Shelter	\$4,000,000	Yes
MLK	Shelter, Restroom, Lighting,	\$500,000	Yes
Eastwood Golf	Club House, Parking lot paving	\$1,200,000	No
Northern Hills	Drainage	\$75,000	No
Recreation Center	Locker Rooms	\$750,000	No
Court Improvements	5 court locations (tennis, basketball, Pickleball)	\$375,000	No
Kutzky	Tennis Club House Reno	\$100,000	No
Silver Lake	Station Improvements	\$700,000	No
McQuillan Soccer	Field Improvements	\$300,000	Yes
Subtotal		\$15,000,000	



Accelerated Investment Proposed Projects (continued)

	<u>Project Description</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
1	Annual Neighborhood Playground Replacement		75,000	75,000	75,000	75,000	75,000
2	Historical Plummer House of the Arts asset preservation	150,000	70,000			100,000	
3	Cascade Lake Park - Master Plan improvements	375,000	375,000	400,000			
4	McQuillan Field: Replace lights and poles (10 years of payments)	150,000	150,000	150,000	150,000	150,000	150,000
5	Community Initiative Impact Fund Projects		50,000	70,000	100,000	100,000	100,000
6	McQuillan park enhancements - Aquatics	100,000					
7	Natural resources management	40,000	40,000	40,000	40,000	40,000	65,000
8	Park amenity enhancements			50,000			40,000
9	Pavement Maintenance (trails, park roads, and park drives)		50,000	50,000	250,000	50,000	50,000
10	Shelter maintenance & enhancements		40,000	40,000	40,000	40,000	40,000
11	Neighborhood Aquatics construction every 3rd year					365,000	250,000
12	Zumbro River Access			70,000			
13	Dog Park Improvements - Central location				150,000		
14	Park Acquisition - Future Community / Regional/ Sports				165,000		
15	Indian Heights Park Master Plan Improvements				25,000		
16	Central Park Master Plan Improvements						200,000
17	Debt Service Payments on Projects (\$1,000,000 annually, up to 20 yrs)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	<u>Total Park Referendum Utilized</u>	1,815,000	1,850,000	1,945,000	1,995,000	1,920,000	1,970,000



Community Engagement Update

- Polco/National Research Center survey is complete
- Collaborated with community organizations to facilitate conversations with local residents using the survey questions as a guide
- 5500 surveys mailed out
- Over 1,400 opt-in participants
- Approximately 700 random sample participants
- 8 question survey with additional demographic questions
- Questions were based on prior questions used as part of the 2015-2016 Parks & Recreation System Plan process



Park Levy Accelerated Investment Next Steps



Scheduling

Budget Phase	Date	Focus
3: Development	06/28/2021 Study Session	Comprehensive Annual Financial Report and Audit Review/2021-2022 Baseline Budget Update (Complete)
4: Recommendation	07/19/2021 Study Session	Revenue Enhancement & Diversification (Complete)
4: Recommendation	08/23/2021 Study Session	Presentation of City Administrator's Recommended 2022-23 Operating Budget (Complete)
4: Recommendation	08/30/2021 Study Session	Discussion of City Administrator's Recommended 2022-23 Budget and Presentation of 2022-2027 Capital Improvement Plan
4: Recommendation	09/13/2021 Study Session	Discussion of City Administrator's Recommended 2022-23 Budget and Discussion of 2022-2027 Capital Improvement Plan
4: Recommendation	09/20/2021	Approve Preliminary Budget and Set Preliminary Levy
5: Adoption	11/08/2021	Review of final budget, CIP, & decision packages

