

Mayor
John T. Keis

Council Members
Tom Fischer
Michael McGraw
Christian Torkelson
Teresa Miller



515 Little Canada Road
East
Little Canada, MN
55117
www.littlecanadamn.org

City Administrator
Chris Heineman

**Regular Meeting of the
Little Canada City Council**
Wednesday, October 13, 2021
6:00 p.m.
City Center Conference Room

AGENDA

1. CALL TO ORDER - Workshop Meeting - 6:00 P.m.
2. Roll Call
3. Workshop Topics
 - A. Discuss 2022 - 2031 Capital Improvement Plan (CIP)

Documents:

[DISCUSS 2022-2031 CIP.PDF](#)

4. Adjourn

This agenda is subject to change by additions and deletions.



STAFF REPORT

TO: Mayor Keis and Members of City Council

FROM: Chris Heineman, City Administrator
Brenda Malinowski, Finance Director

DATE: October 13, 2021 City Council Workshop

RE: Discussion on 2022-2031 Capital Improvement Plan (CIP)

The purpose of this workshop is to review and discuss the 2022-2031 Capital Improvement Plan (CIP). The purpose of the CIP is to identify projects, project costs, and proposed timelines and funding sources for upcoming projects. There are a total of six capital project funds that are used for capital projects.

I. Infrastructure Capital Project Fund (450)

Background:

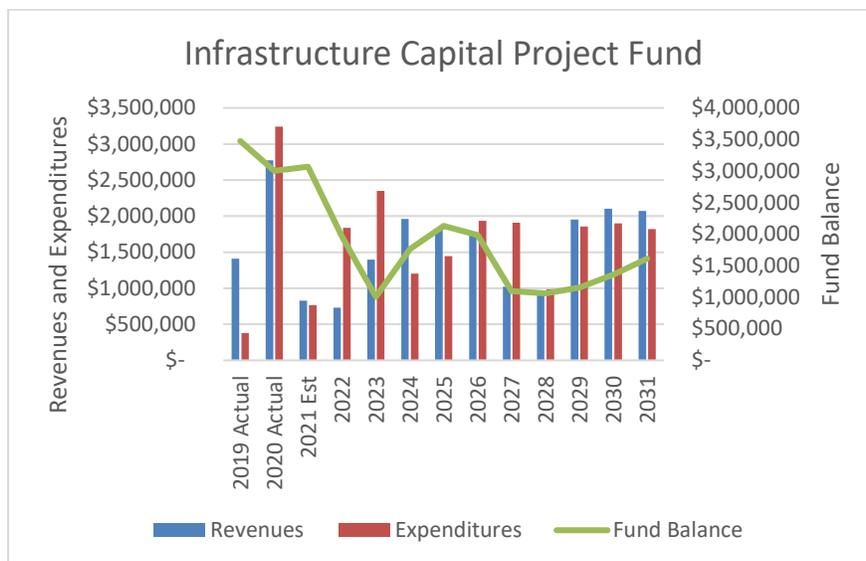
Street, trails, and storm sewer projects are funded with the Infrastructure Capital Project Fund that was established in 1995 as a way to systematically fund these infrastructure projects. A 15-Year Pavement Improvement Plan was prepared in 2021, and those projects and costs are included in this CIP.

Source of Funds:

The fund receives revenues from many sources including the franchise fee for electric and gas, property taxes, and special assessments.

Fund Outlook:

With the current property tax levy of \$122,200 per year, the fund will have sufficient funds for the infrastructure projects identified in the next ten years.



II. Fire Equipment Fund (457)

Background:

The Fire Equipment Fund was created in 2013 to accumulate funds for future fire apparatus purchases. The property tax levy has been set at a constant level of funding of \$160,000 per year since that time.

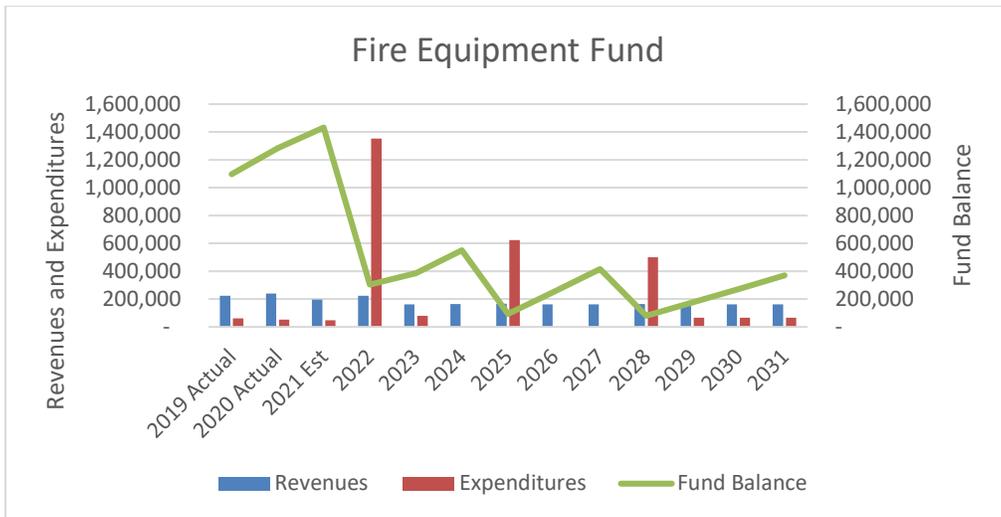
Source of Funds:

The property tax levy of \$160,000 per year is main source of funding for this fund. In addition, the Little Canada Fire Department makes periodic donations to the City, which are accounted for in this fund. The following are the equipment purchases in future years:

Year	Equipment	Original Equip Date	Amount
2022	Aerial Truck	1992	\$1,352,000
2023	Replace Grass Rig/Pickup	2009	\$80,560
2025	Replace Rescue/Utility Truck	2000	\$623,805
2028	Pumper	2006	\$500,000
2029-31	3 Command Vehicles	2019-2021	\$65,000/yr.

Fund Outlook:

With a continued property tax levy of \$160,000 per year, the fund will have sufficient funds for the fire apparatus purchases identified in the next ten years.



NOTE: If there are opportunities to lower expenditures or delay future purchases, the property tax levy for this fund may be reduced or redirected to other funds for other project needs.

III. Park Land Acquisition Fund (456)

Background:

The Park Land Acquisition Fund is used to account for park fees received from development. Per City Code 2101.060, the funds may only be used for the purposes of land acquisition, land development and capital outlay for parks, playgrounds, public open space, storm water holding pond areas, and debt retirement in connection with land previously acquired for such public purposes.

Source of Funds:

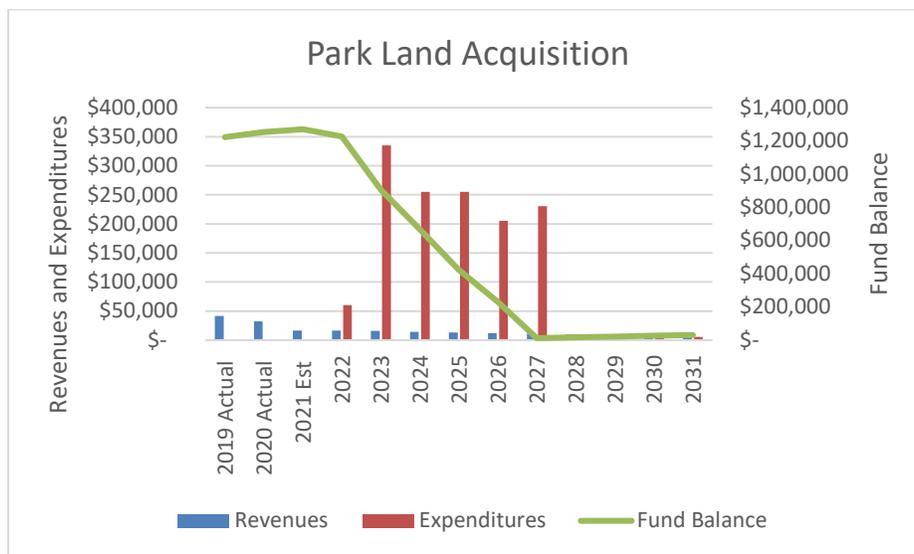
Payments received during development for parks is the primary source of revenue in the fund. The fee amount is identified in the City’s Fee Schedule. Revenues have been included at a conservative amount of \$10,000 per year.

Significant Highlights in Future Years:

It is proposed to fund \$325,000 of the all-inclusive playground at Pioneer Park with this fund in 2023. Land purchases at 10 Little Canada Road, 60 Little Canada Road, 2884 Centerville Road, and the waterworks trail connection have been included in this fund, although it is unlikely that all of these properties will be available in the next ten years.

Fund Outlook:

There are likely sufficient revenues to fund the improvements identified for the next ten years since it is unlikely that all these properties will be available for purchase.



IV. 10% Fund (408)

Background:

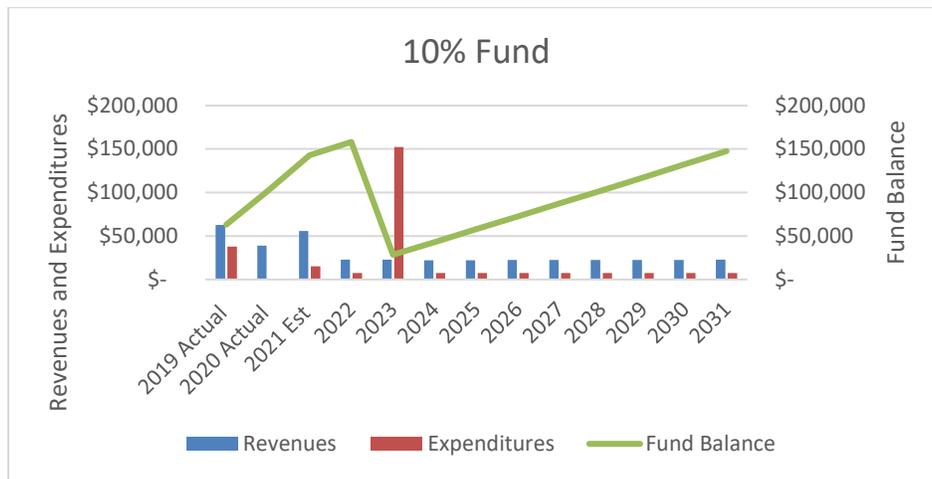
The 10% Fund accounts for the amounts received and related to the City’s charitable gambling contributions. These funds may only be used for expenditures identified in Minnesota Statutes, section 349.12(7)(a).

Source of Funds:

The 10% Fund receives 10% of net profits derived from lawful gambling in the City as identified in the City Code 815.030 and as allowed by the State.

Fund Outlook:

The all-inclusive playground equipment at Spooner Park (\$144,500) was partially funded with the 10% Fund in 2019. It is proposed to fund part of the Pioneer Park all-inclusive playground equipment (\$145,000) in 2023 with available funds. Canadian Days fireworks (\$6,500 per year) are also funded with this fund. There are sufficient revenues to fund the expenditures identified for the next ten years.



V. Water/Sewer Replacement Fund (Page 37)

Background:

This fund is used to account for funds set aside from the City’s water and sewer operating utilities to be used for future equipment replacement and capital costs for the City’s utilities.

Source of Funds:

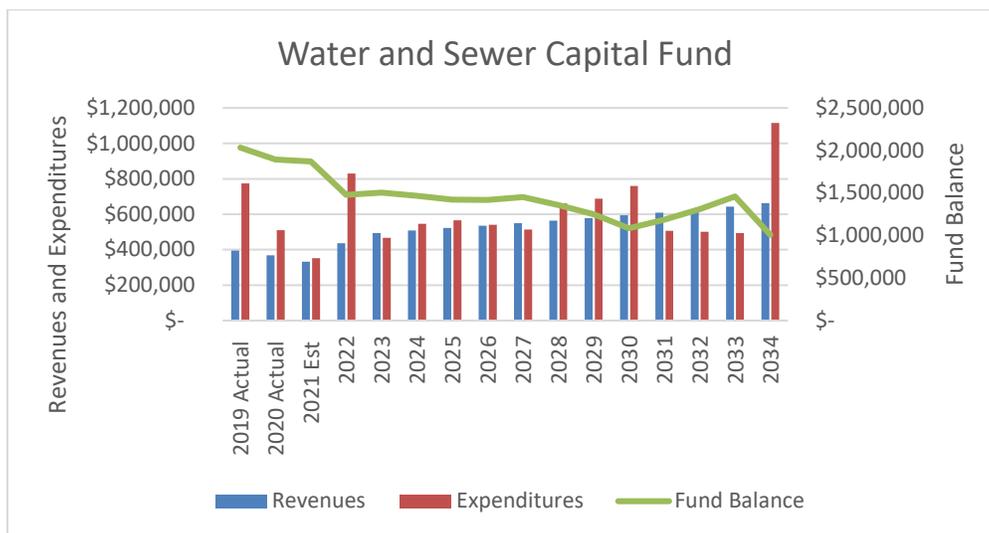
The Fund receives an annual operating transfer from the Water Enterprise Fund & Sewer Enterprise Fund.

Significant Highlights in Future Years:

Large meter replacements are included at \$30,000 per year starting in 2022. A sewer slip-lining project is included in 2022 at \$200,000. A Met Council I/I grant has been included for this project at \$50,000.

Fund Outlook:

The entire debt service payment for the public works facility is funded from this fund. This debt will not be retired until 2034. A rate study was completed in 2020. The rate study identified increases of 3% to 4% per year would be needed in order to fund the operations, debt service, and capital outlay. The water tower is scheduled to be painted in 2034 which is the large expenditure in 2034.



VI. General Capital Improvement Fund (400)

Background:

The General Capital Improvement Fund was established to fund capital improvements and acquisitions that are not accounted for in another Capital Project Fund. These improvements have been historically been building improvements, public works equipment, small fire equipment, and parks improvements. Typically, the expenditures in this fund have included the purchase of tangible personal property (equipment) or facilities used in the City operations.

Sources of Funds:

The General Capital Improvement Fund (400) receives its revenue from many sources including Local Government Aid (LGA) and transfers from the General Fund and other funds. In previous years, staff included only one year of LGA to fund the capital projects in this fund for the next 5 years. In order to fund the many projects identified over the next 10 years, LGA revenue is now included for each year. Due to a possible reduction in LGA, a 5% decrease in LGA has been included each year.

The following items have been included in this CIP:

EAB removal and replacement

- Proposed expenditures of \$67,500 in 2022 and \$30,000 per year (2023-2027)

Facility Improvements identified in the Kraus-Anderson Facility Study

- Proposed improvements and repairs of \$148,575 in 2022 and \$1,145,000 in 2023

Rondeau Park Improvements

- Proposed Improvements of \$515,000 in 2022

Pioneer Park Master Plan

- Proposed Improvements of \$183,000 in 2022 and \$1,402,000 in 2023

Staff will provide a detailed PowerPoint presentation on each of these funds at the City Council workshop. Additional information on each of the primary expenditures and possible funding sources will be discussed during the workshop, as well as examples of how each funding source will impact the City's long-term fund balance.

Additional spreadsheets of identified improvements and estimated costs for Pioneer Park and the Facilities Improvements will be provided next week.