INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION MEETING
MONDAY, JULY 17, 2023 - 6:00 P.M. - 8150 BARBARA AVENUE

1. CALL TO ORDER:
The City Council of Inver Grove Heights met for a Work Session on Monday, July 17, 2023, in person. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:
Present In-Person: Mayor Dietrich, Council Members: Murphy, T'Kach, Scales; City Administrator Kris Wilson, City Attorney Bridget McCauley Nason, Deputy City Clerk Katie Malott, Finance Director Amy Hove, Public Works Director Brian Connolly, Operations and Maintenance Supervisor Phil Stier
Present Remotely: Council Member Gliva
Absent: Parks and Recreation Director Adam Lares

3. DISCUSSION ITEMS:
A. 5-Year Capital Improvement Plan (2024-2028) DRAFT
Finance Director Amy Hove presented the Capital Improvement Plan 2024-2028 in Draft format:
A Capital Improvement Plan (CIP) is a community planning and fiscal management tool used to coordinate the location, timing, and financing of capital improvements over a multiyear period (typically 5-years).
Purpose:
- Preserve the city's existing assets and infrastructure
- Plan for the long-term asset needs of the city, whether replacing or adding new assets
- Assist in the development of budgets
- Balancing community goals and priorities

CIP: Last Year versus This Year: 2023-2027 CIP
- Pavement Management Initiatives
- Utility Projects (Water, Sewer, Storm)
    - Done in conjunction with the Utility Rate Study

CIP: Last Year versus This Year: 2024-2028 CIP
- City Facilities, Community Center, Parks, Golf Course

Does not yet include things the Council has not seen. Staff does not have enough data to be able to put them into the system:
- Annually $250,000 is dedicated for parks, parking lots, and trails
    - There are a lot of parking lots and trails that are beyond just the parks control
- Larger Facility Remodels/Repairs:
    - Public Works Facility
    - Remodels and potential repairs to Fire Stations 1 & 3
    - Police remodel or expansion of the existing space
    - Roof replacements – study is underway (not a part of the original facility study, information would be brought back later this year)
- Central Equipment Schedule
    - Money is set aside yearly
    - Currently in an Excel format
- Other potential General Fund needs or new equipment

CIP: Department Summary:

- In 2024 total projects among all departments in the Capital Improvement Plan are just over $31 million dollars. Continues into the next couple of years and then drops in 2027 and 2028 to $20 million and $19 million.
- Parks and Recreation: Biggest area of projects over the next 5 years is in the parks area at 51%
  - Heavily driven by the state bonding project for Heritage Village Park Phase 5
- Community Center Projects
- City Facilities
- Golf Course
- Public Works: Pavement Management is the biggest driver, 78% of all projects within this plan
- Water
- Sewer
- Stormwater

CIP: Funding Source Summary. How to pay:
- Park Acquisition and Development Fund
- Park Capital Replacement Fund
- Pavement Management Fund
- Special Assessments
- MnDOT Money
- State Aid
  - Both are about $135 million dollars

Today's Request/Purpose:
- Is staff proposing the right projects.
- Do the projects seem like they are prioritized properly, still in the right order, does something seem out of order.
- Do the timelines seem appropriate, are there projects the Council wishes would happen sooner or later, are there projects missing.
- Are there projects in the plan there is not Council support for, would like to see removed, or delay them from the plan.

Tonight, staffs primary focus will be on Year 2 of the CIP (2025). Those projects are typically the ones staff works on, develops, does feasibilities on, in 2024.

CIP Reports:
- Projects by Department
- Projects by Funding Source
- Project Details

City Facilities – 2024 Projects:
- ADA Improvements
- Lighting Improvements:
  - 2023: $134,000
  - 2024: $121,000. Fire Station 3, Public Works, City Hall, Golf Course, Rich Valley
  - Funding Sources:
    - Central Equipment
    - City Facilities/Fire Stations
    - Golf Course

City facility projects have been based off the McKinstry Report the city undertook in 2019. Building systems were analyzed to come up with a rating system, scale, and make recommendations. Big takeaways for staff:
- Helping build a 5-year CIP
- Optimizing building performance with energy savings when possible
- Preventative maintenance to extend asset life

- Improving vendor contracts

She stated that the Operations and Maintenance Manager has looked at the report and taken into consideration the life cycles of existing systems. This is what was used to build out a 5-year plan for city facilities that includes:

- Data closet work
- Make up air unit at Fire Station #1 that needs replacing
- Fire Suppression System at the Golf Course
- Dehumidifier at the Water Treatment Plant

Councilmember Scales referenced lighting improvements/LED lights and asked if the numbers shown were before or after the rebate.

> Operations and Maintenance Supervisor Phil Stier responded the numbers are before rebates as rebates change. Currently there are double rebates, which he is maximizing the best he can. Numbers shown will always be before a rebate because he cannot guarantee what the city will get.
>
> Finance Director Hove stated when rebates come in, they go back into city facilities to help fund future facility needs.

Councilmember T'Kach asked if there was a breakdown of what percentage of all income in the city is levy, grants, partnerships, and enterprise funds.

> Finance Director Hove responded that information is accessible within the financial statements and monthly reports.

Councilmember T'Kach mentioned she would like to see the annual projections for the CIP, the first 2 or 3 years, what the anticipated levy might be, revenue coming from partnership programs.

> Finance Director Hove replied that information comes out when budgets are brought forward. A forecast shows what is anticipated in revenues and receipts and what they expect to spend.

Councilmember T'Kach said some projects may have a much heftier levy or partnership, it would be nice to know what they are committing to now.

> Finance Director Hove suggested referencing the Funding Source Summary. When seeing the General Fund, that is supported by the General Fund Levy. Most of the remainder is another funding stream.

Finance Director Hove discussed City Facilities – 2025 Projects:

- More work in data closets on heat pumps and duct work
- Lighting improvements
- Replacing a water heater
- Replace carpet
- Fire Station #1: Boiler/Pumps. Fire Station 1 & 3: Alarm Panels
- Replace the boiler at Rich Valley
- Units at the Water Treatment Plant

Councilmember Gliva noticed there were lighting improvements again, as there were last year. She asked if the lighting improvements were a continuous cycle.

> Operations and Maintenance Supervisor Stier responded they are on a life cycle. It is taken building by building. City Hall is complete. Changeover in all buildings is done to LED standards. There are 10-15 years in a cycle before going through a new process. This year they are doing the VMCC which is a huge amount. Fire Station #1 would be a complete changeover. Cold storage was done this year, next year will be the rest of public works, there are small pieces here and there that could have been missed.

Finance Director Hove asked if the city was good for a while with lighting improvements after this cycle.

> Operations and Maintenance Supervisor Stier replied yes. By 2026 he does not see any lighting projects at all. Everything will be 100% LED. 12 years out would be the next generation coming through before seeing a huge energy drop to make it worthwhile to have another huge lighting project.

Finance Director Hove discussed City Facilities – 2026 and Beyond:

- Roof study
- Larger facility remodel, expansion, repairs

Community Center – 2024 Projects:
Last year the Community Center Capital Fund was created to separate out the operations side from the capital side. The goal was to keep projects averaging between $700,000 to $750,000. This comes from the Host Community Fund into the Community Center Capital Fund.

- Common area updates: $20,000
- Aquatics: Lap pool lane lines, diving boards, stands
- Arena: East rink matting, paint team rooms and restrooms, rekeying doors, updating kitchen and kitchen windowsills, rear doors/frames, new skate racks
- Mechanical: Updating automation, replace roof top unit #4, replace water softeners
- Grove: Brightside room remodel, replace concrete in the front entryway, community room partition, upgrading the panel and server for IT
    - Total Projects: $692,900

Councilmember Murphy referenced the team rooms and restrooms and asked if that is the locker room where the lifeguards go. When coming in the front door and going left. He said it was a bit of a disaster.

> Operations and Maintenance Supervisor Stier responded it is part of the locker room. The whole area would be done at the same time.

Councilmember T'Kach asked if the McKinstry Report from a few years ago addressed energy transition or energy work comprehensively or if it was an overview of the current operational standards.

> Operations and Maintenance Supervisor Stier replied it was a 50/50 mix. They recommended dialing down the usage of the boiler systems through automation and using some of the life cycles to change out some of the hardware, motors, and pumps to decrease energy usage. After reading it, he said he built on that for a lot of things for life cycle and general weather pattern usage. Some of the things on the roof were damaged by hail. It is documented in the McKinstry Report.

Councilmember T'Kach mentioned it would be nice if City Hall and the VMCC would have a comprehensive energy study done. Looking 5 years beyond and transitioning to energy efficient items, new technology. She wanted to make sure they were not investing a lot of money in the next couple of years that puts the city in a position that it does not pay off very well to hit new technology and new options. She said automation systems are great and can save a lot of money and reduce labor costs. She would like to see something more comprehensive. She said that she sent that in an email to Parks and Recreation Director Adam Lares and suggested the three of them discuss this further offline.

Finance Director Hove discussed the Community Center – 2025 Projects:

- Common area updates, Kiavac
- Fitness equipment replacements, studio floor
- Aquatics: Pool furniture
- Arena
- Mechanical: Boiler for the pools, HVAC system for the daycare, radiant heat for the west rink

- Grove: Locker room lockers
    - Total: $689,500

Community Center – 2026 and Beyond:

- 2024-2028 CIP 5-year average: $735,600
- 2027 East/West Rink Compressors (3): $1.3 million dollars
    - This is the R-22 refrigeration system. It was determined to be bad for the ozone and something that eventually needs to be replaced.
    - Moving to an ammonia-based system.

Councilmember Scales referenced R-22 asking if it was stocked in the city.

Operations and Maintenance Supervisor Stier responded there is 120 pounds on hand. The commercial price is approximately $160.00 per pound.

Councilmember Murphy asked if that would get them to 2027.

Supervisor Stier replied it would as long as they do not have more big leaks. When changing out the units on the rooftops for the new units, they recover and reprocess.

Councilmember T'Kach noticed there was money in the budget to purchase additional R-22.

Supervisor Stier replied there is $200,000 just in case, as a placeholder. If one leaked it would be approximately 75-80 lbs.

Councilmember T'Kach asked if there would be a reason to move the east/west rink compressor replacements up earlier.

Supervisor Stier responded the technology is there, the study has not been done on the rinks to see which technology to use as the most efficient for what the city has.

Mayor Dietrich asked if there would be more to come as far as details and the return on investment.

City Administrator Kris Wilson replied staff will ask the Council to adopt the CIP later this fall in the budget process. Depending on questions and concerns tonight, staff will follow up on those. What is in each of the project sheets is the level of detail staff would proactively provide on each project. None of these projects can proceed without approval from the Council on the specific project. To award a contract, some are large enough that staff would bring forward the approval of plans and specifications and advertise for bids. The smaller ones that do not require bids, staff goes out and gets quotes and then the Council is asked to award a contract based on the quotes. Individual projects come before the Council for approval at the time they are advanced. If wanting more information before the project is included in the CIP, staff would like to hear about it so more information can be given before the CIP comes back for adoption.

Councilmember Scales said it would be difficult for it to be accurate because they can not get accurate quotes for a year out, or an accurate return on investment.

City Administrator Wilson replied if questions are specific to cost, the further out it is, the harder it is to get accurate. If the question is more about the need or why one project is in front of another, those would be types of things staff could answer more easily.

Finance Director Hove stated this is a starting point. When bringing budgets, if there is a CIP component to the budget request it would get its own discussion at budget time. Discussion will also take place on how to finance and afford it. She said staff felt what is included today seems reasonable from staff's level of understanding of what the funds can afford. Further discussion comes forward as a part of the budget discussion on each unique fund.

Mayor Dietrich asked if it would have further discussion if it is a part of the CIP. For example, even if it is a $20,000 item versus a $200,000 item.

Finance Director Hove responded yes. When budget details come forward it would include the operating look and capital look to each of those funds.

Councilmember T'Kach asked if that included market trends or a market outlook. Part of these plans are based on revenue projections. She asked if that comes as a part of the budget discussions later.

Finance Director Hove replied staff is building the plan on maintaining existing assets. She did not believe they were quite to the point of having an in-depth analysis in terms of market trends.

Councilmember T'Kach said she felt like it is the big project that is, should be, or should not be on the horizon. Being able to decide what is on the horizon would help to know what the professionals know which way things are going within the industry.

Finance Director Hove replied if specifically talking about the community center side, one of the improvements staff is trying to make this year during budget cycles was building cost centers. It was on the Council priority list this year. Last year the capital was split to understand the operating and capital side. This year when building the budget, they are trying to further separate it out into cost centers. For example, aquatics is either gaining/costing an amount to operate. There is not a level of detail, an analysis cannot be done because everything has been lumped together in past years. Staffs hope is by changing the account structure around they can better track year over year.

City Administrator Wilson suggested keeping in mind that VMCC revenues do not cover the capital cost. Council would likely want to know if seeing upward trends in an area that would warrant investments in those facilities. Revenues from the community center do not directly pay for the capital improvements at the community center. Those are being paid for by the Host Community Fund. For example, with the water or sewer fund, they are directly looking at what the upcoming capital needs and rate structure would be necessary over the next 5 years to support that level of investment. Revenue into utilities is tied directly to what can be afforded and demands on the system. She said there was a bit of a disconnect in the way they finance improvements at the community center that separates out more.

Councilmember Scales shared with capital budgeting it is about the asset, not the use of the building. Even if having 10 or 10,000 people using the rinks, they still need the compressor replaced and the facility maintained. They cannot choose just because less people use something. For example, when everyone worked at home the air conditioning still needed to be maintained in the building.

Councilmember T'Kach mentioned if having 10,000 people using the ice rinks they may want to move up or have an expansion plan. Tt was the same with golf and if golfing was a trend up or a trend down.

Finance Director Hove discussed the Golf Course – 2024 Projects:

- Beverage Cart Replacement
- Ball Machine #1 Replacement
- Toro MultiPro 1750
- Toro Greenspro 1260
    - Total projects: $163,000

The golf course typically pays for 100% of golf course projects. There may be a facility project that is under the management of city facilities, but the golf course is paying for their share such as lighting or ADA improvements.

Golf Course – 2025 Projects:

- Ball Machine #2 Replacement
- Toro Greensmaster 3150 3WD (2)
    - Total projects: $78,000

Golf Course – 2026 and Beyond:

- Clubhouse/front end landscaping and Golf Cart replacements
    - $350,000

She mentioned that earlier this year there was discussion about how well the golf course was doing and how they were going to accelerate repayment of their interfund loan. This is based on how well this year's anniversary membership sales go. Decision making on this would be later this fall/end of year.

Mayor Dietrich asked if the golf cart replacement would be able to be covered by the golf course.
Finance Director Hove replied yes.

Finance Director Hove discussed Parks – 2024 Projects:
Every year within the Pavement Management Fund, $250,000 is set aside to go toward any parks parking lots and trails.

- Parking Lots at Groveland Park and Salem Hills: $250,000
    - Both are past their prime at 21 and 29 years of life, versus a 20-year life cycle
- Courts at Oakwood and Skyview: Either replace or transition to pickleball courts
    - A study is underway
- Woodchipper: To be shared between streets, parks, and stormwater
    - This would be a second woodchipper as the first is consistently requested/used
    - Under the general fund category. It was submitted as a part of their 2024 budget request as new equipment
- Heritage Village Park, Phase 5 (Playground and Splash Pad)
    - State Bonding funds of $2 million dollars
    - $2,650,600 is the city match
    Total: $3,525,600

Councilmember Murphy asked in regard to Heritage Village Park Phase 5, at what point is it a capital improvement versus acquisition.
Finance Director Hove replied the acquisition was when the land was acquired.
Councilmember Murphy commented when they have the land, everything after that is an improvement.
Finance Director Hove agreed.

Finance Director Hove shared within the parks area:

- Parks Capital Replacement Fund
- Acquisition and Development Fund
- State Bonding
- General Fund

Parks – 2025 Projects:

- Playgrounds: Salem Hills ($150,000) and Southern Lakes Park ($100,000)
- Hockey Rinks; boards and supports: Oakwood Park ($80,000) and Groveland Park ($45,000)

To note, a lot of these have been pushed beyond what a normal life cycle would be.

- Parking Lot: Rich Valley (PMP savings for the 2029 project)

Parks – 2026 and Beyond:

- Rich Valley Parking lot. Saving dedicated annual dollars in PMP (2025-2029) for $1.15 million

Councilmember T'Kach asked if the $250,000 for the Rich Valley parking lot would preclude other parking lots or trails from being updated and repaired between now and 2029.
Finance Director Hove replied 2024 is the last year they are planning on doing any parks parking lots. In 2025 the $250,000 will be set aside for Rich Valley. Between 2025 and 2029, all that money is saved for the Rich Valley parking lot.
Councilmember T'Kach said her concern would be if there was flooding or large repairs needed based on a storm. She questioned if there was thought of a little insurance fund on the side.
Finance Director Hove replied CIP projects can be moved forward or delayed. If an emergency were to happen, if unable to fit the repair into their annual budget, a discussion would be had about how to mediate.

Public Works Director Brian Connolly discussed public works project types shown in the CIP:
Pavement Management – Local Street 2024 Projects:

- Annual Pavement Management Initiatives (PMI) Projects: $12,292,951
  - 84% of pavement management local street projects come out of this
  - Last year it was 85%
- Maintenance Projects such as: Broad Area Patching, Crack Sealing & Pavement Rejuvenation, Traffic Calming & Safety Improvements
- Proposing to do a citywide Flashing Yellow Arrow (FYA) Study
  - There have been inquiries from the Council and partner communities such as the City of Eagan and West St. Paul
    - There are several possibilities for grant funding installations and studies
- Southgrove Area Maintenance Overlay
- ADA Intersection Improvements and Babcock Trail Multiuse Trail Facility (Design/ROW)
  - Babcock Trail, between Upper 55th and 494
  - Grant Funding was received

Pavement Management Initiative:
This was shared last year in the CIP. It is also from the Citizen's Task Force Report

- Project Selection Criteria
  - Pavement Condition Index (PCI)
    - Rating of pavement. Scale of 0 (destroyed) to 100 (brand new)
  - Age
  - Annual Maintenance costs
  - Past prioritization (put together on a map)
  - Public utility condition (water, sanitary, storm sewer)
- Annual Project Goals
  - There are approximately 150 miles of local streets in the city
  - 6-7 miles of roads per year
  - Combine neighborhood streets into a single project
  - Focus on the most effective rehabilitation technique

Pavement Management – Local Streets 2024 PMI Project Locations:

- Council has authorized a feasibility study of all projects listed
- There is one carryover project: Argenta Trail project at the border of Eagan between 149 and Auburn Path.

He stated there is a beta version of the city GIS Map that is linked on the website. There have been several improvements to the city website within the last week as a part of the feasibility study for 2024. He encouraged the Council to check it out at: www.ighmn.gov\pavement. Highlights include:

- The map shown would be added to the link.
- The 5-year project outlook tab includes a summary of what the Pavement Management Initiative is, along with links to the website.
- Includes information about projects actively in design.
- Has a current construction map with all project areas currently under construction.

He stated that the engineering staff will be coming back before the Council at the September Work Session with an update on the overall Pavement Management Initiative.
Pavement Management – Local Streets, Southgrove Maintenance Overlay:

- Added into the CIP
- Bordered by Cahill Avenue on the west, Concord Boulevard to the east, between 65th Street and 80th Street
- Oldest neighborhoods in town
- Many streets were reconstructed either partially or fully between 2004 and 2012

- Areas are showing a condition called "stripping," where the top ¼-1/2-inch pavement is getting stripped off underneath the sealcoat that has been applied
  - Happening in many other communities, not just Inver Grove Heights
  - Unclear understanding of why
  - In 2012 have switched to current pavement designs. Believe pavement designs prior to 2012 led to this type of degradation.
  - Does not impact the structure of the road, creates an issue on the surface, maintenance headache
  - There is not a good way to fix this other than to get rid of the entire top surface coat of pavement and apply a different type of sealant, overlay, or other maintenance technique
  - Exploring other cost-effective options other than mill and overlay (shown in the CIP as the cost of a mill and overlay because that would be the most expensive)
  - Hopeful before September to have refined costs or a demo project on a couple of blocks in the Southgrove neighborhood where they can apply one or two different types of treatment not used in town such as:
    - Ultra-thin overlay, pavement overlay ½ inch thick. Different type of polymer/bonding agent can last from 12-16 years. More information to come.

Councilmember Scales mentioned 78th Street to 80th Street, commenting that Clayton must be one of the worst streets in the city. He asked if they were stopping at 78th.

Public Works Director Connolly replied they are not stopping there. That would be one of the 2024 projects. It has never been done.

Public Works Director Connolly mentioned a big number in the CIP is $1.2 million dollars for 2024, it goes up for each of the next 3 years. At that rate it would take 4 years to get all the streets done.

Councilmember T'Kach asked if the Southgrove maintenance overlay would be assessed per policy or if there was other funding.

Public Works Director Connolly replied it would be funded through the Pavement Management Fund. In September, staff will have options to share as to whether or not considering assessments for this would make sense. At this time, he does not believe they do because they have not received the design life out of these pavements as initially intended. Everyone was assessed for the project initially.

Public Works Director Connolly discussed Pavement Management Local Streets – 2025 Projects: (same as the 2024 list other than the numbers):

- Annual PMI Projects
- Broad Area Patching, Crack Sealing & Pavement Rejuvenation, Traffic Calming & Safety Improvements
- Proposing to initiate a traffic study for the length of Cahill
  - A main street that would begin showing up for rehab in 2029 and 2030
  - Traffic study would look at making enhancements beyond just pavement such as:
    - Instead of 4 lanes for most of its length, putting in 3 lanes
    - Put in additional pedestrian or bicycle facilities on street or off street and if traffic allows that
    - What do the intersection configurations look like
    - If wanting to put in or take out turn lanes
  - It is too big/too long of a street to do in a single year; likely a 2–3-year construction project.
- Southgrove Area Maintenance Overlay
- Babcock Trail Multiuse Trail (Upper 55th to 494), construction in 2025

Councilmember T'Kach mentioned when reading through things it looked like the Babcock Trail work would stop at Upper 55th. She asked if it would not go to the school or if it was a county responsibility.

Public Works Director Connolly responded the grant money received for the trail installation is from Upper 55th to 494. The County has completed a study south of Upper 55th. They have not discussed it yet for further consideration. The study noted it would not be feasible to put a trail in from Upper 55th to the school without upgrading the entire corridor to an urban section. There is not enough right of way, too many driveways and property, it would be cost prohibitive for them. The County has decided not to include anything in their CIP. The city has not done anything in our CIP because we were waiting on the study results. He said he had mentioned to the county that it would be wise to provide an update, he has not heard feedback on when they would want to provide it.

Councilmember T'Kach asked if that would preclude a basic sidewalk in that section.

Public Works Director Connolly responded his understanding is that there is no space to make it function the way the County wanted it to.

Councilmember Gliva asked if there was something in the plan for Upper 55th reconstruction and South St. Paul and the state doing entrance/exit ramps. She asked if that was in the works.

Public Works Director Connolly replied yes. South St. Paul is proposing to do a section of Upper 55th Street between Cahill Avenue and Carmen Avenue, proposed for 2026. The city is also proposing the adjacent section of Upper 55th to be done in 2026 to align the two projects. The only MnDOT project he was aware of was the off ramp of Highway 52 southbound to 70th Street (County Road 26). There are items in the CIP that note this for 2028.

Public Works Director Connolly discussed Pavement Management – Local Streets 2026 and Beyond: Most seen are pavement management projects and maintenance projects. These will always have a need for the foreseeable future.

Councilmember T'Kach referenced traffic calming and safety improvements are lower dollars yet traffic and speeds on roads are one of the biggest things that show up in police public safety surveys. Upper 55th, Ann Marie Trail, 80th, and Cahill areas have requested traffic calming. She said she felt there was a lack of funding, research, and understanding what the opportunities are for more traffic calming throughout the city. She asked the Public Works Director to address that and where he thinks that would go in the city.

Public Works Director Conolly believed that may be right from a funding standpoint. What is listed in his report are small dollar amounts meant to be placeholders indicating a need. It has not been studied, nor received direction to study. The issues brought up are individual resident issues which are important to review and respond to. None have risen to the point where there is a need to invest in making dramatic changes. The changes most residents want to see are more signs, more enforcement, narrower roads, things requiring an extensive amount of infrastructure investment, beyond the $10,000-$20,000 yearly budget. He said they are looking at demo projects to see if there are things, they can try out ahead of time with lower costs such as stick delineators, pavement tapes, or paint applied and removed to see effectiveness. Those are things staff is continually looking for and learning about from other communities. Staff has a traffic control committee that meets regularly to review citizen concerns. He mentioned when doing pavement management projects such as a reconstruction on a street, they look to see if narrowing the street or bump outs on intersections would help; those are what they look at as a part of the pavement management initiative. The remainder are looked at as a case-by-case basis. Staff follows the County or State which have done a lot of pedestrian studies with respects to safety and intersections.

Councilmember T'Kach questioned if that was done with total reconstruction, not mill and overlay.

Public Works Director Connolly responded they do not typically do it for mill and overlay. During that process staff engages with residents with open houses and provides contact information. If there are concerns staff tries to work with residents to see if there is something that could be done to address it. Usually that is not the case, it does not always work, and may not be the best investment. With a full reconstruction, everything is looked at such as geometric configurations and issues that can be addressed. He said traffic calming requires changing human behavior. There has been effectiveness with putting in bump outs but discovered those do not work very good in the winter. They get run into, are very expensive to fix, and cause a lot of damage to equipment.

Public Works Director Connolly discussed Pavement Management -Partnership Projects 2024 Projects: These are projects that are being managed by external agencies such as the County, MnDOT, adjacent cities, where Inver Grove Heights needs to contribute money towards the cost of those projects.
Highlights:

- With 80th Street, a study will be done (the county currently has an RFP out) to look at doing a lane reduction study. There are currently 4 lanes with center turn lanes. They are looking to narrow it down to possibly 2 lanes with a center turning lane to increase pedestrian safety.
  - Currently have a good concept. The road was just overlayed last year. Would be a restriping project.
  - Pedestrian improvements closer to the High School.
- Some items listed were carryover projects from last year.
- The largest is 117th Street. Combination of design costs and right of way acquisition.
  - Even though the city is managing the preliminary and final design, the county will take on management of construction.
  - The city is funding this on the front end and getting reimbursed by the county.
  - Once it moves to construction the roads would flip. The county would pay for everything and then ask the city for reimbursement.

Pavement Management – Partnership Projects 2025 Projects:

- Includes a set of overlays
  - The county does overlays every year throughout the county.
  - Next year there are no overlays. In 2025 the county expects to come in and do Barnes Avenue and Rich Valley Boulevard.
  - There is a cost share with it: minor utility costs.
- Scoping studies (80th Street at Trunk Highway 3 and Babcock to Babcock Trail). This is the potential realignment to line up with the roundabout on Highway 3 and Amana and realign the roadway up to Babcock Trail. Urbanizing as it is currently in a rural roadway section.
- A project awarded from MnDOT a couple of years ago, the Barbara Avenue Soundwall.
  - Design and right of way work will begin in 2025
  - MnDOT is managing
  - There is a cost share
- 117th Street. 1st year of construction in 2025
  - All costs for the job were shown, this needs to be worked through in drafts as staff works through this budget wise before bringing before the City Council
  - Most of the costs are either bonding money, county costs, grant money received
- The City of Eagan is doing a project with a traffic signal at Highway 149, Argenta, and Westcott.

  - Eagan is doing a citywide flashing yellow arrow upgrade (they did the study staff is proposing to do next year). They applied for a grant with MnDOT, if they receive the grant this would move forward in 2025. If they do not receive the grant they would likely go after it again in a future year.
    - Working with partner agencies; Dakota County and other cities, is why these are put in the CIP, so the city is planning for them as well.

Pavement Management – Partnership Projects 2026 & Beyond:

- County Studies:
  - Argenta/Trunk Highway 55 Interchange – Preliminary Design
    - This depends on whether the 494 and Argenta interchange design in 2024 comes to fruition

Councilmember T'Kach referenced the budget papers and the cost of $100,000. She said she thought when there was a presentation, and the city did not respond, that it may have gone to the county and state to look at and pay for.

Public Works Director Connolly replied there is still a cost share because of the city's request.

Councilmember T'Kach asked if the city officially requested a study.

Director Connolly responded yes. It was in the approval of the county's CIP last year.

City Administrator Wilson replied the city had been on record as requesting this prior to that presentation in January. This is a carryover from last years CIP. It is an area where the county did not start as timely as they wanted. This was not an action taken after the January presentation, it was a carryover from being on the record as wanting to know more about the interchange. If a majority of the Council wanted to go on record, the city has an opportunity every year to offer comment and weigh in on the county's CIP. If a majority of the Council would like to oppose this, the time to do so would be when commenting on the County's CIP in September/October.

Public Works Director Connolly mentioned staff has received an initial review that was not anything other than last years CIP. Staff had already reviewed and had the request from last year in October/November. The county needs to bring it to their Board first and then bring it back to various cities. The county would request a resolution to either support or request modifications from every community where they have monies to be shared.

Public Works Director Connolly shared that the county has indicated, but has not been brought forward and the city has not commented on yet:

  - Cliff Road/Rich Valley Boulevard. Intersection – Scoping Study in 2028.
- 117th Street Reconstruction. Wraps up in 2026.
- Barbara Avenue Soundwall Construction in 2026
- County Overlays in 2028
- 70th Street at Highway 52 – West Ramp Intersection Improvement. MnDOT is looking to do the project in 2028.

Councilmember T'Kach asked if the Barbara Avenue soundwall was north of 494.

Public Works Director Connolly responded it is a short link from 494 north to Mendota Road/Southview Boulevard.

Mayor Dietrich asked in regards the to the PCI, if there was something residents could see a map of showing how far the city has come since the Citizen's Task Force but could also forecast out for 5 years to be able to see the forward momentum.

Public Works Director Connolly responded something like that does not exist. Because there are only PCI ratings once every 3 years on every street, it would take a couple of cycles to fully analyze. This is something staff will discuss in September. Staff has been looking at options to modify the PCI rating such as looking at a different firm or different methodology to get better ratings more often and for less money. There is currently not enough data to show results. He said with as bad as the winter was last year he would not be surprised if we dropped despite doing 6 miles of road improvements.

Mayor Dietrich said she knows there are Minnesota road testing areas. She asked if the city receives information from the state tests that we can do, and/or if there were any county testing sites.

Public Works Director Connolly replied he was unsure if Dakota County does any specific testing. As a part of the gas tax, MnDOT puts money yearly toward the Local Road Research Board. This board is an organization that falls under MnDOT but also has individuals from several different Universities, not just in Minnesota. This provides a focus on different types of local street projects/improvements. He mentioned MnDOT has seen success using ultra-thin overlays on rural roads but has not noticed on urban roads other than freeways. He said the challenge for the city is if this could be applied in a cost-effective manner with the fact that the city has castings for utilities and are dealing with other things in the roadway that are not on a rural highway. He said the city also salts roads differently than highways.

Mayor Dietrich asked about county salting compared to city.

Director Connolly replied he was unsure specifically. Both have their own types of salt programs. They work together to see what works in other communities. The city tries to reduce the salt usage year over year. He said the Streets Superintendent has been at the forefront of this. Sometimes the city can get information from other network organizations.

Mayor Dietrich said she asked because one of the reasons to keep streets good is to be proactive. She was wondering what could be done on that end. She said it sounded like the Public Works Director was very involved on that end.

Public Works Director Connolly discussed Sewer – 2024 Projects:

- Last year with the CIP, staff initiated an Annual Sanitary Sewer Rehabilitation Project
    - Look at the lining of old clay pipes
    - In some cases, they look at old ductal iron pipes that might be degrading
    - The liner can get another 30-50 years of life out of the pipes as opposed to replacement
- Annual Sanitary Sewer Cleaning & Televising
    - These would be televised, documented, and rated in terms of what their condition index is in a 6-year period
        - Doing 1/6 of the city every year
        - This process would continue and repeat
        - Required to clean the lines every 3 years
        - Required if wanting to have certain types of insurance coverage from the League of Minnesota Cities to collect and document visual evidence of pipes on at least a 10-year basis
        - Currently looking at being on a 6-year cycle. Just started this year. Results would be put into the database system
        - Staff would then analyze the condition ratings
        - This will help in determining what types of projects are needed in the future with respect to sanitary sewer
        - Staff knows where the problem areas are; there are a lot more unknown areas.
- Lift Station Rehabilitation. This is the smallest lift station, on Doffing Avenue
    - This station was switched with another that will be better aligned with a road rehabilitation project

Sewer – 2025 Projects:
- Annual Sanitary Sewer Rehabilitation
- Annual Sanitary Sewer Cleaning & Televising

Sewer – 2026 & Beyond:
- Annual Sewer Rehabilitation
- Annual Sewer Cleaning & Televising
- Lift Station Rehabilitation – Blackberry (2026). This was the station shifted back from 2024 to 2026 to align with the proposed pavement management project in the neighborhood

Stormwater – 2024 Projects:
- Annual Minor Drainage Improvements
    - Improvements to ponds, things that happen during flooding events
    - Money that as soon as it gets budgeted is spent on something such as a pipe that was blown out in a pond, clogged, damaged, or erosion around a pond outfall
    - These minor improvements are meant to be low dollar values that staff is able to address as opposed to larger stormwater projects
- Storm Sewer Televising (same operation, process, and company as the Sanitary Sewer process)
- Raingarden Inlet Rehabilitation (bi-annual). Approximately 60+ in town
    - A lot of them had different types of inlet structures. Trying to standardize for maintenance. Older ones were found to clog too quickly.
    - Taking a systematic approach to get to 6-7 of every other year to be upgraded.
- Water Resource Management Plan Update
    - There are two plans: Citywide and Northwest Area
    - Citywide was updated in 2018/2019
    - The Northwest Area has never been updated.
        - Established in 2006, outdated.
        - Staff has found some things to be problematic as it does not sync up well to the current Water Management Plan.
        - Looking to merge documents into a Citywide Water Resource Management Plan.
- Stormwater Rate Study

Stormwater – 2025 Projects:
- Annual Drainage Improvements
    - Last year it was discussed to bring in $1 million dollars to the Stormwater Fund out of the Host Community Fund for 3 years
- Stormwater Televising
- Design for the Dickman Trail Outfall Culvert Replacement
    - Design process could take 2-years because of the coordination needs of the railroad
- Pond: associated with a development job completed a couple of years ago
    - The project was not finished due to lack of funds. Proposing to finish in 2025

Proposed Stormwater Projects in the system:
- Dickman Trail Culvert (behind Skyline Village) 96"
    - Corrugated metal culvert. Rusted out, debris upstream and downstream of the pipe, sinkholes forming, pipe separation issues, downstream sedimentation in the stormwater treatment ponds.

Stormwater – 2026 & Beyond:
- Annual Minor Drainage Improvements
- Annual Stormwater Televising
- Raingarden Inlet Rehabilitation
- Dickman Trail Outfall Culvert Replacement (2026-2027)
- MS4 Program Implementation Updates (2026-2027)

    - Stormwater Permit with the Minnesota Pollution Control Agency
    - Implementation of this is done every 5 years
- Marcott Woods Park Ravine Erosion Restoration (2026)
    - Located off 96th Street, has been there for 15-20 years
    - Ravine slope outwash
    - 60'elevation drop, a lot of erosion
    - Restoration will be expensive: $150,000
    - This item is further out as it is a matter of where it fits into the program and how important it is.
    - Staff would like to get at this sooner. If other funds have savings, there may be the opportunity to save and advance this project.
        - Currently maxed out what is available for stormwater

There are almost $20 million dollars of stormwater needs that are not programmed. Need to continue to find ways to save funds. Part of this will be through the Stormwater Rate Study taking place next year and for the Council to make hard choices about how to fund a utility that has been underfunded.
Water – 2024 Projects:
For 2024/2025 there is a higher influx, then it drops off a little bit. The main driver for this is the water treatment plant repair and rehabilitation project. A brief update will be provided next week that will include where they are at with the preliminary design process, feedback received from consultants, and pilot tests done with some recommendations.

- Annual Well Pump and Service Rehabilitation
    - There are 7 pumps in the system
    - Pull one a year and rehab it. 7-year cycle
    - Some pumps are replaced every 5 years with others replaced on a 10/11-year basis because they do not pump from all wells equally
- Babcock Booster Station Pump Inspection #1
    - Pumps that help maintain the system water pressure
    - There are 2 booster pumps. Looking at doing 1 pump inspection and rehab each of the next 2 years
- Water Treatment Plant Booster Pump Inspection
    - There are 7 within the plant. Looking at doing these 1 per year
    - One (1) is being done this year
    - These are not tied to the treatment side of things, they are individual pumps

He shared that one was pulled this year. There was a contract bid for approximately $9,000. Staff was told it would be another $6,000 to $7,000 to do the replacement. There is a contingency, it was already budgeted for. If having to do an emergency replacement, there is money available. It would be more expensive than doing preventative maintenance. Staff wants to keep the process going in the CIP.

- Automated Meter Infrastructure (AMI)
    - Over a 3-year period, staff looks to implement upgrading/replacing all water meters within the community. It would have a remote digital read that could be monitored almost consistently.
    - Provides more accurate billing data and monitors usage
    - There are warnings in place that state for example, water that has not been shut off for a period of 7 hours. This allows the city/staff to shut the water off and alert the homeowner that they may have an issue they need to check on.

Councilmember Gliva exited the meeting at 7:57 p.m.

Public Works Director Connolly discussed Water – 2025 Projects:

- Annual Well Pump and Service Rehabilitation
- Water Treatment Plant Sludge Pump Replacement
- Babcock Booster Station Pump Inspection #2

Coming out of the preliminary study for the water treatment plant it was noted that there are several sludge pumps. These are wastewater pumps in the bottom of the water treatment plant that takes all of the backwash residue washed out of the water and discharges it into the wastewater system. There are 7 or 8 pumps that have never been replaced. Staff is starting a process in 2025 to start replacing those on an annual basis.

Water – 2026 & Beyond:

- Bigger project, Northside Water Tower Repainting/Rehab, 50th Street and 494 in 2026-2027
- SCADA System Upgrade (connection between various wells and what is operating at the water treatment plant)
    - Needs occasional software updates. Have not had a big system upgrade for several years.
    - Plan on doing in 2027

Councilmember T'Kach asked about broad area patching and if it was more maintenance versus capital in the budget.

Public Works Director Connolly replied everything regarding maintenance is still capitalized because that is how it is documented in the CIP. City staff does it.

Councilmember T'Kach said she did not see a broad area patching plan. She asked if 96th Street would be broad area patched.

Director Connolly replied there is no broad area patching plan. It varies from year to year. Staff is trying to capture areas that have been broad area patched in the past and plug them into the CIP. There are very few streets left that need to be broad area patched. He said the streets superintendent has a list he is looking at getting at. He said they have discussed whether they should hold off on those or try to condense the different areas. For example, the one area they knew they were going to get to at the start of the year was Arlene and Athena Way. That was completed. After receiving the pricing for bituminous and noting where other monies were available, they noticed they were spending a lot of time on Dickman, the patches were not holding. Staff determined they would be able to get Dickman included, but there were also 3 other potential areas. Broad area patching is not put into the CIP specifically because they do not know year over year where the maintenance dollars would end up.

City Administrator Wilson replied its placed in the CIP from a budget perspective. They do not list the streets they plan to do. There is a budgetary amount included for that each year.

Councilmember T'Kach asked if there was a reason the city does not soften the water. Instead of having residents using water at differing volumes, and inefficiently using salt, she questioned if they should reduce salt in general.

Public Works Director Connolly replied that would be a question for the Council. It would be a substantial investment to the point they would need a new water treatment plant. It is not something that can be integrated into an existing plant, it was not designed as a softening plant. A softening plant requires more operational need. It needs two people staffed 24/7, 365 days. The current plant can operate without a staff person. Some communities, like Minneapolis and St. Paul, pull surface water and do not have to soften. Pulling off the ground is a bigger cost. He said it was not analyzed unless it was when the water treatment plant was first built. It would be completely cost prohibitive for the current rate structure.

Finance Director Amy Hove stated that 2024 projects are being prepped, 2025 is ahead. Staff will want to start working on those plans next year and are planning for the years ahead.

- Help set budgets
- Is a first step/first look
- Helps determine if levies need to be set
- If there would be an impact to user fees
- Addresses unfunded projects
- This improves transparency and allows for communication with residents on projects in the plan

How to pay for it:

- Cash Forecasting. In the coming weeks and months as they work through each individual fund budget, this builds the preliminary draft CIP into the forecasts to see if the existing fund structure supports it.
- Identify areas of weaknesses and provide the Council with recommendations on:
    - Levy
    - Utility Rates
    - Bonding
    - Drinking Water Revolving Loan Fund (DWRF). The city should be hearing back soon on their application
    - American Rescue Plan Act Dollars (ARPA). There are $3.9 million dollars in these funds with the purpose/intent that those dollars could be used to help offset some of the projects if finding deficiencies in funding.

Still on the Horizon: Unprogrammed/Unfunded Projects:

- Larger unprogrammed/unfunded projects, larger facility needs
- Railroad Quiet Zone
- Street Projects:
    - 65th Street: Waiting for the results from the Small Area Plan
    - Akron Avenue: Proposed by Dakota County but not advanced by IGH in 2018
- Utility Projects:
    - Unprogrammed Storm Water Needs
    - Unprogrammed NWA Stormwater Outfalls
    - B-Line Lift Station

Today's Request/Purpose:

- Is staff proposing the right projects
- Do projects seem to be prioritized properly
- Are the timelines appropriate
- Are there any projects missing
- Are there projects in the plan the Council would like removed

Councilmember T'Kach mentioned she did not see acquisition of park land outside of park dedication. She said she felt that was missing based on feedback from the public. The public wants parkland and open space. She said there was discussion about using ARPA funds.
Councilmember Murphy said he believed they were on capital improvement versus acquisition. He was unsure if it fits together.

> Finance Director Hove responded if the Council was interested in the acquisition side being a part of capital projects, staff could incorporate it in. She said the question would come down to proposing how to finance, if wanting to consider using ARPA dollars, or shift things in the Park Acquisition and Development Fund.

Councilmember Murphy mentioned it leads to his question about Heritage Village Park and at what point it is about capital improvement and what point it is about acquisition. If talking about now, he agrees with Councilmember T'Kach, if talking about acquiring parkland, specifically in the northwest, it should be a discussion point for the Council. He understands if it was not about capital improvement.

Finance Director Hove replied if wanting to acquire something, whether land or equipment, that can be added to the capital plan.

City Administrator Wilson stated for example, if having an active annually updated CIP, purchase of the Kundla property for the expansion of public works would have been a logical thing to include. She said this was where capital improvement plans from different cities will differ. Some cities will have a visionary (everything they hope to achieve) other cities are more pragmatic and practical, picking projects they were 95% sure they were going to do because they know where the money is coming from. It is up to individual cities to decide what type of approach they want to take. She said park dedication fees would bring the question about how to pay for it. Currently, the only money the city has for capital investment in parks is from park dedication fees which are paid by development at the time of platting or levying $300,000 a year to make replacements to parks. Money is saved up for years to do, for example, South Valley. The tennis courts in the capital improvement plan would come from next years $300,000. It would be a significant new undertaking to find non-park dedication revenues to acquire lands. There can be periodic opportunities that come from State Bonding Funds or Federal Funding.

Councilmember T'Kach questioned if federal dollars were available for protecting and restoring tree canopy. There are a lot of areas that could possibly come under a grant to protect it from development as benefit. She asked how they build it in later in the 5-year plan or go after federal or state dollars.

City Administrator Wilson replied that could be a reason to put a project that seems a little more aspirational into the CIP. Sometimes when applying for grants there will be a stipulation in the city capital improvement plan for how long it has been there. Some funders take that as a sign of the city having thought it through and prioritizing. That could be a reason to have projects in the plan when funding has not yet been identified as it can help the city go after grants.

Councilmember T'Kach mentioned one of the things on the Council workplan was to educate themselves about senior housing and housing issues in general. She does not know where the money would come from or if there was money for it in the budget. She asked if that would be anything they could check into for next year. She was unsure if there was a study or education.

City Administrator Wilson replied it is on the Council's workplan. There are two developments on that front. One is that cities are on tap to receive some of a new/expanded metropolitan area sales tax specifically for affordable housing. Staff is waiting to learn about age groups that may be served with this. Publicly developed affordable housing in the city is done by the Dakota County CDA. Staff has invited the CDA's Executive Director Tony Shertler to present to the EDA Meeting in August. He will discuss development and redevelopment. She said it would be a good idea to ask questions about plans for any additional senior housing in our area.

Finance Director Hove stated there were two Councilmembers that sounded like there was potential interest in putting parkland purchase as a capital improvement item potentially using ARPA Funds or other sources such as reguiding other parks spending. She asked if this was something Staff should look at.

Councilmember Scales mentioned he would like to understand it better. His understanding is the plan put together is a realistic plan with revenue streams had and funding available over the next 5 years. If adding aspirational things to it, something is not getting done because the funding is not there in the budget for it, they would have to find the funding somewhere else.

City Administrator Wilson stated that is an accurate summary. The approach staff has taken in developing the 2023-2027 CIP and now the 2024-2028 has been a pragmatic one. It includes projects they can identify a real funding source of. She said it does not have to be done that way. Some cities choose to include more aspirational projects.

Councilmember Scales said he prefers not to get caught in the trap of always pushing something out. He said that is what happens to capital budgets that do not have funding. He said he is unsure if there is a value in adding something that does not have an identified revenue stream to pay for it. He said that doesn't mean they will not get to everything on the list, prices go up on some things and go down on others. He said sometimes it is disappointing to see things get pushed back every year.

Councilmember Murphy said he doesn't disagree. The park in the northwest has been pushed back repeatedly. He questioned if this was capital improvement or park acquisition. If they are the same thing, he believes there needs to be an early discussion about this in the plan. If different, there are potential funding sources such as ARPA and the Host Community Fund.

City Administrator Wilson said this was helpful feedback. She suggests if the Council is agreeable, to let the Finance Director, Parks and Recreation Director, and the City Administrator do further research. Staff would question other cities that were in a stage of development and acquiring park land. Before the Council is asked to adopt the CIP, there would be further discussion on the possibility of adding this component to it.

Mayor Dietrich stated she does not want to miss that residents have called for retail and tax base and what that would look like in the CIP. There are things that are unknown that she would need a more exhaustive list. She said she is tasked with infrastructure and public safety being covered first, which this CIP covers. She would support that.

Finance Director Hove addressed retail and growing tax base stating that a lot of that discussion is starting with the EDA, studies, conversation, and determining if there are larger projects necessary. That is when they are brought into the CIP.
Mayor Dietrich mentioned there were properties the city would be interested in acquiring that she is not ready to verbalize. If something like that were on the table, she would need to check that avenue too.

> Finance Director Hove replied she would mark that down to keep it in their thoughts as a property acquisition.

Finance Director Hove asked if there was anything in the list that Council did not think was needed project wise, that Council was surprised at seeing, or wanted more information on.

Councilmember T'Kach shared that she does not understand where funding for fleet vehicles was. She asked where it came in if needing a new street sweeper or plow truck.

> Finance Director Hove replied when buying a new piece of equipment staff has been saving for that piece of equipment. Staff looks into how much it would cost, how much it would cost the next time they would need to replace it, and how many years they would have before they need to replace. Staff takes 1/20th of that future cost and creates an allocation the department pays in. When it comes time to buy the vehicle, it is all saved up for the purchase. She said that was how the central equipment allocation works currently.

Councilmember T'Kach questioned how that would work as they expand streets and expand more. She asked for example, if there was a tandem truck for future growth. She mentioned the woodchipper where a second one was needed.

Finance Director Hove replied that was a "next step" that staff has to do the research on. There is no list with future trucks/vehicles needed. She referenced the woodchipper stating that was just put in because staff identified a need. This is the first-year staff has created a more comprehensive CIP. There are still more pieces that staff would need to do research on.

City Administrator Wilson referenced the chapters in the CIP last year and the chapters in the CIP this year; when seeing this next year, staff would hope to have additional chapters. Fleet or rolling stock would not be an uncommon chapter in the CIP. IT or fiber is not uncommon in the CIP. As staff continues to work on this, the CIP will get longer. She mentioned that it takes time to put this together especially in the early years. Staff hopes to have additional components included next year's CIP.

4. ADJOURN:
Motion by Murphy, second by Scales, to adjourn the meeting at 8:29 p.m.

Ayes: 4
Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Sheri Yourczek