

Pursuant to due call and notice thereof, the Budget Workshop of the Brainerd City Council was called to order at 6:00 p.m. by Council President Bevans.

Upon roll call, the following members were noted as present: Johnson, Stunek, Terry, Stenglein, and Bevans. Mayor Badeaux was also noted as absent.

Staff present were Finance Director Hillman, Fire Chief Holmes, HR Director Schubert, and Public Works Director Dehn.

Discussion of 2025 Capital Planning

City Engineer/Public Works Director Dehn reviewed the draft Parks Capital Plan. The Park Board has drafted a 30-year capital plan with 2% of the total capital value set aside each year to fund capital facility projects for the next 30 years.

Member Stenglein asked about the rotation of the items.

City Engineer/Public Works Director Dehn stated that the 2% fund would eventually replace items on a rotation. The plan is still a draft.

Member Terry thanked the Park Board for their work on their capital plan. She asked whether there would be grants to count on to fund some of the projects listed.

City Engineer/Public Works Director Dehn stated that for replacements it is not common. Trails would be a common grant, however, those grants would be very competitive.

Member Bevans asked about the budgeted number for 2025.

City Engineer/Public Works Director Dehn stated that yes, the additional dollars would go toward the 2% to fund the future of the plan.

Member Johnson stated that the 2% is not set aside for the parks, is not set aside for the Park Board to spend. When projects are proposed by the Park Board, they can make an ask and hope that there is money in the Capital Improvement Fund to fund it. If there is something catastrophic that happens, that money would go toward that event instead of to the Parks. The City had the capacity to spend what it did in 2024, it is not a guarantee that they will be able to receive that amount in perpetuity.

Finance Director Hillman gave an overview of the City's Capital Plan by Department.

Member Johnson asked whether the Library has the money to spend \$426,000 on capital in 2025.

Finance Director Hillman stated that the Library building is a City facility. The money levied each year barely covers the operating and maintenance costs of the Library. The building was a part of the facility study from 2019.

Member Terry stated that the Library is asking for a 2% levy increase in 2025.

Member Johnson asked about another possible facility for the Fire Department.

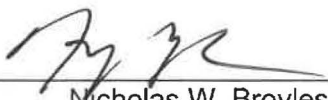
Chief Holmes stated that the feasibility study is not yet complete. However, he does not believe a brand new building is financially feasible at this time. Modernizing the existing station one will solve most problems. Financially, it is a better option to modernize the station. He hopes to develop a plan that makes the facility more useful for office space, apparatus space, and storage. Ultimately, a third station would better serve the communities that are part of the Fire Advisory group in the future.

City Engineer/Public Works Director Dehn reviewed the Public Works Capital Improvement Plan and funding the projects. He went over the changes of the plan which included updating South 10th and Wright in 2025 as a reconstruction due to more state aid funding being available and with the support of Brainerd Public Utilities. The City was awarded a grant for the Pedestrian Bridge over Highway 210. He discussed the potential for state aid bonding and franchise fees from utilities as a way to fund projects, as opposed to Permanent Improvement levy, bonding, and special assessments.

The Council was generally supportive of the draft 10-Year Capital Improvement Plan, the City Engineer's options to support future projects, and collecting more information on Franchise Fees.

Adjourn

The Chair adjourned the meeting at 6:55 p.m.



Nicholas W. Broyles
City Administrator