City Council Work Session
Tuesday, October 21, 2025 at 6:00 PM
Public Meeting Room

AGENDA

1. **Call to Order**
2. **Items for Discussion**
   A. Viaduct Park Design and Construction Phase 2
   B. Feral Cat Enforcement and Need for an Ordinance Prohibiting Feeding
   C. Chapter 6, Article II, Divison 2- Kennel License/Adult Animal Limit
   D. Overview of Tax Abatement for a Proposed Corporate Headquarters at the Southeast Corner of 2nd Avenue NW and 4th Street NW
   E. 2026 Budget
      1. 2026 Special Revenue Funds
      2. 2026 Internal Service Funds
      3. Final Review of CIP Fund 431 Capital Replacement Fund
      4. Final Review of CIP Fund 437 Public Facilities
      5. General Fund Cost Reduction - Publication of Agendas
3. **Future Discussion**
4. **Adjournment**

(The Council may meet as a group for dinner)

Please contact the City Administrator's Office if you need special accommodations while attending this meeting.

Para pedir este documento en otro idioma, envíe un correo electrónico y adjunte el documento a accessibility@faribault.org.

Si aad u codsato dukumeentigan oo ku qoran luqad kale, fadlan e-mail u soo dir oo ku soo lifaaq dukumiintiga accessibility@faribault.org.

City Of Faribault

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	Rochelle Anderholm-Parsch
MEETING DATE:	October 21, 2025
SUBJECT:	Viaduct Park Design and Construction Phase 2

Discussion:

Phase 2 of the Viaduct Park project will advance the design and construction of two major elements:

- A refrigerated ice feature with cover structure
- A storage garage with utilities (electric and drainage)

Council has previously identified an all-in budget for Phase 2 of $3.6 million.

The approach under discussion represents a traditional design–bid–build method, paired with a cooperative purchasing process to streamline procurement while maintaining transparency and competitive pricing. Specifically, staff proposes utilizing the Minnesota State Cooperative Procurement Program through Sourcewell, a nationally recognized cooperative purchasing organization for the design and construction of the refrigerated ice sheet.

According to Sourcewell, cooperative procurement "allows participating agencies to purchase from competitively solicited contracts that have already met the public bidding requirements." This means the City can contract directly with a pre-qualified, vetted contractor that has already completed a formal competitive process, saving staff time, ensuring compliance, and providing access to clear, transparent cost structures. (Source: www.sourcewell-mn.gov)

Under this approach, the City would:

- Engage a Sourcewell contractor to provide both design and construction services for the refrigerated ice feature. This approach will allow the project to move efficiently from design into construction and maintain critical lead times for equipment such as the chiller, which has the longest manufacturing and delivery timeline.

- Separately hire an architect to design the 24’ x 24’ storage structure and the cover structure over the ice sheet. If needed, the City would also engage a civil engineer to support site layout, utilities, and grading plans.

- Once the site plan and building designs are complete, the City would bid that portion of the project separately, following the standard competitive process.

For the refrigerated ice sheet, the cooperative approach ensures the City retains control over project design and cost transparency while reducing delays and helping ensure that refrigeration components can be ordered in time for operation during the 2026–2027 ice season.

At this time, staff is seeking Council’s support to proceed in this direction. If supported, staff would bring forward the proposed Sourcewell contractor for Council approval, with the goal of having a fully executed contract no later than January 1, 2026.

Attachments:

1. VP_SD__Phase 2_Council WS_10212025

City Of Faribault

Viaduct Park Phase 2

COUNCIL WORK SESSION

OCT. 21, 2026

Viaduct Park - Phase 2

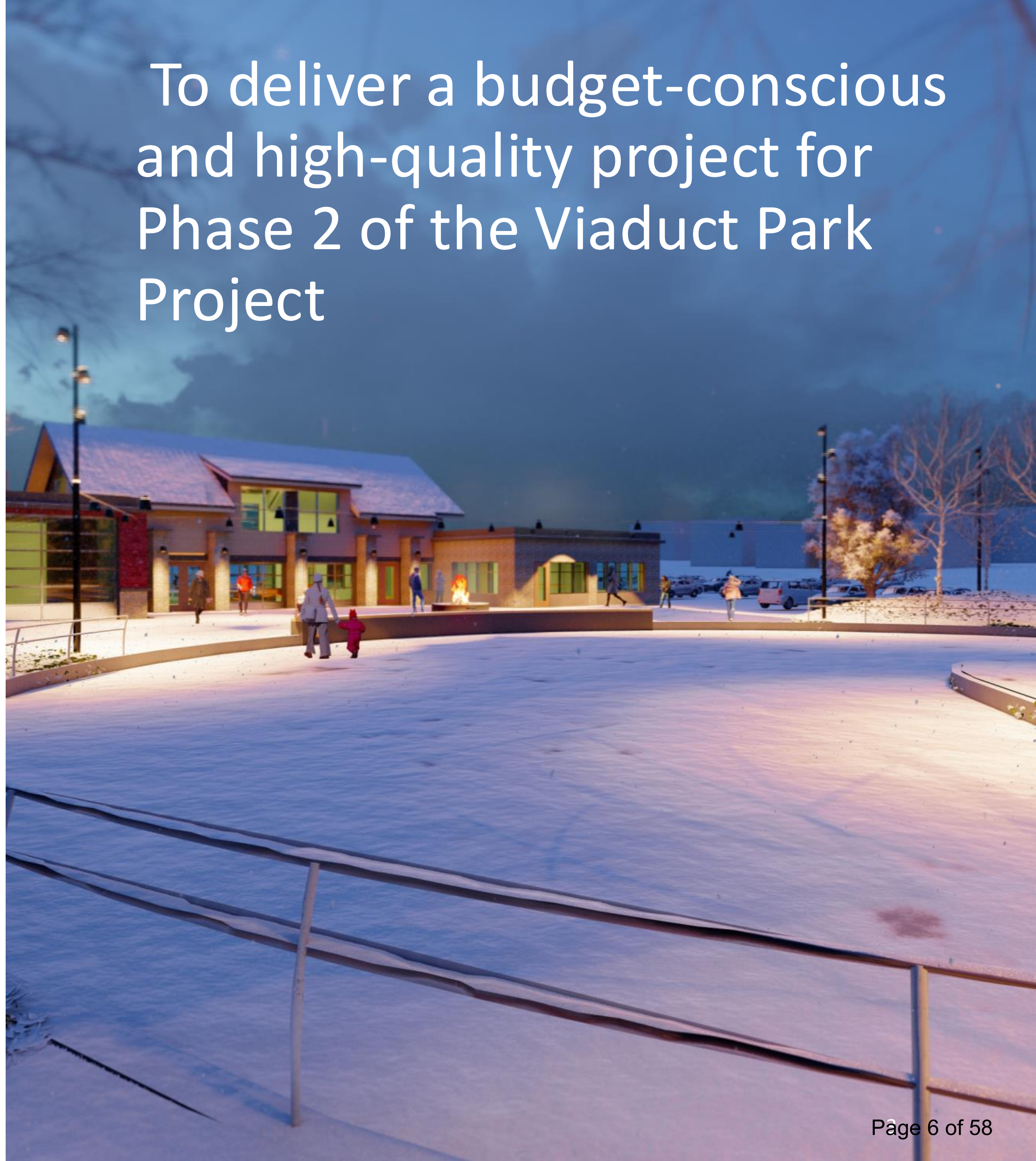
- Refrigerated ice feature with cover structure

- Storage garage with utilities (electric & drainage)

- All-in budget: **$3.6M**

GOAL

To deliver a budget-conscious and high-quality project for Phase 2 of the Viaduct Park Project



Project Delivery Approach

Traditional Design–Bid–Build + Cooperative Procurement (Sourcewell)

- Traditional design, bid, and build structure
- City to use Sourcewell cooperative purchasing for design and construction of the refrigerated ice feature
- Ensures transparent and competitive pricing
- Reduces time by utilizing pre-vetted contractors through Minnesota's cooperative procurement program *(Source: www.sourcewell-mn.gov)*

Staff Due Diligence

- Visited other sites
- In the process of contacting references
- Confirmed viability of Sourcewell cooperative procurement

Recommended Approach

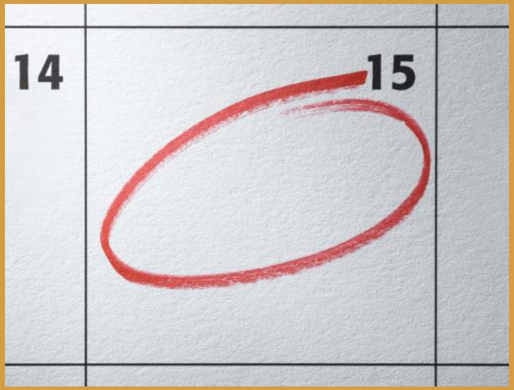
Phase 2 Implementation Strategy:

1. Use a Sourcewell contractor for design and construction of the refrigerated ice feature.
2. Separately hire an architect to design the 24’ x 24’ storage structure and cover.
3. Engage a civil engineer, if needed, for utilities and grading.
4. Bid the building portion separately through the City’s standard process.

Benefits:

- Maintains transparency and control of project costs
- Reduces lead-time risk for refrigeration equipment
- Keeps design and construction aligned with budget

Tentative Project Timeline



- **Sourcewell Contractor Selection** – Winter 2026
- **Design Development** – Winter 2026 (ice sheet)
- **Construction Documents** – Late Winter/Early Spring 2026
- **Bid Building Portion** – Early Spring/Late Spring 2026
- **Construction Start** – Late Spring 2026
- **Target:** Ice Operational for 2026–2027 Season

Milestone Touchpoints

- **Parks Board:** Check-ins each phase
- **City Council:** Updates at key milestones (contract approval, final design, pre-bid)
- Staff will bring Sourcewell contractor to Council for approval before Jan 1, 2026

Next Steps

- Seek Council direction to proceed with the Sourcewell procurement approach
- Execute Sourcewell contract by Dec 31, 2025
- Begin design phase of the ice sheet immediately following contract execution

Questions

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	John Sherwin, Chief of Police
MEETING DATE:	October 21, 2025
SUBJECT:	Feral Cat Enforcement and Need for an Ordinance Prohibiting Feeding

Discussion:

In the last 20 years, the Faribault Police Department has led various initiatives in response to complaints about nuisance feral cats. These efforts have varied over the years as complaints rise and fall based on the degree of the local cat population. For the past several years, complaints regarding nuisance feral cats to the police department have been rare. Observations throughout the city confirm the problem and the population is limited.

Currently, the city does not have an ordinance that prohibits the feeding of roaming cats. During a 2017 public awareness campaign led by the Faribault Police Department regarding roaming feral and domestic cats, a public service announcement stated, "We will be modifying the City ordinance to make it illegal for people to feed roaming cats, as it encourages unwanted large stray populations." It's unclear why an ordinance wasn't adopted as part of a trapping program that was implemented in 2017 to manage feral cats.

The Police Department would like to provide historical context on past efforts regarding feral cats, the current situation as it relates to animal calls in general, the specifics of nuisance cat calls, and seek input the City Council would like to provide regarding a city ordinance prohibiting the feeding of roaming cats.

Attachments:

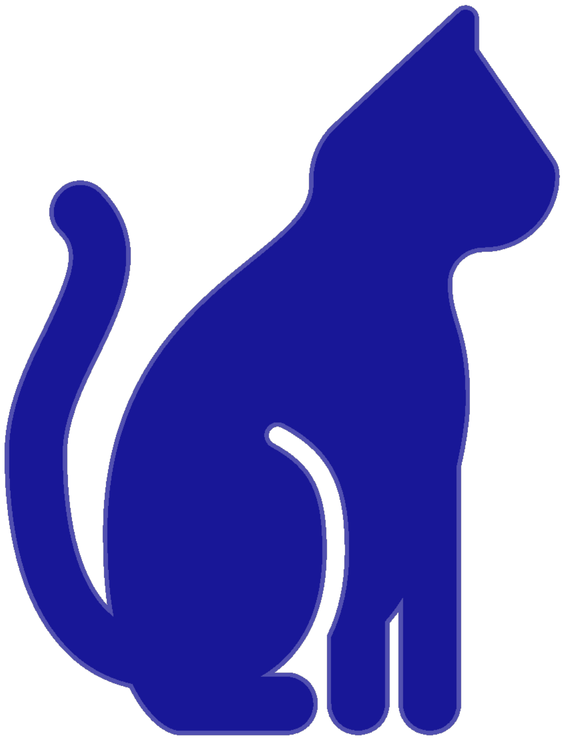
1. Feral Cats
2. 2017 PSA Stray Cats

Faribault Police Department

COMMUNITY, INTEGRITY, HONOR, COURAGE

Feral Cats in Faribault

- Historical Perspective on Enforcement



2007-2010 Efforts

Trap and Shelter Initiative

- Feral cats were trapped, taken to a shelter, immunized, treated for health issues, and either adopted, or euthanized at city expense

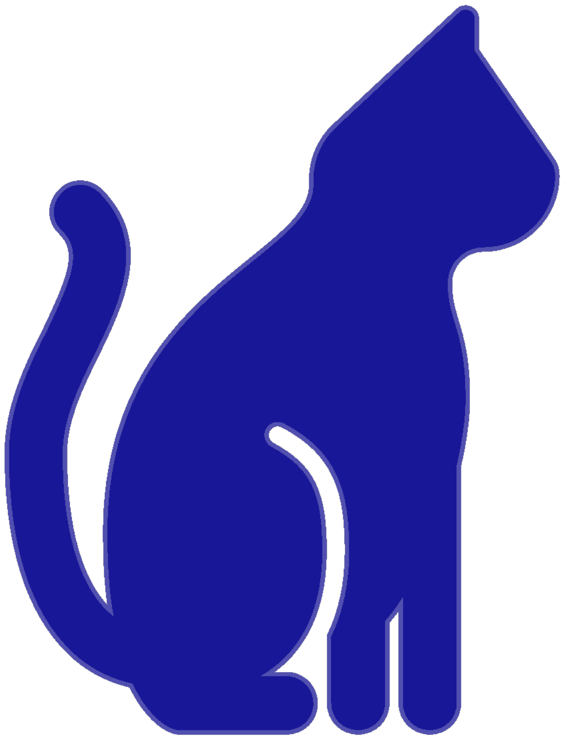
- In 2007, 152 cats were impounded with 83 adopted, 61 euthanized, and 8 claimed by owners.

- Costs associated with the program were approximately $17,500* in 2007

- Costs associated with the program exceeded $20,000* in 2010

- In 2010, the City Council cancelled the initiative based on cost

*Equivalent to $28,000 to $30,000 in 2025 per the Consumer Price Index (CPI) inflation calculator



2017 Efforts

- The issue reemerged in 2016/2017 as numerous complaints were received regarding feral cats.

- After monitoring complaint areas, police staff concluded, the “problem is not as large as reported by certain citizens.”

- Nonetheless, a limited trapping program was established by the Faribault Police Department, M-F, during regular business hours.

- The majority of cats trapped were claimed by owners and were non-feral. Feral cats were either adopted or euthanized (40%).

- The City enacted a public awareness campaign.

FPD Animal Calls by Species May 21 – July 4, 2025 (100 calls)

Dog – 82

Cat - 5

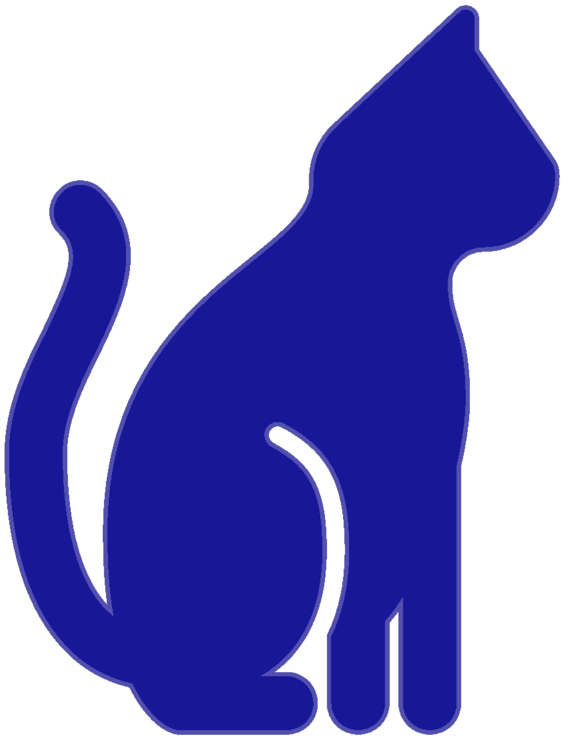
Deer – 5

Duck – 3

Squirrel – 2

Rabbit – 1

Opossum – 1



FPD Animal Calls by Species May 21 – July 4, 2025 (100 calls)

Of the 5 calls regarding Cats:

Found Kitten – 1

Injured Cat – 1

Deceased Cat – 1

Found Cat - 1

Cats Roaming in General – 1

No calls specifically regarding feral cats

KDHL PSA – Stray Cats

The Faribault Police Department is re-implementing a program that will focus on the stray cat issues in the city. The goal is to capture and remove stray cats from areas where we take complaints and make every effort to find a new home for the animal while working with community partners.

The Faribault Police Department's Community Service Division will be solely in charge of trapping, transportation and boarding of feral/ stray cats. This is a program we are bringing back after many years. The initial volume of work will be very large and the Police Department asks for the public's patience as we prioritize and respond to complaints regarding stray cats. The program will typically operate during regular Monday through Friday business hours with limited staffing and hours of operation. Also, we'd like the public to know that during the program, if a resident chooses to privately trap a stray animal any and all costs associated with the capture would go back to the resident. We suggest making prearrangements for care with a local shelter or animal sanctuary if a resident chooses to trap a stray animal. The police department has specific protocols and procedures to care for the animal and will not be responsible for privately trapped animals or associated costs.

We are asking domestic cat owners to have their pets spayed/ neutered and a collar for identification should one be caught roaming in a public area so it can be returned. The city has an ordinance that does not allow pet owners to let their animals roam outside their private property but we all know cats sometimes have a mind of their own.

If a property owner feels responsible for a community cat you are encouraged to adopt, take the animal inside your home, and provide proper veterinary care which includes vaccinations, and spaying or neutering of the cat. We will be modifying the City ordinance to make it illegal for people to feed roaming cats as it encourages unwanted large stray populations.

Finally, we encourage pet owners to be responsible when caring for their animals. We have free brochures entitled “Caring for Cats” that can be picked up in our lobby. We will also post the information on the police department’s website and Facebook pages online.

-This is Chief Andy Bohlen with Faribault Police Department and we thank you for listening to our public announcement.

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	
MEETING DATE:	October 21, 2025
SUBJECT:	Chapter 6, Article II, Divison 2- Kennel License/Adult Animal Limit

Discussion:

There have been a number of questions coming forward in recent weeks about the limit on the number of adult animals which a resident may have. This is stated in the section for kennel licenses, which requires a resident with more than 3 adult animals to obtain a kennel license (see attached). Kennels are defined in the Unified Development Ordinance as the following: "An establishment licensed to operate a facility housing dogs, cats, or other household pets and where grooming, breeding, boarding, training, or selling of animals is conducted as a business." Kennels are allowed in industrial districts, but not in residential districts. The calls we are getting are from residential areas from individuals not seeking to operate a kennel as defined by the UDO. The Police Department has also recently received complaints of more than 3 adult animals, which is putting the City in an enforcement situation where the question is if the Council's intent and direction is for staff to order and confirm the removal of animals over the limit of 3.

Leslie McGillivray-Rivas, Planner I, compiled some of the rules and regulations from other cities. Faribault is by no means the only city allowing only 3 adult animals, but there are other ways that communities have chosen to handle this issue. For example, Waseca and Albert Lea define the number of cats and the number of dogs separately. Rochester allows for up to 9 animals, while others do not set any limit. It should be noted that some of these communities do require pet licensing, which Faribault does not. This is not an exhaustive view of cities in Minnesota, but does look at what our neighboring cities do. We are also not proposing to implement any licensing at this time, as the value of verification of the allowable limit is not a priority unless the Council wants the City to remove pets from homes over the limit.

We have also heard from some individuals saying that we cannot limit their animals because they are emotional support or companion animals. The City is required to comply with the Americans with Disabilities Act, which sets forth the guidelines related to service animals, which is defined as a dog or miniature horse that must perform work on behalf of an owner. A companion animal does meet the definition of a service animal and therefore would not be covered under the ADA. The City's ordinance makes no reference to this, but in any compliant situation, the City would comply with the ADA.

Attachments:

1. Chapter 6 Animals
2. Domestic Animal Ordinance Research

DIVISION 2. - LICENSES AND REGISTRATIONS

Sec. 6-36. - Kennel license—Required for owners of more than three adult animals.

A kennel license shall be required for owners of more than three (3) adult animals; an adult animal means an animal over six (6) months of age.

(Ord. No. 2009-20, § 1, 12-22-09)

Sec. 6-37. - Same—Duration; when due and payable, where purchased.

Kennel licenses issued under this division shall be due and payable by the last day of January in the year the license is due to expire. They may be purchased at the office of the city administrator. Kennels shall be regulated according to state statutes.

(Ord. No. 2009-20, § 1, 12-22-09)

Sec. 6-38. - Reserved.

Sec. 6-39. - Beekeeping.

A permit shall be required for the keeping of honey bees. Applicants shall apply for a permit and following the regulations outlined in section 7-30 of appendix B, Unified Development Regulations.

(Ord. No. 2017-4, § 2, 6-13-17)

Secs. 6-40—6-45. - Reserved.

City	Ownership Limits-Multiple Animals	Ownership Limits-Dogs	Kennels as a use	Links to Ordinance	Kennels (Private and Commercial)	Zoning District
Rochester	No person shall keep nine or more multiple animals over the age of six months within any household in the city. The term "multiple animals" means two or more cats, dogs or ferrets.	Notwithstanding any provision to the contrary, no person shall keep six or more dogs over the age of six months within any household in the city.	NA	https://library.municode.com/mn/rochester/codes/code_of_ordinances?nodeId=PTIICOOR_TIT3AN_CH3-1ANCO_S3-1-3OWLI		
Northfield	No Limitation noted. Vacinations and ID Tags required for dogs			https://library.municode.com/mn/northfield/codes/code_of_ordinances?nodeId=PTIINOCO_CH10AN		Permitted in C-2 Highway Commercial district , I-1 Industrial District , A-S Agricultural District
Owatonna	(C) No person may own, keep, harbor or maintain at one household any combination of dogs and cats over five months of age exceeding a total of five in number, no more than three of which may be dogs.	(A) No person may own, keep, harbor or maintain at one household more than three dogs over five months of age.	(B) No person may own, keep, harbor or maintain at one household more than five cats over five months of age.	https://codelibrary.amlegal.com/codes/owatonna/latest/owatonna_mn/0-0-0-2450		A-o Agricultural Open Space District
Mankato	(a)No person shall keep, or allow to be kept, at any location within the city, more than a total of four dogs; provided, however, such limitation does not apply to the following:(4)A litter of puppies under the age of six months.(b)Residents desiring to keep more than a total of four dogs may apply for a hobby kennel license.	a total of four dogs;		https://library.municode.com/mn/mankato/codes/code_of_ordinances?nodeId=PTIICOOR_CH4AN	https://library.municode.com/mn/mankato/codes/code_of_ordinances?nodeId=PTIICOOR_CH4AN_ARTIINGE_S4-8HOKELI	B-1 Community Business Districts, B-2 General Business District

Zumbrota	No Limitations noted. Licensing/animal control measures/state statute for "regulated animals"			https://www.ci.zumbrota.mn.us/vertical/sites/%7BD28444D6-FB41-4D43-9B2E-396CF731B123%7D/uploads/Code_of_ordinances_06.06.2019.pdf		
Waseca	(E) *Maximum number of cats and dogs*. No person shall keep, harbor or maintain more than three cats or dogs of more than three months of age within any individual dwelling units within the city without a permit	three dogs of more than three months of age	three cats of more than three months of age	https://codelibrary.amlegal.com/codes/waseca/latest/waseca_mn/0-0-0-2096	.*KENNEL*, COMMERCIAL. A business for boarding, breeding, raising, grooming, selling, training or other animal husbandry for dogs, cats or other domestic animals.	Conditional Use Permitted Use in B-4, I-1, I-2
Austin	A single household shall not have in possession more than three animals over 90 days of age unless a member or members of the household holds a kennel license for the premises of the household. ANIMAL. A dog, cat or Vietnamese potbellied pig.	Three animals	Three animals	https://codelibrary.amlegal.com/codes/austinmn/latest/austin_mn/0-0-0-15052		

Albert Lea	(a)Single-family residences. It shall be a petty misdemeanor for any person to own, keep, care for, have custody of or knowingly permit at any time more than two (2) dogs and two (2) cats in or about a single-family residence. Any single-family residence may contain both two (2) dogs and two (2) cats; provided, however, this section shall not apply to the following:One (1) litter of pups or kittens under ninety (90) days of age born to a licensed dog or cat owner; or	two (2) dogs	Kennel means any place where four (4) or more dogs or cats over three (3) months of age are kept for any purpose.	https://library.municode.com/mn/albert_lea/codes/code_of_ordinances?nodeId=PTIICOOR_CH8AN	Kennel means any place where four (4) or more dogs or cats over three (3) months of age are kept for any purpose	Sec. 50.0934. - Locational and site development standards.Animal hospitals, veterinary clinics, kennels for display, boarding or treatment of pets and other domestic animals, including all structures, pens and exercise yards, **shall be located at least one hundred (100) feet from any residential district,** and such pens and exercise yards shall be enclosed on four (4) sides by a site-obscuring, unpierced fence or wall not less than six (6) feet in height

Lonsdale	90.18 KENNELS. (A) Definition. The keeping of three or more dogs on the same premises, whether owned by the same person or not and for whatever purpose kept, shall constitute a KENNEL; except that a fresh litter of pups may be kept for a period of three months before that keeping shall be deemed to be a kennel.	no person shall keep or maintain a kennel with six or more dogs within the city.	NA	https://codelibrary.amlegal.com/codes/lonsdale/latest/lonsdale_mn/0-0-0-770	(B) Certain kennels are nuisances. Because the keeping of six or more dogs on the same premises is subject to great abuse, causing discomfort to persons in the area by way of smell, noise, hazard, and general aesthetic depreciation, the keeping of six or more dogs on the premises is hereby declared to be a nuisance and no person shall keep or maintain a kennel with six or more dogs within the city.	Kennels (private): R-R Rural Residential-Conditional Use, Commerical Kennels: I-2- Medium industrial, OI-Original Industrial

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	David Wanberg, CED Director Jessica Kinser, City Administrator
FROM:	Jake Wiensch, Economic Development Coordinator
MEETING DATE:	October 21, 2025
SUBJECT:	Overview of Tax Abatement for a Proposed Corporate Headquarters at the Southeast Corner of 2nd Avenue NW and 4th Street NW

Discussion:

The City received a tax abatement request to help retain an existing corporate headquarters in Faribault by relocating it to a proposed office building on Rice County property at the southeast corner of 2nd Avenue NW and 4th Street NW. The proposed abatement would help retain 78 jobs and create eight new jobs in Faribault. It would also help revitalize the downtown.

The City's portion of the tax abatement would include a full ten-year abatement, not to exceed $400,000, with a projected annual abatement of roughly $29,697. The County intends to offer a full five-year tax abatement, followed by a stepped-down approach for the remaining five years. Potentially, the School District may participate in the abatement. However, the City and County have traditionally not expected the School District to participate in tax abatement efforts. It is important to note that the property is currently not generating taxes.

Additional financial support for the project includes an Economic Development Authority (EDA) grant of $50,000 per year for five years and a Minnesota Investment Fund (MIF) award of $100,000. The proposed incentives and tax abatement would be contingent upon the execution of the MIF Agreement. The company would also have to maintain its operations in Faribault and fulfill employment and performance commitments under the various agreements.

The City and County intend to hold a joint public hearing on Tuesday, November 18, at 6:00 PM to consider the tax abatement request. The proposed project is expected to begin construction in early November 2025, with occupancy anticipated in late October 2026. This Council work session provides an opportunity for Council members to learn more about the project and request additional information, if needed, so that the Council has sufficient information to act on the tax abatement request on November 18.

Attachments:

1. Summary 10-7-25

Summary - 10-7-25

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Sources and Uses Summary
Rebound - KGPCo
15,042 sf Commercial Building
Faribault, MN

SOURCES		Amount	Pct.		Per SF
Equity - Owner	$	1,499,415	30.6%	$	100
First Mortgage	$	3,400,000	69.4%	$	226
TOTAL SOURCES	**$**	**4,899,415**	**100%**	**$**	**326**

USES		Amount	Pct.		Per SF
Land	$	260,000	5.3%	$	17
On-Site Work	$	464,005	9.5%	$	31
Building(s)	$	3,485,639	71.1%	$	232
Soft Costs	$	99,180	2.0%	$	7
Fees	$	51,720	1.1%	$	3
Financing Costs	$	305,735	6.2%	$	20
Developer Fee	$	233,136	4.8%	$	15
TOTAL USES	**$**	**4,899,415**	**100%**	**$**	**326**

Developer Request

** All passed through to tenant

- Abatement of all three districts – Full amount for 10 years
  - City – $29,697
  - County - $21,888
  - Schools - $7,095
- EDA: Grant $50k per year for five years
- DEED: $10k per year for 10 years
- Tenant will still pay State property taxes and Market Value taxes
  - A full abatement doesn't delete their whole tax bill

Analysis

- Lease rate charged to tenant is reasonable
- Financial returns to Rebound are reasonable at the lease rate and equity investment
  - Rebound cannot absorb additional costs such as taxes, etc.
- Tenant's ability to pay taxes, etc. was not analyzed
  - 78 jobs retained
  - 8 jobs created

Considerations

- Base award mostly on jobs
- If approved, abatement to tenant or real estate owner?
- Process
  - Abatement hearings, resolutions
  - Business subsidy hearing schedule

EHLERS
PUBLIC FINANCE ADVISORS

City of Faribault, MN

Rebound Office

Tax Abatement Estimate Worksheet - DRAFT

Information	
District Type:	Abatement
Original/Base Market Value:	37,700
Original Tax Capacity:	566
Present Value Date:	2/1/2027
Inflation Rate on Value:	0.0%

Fiscal Disparities	
Fiscal Disparities Contribution Ratio:	0.0000%
Fiscal Disparities Metro-Wide Tax Rate:	0.0000%
FD Tax Capacity:	-

Initial Year Tax Rates and Calculations	Tax Rates	Taxes
Current City Tax Rate:	50.6050%	29,983
Current County Tax Rate:	37.2980%	22,099
Current School District No. 656 Tax Rate:	12.0900%	7,163
Current Other Tax Rate:	3.3150%	1,964
Current Total Local Tax Rate:	**103.3080%**	**61,210**
Fiscal Disparities (NA and)		-
State Wide Tax Rate (CI Only)	28.8570%	16,448
Market Value Tax Rate (Used for total taxes):	0.1867%	5,601
Total		**83,259**

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Sq. Ft./Units	Market Value	Property Tax Class	Project Tax Capacity
1	Office	199	199	15,072	3,000,000	C/I Pref.	59,250
Total					**3,000,000**		**59,250**
Subtotal Commercial/Ind.				**15,072**	**3,000,000**		**59,250**

Tax Abatement Estimates

		City		County		School		
Year	Tax Year	Percent to Developer	Annual Abatement	Percent to Developer	Annual Abatement	Percent to Developer	Annual Abatement	Project Abatement
1	2027	100%	2,712	100%	1,999	100%	648	5,359
2	2028	100%	29,697	100%	21,888	100%	7,095	58,680
3	2029	100%	29,697	100%	21,888	100%	7,095	58,680
4	2030	100%	29,697	100%	21,888	100%	7,095	58,680
5	2031	100%	29,697	100%	21,888	100%	7,095	58,680
6	2032	100%	29,697	100%	21,888	100%	7,095	58,680
7	2033	100%	29,697	100%	21,888	100%	7,095	58,680
8	2034	100%	29,697	100%	21,888	100%	7,095	58,680
9	2035	100%	29,697	100%	21,888	100%	7,095	58,680
10	2036	100%	29,697	100%	21,888	100%	7,095	58,680
Total Gross (Future Value)			**269,988**		**198,992**		**64,503**	**533,483**
Present Value @ 6.75%			**181,634**		**133,872**		**43,394**	**358,899**

Notes:
- Base values are for pay 2025 based on review of County website on 9-29-25.
- Located in SD 656.
- Market values are based upon estimates recevied from the Assessor on 9-24-25.
- **Taxes and abatement will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors.**

City Of Faribault

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	
MEETING DATE:	October 21, 2025
SUBJECT:	2026 Budget

Discussion:
The budget discussion tonight will consist of new budgets for special revenue and fiduciary funds as well as the review and discussion related to two capital funds: 431 Equipment Replacement and 437 Public Facilities. We would like to finalize these funds prior to introducing the capital funds associated with the utility funds.

Attachments:

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	
MEETING DATE:	October 21, 2025
SUBJECT:	2026 Special Revenue Funds

Discussion:

Special Revenue funds are established for specific revenues or sources that are designated for financing particular functions or activities as required by federal regulations, state statutes, City Charter provisions, local ordinances, grant agreements or any other restriction from an outside organization or put in place by the City Council. Below is a brief description of each special revenue fund and why or what the restriction is, along with a look at the proposed 2026 activity. Please note that we have not included 239 Tax Abatement and 240 Community & Economic Development as these were part of the tax levy. A final review of these funds will occur at the beginning of December. We are also excluding 250 EDA, 290 HRA, and 291 Public Housing as those boards have not adopted their final budgets.

- **210 Charitable Gambling** — This fund collects the 5 percent charitable gambling tax from organizations authorized to conduct gambling in the City. Section 14-99 of the Code of Ordinances creates the fund and provides restrictions. The City has the Charitable Gambling Board which awards these funds, and the City Council then approves a resolution for their disbursement. For 2026, we are estimating revenues totaling $41,500 (gambling tax and interest) and $40,000 in expenditures.

- **211 City Rental Property** — This fund accounts for the revenues and expenses associated with the City-owned property at 16 1st Street SE. For 2026 this property is estimated to have rents and interest totaling $16,048, and expenses associated with property taxes, utilities and maintenance totaling $8,815. This fund continues to accumulate a cash balance which will eventually be used for the demolition of the property (located behind the Library) and/or the relocation costs of the resident in the property should there be a reason to demolish the property prior to the resident ending their lease.

- **215 Police Forfeiture —** This fund has accounted for specific revenues related to forfeitures and seizures conducted by the Police Department. A state law change is resulting in fewer seizures, which means less revenue in this fund. The Police Department can spend these funds on specific equipment, and the short-term strategy is to utilize these funds as needed to get to a zero dollar balance. For 2026, we are projecting $300 in interest and no other revenues. There are no planned expenditures, so any use in 2026 will come with a budget amendment.

- **217 Library Estate Donation** — This fund accounts for the significant donation from the Crandall Estate, which is to be utilized per the Library Donation Fund policy. This fund will also be the location of future large gifts or bequests received by the Library. For 2026, $100,000 of interest revenue is budgeted, while $84,000 of expenditures are budgeted. $50,000 of this is for new lighting on the third floor, which is a capital project. The five-year CIP is included in the packet and shows a planned expense for a Maker-space Incubator that is associated with the relocation of the Community Center.

- **225 Airport —** The Airport is self-supported and continues to operate solely on the State maintenance and operation funds, rents and leases, and fuel flowag fees for the annual operational costs. For 2026, two large capital projects are taking place, totaling $2,530,524. More detail can be found on the attached CIP document for the Airport Fund. Total revenues for 2026 are budgeted at $2,368,339 and expenditures at $2,530,524, which has a use of fund balance of $162,185. This is planned as the City's contribution, which is required for projects receiving federal and state grants, including the 2025 taxilane improvements, runway improvements, and tree removal. The fund is projected to be in a cash position that is three times greater than operating costs.

- **241 Rental Housing Rehab —** This fund accounts for the HRA's rental rehabilitation program, and is carrying forward a large cash balance. Given the HRA's work on a strategic plan, it is likely that an expenditure budget will be developed for 2026 after the budget is approved. As of now, a revenue budget of $5,000 of interest earnings is planned for 2026.

- **242 SCDP Revolving Loans —** This fund accounts for Small Cities Development Program grant funds awarded by DEED in 2009. In 2025, the City proposed a new spending plan for the remaining funds, which was to upgrade the lighting in downtown with LED lighting, given that the current bulbs will become obsolete in 2026. Any spending for this will occur in 2026, so an expenditure budget of $430,000 has been set. Some revenue is anticipated from interest earnings and principal and interest payments on active loans. These total $13,402 for 2026. A budget amendment is necessary to eliminate 2025 expenditures.

- **251 EDA Revolving Loan —** This fund offers payable and forgivable loans for eligible economic development projects, with priority for site improvements along a primary corridor, microloans for facade improvements in downtown, and incentives for targeted industries. Revenues in this fund include interest and principal payments, as well as any new funds the EDA chooses to transfer here to support projects. At this time, we are budgeting interest, loan interest and principal at $15,629 and no expenditures.

- **252 EDA Industrial Development Loan —** Industrial projects located in an industrial park or zoning district are eligible for loan interest loans to support a variety of expenses that come with a new development or redevelopment. For 2026, revenue is budgeted as interest earnings and interest payments totaling $5,756. No expenditures are budgeted for 2026. A budget amendment is needed for 2025 to reduce/eliminate the expenditures as there is no activity year-to-date.

- **253 EDA Federal MIF Loans —** These funds carry some restrictions as federal funds, including use of prevailing wages on a project. As a low-interest loan, the "extras" required with federal funds are not ideal. No expenditures are planned for 2026, as staff works to find a solution for how these funds can work in the community. Interest earnings of $15,000 are budgeted as revenue for 2026.

- **254 EDA State MIF Loans** — This fund does not have a big cash balance to take on new activities, but through the repayment of loans, future loans can occur from this fund, which will require the wage and job creation as part of any project. Uses for the funds include land acquisition, purchase of equipment and site improvements. For 2026, $300 in interest is budgeted and no expenditures.

- **255 TIF #6 Housing —** This fund is not anticipated to have any activity in 2026, as the Council has provided direction to bring back an agreement with CAC for these funds to support the Ridgeview Heights project. This activity will occur before the end of the year.

- **256 TIF #8 River Ridge —** This TIF district is decertified, and a budget amendment discussion will come forward related to this before the end of the year. Ehlers (TIF advisor) has provided direction that this balance can be used to put towards an internal loan that is part of TIF #13, which owes more than $700,000 to the Sewer Fund. Finance staff is working to finalize a number for this payment on the internal loan before this comes before Council as a 2025 budget action.

- **257 TIF #9 Faribault Road —** The City has used tax increment to pay a paygo note since 2010, and it will start fiscal year 2026 with a principal balance of around $400,000. A majority of the budgeted tax increment and interest of $105,184 will go towards the paygo note expenditure of $94,610. Another $3,000 is budgeted for administrative expenses, for a total budget of $97,610.

- **259 TIF #13 Hamilton —** This TIF district looks different from the rest, as it has a large interfund loan with the Sewer Fund of more than $700,000. The budgeted tax increment of $63,724 will go towards the paygo note to the developer, administrative expenses and interfund loan interest. Those expenditures are budgeted at $91,886. This creates a deficit, which will be funded with cash on hand. A budget amendment is required for 2025 to eliminate the deficit balance created, as you cannot use negative revenue to pay interest on the interfund loan.

- **260 TIF #14 Straight River —** The paygo note for this developer started at more than $2 million, but is projected to be closer to $1.5 million at the end of 2026. The tax increment, projected at $213,527 for 2026, is also repaying an internal loan to Fund 437 Public Facilities of more with a balance of $49,974 at 5% interest. So far, there has not been enough tax increment remaining after the paygo note to result in a paydown of the internal loan. For 2026, the developer is budgeted to receive $202,849, while $390 will go towards interest on the internal loan, and $3,000 is budgeted for administrative expenses, totaling $206,239.

- **261 TIF #15 Lofts at Evergreen —** A change in the classification of this housing project to low-income housing is resulting in less tax increment than seen in prior years. For 2026, we are projecting $21,870 in tax increment and interest earnings, and expenses of $19,508 to the developer and $3,000 in administration expenses.

- **262 TIF #16 Farmer Seed —** This TIF District has some incremental value coming in ($15,403 for 2026), but no payments are to be made to the developer as the minimum improvements, a 52-unit apartment building, have not been constructed. Once qualified costs have been verified by Ehlers, future tax increment will go towards a $1.3 million paygo note to the developer. A budget amendment is needed for 2025, as no expenses are anticipated as the project is not complete. This will eliminate a projected cash deficit.

- **263 TIF #17 Riverchase 1 —** The tax increment is capturing the full value of the Riverchase 1 property, and is projected to result in $130,243 in revenue for 2026. The $700,000 paygo note should start paying principal and interest in 2026, totaling $117,219 to the developer. There is also an interfund loan from the Sewer Fund with outstanding principal of $15,908. $355 is expected to be paid in interest, and $3,000 is budgeted for administrative fees, totaling $120,574 in expenditures for 2026.

- **264 TIF #18 Willow St. Apartments —** This TIF project actually has each building as a phase, and as those new qualified costs are certified, the tax increment should increase. For 2026, $156,192 is budgeted as tax increment revenue, with a majority applied to the paygo note of $1,664,000. There is also an interfund loan of $16,495 from the Sewer Fund, which is projected to receive an interest payment of $972. With the paygo, internal interest, and administrative fees, the total expenses are budgeted at $144,544.

- **265 TIF #19 Twin Oaks Housing —** The first tax increment will come from the valuations of the homes under construction at Twin Oaks as of 1/1/25. This is estimated to be $2,577. No expenditure is budgeted as the minimum improvements are not complete (7 homes in the initial phase). The contract for development with the County HRA is anticipated to be amended to add in more homes that they have funding for, which will increase the total amount of the paygo note. There is no interfund loan for this project.

- **292 CRV Rehab Program —** This fund has not been utilized due to an agreement that needs to be executed between the HRA and Minnesota Housing. Once that is complete, these funds can be used by the HRA to support the work with Three Rivers for the Mobile Home Coordinator. For 2026, only interest revenue has been budgeted, so a budget amendment would be needed in 2026 to allow for spending.

Attachments:

1. Spec Rev Fund Overview
2. Library Donation Fund CIP
3. Airport Fund CIP

City of Faribault
2026 Special Revenue Fund Summary

Fund #	Fund Name	2024 Cash Balance	Amended 2025 Revenues	Amended 2025 Expenditures	Projected 2025 Cash Balance	2026 Revenues	2026 Expenditures	Projected 2026 Cash Balance
210	Charitable Gambling	**45,748**	41,610	30,850	**56,508**	41,500	40,000	**58,008**
211	City Rental Property Mgmt	**116,478**	17,460	8,679	**125,259**	16,048	8,815	**132,492**
215	Police Forfeiture	**15,866**	500	5,795	**10,571**	300	-	**10,871**
217	Library Estate Donation	**2,944,103**	108,970	86,000	**2,967,073**	100,000	84,000	**2,983,073**
225	Airport	**786,713**	238,679	224,512	**800,880**	2,368,339	2,530,524	**638,695**
241	Rental Housing Rehab	**197,645**	5,600	-	**203,245**	5,000	-	**208,245**
242	SCDP Revolving Loans	**395,675**	17,119	84,000	**328,794**	13,402	430,000	**(87,804)**
250	EDA	**1,321,657**	440,449	865,265	**896,841**	[redacted]		
251	EDA- Revolving Fund	**226,464**	11,180	100,000	**137,644**	15,269	-	**152,913**
252	EDA- Industrial Dev. Loan	**27,423**	38,666	100,000	**(33,911)**	5,756	-	**(28,155)**
253	EDA- Federal MIF Loans	**655,041**	18,570	-	**673,611**	15,000	-	**688,611**
254	EDA- State MIF Loans	**19,264**	420	-	**19,684**	300	-	**19,984**
255	TIF #6	**94,435**	-	-	**94,435**	-	-	**94,435**
256	TIF #8	**69,032**	2,000	-	**71,032**	-	-	**71,032**
257	TIF #9	**32,350**	103,932	95,999	**40,283**	105,184	97,610	**47,857**
259	TIF #13	**13,440**	60,521	88,419	**(14,458)**	63,724	91,896	**(42,630)**
260	TIF #14	**101,987**	187,872	174,339	**115,520**	213,527	206,239	**122,808**
261	TIF #15	**37,513**	59,683	56,715	**40,481**	21,870	22,508	**39,843**
262	TIF #16	**-**	1,217	14,318	**(13,101)**	15,403	3,000	**(698)**
263	TIF #17	**8,152**	124,570	115,393	**17,329**	130,243	120,574	**26,998**
264	TIF #18	**243**	33,853	34,461	**(365)**	156,192	144,544	**11,283**
265	TIF #19	**-**	-	-	**-**	2,577	-	**2,577**
290	HRA	**892,495**	428,808	527,513	**793,790**	[redacted]		
291	HRA- Public Housing	**988,737**	637,000	475,769	**1,149,968**			
292	CRV Rehab Program	**59,550**	1,690	-	**61,240**	1,000	-	**62,240**

NOTE: A yellow highlight indicates that a budget amendment is needed for 2025 based on actual or forecasted revenues/expenses.

Capital Improvement Plan

Faribault, MN

Sources and Uses of Funds Details

Source	Project #	2026	2027	2028	2029	2030
Library Donation Fund (217)						
Beginning Balance		**0**	**-50,000**	**-50,000**	**-1,050,000**	**-1,050,000**
Revenues and Other Fund Sources						
Revenue						
Other Fund Sources						
Total Revenues and Other Fund Sources		0	0	0	0	0
Total Funds available		**0**	**-50,000**	**-50,000**	**-1,050,000**	**-1,050,000**
Expenditures and Uses						
Capital Projects & Equipment						
Library						
Library Makerspace Incubator	LIB E 27-02	0	0	1,000,000	0	0
Library Third Floor Lighting	LIB 26-02	50,000	0	0	0	0
	Total	50,000	0	1,000,000	0	0
Other Uses						
Total Expenditures and Uses		50,000	0	1,000,000	0	0
Change in Fund Balance		-50,000	0	-1,000,000	0	0
	Ending Balance	**-50,000**	**-50,000**	**-1,050,000**	**-1,050,000**	**-1,050,000**

2026 through 2030

Capital Improvement Plan

Faribault, MN

Sources and Uses of Funds Details

Source	Project #	2026	2027	2028	2029	2030
Airport Fund (225)						
Beginning Balance		**783,613**	**679,900**	**660,400**	**635,400**	**620,400**
Revenues and Other Fund Sources						
Revenue						
Federal- FAA		1,892,735	0	450,000	270,000	0
Sale of Capital Asset		0	3,000	0	0	0
State- MnDOT Aeronautics		133,479	52,500	25,000	15,000	52,500
	Total	2,026,214	55,500	475,000	285,000	52,500
Other Fund Sources						
Total Revenues and Other Fund Sources		2,026,214	55,500	475,000	285,000	52,500
Total Funds available		**2,809,827**	**735,400**	**1,135,400**	**920,400**	**672,900**
Expenditures and Uses						
Capital Projects & Equipment						
Airport						
Taxi Lane/Apron Pavement Improvements	AIR 25-01	929,927	0	0	0	0
Airfield Crack Sealing	AIR F 30-01	0	0	0	0	75,000
Master Plan-AGIS	AIR E 27-02	0	0	500,000	0	0
Mill and Overlay East Taxilane Area	AIR F 29-01	0	0	0	300,000	0
Overlay of Runway 12/30	AIR F 26-02	1,200,000	0	0	0	0
Replacement - 2010 Toro 4110-D Mower #1108	AIR E 27-01	0	75,000	0	0	0
	Total	2,129,927	75,000	500,000	300,000	75,000
Other Uses						
Total Expenditures and Uses		2,129,927	75,000	500,000	300,000	75,000
Change in Fund Balance		-103,713	-19,500	-25,000	-15,000	-22,500
	Ending Balance	**679,900**	**660,400**	**635,400**	**620,400**	**597,900**

City Of Faribault

Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM:
MEETING DATE: October 21, 2025
SUBJECT: 2026 Internal Service Funds

Discussion:
The City has 2 internal service funds which are budgeted annually. The information below is a summary of the purpose of each fund and a review of the cash status of each fund.

Fund 704 — Workers Compensation Fund
The City was self-insured for Workers Compensation claims until 2013, when we joined the LMC Insurance Trust for a fully-insured plan. Any workers' comp claims happening prior to 2013 and the ongoing care or treatments related to those claims is still the responsibility of the City of Faribault. This fund will close upon finalizing those claims prior to 2013 that are still outstanding.

2024 Cash Balance	2025 Revenues	2025 Expenses	2025 Cash Balance	2026 Revenue	2026 Expenses	2026 Cash Balance
$328,864	$8,490	$30,000	$307,354	**$8,000**	**$30,000**	$285,354

The 2025 expense budget is a placeholder, as no expenses have occurred in fiscal year 2025. The same is true of the $30,000 expense budgeted for 2026.

When this fund can be closed, a discussion will come before the City Council on how to disposition the remaining balance.

Fund 705 — Property/Liability Insurance Fund
The City has property and liability insurance coverage through the LMC Insurance Trust. There is a $50,000 deductible, so claims under that mark are expensed in this fund, unless associated with an enterprise or special revenue fund. The annual premiums are paid by each fund where property and liability are split per formulas set up by the Finance Department.

2024 Cash Balance	2025 Revenues	2025 Expenses	2025 Cash Balance	2026 Revenue	2026 Expenses	2026 Cash Balance
$334,135	$44,710	$100,000	$278,845	**$48,000**	**$50,000**	$276,845

The 2025 expense budget is a placeholder. Through October 14th, only $5,020 has been paid from this fund. If this holds true for the remainder of the year, there will be a larger ending cash balance for 2025.

Attachments:

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	
MEETING DATE:	October 21, 2025
SUBJECT:	Final Review of CIP Fund 431 Capital Replacement Fund

Discussion:

Fund 431- Capital Replacement Fund pays for new vehicles, machinery and equipment with revenues from franchise fees, sales of capital assets, and interest income. If these funding sources cannot cover planned purchases, the discussion of borrowing funds occurs. We plan these expenses over a five-year Capital Improvement Plan (CIP) to have the best ability to plan for availability of financial resources.

This fund was presented in August, and since that time, this fund has seen some changes. The 2024 audit was finalized above the 50 percent fund balance threshold. The Council took action on October 14th to amend the 2025 budget to transfer $578,925 to fund 431. This action eliminated a loan to support the planned 2026 funding plan and is projected to reduce the borrowing planned for 2027 to less than $70,000.

Looking at the 5-year outlook, borrowing will be unavoidable. 2028 does not have a significant funding source to cover costs, while 2029 and 2030 include the replacement of a fire apparatus, totaling $4 million between the two years. The CIP changes from year-to-year as needs change. We will review the CIP annually to ensure that borrowing can be planned in a way that can limit the impact on the tax levy in future years.

At this time, we are looking for any changes or will move forward with the 2026 planned budget as presented.

Attachments:

1. Fund 431 Capital Replacement CIP

2026 through 2030

Capital Improvement Plan

Faribault, MN

Sources and Uses of Funds Details

Source	Project #	2026	2027	2028	2029	2030
Capital Replacement Fund (431)						
Beginning Balance		**1,130,134**	**328,225**	**0**	**0**	**0**
Revenues and Other Fund Sources						
Revenue						
Bond Proceeds 39310		0	66,475	711,050	2,355,300	2,856,695
E/G Franchise Fee 34111		59,000	59,000	59,000	59,000	59,000
Interest 36210		10,000	0	0	0	0
Sale of Capital Asset 39101		65,300	35,800	39,200	204,700	11,000
	Total	134,300	161,275	809,250	2,619,000	2,926,695
Other Fund Sources						
Total Revenues and Other Fund Sources		134,300	161,275	809,250	2,619,000	2,926,695
Total Funds available		**1,264,434**	**489,500**	**809,250**	**2,619,000**	**2,926,695**
Expenditures and Uses						
Capital Projects & Equipment						
Aquatic Facility						
Replacement- Climbing Wall	Aqua F 26-1	10,000	0	0	0	0
	Total	10,000	0	0	0	0
City Hall						
Smart Board	SB-CH01	15,000	0	0	0	0
	Total	15,000	0	0	0	0
Community Center						
Climbing Wall	COM E 29-01	0	0	0	16,000	0
Indoor Pool Climbing Wall	Com Pool E 26-1	15,000	0	0	0	0
Replacement - Fitness Room Equipment	COM E 24-01	11,500	12,000	12,500	13,000	13,500
Replacement - Gymnasium Divider Curtain and Motor	COM E 26-02	15,000	0	0	0	0
Replacement - Strength Equipment	COM E 30-01	0	0	0	0	75,000
	Total	41,500	12,000	12,500	29,000	88,500
Engineering						
Replacement - 2012 Ford Econoline Van	ENG E 27-02	0	60,000	0	0	0
Replacement - 2014 F150 Pickup #3	ENG E 30-01	0	0	0	0	60,000
Replacement - GPS Surveying Equipment	ENG E 28-02	0	0	40,000	0	0
Replacement - Plotter/Scanner	ENG E 28-01	0	0	20,000	0	0
Replacement - Topcon Station Survey Equipment	ENG E 27-01	0	60,000	0	0	0
Replacement - Traffic Counting Equipment	ENG E 26-01	10,000	0	0	0	0
	Total	10,000	120,000	60,000	0	60,000
Equipment Maintenance						
Break Press	STR-E-30-01	0	0	0	0	100,000
	Total	0	0	0	0	100,000
Finance						
Folding Machine	Fin2030-1	0	0	0	0	18,195
	Total	0	0	0	0	18,195
Fire & Code Services						
Inspector Vehicle	FIR E 26-01	55,000	0	0	0	0
Replacement - 1997 Ford F350 Crew Cab #2130	FIR E 28-02	0	0	100,000	0	0

Source	Project #	2026	2027	2028	2029	2030
Replacement - 2008 Spartan Fire Pumper #2115	FIR E 28-01	0	0	0	1,500,000	0
Replacement - Aerial Ladder Truck #2117	FIR E 30-01	0	0	0	0	2,500,000
Replacement - Trailer #2	FIR E 29-01	0	0	0	30,000	0
	Total	55,000	0	100,000	1,530,000	2,500,000
IT						
Police Department Cameras	ITPD-CA26	104,325	0	0	0	0
Police Department Door Access	DCPD-IT26	108,675	0	0	0	0
Public Works Building Camera's	ITPW-CA26	48,709	0	0	0	0
	Total	261,709	0	0	0	0
Library						
Replacement - Library Furniture	LIB E 26-01	0	0	75,000	0	0
Replacement - Library Security Gate System	LIB E 27-01	0	0	30,000	0	0
Replacement - Self-Checkout System	LIB E 28-01	0	0	12,000	0	0
	Total	0	0	117,000	0	0
Parks						
Replacement - 2000 Toro Aerator #51	PAR E 27-05	0	6,500	0	0	0
Replacement - 2008 Towmaster Trailer #40	PAR E 28-06	0	0	15,000	0	0
Replacement - 2009 Downeaster Sander	PAR E 29-01	0	0	0	12,000	0
Replacement - 2012 Ford F550 Bucket Truck #39	PAR E 27-01	0	200,000	0	0	0
Replacement - 2014 Bobcat Soil Conditioner #42	PAR E 26-01	11,000	0	0	0	0
Replacement - 2015 Toro 72" Mower #30	PAR E 28-04	0	0	45,000	0	0
Replacement - 2017 Toolcat Stump Grinder #59	PAR E 27-02	0	15,000	0	0	0
Replacement - 2018 Toro 4000D Lawn Mower #27	PAR E 28-05	0	0	75,000	0	0
Replacement - 2019 Bobcat Toolcat #38	PAR E 28-03	0	0	75,000	0	0
Replacement - 2019 Chevrolet Silverado 2500 #6	PAR E 29-02	0	0	0	45,000	0
Replacement - 2020 Toro 5610 16" Mower #22	PAR E 30-01	0	0	0	0	130,000
Replacement - Backflow & Irrigation, N. Alexander	PAR M 26-01	30,000	0	0	0	0
Replacement - Backstop At North Alexander Park	PAR E 29-07	0	0	0	22,000	0
Replacement - Ballcarts (Parks) 2024 Forward	PAR-EQ-32	0	33,000	0	0	0
Replacement - Bleachers	PAR E 29-04	21,000	0	0	0	0
Replacement - Broyhill Load & Pack Garbage Truck	PAR E 29-03	0	0	0	220,000	0
Replacement - Ford F250 Pickup #32	PAR E 28-01	0	0	70,000	0	0
Replacement - Holiday Angels	PAR E 29-06	0	0	0	14,000	0
Replacement - Pickup Trucks (Parks) 2025 Forward	PAR-EQ-31	0	0	40,000	0	0
Replacement - Scoreboards at North Alexander Park	PAR E 28-02	0	0	78,000	0	0
Replacement - Wood Chipper #26	PAR E 25-01	0	70,000	0	0	0
	Total	62,000	324,500	398,000	313,000	130,000
Street						
Drill Press	STR E 30-02	0	0	0	0	10,000
OTC 100-ton Press	STR E 30-01	0	0	0	0	20,000
Replacement - 2001 Sterling Patch Truck #101	STR E 29-01	0	0	0	222,000	0

Source	Project #	2026	2027	2028	2029	2030
Replacement - 2005 Sellair Compressor #305	STR E 27-02	0	33,000	0	0	0
Replacement - 2008 Ford F250 #407	STR E 27-04	56,000	0	0	0	0
Replacement - 2011 Cat Loader #111	STR E 26-01	425,000	0	0	0	0
Replacement - Grayco Sprayer #103	STR E 28-02	0	0	36,750	0	0
Replacement - John Deere Tractor #211	STR E 29-02	0	0	0	160,000	0
Replacement - Tar Kettle #401	STR E 28-03	0	0	85,000	0	0
Replacement- 2008 Cat 140H Grader #208	STR E 29-03	0	0	0	365,000	0
	Total	481,000	33,000	121,750	747,000	30,000
Other Uses						
Total Expenditures and Uses		936,209	489,500	809,250	2,619,000	2,926,695
Change in Fund Balance		-801,909	-328,225	0	0	0
	Ending Balance	**328,225**	**0**	**0**	**0**	**0**

City Of Faribault

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	
MEETING DATE:	October 21, 2025
SUBJECT:	Final Review of CIP Fund 437 Public Facilities

Discussion:

The Council last reviewed the Public Facilities Fund in August, and not much has changed for 2026. The fund ended in a negative cash position for 2024, which was known. Based on a change in the closing date on the Riverchase property, this fund will continue to be negative until 2026, assuming also the sale of the City's property on East View Drive in that same year. The two property sales will cover the deficit and the proposed 2026 projects. It should also be noted that this fund has a loan to a TIF fund of about $50,000. This will be paid after the developer and will likely be outstanding for 10+ years.

While finalizing 2026 is key to the preparation of the budget for the next fiscal year, there is the $75 million expense in 2027 for the construction of a new Community Center in North Alexander Park that requires action and discussion now if it is going to happen. This figure and location are based on a high-level study done in 2023. This is not a cost estimate based on any engineered plans or drawings and could increase. Staff needs direction on this project now as work truly needs to begin if we are constructing a new Community Center starting in 2027.

Specifically, one of the funding sources identified is a local option sales tax, which would cover around 50 percent of the project. By January 31, 2026, the City must submit a request to the House and Senate for an election to be granted for a decision on a local option sales tax. This election may only be held in a general election year, meaning 2026 or 2028. The request for the sales tax election needs to outline how the funds will be used specifically. After consulting with bond counsel, who will be involved in drafting the resolutions and documents for a request, we determined that we can only proceed with the scope of work on a new community center in order to meet the January 31st deadline.

Through the strategic planning process, we discussed the option of a renovation of the existing community center, which has not been looked at or had a comparable cost and scope of work. Not only would this likely be less than $75 million, but it would demonstrate that all options had been examined, with the City Council selecting a preferred option. To complete this, we would need to hire an architect. This would be a months-long process that would re-engage the initial diverse committee that worked with the initial consultant. I believe this is an important step as voter approval will be required for the local option sales tax election as well as an additional referendum to borrow funds to have the additional funding source of property taxes to get to the total of $75 million.

If the Council does want to move forward with requesting the local option sales tax election for the new community center concept, we will not be able to pivot to another option without new authority from the Legislature. Assuming we were granted an election for a local option sales tax, we would hold that election in November 2026. If that election was successful, we would then hold a special election in 2027 for the borrowing of the remaining portion of the project. If that failed, we would have to reduce the scope to match what could be borrowed through a tax abatement bond, which does not require a referendum but will also reduce the project to around $60 million.

One other point is that a general obligation or a tax abatement bond will result in an increase in property taxes. Staff can bring back different scenarios of what this will likely do to property taxes for a 20-year (tax abatement) or 30-year (general obligation) period based on the type and amount of borrowing.

How this appears in the CIP is a decision we would like to have by December 2nd, so we can finalize the 2026-2030 CIP before the proposed adoption at the December 9th City Council meeting. This can be added to future work session agendas for further discussion or information.

Attachments:

1. sources_funds_uses_summary (1)

2026 through 2030

Capital Improvement Plan

Faribault, MN

Sources and Uses of Funds Details

Source	Project #	2026	2027	2028	2029	2030
Public Facilities Fund (437)						
Beginning Balance		**-295,099**	**297,901**	**0**	**0**	**0**
Revenues and Other Fund Sources						
Revenue						
Bond Proceeds 39310		0	75,397,754	13,159,655	2,056,940	0
E/G Franchise Fee 34111		162,000	162,000	162,000	162,000	162,000
Sale of Capital Asset 39101		592,000	0	0	0	0
Transfer In 39200		25,000	25,000	25,000	25,000	25,000
Transfer In- 2021BRefunding		0	0	0	0	1,948,859
	Total	779,000	75,584,754	13,346,655	2,243,940	2,135,859
Other Fund Sources						
Total Revenues and Other Fund Sources		779,000	75,584,754	13,346,655	2,243,940	2,135,859
Total Funds available		**483,901**	**75,882,655**	**13,346,655**	**2,243,940**	**2,135,859**
Expenditures and Uses						
Capital Projects & Equipment						
Aquatic Facility						
Replacement - Aquatic Center Surfacing	AQU E 27-01	0	325,000	0	0	0
	Total	0	325,000	0	0	0
City Hall						
Electrical Vehicle Charging Posts	EV-CH26	0	0	14,000	0	0
Exterior CH Maintenance	EX-CH30	0	0	0	0	50,000
Retaining Walls and Sidewalk	RE-CH28	0	0	55,000	0	0
Roof Power Supply Replacement	RF2-CH27	0	40,000	0	0	0
Roof Replacement	RF-CH27	0	250,000	0	0	0
	Total	0	290,000	69,000	0	50,000
Community Center						
Replacement - Community Center	COM F 27-01	0	75,000,000	0	0	0
	Total	0	75,000,000	0	0	0
Fire & Code Services						
Fire Station #2	FIR F 28-01	0	0	13,000,000	0	0
Fire Station Back Man Door	FIR F 27-02	0	10,000	0	0	0
Fire Station Expansion Joints Rehab	FIR F 26-01	11,000	0	0	0	0
Fire Station Windows	FIR F 29-01	0	0	0	45,000	0
Replacement - Fire Station Boiler	FIR F 27-01	0	50,000	0	0	0
	Total	11,000	60,000	13,000,000	45,000	0
Library						
Clean & Restore Great Hall Murals	LIB F 27-01	0	60,000	0	0	0
Library Flooring	LIB F 29-01	0	0	0	200,000	0
Library Storm Windows-Lower Level and Clock Tower	LIB F 25-01	0	0	0	50,000	0
Upgrade - Library Elevator	LIB F 26-01	125,000	0	0	0	0
	Total	125,000	60,000	0	250,000	0
Parks						
Bea Duncan Memorial Fountain Renovation	PAR F 28-01	0	0	30,000	0	0
Fishing Pier Addition	PAR F 28-02	0	0	35,000	0	0
Replacement - White Sands Trail Head Facility Roof	PAR F 26-01	0	25,000	0	0	0
Upgrade - Central Park Bandshell	PAR F 27-01	0	0	0	0	105,000

Source	Project #	2026	2027	2028	2029	2030
Upgrade Ballfied Lights to LED at No Alex Park	PAR F 29-05	0	0	0	100,000	0
	Total	0	25,000	65,000	100,000	105,000
Police						
Storage Building	POL F 30-01	0	0	0	0	1,000,000
	Total	0	0	0	0	1,000,000
Street						
LED Upgrade for All Facilities	LIGHTREP	50,000	0	0	0	0
Replacement - Roof Public Works & Parks Facility	STR F 29-01	0	0	0	1,635,400	0
Replacement - HVAC - Public Works Facility	STR F 27-01	0	122,655	122,655	163,540	122,655
Replacement - Salt Storage Shed Roof	STR F 28-01	0	0	90,000	0	0
	Total	50,000	122,655	212,655	1,798,940	122,655
Washington Center						
Upgrade - Washington Center Air Conditioning	WCT F 29-01	0	0	0	50,000	0
	Total	0	0	0	50,000	0
Other Uses						
Total Expenditures and Uses		186,000	75,882,655	13,346,655	2,243,940	1,277,655
Change in Fund Balance		593,000	-297,901	0	0	858,204
	Ending Balance	**297,901**	**0**	**0**	**0**	**858,204**

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	
MEETING DATE:	October 21, 2025
SUBJECT:	General Fund Cost Reduction - Publication of Agendas

Discussion:

The City Council budget is typically around $12,000 each year for publication of legal notices. This would cover the costs of required notices like the summary publications of ordinances or public hearing notices. Other required notices for Planning and Zoning, Finance or other departments come from their specific budget. The bulk of the $12,000 Council budget is reserved for publishing the Council work session and meeting agendas, which is not required.

To date, the City has paid for agenda publications through the end of September. Of the $6,256.12 spent with Fairbault Daily News, $4,550.07, or 73 percent, of this year's spending has been for the publication of agendas, ranging in cost from $55 up to $302.50 per publication. If a special meeting is planned for the same day as a regular meeting, that agenda is published as well, resulting in multiple publication charges. A detailed listing from the financial system is attached with this report.

While the intent behind publishing the agendas is to provide the public who do not have access to the internet with access to what will be discussed at the next work session or City Council meeting, this intent is often missed due to the deadlines for publication. If an agenda item has not been created in our system by Wednesday of each week, it is likely not going to make publication in the Saturday newspaper as we have to give the newspaper the final draft on Thursday. Nearly every week, agenda preparation is still happening on the Friday when we publicly release the agenda and packet online, and it can continue to change up to the meeting. A public notice of the agenda frequently and unintentionally excludes items based on when a department head is able to get something entered in the agenda preparation program. This in turn can give the newspaper reading public an incomplete idea of what is happening at a City Council meeting because of the earlier deadline in the week.

Instead of what we are currently doing, it is possible to publish a notice that a meeting is occurring, including a meeting date, time, location and the direction and website on how to access agendas and meeting materials. This is estimated to cost $35 per publication. Using the 2025 activity to date, this would be $1,190 or potentially less if regular and special meetings are on the same notice. We could also list phone contact information in the event individuals would like to call City Hall to pick-up a paper packet.

As we look operationally at ways in which we can save money into the future, this is one small way to reduce costs without reducing the notification that a meeting is planned for any given Tuesday.

Attachments:

1. Council Legal Pub Activity 10.14

Council Legal Publication Activity through 10/14

ORG	OBJECT	DESCRIPTION	YEAR	PER	EFF DATE	POST DATE	SRC	AMOUNT	CHECK NO	WARRANT	VDR NAME/ITEM DESC	COMMENTS
Council	43510	Legal Notices Publishing	2025	9	09/26/2025	10/02/2025	API	281.88	2684	101525FF	APG Media of Southern Minnesota LLC	September 23, 2025 Agenda
Council	43510	Legal Notices Publishing	2025	9	09/26/2025	09/30/2025	API	55.00	2684	101525FF	APG Media of Southern Minnesota LLC	Charter Commission Meeting
Council	43510	Legal Notices Publishing	2025	9	09/16/2025	09/18/2025	API	75.63	2619	092425FF	APG Media of Southern Minnesota LLC	Setember 16 Agenda - Work Sess
Council	43510	Legal Notices Publishing	2025	9	09/16/2025	09/18/2025	API	110.00	2619	092425FF	APG Media of Southern Minnesota LLC	September 16 Agenda
Council	43510	Legal Notices Publishing	2025	9	09/15/2025	09/15/2025	API	178.75	2619	092425FF	APG Media of Southern Minnesota LLC	September 9 Agenda
Council	43510	Legal Notices Publishing	2025	9	09/03/2025	09/03/2025	API	68.75	2562	091025FF	APG Media of Southern Minnesota LLC	Sept. 2 Agenda
Council	43510	Legal Notices Publishing	2025	8	08/25/2025	09/04/2025	API	226.88	2562	091025FF	APG Media of Southern Minnesota LLC	August 26 Agenda
Council	43510	Legal Notices Publishing	2025	8	08/20/2025	09/04/2025	API	75.63	2562	091025FF	APG Media of Southern Minnesota LLC	Rice Co HRA / City Council Pub
Council	43510	Legal Notices Publishing	2025	8	08/20/2025	08/21/2025	API	226.88	2497	082725FF	APG Media of Southern Minnesota LLC	August 12 Agenda
Council	43510	Legal Notices Publishing	2025	8	08/20/2025	08/21/2025	API	75.63	2497	082725FF	APG Media of Southern Minnesota LLC	August 12 Agenda - Worksession
Council	43510	Legal Notices Publishing	2025	7	07/23/2025	07/24/2025	API	89.38	2430	081325FF	APG Media of Southern Minnesota LLC	July 21 Work Session Agenda
Council	43510	Legal Notices Publishing	2025	7	07/23/2025	07/24/2025	API	151.25	2430	081325FF	APG Media of Southern Minnesota LLC	July 22 Agenda
Council	43510	Legal Notices Publishing	2025	7	07/15/2025	07/18/2025	API	75.63	2353	072325FF	APG Media of Southern Minnesota LLC	July 15 Work Session Notice
Council	43510	Legal Notices Publishing	2025	7	07/15/2025	07/18/2025	API	68.75	2353	072325FF	APG Media of Southern Minnesota LLC	July 15 Agenda
Council	43510	Legal Notices Publishing	2025	7	07/07/2025	07/07/2025	API	55.00	2353	072325FF	APG Media of Southern Minnesota LLC	July 1 Agenda
Council	43510	Legal Notices Publishing	2025	7	07/01/2025	07/07/2025	API	718.16	2353	072325FF	APG Media of Southern Minnesota LLC	Mayor Reception Notice
Council	43510	Legal Notices Publishing	2025	7	07/07/2025	07/07/2025	API	68.75	2353	072325FF	APG Media of Southern Minnesota LLC	July 1 Agenda
Council	43510	Legal Notices Publishing	2025	6	06/24/2025	06/24/2025	API	137.50	2289	070925FF	APG Media of Southern Minnesota LLC	June 24, 2025 Publication
Council	43510	Legal Notices Publishing	2025	6	06/10/2025	06/18/2025	API	220.00	2221	062525FF	APG Media of Southern Minnesota LLC	June 10 Agenda
Council	43510	Legal Notices Publishing	2025	6	06/17/2025	06/18/2025	API	41.25	2221	062525FF	APG Media of Southern Minnesota LLC	Ord. 2025-6
Council	43510	Legal Notices Publishing	2025	6	06/17/2025	06/18/2025	API	68.75	2221	062525FF	APG Media of Southern Minnesota LLC	June 17 Agenda
Council	43510	Legal Notices Publishing	2025	5	05/30/2025	06/03/2025	API	68.75	2157	061025FF	APG Media of Southern Minnesota LLC	May 20, 2025 Agenda
Council	43510	Legal Notices Publishing	2025	5	05/30/2025	06/03/2025	API	302.50	2157	061025FF	APG Media of Southern Minnesota LLC	May 27, 2025 Agenda
Council	43510	Legal Notices Publishing	2025	5	05/14/2025	05/21/2025	API	185.63	2098	052725FF	APG Media of Southern Minnesota LLC	May 13 Agenda Publication
Council	43510	Legal Notices Publishing	2025	4	04/28/2025	07/29/2025	GEN	213.13	0			APG Medica-Reclass Invoice
Council	43510	Legal Notices Publishing	2025	4	04/28/2025	04/29/2025	API	68.75	2010	051425FF	APG Media of Southern Minnesota LLC	April 29 Work Session Agenda P
Council	43510	Legal Notices Publishing	2025	4	04/15/2025	04/15/2025	API	61.88	1847	042225AS	APG Media of Southern Minnesota LLC	April 15 Agenda
Council	43510	Legal Notices Publishing	2025	4	04/15/2025	04/15/2025	API	137.50	1847	042225AS	APG Media of Southern Minnesota LLC	April 8 Agenda
Council	43510	Legal Notices Publishing	2025	4	04/07/2025	04/11/2025	API	151.25	1847	042225AS	APG Media of Southern Minnesota LLC	November 12 Agenda
Council	43510	Legal Notices Publishing	2025	4	04/07/2025	04/11/2025	API	41.25	1847	042225AS	APG Media of Southern Minnesota LLC	November 26 Public Hearing
Council	43510	Legal Notices Publishing	2025	4	04/07/2025	04/11/2025	API	82.50	1847	042225AS	APG Media of Southern Minnesota LLC	November 6 Agenda
Council	43510	Legal Notices Publishing	2025	4	04/07/2025	04/11/2025	API	55.00	1847	042225AS	APG Media of Southern Minnesota LLC	Charter Commission Agenda
Council	43510	Legal Notices Publishing	2025	4	04/07/2025	04/11/2025	API	61.88	1847	042225AS	APG Media of Southern Minnesota LLC	November 19 Agenda
Council	43510	Legal Notices Publishing	2025	4	04/02/2025	04/02/2025	API	82.50	1782	040825AS	APG Media of Southern Minnesota LLC	Open Book Notice
Council	43510	Legal Notices Publishing	2025	4	04/02/2025	04/02/2025	API	206.25	1782	040825AS	APG Media of Southern Minnesota LLC	March 25 Meeting Agenda
Council	43510	Legal Notices Publishing	2025	4	04/02/2025	04/02/2025	API	61.88	1782	040825AS	APG Media of Southern Minnesota LLC	April 1 Meeting Agenda
Council	43510	Legal Notices Publishing	2025	3	03/18/2025	03/19/2025	API	41.25	1730	032525AS	APG Media of Southern Minnesota LLC	Ordinance 2025-1
Council	43510	Legal Notices Publishing	2025	3	03/18/2025	03/19/2025	API	199.38	1730	032525AS	APG Media of Southern Minnesota LLC	March 11, 2025 Meeting Agenda
Council	43510	Legal Notices Publishing	2025	3	03/07/2025	03/07/2025	API	198.75	1663	031125RG	APG Media of Southern Minnesota LLC	February 25, 2025 Agenda
Council	43510	Legal Notices Publishing	2025	3	03/07/2025	03/07/2025	API	68.75	1663	031125RG	APG Media of Southern Minnesota LLC	March 4th Agenda Publication
Council	43510	Legal Notices Publishing	2025	2	02/26/2025	02/28/2025	API	226.88	1663	031125RG	APG Media of Southern Minnesota LLC	February 11 Agenda Publication
Council	43510	Legal Notices Publishing	2025	2	02/26/2025	02/28/2025	API	82.50	1663	031125RG	APG Media of Southern Minnesota LLC	February 4 Meeting Agenda
Council	43510	Legal Notices Publishing	2025	2	02/26/2025	02/28/2025	API	96.25	1663	031125RG	APG Media of Southern Minnesota LLC	February 4 Agenda Publication
Council	43510	Legal Notices Publishing	2025	1	01/27/2025	01/30/2025	API	158.13	1515	021125RG	APG Media of Southern Minnesota LLC	January 28 Agenda
Council	43510	Legal Notices Publishing	2025	1	01/23/2025	01/23/2025	API	96.25	1457	012825JK	APG Media of Southern Minnesota LLC	Council Vacancy
Council	43510	Legal Notices Publishing	2025	1	01/23/2025	01/23/2025	API	178.13	1457	012825JK	APG Media of Southern Minnesota LLC	January 14 Agenda
Council	43510	Legal Notices Publishing	2025	1	01/23/2025	01/23/2025	API	68.75	1457	012825JK	APG Media of Southern Minnesota LLC	January 21 Agenda

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