



REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 10/6/2026
Agenda Section: Consent Agenda

Department Origination: Public Works

Agenda Item: Adopt Resolution 2026-085 Authorizing Advancement of Municipal State Aid Funds

Approval Required: Simple Majority Vote

BACKGROUND

Council Adopted Resolution 2026-008 on January 20, 2026, authorizing the advancement of Municipal State Aid (MSA) funds to pay for projects that have outstanding state aid funds from previous projects and for proposed 2026 projects. After discussions with state aid finance, they requested that we change project numbers referenced in the advancement from Resolution 2026-008 so Resolution 2026-019 was passed on March 3, 2026. Additionally, there were discussions on state aid eligibility for the CSAH 48 trail project, so it was agreed to remove the items in question and address the issues after the project was bid.

The attached resolution includes updated project costs for all projects including the CSAH 48 trail improvements project. It was determined that the City was eligible to request 100% reimbursement of the right-of-way and engineering cost (not to exceed 25% of the total construction cost) along with construction costs not covered by the Transportation Alternative Grant including the grant match. No construction cost for the County's HSIP portion of the project is eligible.

It was determined the City was going to pay our portion of the CSAH 48 trail improvement project with state aid funds. In order to request payment for these costs from the City's MSA Funds, the City will need to request an advancement to our state aid account. Municipalities can request an advancement of up to 5 years' worth of the current year's allotment.

FINANCIAL IMPLICATIONS

Included in the attached resolution are final dollar amounts for all projects except the CSAH 48 trail project (230-090-003) as this project just started construction.

The City's 2026 MSA allotment included \$653,238 for construction which means the city can request up to \$3,266,190 in advancement. With the proposed advancement of \$856,658.21, the city will have approximately \$3 million available for future advancement needs.

STAFF RECOMMENDATIONS

Staff recommend adopting Resolution 2026-085 to allow the city to receive the funds now instead of waiting until the funds are available in our MSA account.

COUNCIL ACTION REQUESTED

MOTION to adopt Resolution 2026-085 Authorizing Advancement of Municipal State Aid Funds.