



CITY COUNCIL WORK SESSION MEMORANDUM

TO: City Council

FROM: Matthew R. Schmitz, MPA - City Manager

DATE OF MEETING: January 5, 2026

ITEM TITLE: 10-Year CIP

DISCUSSION:

Attached is the combined 10-year Capital Improvement Plan (CIP) representing our coordinated strategic vision for Fiscal Years 2027 through 2037. This document addresses critical infrastructure needs that have reached the end of their useful life while positioning the community for future growth.

The plan outlines a total projected investment of approximately \$102.5 million over the next decade. It is defined by two "Megaprojects" that dominate the financial landscape: the mandated Wastewater Treatment Plant (WWTP) replacement (\$50 million) and the reconstruction of 1st Street West (\$19 million). Beyond these headlines, the plan focuses on four strategic goals: infrastructure reliability, public safety modernization, operational efficiency, and quality of life.

Key components of the plan include:

- **Public Safety Facilities & Equipment:** We must address a facility crisis within the Fire Department. The plan programs a Fire Station Expansion/Relocation for FY 2027/2028 (\$6 million) to resolve space constraints that currently hinder equipment replacement cycles. This expansion enables the subsequent purchase of a replacement Ladder Truck in FY 2032.
- **Fleet Modernization:** To prevent operational collapse in the Streets Department, we have incorporated a rigorous fleet replacement schedule. This includes a split-payment strategy for heavy dump trucks to smooth the cash flow impact on our budget.
- **Utility Maintenance:** While the WWTP is a non-negotiable state mandate, we are also prioritizing the collection system by accelerating the purchase of a Combination Jet/Vac Truck to FY 2027 to prevent backups and maintain sewer mains.
- **Quality of Life:** We are leveraging Hotel/Motel Tax revenues to fund improvements at the Aquatic Center, Falcon Civic Center, and parks. This ensures community assets are maintained without drawing heavily from property tax levies.

It is important to point out that this is a working document. While every attempt has been made to ensure accurate placement of projects and funding sources, we must review the document closely to ensure nothing has been missed. Additionally, this is a "living document." We expect it to be updated and modified periodically to bring on new projects or reallocate resources as conditions change.

RECOMMENDATION:

Staff recommends discussion of this topic. No action is needed at this meeting, as any decision items needed would be brought forward to a City Council meeting for approval.