

4A. Consideration of adopting Resolution 2026-06 Advancing Municipal State Aid funds in the amount of \$2,255,717.92

Prepared by: Public Works Director/City Engineer	Meeting Date: 2/9/2026	<input checked="" type="checkbox"/> Consent Agenda Item <input type="checkbox"/> Regular Agenda Item
Reviewed by: Finance Director	Approved by: City Administrator	

ACTION REQUESTED

Motion to adopt Resolution 2026-06 Advancing Municipal State Aid funds in the amount of \$2,255,717.92

PREVIOUS COUNCIL ACTION

January 23, 2023: Council approved advancing \$1,991,167.15 in Municipal State Aid funds.

REFERENCE AND BACKGROUND

Any municipality eligible to receive State Aid funding may advance or “borrow” State Aid construction funds up to four times its annual construction allotment from its State Aid account. For 2026, the City received a total of \$1,006,255 in State Aid funding, which includes \$251,564 for maintenance, used to help support street department operations, and \$754,691 for construction. Based on this construction allotment, the City is eligible to advance up to \$3,018,764.

The City previously advanced State Aid funds in 2023, and \$549,944.11 of those funds received remain outstanding. After accounting for this amount, \$2,468,819.89 is available for advancement.

To be eligible to receive reimbursement for state aid construction funds, projects must be located on a designated State Aid route, reviewed, and approved by MnDOT to ensure compliance with all State Aid requirements. Several past projects that were completed have unused balances totaling \$2,255,717.92 as outlined below:

State-Aid Project Number	Project Location	Advance Amount
222-104-002	Fallon Avenue	\$664,715.03
222-010-005	I-94 Ramp	\$446,508.23

222-101-007	7th Street	\$499,070.65
222-101-008	7th Street	\$17,000.78
222-101-006	7th Street	\$4,089.25
222-010-003	Broadway Street	\$254,976.15
222-105-001	Hwy 25	\$58,262.89
222-112-001	West River Street	\$17,740.10
222-112-002	East River Street	\$15,927.28
222-113-001	Washington Street	\$2,579.07
222-121-001	Palm Street	\$2,345.54
222-105-002	School Boulevard	\$272,502.95

While \$2,468,819.89 is available for advancement, the full amount cannot be utilized due to the lack of State Aid eligible projects at this time. The portion of the School Boulevard Intersection Improvements Project that was not funded by grant funds will be eligible for State Aid advancement once that project is accepted and approved by MnDOT.

- I. **Budget Impact:** If the request for advancement is approved by the State, \$2,255,717.92 will be distributed into the Transportation Improvement Fund to provide funding for the 2026 Street Improvement Project.
- II. **Staff Workload Impact:** N/A
- III. **Comprehensive Plan Impact:** N/A

STAFF RECOMMENDED ACTION

City staff recommend adopting Resolution 2026-06 advancing State Aid funds. This funding source is critical to local transportation projects.

SUPPORTING DATA

- Resolution 2026-06

**CITY OF MONTICELLO
WRIGHT COUNTY, MINNESOTA**

RESOLUTION NO. 2026-06

RESOLUTION ON MUNICIPAL STATE AID PROJECTS IN 2026

WHEREAS, the Municipality of Monticello is planning to implement Municipal State Aid Projects in 2026 which will require State Aid funds in excess of those available in its State Aid Construction Account; and

WHEREAS, the Municipality of Monticello is prepared to proceed with the construction of said projects through the use of an advance from the Municipal State Aid Street Fund to supplement the available funds in their State Aid Construction Account; and

WHEREAS, the advance is based on the following determination of estimated expenditures:

Account Balance as of date 2/2/26	\$ (549,944.11)
Less estimated disbursements:	
Project #222-104-002	\$ 664,715.03
Project #222-010-005	\$ 446,508.23
Project #222-101-007	\$ 499,070.65
Project #222-101-008	\$ 17,000.78
Project #222-101-006	\$ 4,089.25
Project #222-010-003	\$ 254,976.15
Project #222-105-001	\$ 58,262.89
Project #222-112-001	\$ 17,740.10
Project #222-112-002	\$ 15,927.28
Project #222-113-001	\$ 2,579.07
Project #222-121-001	\$ 2,345.54
Project #222-105-002	\$ 272,502.95
Bond Principle (if any)	\$ _____
Project Finals (overruns-if any)	\$ _____
Other _____	\$ _____
Total Estimated Disbursements	\$ 2,255,717.92
Advance Amount (amount in excess of acct balance)	\$ 2,805,662.03

WHEREAS, repayment of the funds so advanced will be made in accordance with the provisions of Minnesota Statutes 162.14, Subd. 6 and Minnesota Rules, Chapter 8820.1500, Subd. 10b; and

WHEREAS, the Municipality of Monticello acknowledges advance funds are released on a first-come-first-serve basis and this resolution does not guarantee the availability of funds.

**CITY OF MONTICELLO
WRIGHT COUNTY, MINNESOTA**

RESOLUTION NO. 2026-06

NOW THEREFORE, BE IT RESOLVED: That the Commissioner of Transportation be and is hereby requested to approve this advance for financing approved Municipal State Aid Street Projects of the Municipality of Monticello in an amount up to \$2,805,662.60. I hereby authorize repayments from subsequent accruals to the Municipal State Aid Street Construction Account of the Municipality of Monticello from future year allocations until fully repaid.

ADOPTED BY the Monticello City Council this 9th day of February, 2026.

CITY OF MONTICELLO

ATTEST:

Lloyd Hilgart, Mayor

Jennifer Schreiber, City Clerk

I HEREBY CERTIFY that the above is a true and correct copy of a resolution presented to and adopted by the Municipality of Monticello, County of Wright, State of Minnesota, at a duly authorized Municipal Council Meeting held in the Municipality of Monticello, Minnesota on the 9th day of February, 2026, as disclosed by the records of said Municipality on file and of record in the office.

Municipality of Monticello

Municipal Clerk