

MINUTES OF THE MINNEOTA CITY COUNCIL MEETING

PURSUANT TO CALL AND DUE NOTICE THEREOF, THE CITY COUNCIL OF THE CITY OF MINNEOTA, COUNTY OF LYON, STATE OF MINNESOTA, MET IN SPECIAL SESSION IN THE CITY COUNCIL CHAMBERS ON TUESDAY, MARCH 24, 2020 AT 6:30 P.M.

COUNCIL PRESENT: Mayor John Rolbiecki
Council Member Travis Gillund
Council Member Nancy Reisdorfer
Council Member Amber Rodas

COUNCIL ABSENT: Council Member Tim Koppien

STAFF PRESENT: Shirley Teigland

OTHERS PRESENT: Trent Bruce, Mike Bubany, Tim DeVlaeminck, Riley Rinehart

ITEM 1: CALL TO ORDER

Mayor John Rolbiecki called the special council meeting to order at 6:30 p.m.

ITEM 2: ADOPT AGENDA

Gillund motioned, seconded by Rodas to approve the agenda. MOTION PASSED UNANIMOUSLY

ITEM 3: CAPITAL FINANCE PLANNING

Mike Bubany, David Drown & Associates, Inc. met with the Council in a work session to review and discuss an updated Capital Improvements/Finance Plan. Mr. Bubany as City Financial Advisor and Trent Bruce as City Engineer worked with the Council and Staff to review and discuss a list of potential projects while also identifying a number of factors and variables for each project including cost, source of revenue, city policies, timing of construction and financing.

Based on discussions regarding the pool resurfacing project, major lift station repairs and other water/sewer projects still to be done, the Council was able to observe first-hand the impacts of the City's financial ability to complete these projects by making adjustments and changing various assumptions in the CFP Model.

The main findings/strategy points from the session are as follows:

- 1) The City will pursue the installation of utilities in the Industrial Park Addition II in 2020, assuming the project is eligible for DEED grant funding is available to offset a portion of the costs.
- 2) The City will pursue a major project (2nd, 3rd, Jackson, Grant & Lyon) in 2022. The project will be broken into 2 components – streets and utilities. The street portion will be financed with conventionally sold municipal bonds with the utility portion being funded by either State PFA or Federal USDA loans.

- 3) If it is determined that the City is approaching grant eligibility, the 2022 project scope may be increased dramatically to leverage the City's local dollars as fully as possible. The impact will be much greater is currently shown on graphs, however, the benefit would be much higher than the cost if the City maxes out any grant funds at the time.
- 4) The Industrial Park and Pool resurface projects can most likely be handled within the City's previously determined thresholds, however the Mikkelson project scheduled for 2027 skews the results and will lead to a spike in the impacts later on. In order to smooth the impacts, the Council will increase levies in the near future, greater than what might actually be needed, so that the impact is leveled out. Levies are expected to increase about 6% per year for the next several years to achieve this and any surplus funds generated will be deposited into the City's Capital Project Fund.
- 5) Annual rate increases in both sewer and water must continue with a minimum increase of 3% per year.
- 6) The result of the strategies discussed will be increasing costs for a typical household of about 4% per year (taxes, sewer, water).

ADJOURNMENT

Gillund motioned, seconded by Rodas, to adjourn the meeting at 8:45 p.m. MOTION PASSED UNANIMOUSLY.

The next scheduled Regular Council Meeting is scheduled for April 13, 2020 at 6:30 p.m.

ATTEST:

Shirley Teigland, City Administrator

John Rolbiecki, Mayor

Council Approved May 11, 2020