



CITY OF MARSHALL AGENDA ITEM REPORT

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| Presenter: | Jason Anderson |
| Meeting Date: | Tuesday, January 10, 2023 |
| Category: | NEW BUSINESS |
| Type: | ACTION |
| Subject: | Projects Z88/SAP 139-103-004: 2021 State Aid Overlay Project and Project ST-008/SP 139-121-004: Channel Parkway Resurfacing Project – Consider Resolution for Municipal State Aid Street System (MSAS) 2023 Advance Funds. |
| Background Information: | <p>The 2021 State Aid Overlay Project (Z88) was substantially completed in 2021 with final completion in 2022. The project was financed through municipal bonds that were issued locally, with the intent of utilizing Municipal State Aid System (MSAS) funds to make bond payments.</p> <p>The Channel Parkway Resurfacing Project (ST-008) is included in the Capital Improvement Plan (CIP) for 2023 construction. This project is funded utilizing a \$1.25M Local Road Improvement Program (LRIP) Grant with Municipal State Aid System funds covering the remaining project costs.</p> <p>The current MSAS construction account balance as of 01/05/2023 is (\$2,456,410). Because we have “advanced” future years of funding to finance past projects, we have a negative account balance. The total maximum MSAS advance, set by Minnesota Commissioner of Transportation is the lesser of \$4,000,000 or five (5) times the City annual construction apportionment. The 2023 City of Marshall annual construction apportionment is estimated at \$820,371, which times 5 results in an amount of \$4,101,855. Therefore, the maximum amount of MSAS advance for the City is \$4,000,000.</p> <p>The attached resolution is required in order to allow MSAS advance funding. The resolution identifies a request to advance funds for Z88 bond principal payment and ST-008 City construction costs.</p> |
| Fiscal Impact: | Total State Aid advance is requested in an amount up to \$2,361,039 required to be repaid in accordance with the regulations established by Mn/DOT from future MSAS disbursements. |
| Alternative/ Variations: | No alternative actions recommended. |
| Recommendations: | that the Council adopt RESOLUTION NUMBER 23-006, which is the “Resolution for Municipal State Aid Street Funds Advance” requesting an advance of Municipal State Aid System (MSAS) funding in the amount of up to \$2,361,039. |

RESOLUTION NUMBER 23-006
RESOLUTION FOR MUNICIPAL STATE AID STREET FUNDS ADVANCE

WHEREAS, the Municipality of Marshall is planning to implement Municipal State Aid Street Project(s) in 2023 which will require State Aid funds in excess of those available in its State Aid Construction Account, and

WHEREAS, said municipality is prepared to proceed with the construction of said project(s) 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:

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| Account Balance as of date <u>1/5/2023</u> | \$ <u>(2,456,410)</u> |
| Anticipated 2023 Construction Allotment (Fall 2022) | \$ <u>820,371</u> |
| Less estimated disbursements: | |
| Project # <u>139-121-004</u> | \$ <u>500,000</u> |
| Project # _____ | \$ _____ |
| Project # _____ | \$ _____ |
| Project # _____ | \$ _____ |
| Bond Principle (139-103-004) | \$ <u>225,000</u> |
| Project Finals (overruns-if any) | \$ _____ |
| Other _____ | \$ _____ |
| Total Estimated Disbursements | \$ <u>725,000</u> |
| Advance Amount (amount in excess of acct balance) | \$ <u>(2,361,039)</u> |

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, Subp. 10b, and

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

NOW, THEREFORE, Be It Resolved by the City Council of the City of Marshall, Minnesota: That the Commissioner of Transportation be and is hereby requested to approve this advance for financing approved Municipal State Aid Street Project(s) of the Municipality of Marshall in an amount up to (\$2,361,039) and hereby authorize repayments from subsequent accruals to the Municipal State Aid Street Construction Account of said Municipality from future year allocations until fully repaid.

Passed and adopted by the Council this 10th day of January, 2023.

Mayor

ATTEST:

City Clerk