



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Jason Anderson
Meeting Date:	Tuesday, January 9, 2024
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Resolution for Municipal State Aid Street System (MSAS) 2024 Advance Funds: -Project Z88/SAP 139-103-004 - 2021 State Aid Overlay Project Payment -Project PK-013/SAP 139-590-001 (2024 AT Grant Project)
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 Street (MSAS) funds to make bond payments.</p> <p>Project PK-013 includes shared use trail and RRFB improvements at three different locations. The project adds trail along US 59 between Boyer Drive and Windstar Street, adds an RRFB pedestrian crossing of US 59 at A Street, and adds an RRFB pedestrian crossing of CR7/Airport Road near the Redwood River and includes realignment of the existing bike trail to eliminate the need to use Airport Road as a bike Trail. This project is funded by an Active Transportation (AT) Grant award to the City of Marshall, in the amount of \$360,381. The intent is to utilize MSAS funds to pay for applicable engineering fees and to cover any construction costs should costs exceed our AT Grant award.</p> <p>The current MSAS construction account balance as of 01/04/2024 is (\$2,060,591). 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 2024 City of Marshall annual construction apportionment is estimated at \$809,261, 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 PK-013 engineering costs and possible construction costs in excess of our AT Grant award.</p>
Fiscal Impact:	Total State Aid advance is requested in an amount up to \$1,636,330 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 24-012, 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 \$1,636,330.

RESOLUTION NUMBER 24-012
RESOLUTION FOR MUNICIPAL STATE AID STREET FUNDS ADVANCE

WHEREAS, the Municipality of Marshall is planning to implement Municipal State Aid Street Project(s) in 2024 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:

Account Balance as of date <u>1/4/2024</u>	\$ <u>(2,060,591)</u>
Anticipated 2024 Construction Allotment (Fall 2023)	\$ <u>809,261</u>
Less estimated disbursements:	
Project # <u>139-590-001</u>	\$ <u>150,000</u>
Project # _____	\$ _____
Project # _____	\$ _____
Project # _____	\$ _____
Bond Principle (139-103-004)	\$ <u>235,000</u>
Project Finals (overruns-if any)	\$ _____
Other _____	\$ _____
Total Estimated Disbursements	\$ <u>385,000</u>
Advance Amount (amount in excess of acct balance)	\$ <u>(1,636,330)</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: 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 (\$1,636,330). I 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 9th day of January, 2024.

Mayor

ATTEST:

City Clerk