

## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Presenter:</b>	Jason Anderson												
<b>Meeting Date:</b>	Tuesday, March 25, 2025												
<b>Category:</b>	CONSENT AGENDA												
<b>Type:</b>	ACTION												
<b>Subject:</b>	Project ST-012-2024: South Whitney Street Reconstruction Project (E College Dr to Jean Ave) - 1) Resolution Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment; 2) Resolution for Hearing on Proposed Assessment												
<b>Background Information:</b>	This project consisted of: reconstruction of the sidewalk, roadways and utility replacement on South Whitney Street from East College Drive to Jean Avenue. All public utilities were replaced, including watermain, sanitary sewer, and storm sewer on South Whitney Street. Other items of work included in this project are pavement removal, aggregate base, bituminous surfacing, sidewalks, curb and gutter, and other minor work.												
<b>Fiscal Impact:</b>	<p>Attached please find a "Resolution Declaring Cost to be Assessed and Ordering the Preparation of the Proposed Assessment" for the project. The following is a breakdown of the proposed project funding. The costs shown below include 16% for engineering and administrative costs, for a total project cost of \$1,864,992. The following is a proposed breakdown of the project funding:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">Wastewater Fund</td><td style="text-align: right;">\$363,679</td></tr> <tr> <td style="text-align: right;">Marshall Municipal Utilities-Water</td><td style="text-align: right;">\$445,447</td></tr> <tr> <td style="text-align: right;">Surface Water Management Utility</td><td style="text-align: right;">\$306,126</td></tr> <tr> <td style="text-align: right;">City Participation (Ad Valorem)</td><td style="text-align: right;">\$472,163</td></tr> <tr> <td style="text-align: right;">Assessed to Property Owners</td><td style="text-align: right;"><u>\$277,577</u></td></tr> <tr> <td style="text-align: right;">Total Project Amount</td><td style="text-align: right;">\$1,864,992</td></tr> </table> <p>Attached please find the "Resolution for Hearing on Proposed Assessment," setting the hearing date for the proposed assessments on April 22, 2025, for the above-referenced project.</p> <p>Per the current Fee Schedule, the assessment interest rate is calculated using the most recent bond interest rate and adding 2% for administrative costs. Per Finance, the 2024A Bonding has a True Interest Cost of 3.07% for the Street Improvements, plus 2%, results in a 5.07% interest rate for Special Assessments.</p> <p>The term of the assessment repayment is proposed by staff to be 8 years. The City has no formal written policy on the term but has followed an administrative past practice to generally match the assessment repayment to the bond repayment term. If the assessment is substantially higher in cases such as commercial assessments, it may be appropriate to increase the assessment repayment term. Alternatively, on smaller assessment projects consideration could be made to shorten the assessment term. One other item to note is that if additional principal is paid each year the interest is recalculated annually to address the payments. Therefore, there is no penalty for individuals to repay on a more accelerated schedule if they choose.</p>	Wastewater Fund	\$363,679	Marshall Municipal Utilities-Water	\$445,447	Surface Water Management Utility	\$306,126	City Participation (Ad Valorem)	\$472,163	Assessed to Property Owners	<u>\$277,577</u>	Total Project Amount	\$1,864,992
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<b>Alternative/ Variations:</b>	No alternative actions recommended.
<b>Recommendations:</b>	<p>that the Council adopt RESOLUTION 25-024, which provides for the “Resolution Declaring Cost to be Assessed and Ordering the Preparation of the Proposed Assessment” for Project ST-012-2024: South Whitney Street Reconstruction Project (E College Dr to Jean Ave).</p> <p>that the Council adopt RESOLUTION NUMBER 25-025, which provides for the “Resolution for Hearing on Proposed Assessment” for Project ST-012-2024: South Whitney Street Reconstruction Project (E College Dr to Jean Ave) setting the hearing date on the proposed assessments for April 22, 2025.</p>

**RESOLUTION 25-024**

**RESOLUTION DECLARING COST TO BE ASSESSED,  
AND ORDERING PREPARATION OF PROPOSED ASSESSMENT**

WHEREAS, costs have been determined for the following project:

**PROJECT ST-012-2024: SOUTH WHITNEY STREET RECONSTRUCTION PROJECT (E COLLEGE DR TO JEAN AVE)** -- This project consisted of: reconstruction of the sidewalk, roadways and utility replacement on South Whitney Street from East College Drive to Jean Avenue. All public utilities were replaced, including watermain, sanitary sewer, and storm sewer on South Whitney Street. Other items of work included in this project are pavement removal, aggregate base, bituminous surfacing, sidewalks, curb and gutter, and other minor work.

AND WHEREAS, the price for such improvement is \$1,607,752, and the estimated expenses incurred in the making of such improvement amount to \$257,240, so that the total estimated cost of the improvement will be \$1,864,992.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MARSHALL, MINNESOTA:

1. The portion of the cost to be assessed against benefited property owners is declared to be approximately \$277,577. The portion of the cost to be paid by the Wastewater Fund is hereby declared to be approximately \$363,679. The portion of the cost of the project to be paid by Marshall Municipal Utilities-Water is hereby declared to be approximately \$445,447. The portion of the cost to be paid by the Surface Water Management Utility is hereby declared to be approximately \$306,126. The portion of the cost to be paid by the City (Ad Valorem) is hereby declared to be approximately \$472,163.
2. Assessments shall be payable in equal annual principal installments extending over a period of eight (8) years, the first of the installments to be payable on or before the first Monday in January, 2026, and shall bear interest at the rate of 5.07% per annum from the date of the adoption of the assessment resolution.
3. The City Clerk, with the assistance of the City Engineer, shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and he shall file a copy of such proposed assessment in his office for public inspection.
4. The City Clerk shall upon the completion of such proposed assessment, notify the City Council thereof.

Passed and adopted by the City Council this 25<sup>th</sup> day of March, 2025.

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Mayor

ATTEST:

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City Clerk

This Instrument Drafted by: Jason R. Anderson, P.E.  
Director of Public Works/City Engineer

## RESOLUTION 25-025

### RESOLUTION FOR HEARING ON PROPOSED ASSESSMENT

WHEREAS, by a resolution passed by the Council on March 25, 2025, the City Clerk was directed to prepare a proposed assessment of the cost of the improvements for the following project:

**PROJECT ST-012-2024: SOUTH WHITNEY STREET RECONSTRUCTION PROJECT (E COLLEGE DR TO JEAN AVE)** -- This project consisted of: reconstruction of the sidewalk, roadways and utility replacement on South Whitney Street from East College Drive to Jean Avenue. All public utilities were replaced, including watermain, sanitary sewer, and storm sewer on South Whitney Street. Other items of work included in this project are pavement removal, aggregate base, bituminous surfacing, sidewalks, curb and gutter, and other minor work.

AND WHEREAS, the City Clerk has notified the City Council that such proposed assessment has been completed and filed in his office for public inspection.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MARSHALL, MINNESOTA:

1. A hearing shall be held on the 22<sup>nd</sup> day of April, 2025 in the Council Chambers of City Hall located at 344 West Main Street to pass upon such proposed assessment, and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and he shall state in the notice the total cost of the improvement. He shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearing.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment to the City of Marshall, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of the assessment. They may at any time thereafter, pay to the City of Marshall, the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before October 15 or interest will be charged through December 31 of the succeeding year.

Passed and adopted by the City Council this 25<sup>th</sup> day of March, 2025.

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Mayor

ATTEST:

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City Clerk

This Instrument Drafted by: Jason R. Anderson, P.E.  
Director of Public Works/City Engineer