

Presenter:	Jason Anderson												
Meeting Date:	Tuesday, May 26, 2026												
Category:	PUBLIC HEARING												
Type:	ACTION												
Subject:	Project ST-012-2025: S Hill Street / S Minnesota Street / Charles Avenue Reconstruction Project - 1) Public Hearing on Assessment; 2) Consider Resolution Adopting Assessment												
Background Information:	This project consisted of: reconstruction and utility replacement on South Hill Street and South Minnesota Street from East College Drive to Charles Avenue, two alleys from East College Drive to Charles Avenue and Charles Avenue from South Whitney Street to South Minnesota Street. All utilities were replaced, including watermain, sanitary sewer, and storm sewer within the areas identified above. This project also included new water and sewer services to the right-of-way. Other items of work included in this project were pavement removal, aggregate base, bituminous surfacing, concrete surfacing, sidewalks, curb and gutter and other minor work.												
Fiscal Impact:	<p>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 \$1,137,665.</p> <table style="margin-left: 40px;"> <tr> <td>Wastewater Fund</td> <td style="text-align: right;">\$ 85,397</td> </tr> <tr> <td>Marshall Municipal Utilities-Water</td> <td style="text-align: right;">315,900</td> </tr> <tr> <td>Surface Water Management Utility</td> <td style="text-align: right;">14,179</td> </tr> <tr> <td>City Participation (Ad Valorem)</td> <td style="text-align: right;">532,890</td> </tr> <tr> <td>Assessed to Property Owners</td> <td style="text-align: right;"><u>189,299</u></td> </tr> <tr> <td>Total Project Amount</td> <td style="text-align: right;">\$1,137,665</td> </tr> </table> <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 2025A Bonding has a True Interest Cost of 3.78% for the Street Improvements, plus 2%, results in a 5.78% 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	\$ 85,397	Marshall Municipal Utilities-Water	315,900	Surface Water Management Utility	14,179	City Participation (Ad Valorem)	532,890	Assessed to Property Owners	<u>189,299</u>	Total Project Amount	\$1,137,665
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Alternative/ Variations:	<ul style="list-style-type: none"> • Modify assessments to property owners, thereby modifying the attached proposed assessment. • Amend the terms of the assessments. 												
Recommendations:	<p><u>Recommendation No. 1</u> that the Council close the public hearing on assessments for Project ST-012-2025: S Hill Street / S Minnesota Street / Charles Avenue Reconstruction Project.</p> <p><u>Recommendation No. 2</u> that the Council adopt RESOLUTION NUMBER 26-038, which is the “Resolution Adopting Assessment” for Project ST-012-2025: S Hill Street / S Minnesota Street / Charles Avenue Reconstruction Project.</p>												

RESOLUTION NUMBER 26-038
RESOLUTION ADOPTING ASSESSMENT

WHEREAS, pursuant to proper notice duly given as required by law, the City Council has met and heard and passed upon all objections to the proposed assessment for the following project:

PROJECT ST-012-2025: S HILL STREET / S MINNESOTA STREET / CHARLES AVENUE RECONSTRUCTION PROJECT -- This project consisted of: reconstruction and utility replacement on South Hill Street and South Minnesota Street from East College Drive to Charles Avenue, two alleys from East College Drive to Charles Avenue and Charles Avenue from South Whitney Street to South Minnesota Street. All utilities were replaced, including watermain, sanitary sewer, and storm sewer within the areas identified above. This project also included new water and sewer services to the right-of-way. Other items of work included in this project were pavement removal, aggregate base, bituminous surfacing, concrete surfacing, sidewalks, curb and gutter and other minor work.

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

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.
2. Such proposed assessment shall be payable in equal annual principal installments extending over a period of eight (8) years and shall bear interest at the rate of five and seventy-eight one-hundredths percent (5.78%) per year.
3. After the adoption of the assessment, the clerk shall transmit a certified duplicate of the assessment roll with each installment, including interest, set forth separately to the county auditor of the county to be extended on the proper tax lists of the county; but in lieu of such certification, the council may in its discretion direct the clerk to file all assessment rolls in the clerk's office and to certify annually to the county auditor, on or before November 30 in each year, the total amount of installments of and interest on assessments on each parcel of land in the municipality which are to become due in the following year. If any installment and interest has not been so certified prior to the year when it is due, the clerk shall forthwith certify the same to the county auditor for collection in the then succeeding year; and if the municipality has issued improvement warrants to finance the improvement, it shall pay out of its general funds into the fund of the improvement interest on the then unpaid balance of the assessment for the year or years during which the collection of such installment is postponed. All assessments and interest thereon shall be collected and paid over in the same manner as other municipal taxes.
4. 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.
5. The right to partially prepay the assessment to the City Clerk according to Ordinance No. 364, Second Series, is available.
6. The City Clerk shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on property tax lists of the County. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

Passed and adopted by the Council this 26th day of May, 2026.

Mayor

ATTEST:

City Clerk

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