



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Jason Anderson
Meeting Date:	Tuesday, January 14, 2025
Category:	NEW BUSINESS
Type:	ACTION
Subject:	<p>Consider Resolution for 2025 Municipal State Aid Street (MSAS) Funds Advance:</p> <ul style="list-style-type: none"> -Project Z88/SAP 139-103-004 - 2021 State Aid Overlay Project Payment -Project PK-013/SAP 139-590-001 (2025 AT Grant Project) -Project PK-015/SAP 139-090-006 C Street/Southview Trail Improvements -Project ST-015/SAP 139-122-007, 139-111-007, 139-107-009, 139-115-005 College Drive Reconstruction -Project ST-025/SAP 139-110-009 N. 4th Street Culvert Crossing Fence Replacement Project
Background Information:	<p>The Municipal State Aid Street program provides funding to assist municipalities with the construction and maintenance of community-interest streets on their state aid systems. The program is administered by MnDOT's State Aid for Local Transportation.</p> <p>The current MSAS construction account balance as of 12/30/2024 is (\$1,048,755). 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 the Minnesota Commissioner of Transportation is the lesser of \$4,000,000 or five (5) times the City annual construction apportionment. The 2025 City of Marshall annual construction apportionment is estimated at \$918,072, which multiplied by five results in an amount of \$4,590,360. Therefore, the maximum amount of MSAS advance for the City is (\$4,000,000).</p> <p>The attached resolution is required to allow MSAS advance funding for the listed projects that meet MSAS funding eligibility criteria. The resolution identifies a request to advance funds for the following: Z88 2021 State Aid Mill & Overlay, PK-013 RRFB and Trail Improvements, PK-015 C Street/Southview Trail Project, ST-015 College Drive Reconstruction Project, and Project ST-025 N 4th Street Culvert Crossing Fencing Project. Descriptions for each project are included below.</p> <p>The 2021 State Aid Overly 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. This advance request will cover the cost of making the bond principal payment. Bond interest payment is already encumbered through our MSAS Maintenance Allocation.</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 County Road 7/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 construction costs in excess of our AT Grant award.</p> <p>Project PK-015 includes a new 8-FT wide shared use path that improves connectivity in the City trail system. The new path alignment heads south from the intersection of C Street/Progress Drive and then east from Southview Drive/Southview Court to US 59/Main Street. The project has both Transportation Alternative grant funding (80-20 federal grant) and Active Transportation grant</p>

	<p>funding (state funds to cover the 20% TA match). This advance request will be used to cover engineering costs, as well as construction costs that exceed our grant awards.</p> <p>Project ST-015 College Drive Reconstruction is the complete reconstruction of College Drive from approximately 500-FT west of Marlene Street to S. Bruce Street, including Bruce Street for a few hundred feet in each direction. The project will be split into two phases and constructed over the 2025 and 2026 construction seasons. The city has received Local Road and Bridge Project funding and RAISE grant funding, both federal grants, totaling roughly \$2.9M. Sanitary sewer, water main, and storm water drainage infrastructure will be paid by each utility, and sanitary sewer service lines will be assessed to benefitting property owners. This advance request will be used to provide matching 20% funds for the LRBP grant, cover city engineering costs, and cover eligible construction costs that exceed our grant awards.</p> <p>Project ST-025 N. 4th Street Fencing project includes the replacement of the chain link fencing at the culvert crossing of N. 4th Street, just north and west of the N. 4th Street/W. Marshall Street intersection. This advance request will be used to cover construction and engineering costs for this project.</p>
Fiscal Impact:	Staff recommends a total of \$865,000 in 2025 MSAS disbursements, resulting in total State Aid advance in an amount up to \$995,683 required to be repaid in accordance with the regulations established by MnDOT from future MSAS disbursements.
Alternative/ Variations:	No alternative actions recommended.
Recommendations:	that the Council adopt RESOLUTION NUMBER 25-007, 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 \$995,683.

RESOLUTION NUMBER 25-007
RESOLUTION FOR MUNICIPAL STATE AID STREET FUNDS ADVANCE

WHEREAS, the Municipality of Marshall is planning to implement Municipal State Aid Street Project(s) in 2025 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>12/30/2024</u>	\$ <u>(1,048,755)</u>
Anticipated 2025 Construction Allotment (Fall 2024)	\$ <u>918,072</u>
Less estimated disbursements:	
Project # <u>139-590-001</u>	\$ <u>(150,000)</u>
Project # <u>139-090-006</u>	\$ <u>(75,000)</u>
Project # <u>139-122-007</u>	
Project # <u>139-111-007</u>	
Project # <u>139-107-009</u>	
Project # <u>139-115-005</u>	\$ <u>(350,000)</u>
Project # <u>139-110-009</u>	\$ <u>(50,000)</u>
Bond Principal (139-103-004)	\$ <u>(240,000)</u>
Project Finals (overruns-if any)	\$ _____
Other _____	\$ _____
Total Estimated Disbursements	\$ <u>(865,000)</u>
Advance Amount (amount in excess of acct balance)	\$ <u>(995,683)</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 (\$995,683). 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 14th day of January, 2025.

Mayor

ATTEST:

City Clerk