



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Jason Anderson												
Meeting Date:	Tuesday, April 8, 2025												
Category:	CONSENT AGENDA												
Type:	ACTION												
Subject:	Project ST-010: Lyon Circle Reconstruction Project - 1) Resolution Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment; 2) Resolution for Hearing on Proposed Assessment												
Background Information:	This project consisted of: reconstruction of the street, curb and gutter, and utility replacement work. The sanitary sewer was replaced, along with service lines, and the storm sewer piping and intakes were replaced at the intersection of Lyon Circle and E. Lyon Street. Other items of work included in this project were pavement removal, aggregate base, concrete valley gutter, and bituminous surfacing.												
Fiscal Impact:	<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 \$178,261. The following is a proposed breakdown of the project funding:</p> <table style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="text-align: right;">Wastewater Fund</td><td style="text-align: right;">\$28,592</td></tr> <tr> <td style="text-align: right;">Marshall Municipal Utilities-Water</td><td style="text-align: right;">\$0</td></tr> <tr> <td style="text-align: right;">Surface Water Management Utility</td><td style="text-align: right;">\$25,487</td></tr> <tr> <td style="text-align: right;">City Participation (Ad Valorem)</td><td style="text-align: right;">\$69,082</td></tr> <tr> <td style="text-align: right;">Assessed to Property Owners</td><td style="text-align: right;"><u>\$55,100</u></td></tr> <tr> <td style="text-align: right;">Total Project Amount</td><td style="text-align: right;">\$178,261</td></tr> </tbody> </table> <p>Attached please find the “Resolution for Hearing on Proposed Assessment,” setting the hearing date for the proposed assessments on May 13, 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	\$28,592	Marshall Municipal Utilities-Water	\$0	Surface Water Management Utility	\$25,487	City Participation (Ad Valorem)	\$69,082	Assessed to Property Owners	<u>\$55,100</u>	Total Project Amount	\$178,261
Wastewater Fund	\$28,592												
Marshall Municipal Utilities-Water	\$0												
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City Participation (Ad Valorem)	\$69,082												
Assessed to Property Owners	<u>\$55,100</u>												
Total Project Amount	\$178,261												

Alternative/ Variations:	No alternative actions recommended.
Recommendations:	<p>that the Council adopt RESOLUTION 25-031, which provides for the “Resolution Declaring Cost to be Assessed and Ordering the Preparation of the Proposed Assessment” for Project ST-010: Lyon Circle Reconstruction Project.</p> <p>that the Council adopt RESOLUTION NUMBER 25-032, which provides for the “Resolution for Hearing on Proposed Assessment” for Project ST-010: Lyon Circle Reconstruction Project setting the hearing date on the proposed assessments for May 13, 2025.</p>

RESOLUTION 25-031

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

WHEREAS, costs have been determined for the following project:

PROJECT ST-010: LYON CIRCLE RECONSTRUCTION PROJECT -- This project consisted of: reconstruction of the street, curb and gutter, and utility replacement work. The sanitary sewer was replaced, along with service lines, and the storm sewer piping and intakes were replaced at the intersection of Lyon Circle and E. Lyon Street. Other items of work included in this project were pavement removal, aggregate base, concrete valley gutter, and bituminous surfacing.

AND WHEREAS, the price for such improvement is \$153,673, and the estimated expenses incurred in the making of such improvement amount to \$24,588, so that the total estimated cost of the improvement will be \$178,261.

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 \$55,100. The portion of the cost to be paid by the Wastewater Fund is hereby declared to be approximately \$28,592. The portion of the cost of the project to be paid by Marshall Municipal Utilities-Water is hereby declared to be approximately \$0. The portion of the cost to be paid by the Surface Water Management Utility is hereby declared to be approximately \$25,487. The portion of the cost to be paid by the City (Ad Valorem) is hereby declared to be approximately \$69,082.
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 8th day of April, 2025.

Mayor

ATTEST:

City Clerk

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

RESOLUTION 25-032

RESOLUTION FOR HEARING ON PROPOSED ASSESSMENT

WHEREAS, by a resolution passed by the Council on April 8, 2025, the City Clerk was directed to prepare a proposed assessment of the cost of the improvements for the following project:

PROJECT ST-010: LYON CIRCLE RECONSTRUCTION PROJECT -- This project consisted of: reconstruction of the street, curb and gutter, and utility replacement work. The sanitary sewer was replaced, along with service lines, and the storm sewer piping and intakes were replaced at the intersection of Lyon Circle and E. Lyon Street. Other items of work included in this project were pavement removal, aggregate base, concrete valley gutter, and bituminous surfacing.

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 13th day of May, 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 8th day of April, 2025.

Mayor

ATTEST:

City Clerk

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