



CITY OF MINNETRISTA

REQUEST FOR CITY COUNCIL ACTION/DISCUSSION

Subject: Res No 96-25 Adopting a Street Reconstruction Plan and providing Preliminary Approval for the Issuance of Bonds Thereunder

Prepared By: Brian Grimm, Finance Director

Meeting Date: November 3, 2025

In conjunction with our scheduled 2026 road projects a street reconstruction plan is required for the issuance of the 2026 bonds under chapter 475. This is in addition to the chapter 429 process we are following regarding bonds issued with special assessments. The Public Hearing was called for back on October 6, 2025.

The City Council is holding the Public Hearing at 6:30pm on the Bonds and on the Street Reconstruction Plan (SRP). The action being requested is to adopt by Resolution giving preliminary approval for their issuance and approving the SRP by at least a 2/3rds majority vote of the City Council membership present.

Todd Hagen from Ehlers will be here to further explain and answer any potential questions.

Recommended City Council Action: Resolution Adopting a Street Reconstruction Plan and providing Preliminary Approval for the Issuance of Bonds Thereunder

Does Recommended Action meet City Mission Statement? Yes No

Does Recommended Action meet City Goals/Priorities? Yes No

Explain: This item is in regard to the Street Reconstruction Plan being used to finance the proposed 2026 Street Improvements under MN Chapter 475

Mission Statement:

The City of Minnetrista will deliver quality services in a cost effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.

CITY OF MINNETRISTA, MINNESOTA

RESOLUTION NO. 96-25

**ADOPTING A STREET RECONSTRUCTION PLAN AND PROVIDING
PRELIMINARY APPROVAL FOR THE ISSUANCE OF BONDS THEREUNDER**

BE IT RESOLVED by the City Council of the City of Minnetrista, Minnesota (the “City”) as follows:

Section 1. Authorization.

1.01. The City is authorized under Minnesota Statutes, Section 475.58, subdivision 3b, as amended (the “Act”), to prepare a plan for reconstruction of streets in the City over the next five (5) years, including a description of the affected streets and estimated costs, and to issue general obligation bonds to finance the cost of street reconstruction activities described in the plan.

1.02. Before the issuance of any bonds under the Act, the City is required to hold a public hearing on the plan and issuance of the bonds.

1.03. Pursuant to the Act, the City, in consultation with its City engineer, has caused preparation of a five (5) year street reconstruction plan (the “Plan”), which describes certain street reconstruction activities in the City of the years 2026 through 2030. The reconstruction activities described in the Plan include the reconstruction of all or portions of the certain streets in connection with the 2026 Street Improvement Project, City Project No. 01-26 and West Edge Boulevard in the City, all as described further in the Plan (collectively, the “Street Reconstruction”).

1.04. The City has determined that it is in the best interests of the City to authorize the issuance and sale of general obligation bonds pursuant to the Act in the maximum principal amount of \$3,450,000, plus any premium received (the “Bonds”). The purpose of the Bonds is to finance all or a portion of the costs of the Street Reconstruction as described in the Plan.

1.05. On the date hereof, the City Council held a public hearing on the Plan and the issuance of the Bonds, after publication in the City’s official newspaper of a notice of public hearing at least ten (10) days but no more than twenty-eight (28) days before the date of the hearing.

Section 2. Street Reconstruction Plan; Issuance of Bonds.

2.01. The City Council hereby ratifies all actions of the City’s staff and consultants in preparing the Plan and arranging for approval of this resolution in accordance with the Act.

2.02. The City Council finds that the Plan will improve the City’s street system, which serves the interests of the City as a whole.

2.03. The Plan is approved in the form on file in City Hall.

2.04. The City gives preliminary approval to the issuance of the Bonds in the maximum principal amount of \$3,450,000, plus any premium received; provided that if a petition requesting a vote on the issuance of the Bonds, signed by voters equal to five percent (5%) of the votes cast in the last municipal general election, is filed with the City Clerk within thirty (30) days of the date hereof, the City

may issue the Bonds only after obtaining approval of a majority of voters voting on the question at an election.

Adopted by the City Council of the City of Minnetrista, Minnesota this 3rd day of November, 2025, by a vote of _____ ayes and _____ nays.

Lisa Whalen, Mayor

ATTEST:

Ann Meyerhoff, City Clerk

November 3, 2025

STREET RECONSTRUCTION & OVERLAY PLAN IN
CONNECTION WITH FINANCING: 2026 Street Improvement
Project, City Project No. 01-26 and West Edge Boulevard

City of Minnetrista, MN

2026-2030



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

TABLE OF CONTENTS

I.	INTRODUCTION_____	2
II.	PURPOSE_____	2
III.	PLANNING PROCESS_____	3
IV.	PROJECT SUMMARY_____	4
V.	FINANCING_____	4
VI.	PLAN CONTINUATION_____	5
	APPENDIX A_____	6
	Plan Project Costs_____	6
	Proposed Street Reconstruction and Overlay Plan Bond Issue(s)_____	6
	APPENDIX B_____	7
	Proposed SROP Bond Issue(s)_____	7

I. INTRODUCTION

In 2002, the Minnesota State Legislature passed into law a bill that generally exempts city bonds issued under a street reconstruction plan from the referendum requirements usually required for bonding expenditures. In 2013 the Legislature amended the law to allow bituminous overlays to be included in the street reconstruction plan. The authorization is contained in Minnesota Statutes, Section 475.58, subdivision 3b (the “Act”).

II. PURPOSE

A street reconstruction plan represents a major expenditure of city funds for the reconstruction or bituminous overlay of public streets. As defined in the Act, street reconstruction and bituminous overlay projects include but are not limited to: utility replacement and relocation and other activities incidental to the street reconstruction; the addition or reconstruction of turn lanes, bicycle lanes, sidewalks, paths, and other improvements having a substantial public safety function; realignments and other modifications to intersect with state and county roads; and the local share of state and county road projects. Except in the case of turn lanes, bicycle lanes, sidewalks, paths, and other safety improvements; realignments; intersection modifications; and the local share of state and county road projects, street reconstruction and bituminous overlays do *not* include the portion of project costs allocable to widening a street or adding curbs and gutters where none previously existed.

The Street Reconstruction and Overlay Plan (the “SROP”) is a document designed to anticipate street reconstruction and overlay expenditures and schedule them over a five-year period so that they may be purchased in the most efficient and cost-effective method. It allows the matching of expenditures with anticipated income. As potential expenditures are reviewed, the city considers the benefits, costs, alternatives, and impact on operating expenditures.

The City of Minnetrista, Minnesota (the “City”) believes the street reconstruction and overlay process is an important element of responsible fiscal management. Major capital expenditures can be anticipated and coordinated to minimize potentially adverse financial impacts caused by the timing and magnitude of capital outlays. This coordination of capital expenditures is important to the City in achieving its goals of adequate physical assets and sound fiscal management. Good planning is essential for the wise use of limited financial resources. The SROP is designed to be updated on an as needed basis.

III. PLANNING PROCESS

The City Council annually reviews its capital expenditures according to their priority, fiscal impact, and available funding as part of its Capital Improvement Plan (CIP) process. The City assembles the specific capital expenditures to be undertaken within the next five years. The City Council prepares a plan based on the available funding sources. From this information, a preliminary CIP is prepared for public discussion from citizens and other governmental units. Changes are made based on that input, and a final plan is established.

Over the life of the CIP, once the funding becomes available the individual capital expenditures can be made as part of individual project approvals. In subsequent years, the process is repeated as expenditures are completed and new needs arise.

If bonding is necessary, the City collaborates with its municipal advisor to prepare a bond sale and repayment schedule. Street reconstruction and overlay planning occurs separately from the CIP process focusing specifically on those projects to be financed with general obligation street reconstruction bonds under provisions of the Act. The SROP is to describe the identified street reconstruction and overlay projects to be financed, their estimated costs, and any planned reconstruction or overlay of other streets in the City over the next five years.

For the City to use its authority under the Act to finance street reconstruction and bituminous overlay expenditures with general obligation bonds, it must meet the requirements provided therein.

Specifically, the City must hold a public hearing for public input on a the proposed SROP. Notice of such hearing must be published in the official newspaper at least ten, but not more than 28 days prior to the date of the public hearing. In addition, the City Council must approve the SROP and issuance of bonds by a two-thirds majority vote of its membership present at the meeting following a public hearing.

Although a referendum is not required, a reverse referendum is allowable. If a petition requesting a vote on the issuance of bonds bearing the signatures of at least 5 percent of the votes cast in the last municipal general election is filed with the municipal clerk within 30 days after the public hearing, a referendum vote on the issuance of the bonds shall be required to authorize the issuance. If a municipality elects not to submit the question to the voters, the municipality shall not propose the issuance of bonds under the Act for the same purpose for a period of 365 days from the date of receipt of the petition.

IV. PROJECT SUMMARY

The expenditures to be undertaken with this 2026 to 2030 SROP are limited to those listed in Appendix A and further discussed in the following section. All other foreseeable capital expenditures within the City will come through other means or through an amendment to this SROP.

V. FINANCING

The project expenditures under this SROP are estimated at up to \$3,179,270. If these expenditures are to be funded, that amount of money is anticipated to be generated through a combination of tax levy, special assessments and sale of general obligation street reconstruction plan bonds over the five-year period. The anticipated bond size of \$3,345,000 is based upon the estimated hard and soft costs for the projects, plus estimated issuance costs, any capitalized interest, and contingency. However, for the purpose of the SROP, the not to exceed amount for the bonds, including hard and soft costs for the projects, plus estimated issuance costs, any capitalized interest, and contingency, will be \$3,450,000.

In the financing of the SROP, one statutory limitation applies to the City. Under Minnesota Statutes, Chapter 475, with few exceptions, a local government cannot incur debt greater than 3% of the estimated market value (EMV) for its jurisdiction. In the City, the EMV for property tax payable in 2025 is \$3,059,130,900. As noted in the table below, the City's debt subject to this requirement, including the proposed bond issue, is within the required threshold:

Net Debt Limit, Taxes Payable in 2025	
Estimated Market Value	3,059,130,900
Statutory Debt Limit Factor	3.0%
Statutory Debt Limit	91,773,927
Less: Debt Paid Solely from Taxes	(4,030,000)
Less: Proposed Bond Issue(s)	(3,345,000)
Unused Debt Limit	\$84,398,927

Under the SROP, the City plans to issue up to \$3,450,000 in general obligation bonds in the years 2026 through 2030 to finance the projects listed in Appendix A and further described below.

Year	Description	Street
2026	Full Depth Removal and Replacement	Game Farm Road East from 3900' west of CR 110 to 1500' west of CR 110 Game Farm Road North from 4630' south of CR 21 to 5810' south of CR 21 Saunders Lake Drive North from 265' west of Maple Lane to 350' west of Cedar Court Basswood Drive between Cherrywood Court and 85' north of Walnut Drive
	Mill and Overlay	The remainder of Game Farm Road The remainder of Saunders Lake Drive North Willow Court Maple Lane Cedar Court Saunders Lake Drive South The remainder of Basswood Drive Bluffs Lane North Walnut Drive Cherrywood Court Pinnacle Way Lakeside Drive Lakeside Circle West Edge Boulevard
2027	None Anticipated	
2028	None Anticipated	
2029	None Anticipated	
2030	None Anticipated	

VI. PLAN CONTINUATION

This SROP should be reviewed annually as needed by the City Council using the process outlined in this document. It should review proposed expenditures, make priority decisions, and seek funding for those expenditures it deems necessary for the City. If deemed appropriate, the Council should prepare an update to this SROP.

APPENDIX A

Plan Project Costs

Project Costs by Year		
Year	Project	Amount
2026	2026 Street Improvement Project, City Project No. 01-26 and West Edge Boulevard	\$3,179,270
2027	None Planned	-
2028	None Planned	-
2029	None Planned	-
2030	None Planned	-
Total		\$3,179,270

Proposed Street Reconstruction and Overlay Plan Bond Issue(s)

Street Reconstruction and Overlay Bond Issues by Year	
Year	Amount
2026	\$3,345,000
2027	-
2028	-
2029	-
2030	-
Total	\$3,345,000

APPENDIX B

Proposed SROP Bond Issue(s)

City of Minnetrista, Minnesota

\$23,635,000 GO Road Reconstruction & Water Rev Bonds, Series 2026

Issue Summary

Assumes Current Market Non-BQ AA+ Rates plus 50bps

Total Issue Sources And Uses

Dated 03/05/2026 | Delivered 03/05/2026

	Water Revenue	Street Reconstruction	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$20,290,000.00	\$3,345,000.00	\$23,635,000.00
Total Sources	\$20,290,000.00	\$3,345,000.00	\$23,635,000.00
Uses Of Funds			
Total Underwriter's Discount (0.800%)	162,320.00	26,760.00	189,080.00
Costs of Issuance	122,761.58	20,238.42	143,000.00
Deposit to Capitalized Interest (CIF) Fund	-	120,022.33	120,022.33
Deposit to Project Construction Fund	20,000,000.00	3,179,270.00	23,179,270.00
Rounding Amount	4,918.42	(1,290.75)	3,627.67
Total Uses	\$20,290,000.00	\$3,345,000.00	\$23,635,000.00

City of Minnetrista, Minnesota

\$3,345,000 GO Road Reconstruction & Water Rev Bonds, Series 2026

Street Reconstruction

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
03/05/2026	-	-	-	-	-	-	-
02/01/2027	-	-	120,022.33	120,022.33	(120,022.33)	-	-
08/01/2027	-	-	66,270.00	66,270.00	-	66,270.00	-
02/01/2028	120,000.00	3.150%	66,270.00	186,270.00	-	186,270.00	252,540.00
08/01/2028	-	-	64,380.00	64,380.00	-	64,380.00	-
02/01/2029	120,000.00	3.050%	64,380.00	184,380.00	-	184,380.00	248,760.00
08/01/2029	-	-	62,550.00	62,550.00	-	62,550.00	-
02/01/2030	125,000.00	2.950%	62,550.00	187,550.00	-	187,550.00	250,100.00
08/01/2030	-	-	60,706.25	60,706.25	-	60,706.25	-
02/01/2031	130,000.00	3.000%	60,706.25	190,706.25	-	190,706.25	251,412.50
08/01/2031	-	-	58,756.25	58,756.25	-	58,756.25	-
02/01/2032	135,000.00	3.000%	58,756.25	193,756.25	-	193,756.25	252,512.50
08/01/2032	-	-	56,731.25	56,731.25	-	56,731.25	-
02/01/2033	140,000.00	3.100%	56,731.25	196,731.25	-	196,731.25	253,462.50
08/01/2033	-	-	54,561.25	54,561.25	-	54,561.25	-
02/01/2034	140,000.00	3.250%	54,561.25	194,561.25	-	194,561.25	249,122.50
08/01/2034	-	-	52,286.25	52,286.25	-	52,286.25	-
02/01/2035	145,000.00	3.350%	52,286.25	197,286.25	-	197,286.25	249,572.50
08/01/2035	-	-	49,857.50	49,857.50	-	49,857.50	-
02/01/2036	150,000.00	3.400%	49,857.50	199,857.50	-	199,857.50	249,715.00
08/01/2036	-	-	47,307.50	47,307.50	-	47,307.50	-
02/01/2037	155,000.00	3.650%	47,307.50	202,307.50	-	202,307.50	249,615.00
08/01/2037	-	-	44,478.75	44,478.75	-	44,478.75	-
02/01/2038	165,000.00	3.800%	44,478.75	209,478.75	-	209,478.75	253,957.50
08/01/2038	-	-	41,343.75	41,343.75	-	41,343.75	-
02/01/2039	170,000.00	3.950%	41,343.75	211,343.75	-	211,343.75	252,687.50
08/01/2039	-	-	37,986.25	37,986.25	-	37,986.25	-
02/01/2040	175,000.00	4.050%	37,986.25	212,986.25	-	212,986.25	250,972.50
08/01/2040	-	-	34,442.50	34,442.50	-	34,442.50	-
02/01/2041	185,000.00	4.200%	34,442.50	219,442.50	-	219,442.50	253,885.00
08/01/2041	-	-	30,557.50	30,557.50	-	30,557.50	-
02/01/2042	190,000.00	4.650%	30,557.50	220,557.50	-	220,557.50	251,115.00
08/01/2042	-	-	26,140.00	26,140.00	-	26,140.00	-
02/01/2043	200,000.00	4.700%	26,140.00	226,140.00	-	226,140.00	252,280.00
08/01/2043	-	-	21,440.00	21,440.00	-	21,440.00	-
02/01/2044	210,000.00	4.700%	21,440.00	231,440.00	-	231,440.00	252,880.00
08/01/2044	-	-	16,505.00	16,505.00	-	16,505.00	-
02/01/2045	220,000.00	4.750%	16,505.00	236,505.00	-	236,505.00	253,010.00
08/01/2045	-	-	11,280.00	11,280.00	-	11,280.00	-
02/01/2046	230,000.00	4.800%	11,280.00	241,280.00	-	241,280.00	252,560.00
08/01/2046	-	-	5,760.00	5,760.00	-	5,760.00	-
02/01/2047	240,000.00	4.800%	5,760.00	245,760.00	-	245,760.00	251,520.00
Total	\$3,345,000.00	-	\$1,806,702.33	\$5,151,702.33	(120,022.33)	\$5,031,680.00	-