

Pursuant to due call and notice thereof, a City Council Work Session was duly held in the City Council chambers at 6:00 p.m. on the 23rd day of July 2019. The following members were present: Acting Mayor Richard Nielsen, Council Members, Dan Rechtzigel, Doug Henke, and John Mortensen. Also, present: Administrator Mark Vahlsing, Engineer Joe Rhein, Engineer Derek Olinger, Administrative Assistant Holli Gudknecht, Utilities Superintendent Randy Eggert, Public Works Superintendent Wayne Ehrich, Finance Clerk Sue Dodds, George Eilertson of Northland Securities

Acting Mayor Nielsen called the work session to order at 6:00 pm.

Review possible financing options for Red Wing Av. Project

Review Options for possible assessments for Red Wing Avenue

Engineer Rhein reviewed the updated costs and options for assessments for the Red Wing Avenue project. The first assessment option was based on the current assessment policy, which would assess 50% of the street costs and 100% of individual service lines and shut offs for sewer and water to houses and businesses. The second option was based on the 2016 1st Street project, which would assess 27% of the street costs and 100% of individual service lines and shut offs for sewer and water to houses and businesses. The council also has the option of setting a different assessment percent for the street costs. After discussing the options, the Council's consensus was to reduce the street assessment cost from the policy amount of 50% to 32%. The Engineers will use the 32% for the purpose of generating the feasibility report. The estimated project cost using the 32% will be presented at the public hearing. The final cost can be adjusted later, but should be the same or less than this amount. The proposed assessment amount will be in the final report that will be considered for adoption at the August Council meeting.

Discuss options for Sewer, Water and Storm Sewer Enterprise Funds for Payment of a Portion of Project Debt Service for Red Wing Av. Project.

Administrator Vahlsing reviewed options for the repayment of a portion of the project financing from the sewer, water, and storm sewer enterprise funds. Proposed increases and the impact on rates were reviewed.

Review overall project financing options.

George Eilertson, Northland Securities, reviewed the bonding options for the Red Wing Avenue project based on the engineer's estimated project costs. The estimated repayment terms were shown for 15, 20 and 25 years. Bonds will be issued after the bids are in hand, which will probably be in the Spring of 2020. Interest rates are very favorable right now and will hopefully carry over until Spring of 2020. The term length will be determined later.

Motion by Rechtzigel second by Mortensen to adjourn the meeting at 7:23 p.m.

Holli Gudknecht, Administrative Assistant

Richard Nielsen, Acting Mayor