

CITY OF EYOTA
CITY COUNCIL WORK MEETING MINUTES
SEPTEMBER 18, 2017

Members Present: Tyrel Clark, Tony Nelson and Ray Schuchard

Members Absent: Kurt Holst and Bryan Cornell

Staff Present: Mike Bubany, David Drown Associates, Financial Advisor and Marlis Knowlton,
Clerk/Treasurer

Call to Order: Mayor Clark called the meeting to order at 7:00 p.m.

Approve Agenda: Tonight's meeting is to discuss the City's capital improvement plan, specifically in reference to the 2018 street and utility improvement projects.

Capital Improvement Plan: Bubany reviewed the current Capital Improvement Plan (CIP) and how future improvement projects could be scheduled to coincide with existing bond payment reductions; which would help reduce spikes in property tax increases. Bubany noted that an approximate 60% tax rate is good for a city of Eyota's size. Higher tax rate equals higher property taxes for property owners.

Current bond debt was reviewed, along with cash projections. The sanitary sewer fund cash is less than projections show; levied property taxes due to the sanitary sewer fund will need to be transferred from the Permanent Improvement Revolving (PIR) fund. Sanitary sewer rates need to be increased immediately; not only due to daily cost but also the increased from the Dover Eyota St. Charles Area Sanitary District.

Significant time was spent looking at all the possible projects, the estimated cost of those projects, the timing of construction and how all those factors would affect both property taxes and utility rates. One project that was factored in was a fire department facility improvement; this would be a project that will be put on an election ballot for the taxpayers to decide if it is acceptable. While looking at the projects and the property tax implications, the Council agreed the current 2018 budget and 2017 levy amount should be increased at least \$20,000. The tax burden is estimated to be reduced with the new 2016 construction being added to the tax rolls.

Knowlton was instructed not to send in the levy/budget resolution to the County until the Council can discuss this and make a final decision on the 28th.

Per Bubany's calculations the flat monthly fees and the volume rates of both water and sewer need to be increased immediately. Water 3% and Sewer 4%. Increases are to be finalized on the 28th and implement on the October 1 billing.

The projects that were discussed (Sept 6) as possible 2018 were evaluated and prioritized regarding the project improvement need and the cost implications.

Referencing the attached map, the following projects are being considered for 2018 construction:
See "Exhibit A"

AREA 1: This is the third phase of the three phase project to replace the watermains in the original part of town: 4th Street, Franklin and Lafayette Avenue. Area also includes South Front Street SW from Franklin to Madison Avenue. This one block would include a new sidewalk on the south side.

AREA 3: Park Drive NW street surface; reclaim the existing pavement and replace with new bituminous pavement. Pave North Front Street NE; Olmsted County first needs to be contacted to determine their plans for improvements/expansion. Overlay Lafayette Avenue SW between 5th and 6th Street.

AREA 4: Add curb, gutter and portions of storm water sewer on 5th Street SW west of Madison Avenue up to Jefferson Avenue SW; eliminating the curb and gutter on West Side Park and west of Jefferson.

AREA 5: Jefferson Avenue and Glen Street SW subdrain behind the curb; no additional storm sewer features at this time.

AREA 6: Replace the storm sewer drains with larger ones in the alley behind the car wash and repave.

The following projects are being projected for later dates:

AREA 2: Madison Avenue NW replacement of four inch water main and street improvement delayed until 2025.

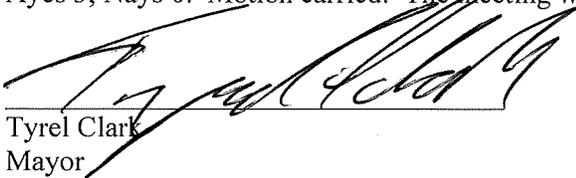
AREA 4: Add curb, gutter and portions of storm water sewer on 2nd Street SW west of Madison Avenue. Possibly eliminate the curb and gutter adjacent to the wetlands and west of the last parcel west of Jefferson Avenue SW.

AREA 5: Jefferson Avenue and Glen Street SW mill and reclaim the pavement; along with additional storm sewer features possibly in 2023.

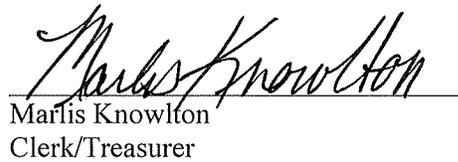
FIRE HALL: Consider a 2019 improvement project if the project is approved after being added to the 2018 November election ballot.

Action Items: To be added to the September 28 agenda for further discussion, consideration and action: increase the 2018 budget \$20,000 to the General Fund streets department, increasing the levy to \$616,518, approve 2018 projects, increase water rates 3% and increase sewer rates 4%.

Adjourn: Motion was made by Nelson and seconded by Schuchard to adjourn the meeting. Ayes 3, Nays 0. Motion carried. The meeting was declared adjourned at 8:35 p.m.



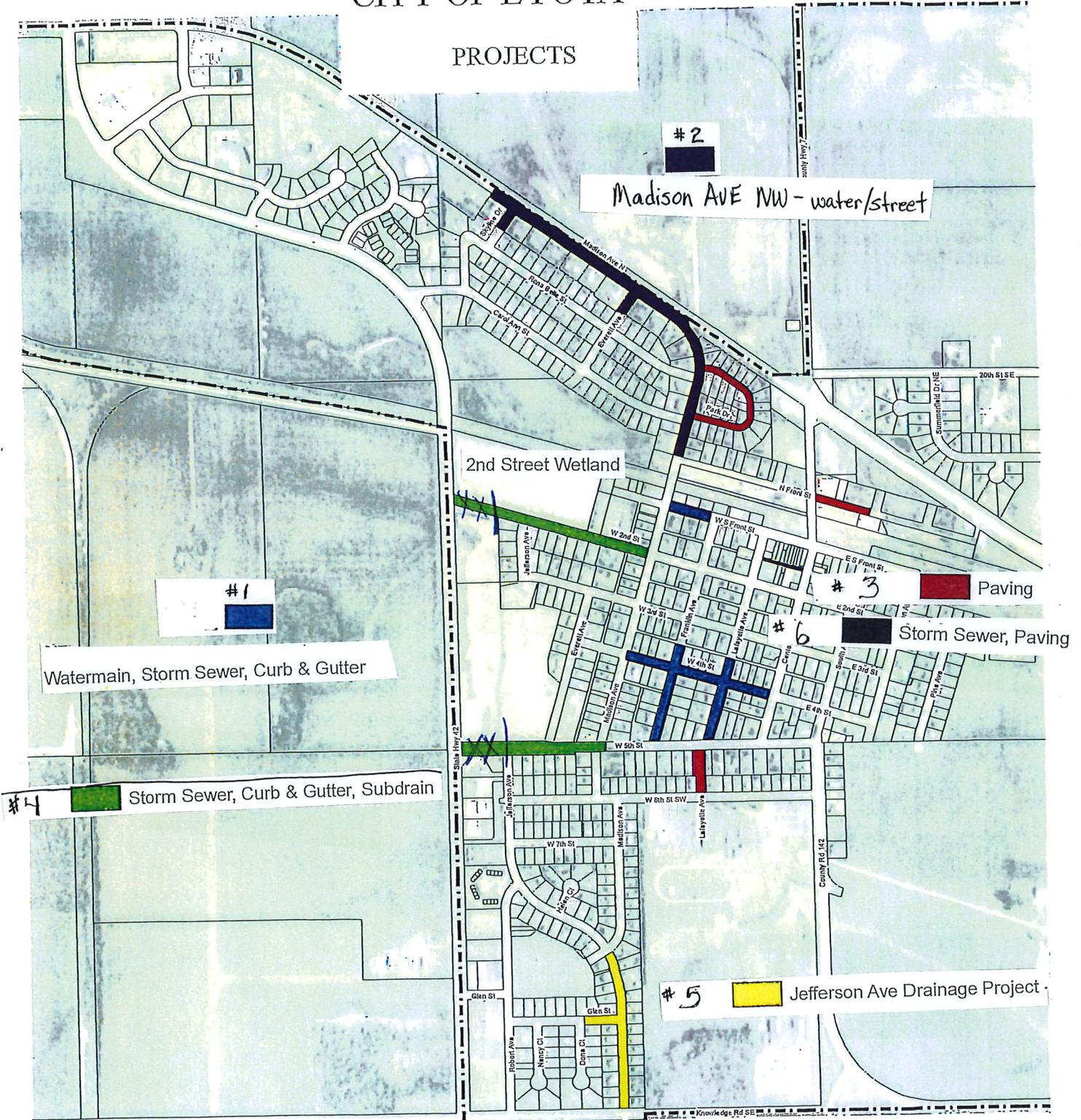
Tyrel Clark
Mayor



Marlis Knowlton
Clerk/Treasurer

CITY OF EYOTA

PROJECTS



AREA #

- #1
- #2
- #3
- #4
- #5
- #6

- #1 Phase 3
- #2 Madison Ave NW
- 2nd Street and 5th Street SW
- #3 Park Drive NW, North Front Street NE, LaFayette Ave SW
- #6 Alley behind car wash
- #5 Jefferson Ave Drainage Project



0 500 1,000 Feet

"Exhibit A"