

SPECIAL COUNCIL MEETING

JUNE 29, 2011

Meeting called to order by Mayor Tammy Konz at 7:03pm

Pledge of Allegiance recited

Council members present: Tammy Konz, Nate Osmundson, Eric Loewen and Joe Krippner

Others present: Anita Hoefer, Ben Lutgen, Leslie Arnold, Randy Sabart, David Blommel, Tom Jovanovich, David Drown and Peg Dahnke

Randy Sabart recapped the proposed project for those present. Since the fall of 2009, the City of Kimball has been working with the US Department of Agriculture Rural Development office to apply for financial assistance to help fund proposed infrastructure improvements in the City. Last month, the City received notice that it will receive a \$3,537,000 low interest loan and up to \$850,000 in grant funding to replace and to rehabilitate deteriorated infrastructure and to refinance some existing debt. The proposed 2012 construction project will include repainting the existing water tower, rehabilitating the water treatment filter tank at the water plant, and reconstructing sections of sanitary sewer, water main, and the overlying streets. The buried sanitary sewer and water main pipes that are proposed to be replaced are part of the City's original utility system installation constructed in 1955 and 1935, respectively. Streets with proposed utility and street work include: Cherry Street, Oak Street, Elm Street, Spruce Avenue, and a small portion of Hazel Avenue near the school.

Randy went over an information handout regarding utility income, expenses and loan/grant information. He then discussed the City's past practices regarding utility projects and assessment history. In both recent past projects (Magnus Johnson/Linden Ave and Hazel Ave) the City assessed 25% to the affected properties.

David Drown discussed what assessments are, when a City uses them and public hearing notifications. A City will typically have the assessment rate for residents 1-2% higher than the bond and spread over a 15-20 year period; that payment is then made along with their property taxes. 2013 would most likely be the first tax assessment year (payment). David also discussed interim financing that would be needed, as the USDA financing is not done until the project is complete. The City could do a conventional bond sale or MRWA also has interim financing available. There are costs for the project that are ineligible for USDA funding and the City will have to a separate bond for that.

Anita Hoefer asked if sidewalks would be put in on those sides of the street that do not currently have sidewalks. Randy explained that USDA funding does not provide for those types of upgrades.

Mayor Konz asked about residents in the project area that are currently having water/sewer problems. Randy said those residents should let City staff know what issues they are experiencing so that he is aware of them for the design phase of the project.

The Council discussed having another informational session at a Council Meeting in approximately 1 month before setting a date for the Public Improvement Hearing. Randy and David will let the City Clerk know what dates they are available.

Motion made by Joe Krippner and seconded by Eric Loewen to adjourn at 8:07pm; motion carried

Respectfully submitted by Nicole Pilarski