City of Long Prairie 6:00 P.M. Wednesday June 30th, 2021 City Council (Work Session)

The Long Prairie City Council met at City Hall, 6:00 pm on Monday, June 30th, 2021. Mayor Jodi Dixon called the meeting to order with the following present: Council members, Lilah Gripne, David Wright, Bob Klick, Datrick Mitchell, and City Administrator/Clerk Ted Gray. Others present were Kent Louwagie, Jessica Cook, Chad Bosl, Steve Laumeyer, Don Schmidt, Barb Morisch, and Dave Morisch.

Council member Klick motioned Mitchell seconded to approve the agenda. Motion carried unanimously.

(New Business)

Administrator Gray welcomed everyone and presented the presentation order and the documents related to the 2021 Road Project Discussion to the council. Kent Louwagie from Bolton and Menk presented to the council and gave a brief history of how the proposed 2021 Road Project started and how it led to this meeting. Kent stated that the estimated costs of this project had increased significantly. The most significant increase was for the PVC piping, which was coming 3.5 times higher than normal. From the original report in February of 2020 the estimated cost was \$9.8 million, the current estimated cost would be \$14.3 million. At the end of the presentation, Kent stated due to timing, costs, and discussion with Todd County that it would be recommended to delay the advertisement of bids until later in 2021 or early 2022. Council member Wright asked if this delay would affect financing or complicate the city's ability to gain grants for the cost of the project. Kent responded that the process would be completed to postpone the city's request for finances and would not affect the ability for the city to obtain potential grant funds to help finance the project.

Next to present was Jessica Cook from Ehlers. Jessica and her team at Ehlers had been working with City Administrator Gray for several months on a cost study for the 2021 Road Project. Jessica started by referencing the 10-year Financial Management Plan that the city had completed in 2020 and how this project would fit within that plan. This plan included the project tax levy requirements to pay for this project. To keep the tax levy the same as it currently is, the portion of the road project paid by taxes would not be applied to the taxes until 2027. Jessica's presented a break down on the cost increases for Sanitary Sewer and Storm Sewer by project area, Riverside Drive and County 38. The project contains a large storm water component, which it is being proposed to create a storm water utility fund. If the city would choose to move forward with all proposed roads within this project, the storm water utility would cost on average per household \$7.00. If the city would focus on just the city streets that are also county roads, the cost per household for storm water would be \$3.00. The sanitary sewer portion of the presentation includes the 2021 street projects and a cost projection for a city main lift station. If all the proposed streets were completed and the main lift station, the sanitary sewer base charge would be \$20.50, a \$1.60 increase, with a .51 cent increase on the volumetric rate, flow rate per

1000 gallons. The average household bill for sanitary sewer would change from \$31.74 to \$36.40. If the city just completed the city streets that are also county roads, the new sanitary sewer base charge would be \$20.00, a .10 cent increase, with a .11 cent increase on the volumetric rate, flow rate per 1000 gallons. The average household bill for sanitary sewer would change from \$31.74 to \$33.50. Overall, if the city intends to move forward with any projects in 2021, on average the monthly financial impact placed on the residents of Long Prairie could range from \$11.66 to \$4.76 for sanitary sewer and storm water.

Administrator Gray presented to the group the financial impact the projects would have on the city's water fund. Gray presented two documents to the council, one breaking down the costs to meet the expenses for Riverside Dr. and 2nd Ave NW, only the county roads and the second which included all the proposed roads. If the council chose to just complete the water portion of Riverside Dr and 2nd Ave NW, there would be an increase to the base rate of 5% to \$19.11, currently it is \$18.20 and 0.34% on the user rate to \$0.0025209 per gallon, current rate is \$0.0025123 per gallon. If the entirety of the project was decided to be completed, Gray presented a middle of the road approach for the proposed water rate increases. There would be 10% increase on the base rate, to \$20.02, current rate is \$18.20. The user rate would increase 8.01% to \$0.0027136 per gallon, current Rate \$0.025123 per gallon. The council does have options on how to approach the increased expenses in the water fund due to this project.

Administrator Gray, Kent Louwagie, and Jessica Cook discussed potential timelines and if the council postponed the project until 2022, the rate increases would be adjusted to match the project dates.

After no further discussion Council member Klick motioned and Gripne se	conded to adjourn the
meeting at 6:54 pm. Motion unanimously carried.	

Ted Gray	Jodi Dixon
City Administrator/Clerk	Mayor