



MAYOR AND COUNCIL COMMUNICATION

DATE: May 3, 2016

REGULAR

ITEM #: 12

AGENDA ITEM: 2016 Street Improvements – Adopt Resolution 2016-31 Approving 2016 Street and Utility Improvements and Rescinding Resolution 2015-82 – Resolution 2016-31

SUBMITTED BY: Kristina Handt, City Administrator

REVIEWED BY: Cathy Bendel, Finance Director
Sarah Sonsalla, City Attorney
Jack Griffin, City Engineer

BACKGROUND:

As was discussed at the last meeting, Resolution 2015-82 Ordering the 2016 Street, Drainage and Utility Improvements and the Preparation of Plans and Specifications as amended did not pass with a 4/5th vote which is required under statute in order to special assess for a project not initiated by a petition. Since it wasn't approved with a 4/5th vote, bond counsel will not allow these projects to be included in the 2016A Bond Series.

ISSUE BEFORE COUNCIL:

Should the Council vote to rescind the previous resolution and adopt a new one with a 4/5th vote?

PROPOSAL DETAILS/ANALYSIS:

As mentioned, staff is asking Council to consider rescinding the previous resolution and approving a new one by a 4/5th vote. Regardless of whether or not a new resolution passes by a 4/5th vote, the projects will happen as the Council has already awarded a contract and work has begun.

In addition to impacting the 2016 bonding, if the resolution is not passed by a 4/5th vote, the city will not be able to special assess for these projects. The 6 month period from the hearing date expires on May 4, 2016 so Council will not be able to table this to a future meeting date.

FISCAL IMPACT:

The 2016A Bond Series proposes that \$1,175,000.00 be bonded for to cover the 2016 Improvements for the Kirkwood, Stonegate and Kelvin street projects. Total street project costs are \$1,195,000 but after review by the Finance Committee last month, bond amounts were reduced in anticipation of receiving some special assessment funds early. If this resolution is not passed, alternative funds would need to be identified for \$1,195,000.

If the resolution is amended to remove just the Kelvin Ave portions, \$290,000 for streets and \$105,000 for the trunk line would be removed from the 2016A Bond Series. The trunk line portion could be included in the bond and funded from water revenues, but again the City could not special assess to recover some costs. Alternative funds would need to be identified. The lateral north of Kelvin Ct was petitioned so that could move separately.

Likely alternative funds would be reducing the City's fund balance (general and water funds) by said amounts.

OPTIONS:

- 1) Approve Resolution 2016-31 Approving 2016 Street and Utility Improvements and Rescinding Resolution 2015-82
- 2) Amend Resolution 2016-31 to remove the Kelvin Ave street project, then approve
- 3) Take no action (will result in Council needing to amend Resolution 2016-28 to remove 2016 street projects-next agenda item)

RECOMMENDATION:

Option 1.

**CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2016-31

**A RESOLUTION ORDERING THE IMPROVEMENT AND PREPARATION OF
PLANS AND SPECIFICATIONS FOR THE 2016 STREET, DRAINAGE & UTILITY
IMPROVEMENTS**

WHEREAS, pursuant a resolution of the city council adopted the 6th day of October, 2015, the council ordered a hearing on Improvement for the 2016 Street, Drainage and Utility Improvements; and

WHEREAS, ten days' mailed notice and two weeks published notice of the hearing was given, and the hearing was held thereon on the 4th day of November, 2015, at which all persons desiring to be heard were given the opportunity to be heard thereon; and

WHEREAS, the feasibility report prepared by FOCUS Engineering, Inc., and dated September 2015 states that the project is necessary, cost-effective, and feasible.

NOW, THEREFORE, BE IT RESOLVED,

1. Such improvement is deemed necessary, cost-effective, and feasible as detailed in the Feasibility Report dated September 2015.
2. Such improvement is hereby ordered as proposed in the council resolution adopted this 19th day of April, 2016.
3. The city council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of tax exempt bonds.
4. The city engineer is hereby designated as the engineer for making this improvement.
5. The city engineer shall retain the services of a consulting engineering firm to assist, where needed, to prepare Plans and Specifications for the making of such improvement and to assist the city engineer during the construction phase of the improvement as requested.
6. The engineer and his consultants shall oversee the preparation of the Plans and Specifications for the making of such improvement.
7. City Council Resolution No. 2015-82, adopted on November 4, 2015, is hereby rescinded.

ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE 3rd DAY OF MAY, 2016.

CITY OF LAKE ELMO

By: _____
Mike Pearson
Mayor

(Seal)
ATTEST:

Julie Johnson
City Clerk