

**CITY OF MAYER
CITY COUNCIL WORKSHOP MEETING
CITY COUNCIL CHAMBERS
MONDAY, JULY 27, 2020
AFTER REGULARLY SCHEDULED CITY COUNCIL MEETING**

1. Call Meeting to Order
2. Fire Station Project
3. CARES Act Funds
4. Street Projects Plan
5. Adjournment



Council Workshop Memorandum

Item: Fire Station Project

Meeting Date: July 27, 2020

Presented By: Margaret McCallum, City Administrator

Details:

Brunton Architects will be at the meeting to provide information on and discuss where the City Council can reduce project costs for the Fire Station Project.

Brunton Architects, City Staff and the Fire Station Building Committee will be available for questions.

There will be a discussion on where the project costs can be reduced as well as what items can be bid in the project as alternate items that can be rejected later after bidding is received.

Attachments.

Brunton Architect – Cost Comparisons

Albert Lea, MN Fire & Rescue



Location Albert Lea, Minnesota
 Building Square Footage..... 25,560 SF
 Apparatus Bays10,800 SF (12 Bays)
 Overall Construction Cost\$6,672,134
 Cost / SF \$261.00/SF
 Construction Type Architectural Precast Panels
Completed..... Under Construction

Monticello, MN Fire Department



Location Monticello, Minnesota
 Building Square Footage..... 19,748 SF
 + 2,953 SF (Second Level Unfinished)
 Apparatus Bays 9,711 SF (12 Bays)
 Overall Construction Cost\$4,100,000
 Cost / SF \$207.00/SF
 Construction Type Architectural Precast Panels
Completed..... Under Construction

Hudson, WI Fire Department



Location Hudson, Wisconsin
 Building Square Footage..... 26,785 SF
 Apparatus Bays11,700 SF (14 Bays)
 Overall Construction Cost\$5,759,600
 Cost / SF \$215.00/SF
 Construction Type Architectural Precast Panels
Completed..... Under Construction

Clarks Grove, MN Fire Department



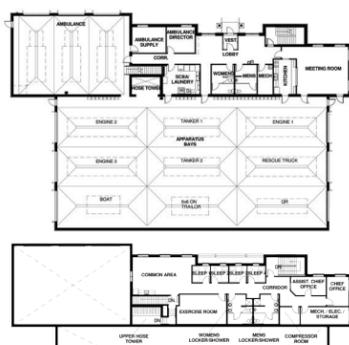
Location Clarks Grove, Minnesota
 Building Square Footage..... 7,236 SF
 + 1,300 SF Mezzanine
 Apparatus Bays4,200 SF (5 Bays)
 Overall Construction Cost\$1,641,500
 Cost / SF \$226.00/SF
 Construction Type Architectural Precast Panels
Completed..... February 2019

Windom, MN EMS



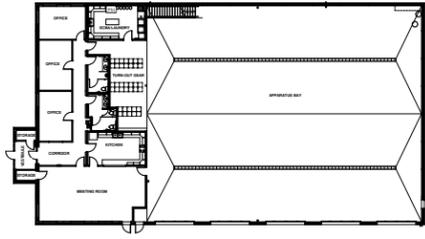
Location Windom, Minnesota
 Building Square Footage..... 19,537 SF
 Apparatus Bays10,753 SF (13 Bays)
 Overall Construction Cost\$3,200,000
 Cost / SF \$164.00/SF
 Construction Type Architectural Precast Panels
Completed..... April 2016

Jackson, MN Fire & Ambulance



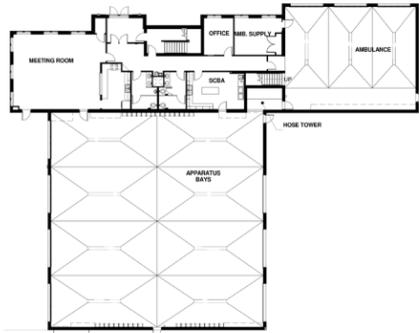
Location Jackson, Minnesota
 Building Square Footage 15,000 SF
 Apparatus Bays 9,288 SF (12 Bays)
 Overall Construction Cost.....\$1,885,000
 Cost / SF \$126.00/SF
 Construction Type Architectural Precast Panels
Completed..... October 2012

Morristown, MN Fire Station



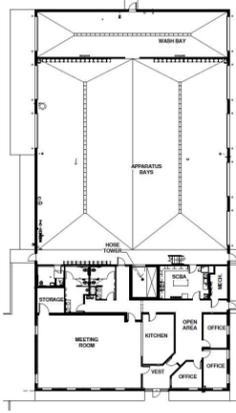
LocationMorristown, Minnesota
 Building Square Footage..... 11,360 SF
 Apparatus Bays 8,484 SF (10 Bays)
 Overall Construction Cost.....\$1,591,155
 Cost / SF..... \$140.00/SF
 Construction Type Architectural Precast Panels
Completed.....Fall 2016

Hinckley, MN Public Safety



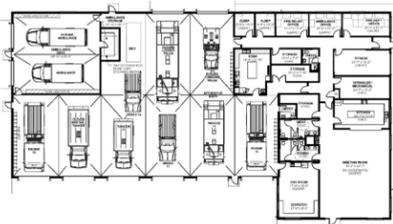
Location Hinckley, Minnesota
 Building Square Footage.....10,780 SF
 + 2,640 SF Mezzanine
 Apparatus Bays 8,400 SF (11 Bays)
 Overall Construction Cost.....\$2,514,000
 Cost / SF..... \$233.00/SF
 Construction Type Architectural Precast Panels
Completed.....Winter 2015

Kenyon, MN Fire Department



LocationKenyon, Minnesota
 Building Square Footage.....12,565 SF
 + 900 SF Mezzanine
 Apparatus Bays 8,600 SF (10 Bays)
 Overall Construction Cost.....\$2,149,800
 Cost / SF..... \$171.00/SF
 Construction Type Architectural Precast Panels
Completed.....Summer 2017

Cokato, MN Fire & Ambulance Station



Location Cokato, Minnesota
 Building Square Footage..... 14,680 SF
 Apparatus Bays 8,718 SF (10 Bays)
 + 630 SF Mezzanine
 Overall Construction Cost.....\$2,039,764
 Cost / SF..... \$139.00/SF
 Construction Type Metal Building
Completed.....December 2017

ON THE DRAWING BOARDS

Virginia, MN Public Safety



White Shield, ND Public Safety





Workshop - Memorandum

Item: CARES ACT Funding

Workshop Meeting Date: July 27, 2020

Presented By: Margaret McCallum, City Administrator

Details:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by the U.S. Congress on March 27, 2020.

It is an over \$2 Trillion economic relief package.

Part of the package provides assistance to State, Local, and Tribal Governments. This specific funding covers expenses that:

1. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease (COVID-19).
2. Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of the enactment of the CARES Act) for state or government; and
3. Were Incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

At the Minnesota State level, a bipartisan bill was passed to distribute \$841 million in funding to local governments under the CARES Act.

As part of the algorithm, the City of Mayer will receive \$172,906.00 in funding. Funds will start to be distributed upon request by the City and must be used by the end of the year. Reports of spending must be kept and will be audited. Any unused funds will go back to the federal government.

The CARES ACT is very clear that the funding must be used and related to COVID-19.

Moreover, the CARES Act is very clear that funding MAY NOT be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute.

A broad range of uses are allowed, but revenue replacement is not a permissible use of payments. In other words, funds can cover expenses incurred due to the pandemic and the revenue declines that will result from the economic impacts.

CRF Eligible Expenditures: The following is a non-exhaustive list of expenditures that are permitted with CARES Act funds allocated to state and local governments:

- COVID-19 related expenses of public hospitals, clinics, and similar facilities
- Expenses for establishing temporary public medical facilities related to COVID-19, including construction costs
- Costs of providing COVID-19 testing, including serological testing
- Emergency medical response expenses, including emergency medical transportation related to COVID-19
- Expenses for establishing and operating public telemedicine capabilities for COVID-19 related treatment
- Expenses for communication and enforcement of public health orders related to COVID-19
- Expenses for disinfection of public areas and other facilities
- Expenses for acquisition and distribution of medical and protective supplies for medical personnel, police officers, social workers, child protection services, child welfare officers, direct service providers for older adults and disabled individuals, and other health or safety workers
- Expenses for technical assistance to local authorities or other entities in response to COVID-19
- Expenses for public safety measures undertaken in response to COVID-19
- Expenses for quarantining individuals
- Payroll expenses for public safety, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to COVID-19
- Expenses for food delivery to residents
- Expenses to facilitate distance learning
- Expenses to improve telework capabilities for public employees
- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions
- Sanitation expenses for maintaining state prisons or jails
- Expenses for caring for the homeless to mitigate COVID-19 effects
- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by closures
- Expenditures related to government payroll support programs
- Unemployment insurance costs related to COVID-19 (if not reimbursed by the federal government)

Ineligible Expenditures: The following is a non-exhaustive list of expenditures that would not be eligible expenditures with CARES Act funds allocated to state and local governments.

- Expenses for the State share of Medicaid
- Damages covered by insurance
- Payroll or benefits expenses for employees whose work duties are not substantially dedicated to Mitigating or responding to COVID-19
- Expenses that have been or will be reimbursed under any federal program
- Reimbursement to donors for donated items or services
- Workforce bonuses other than hazard pay or overtime
- Severance pay
- Legal settlements.
- Elective abortions or research where the human embryo is destroyed, with exceptions.

City of Mayer Current Use and Potential Use of Funds

Since March 1, 2020 the City of Mayer has taken steps to ensure the safety of staff, volunteers and residents. Some of the financial spending has been related cleaning, education and safety measures.

The City has:

- Passed a Preparedness Plan related to COVID-19.
- Increased cleaning of public high use spaces such as City Hall/Community Center from 1 day per week to 2 days per week.
- Hand sanitizer bottles available at City Hall/Community Center for use when conducting business.
- Purchased social distancing signs to educate the public on park use safety.
- Purchased additional cleaning supplies and signs for the upcoming elections.
- Initiated the purchase of face masks for City Staff, Council, Commission, and Volunteers.
- Started to look into additional funding for remote, virtual and live meeting setup capability.

The City of Mayer is expected to receive \$172,906.00. For City safety and cleaning equipment, video/conferencing equipment, and more mentioned above, the City will not need this much money to satisfy these needs.

Therefore, staff has been looking for alternative options that could assist the community.

Staff has been working with Carver County Community Development Authority on two potential grant programs that would support business and residents in the community.

They are the “Small Business Emergency Assistance Fund” and “Emergency Housing Assistance Program”.

Small Business Emergency Assistance Fund

The purpose of this grant is to support small businesses. These businesses are critical to Carver County's and the City of Mayer's economy. Approximately 86 percent of all businesses within the county employ less than 20 people, and many of these businesses have been directly impacted by the COVID-19 pandemic. Because of this, Carver County cities and the Carver County Community Development Agency have come together to create the Small Business Emergency Assistance Fund.

The purpose of the Small Business Emergency Assistance Fund is to provide emergency financial assistance, through a \$10,000 grant, to small businesses located in Carver County who have been affected by the COVID-19 pandemic. The goal of program is to assist and stabilize businesses through this economic crisis.

(See attachment for more detailed information on grant eligibility requirements).

Emergency Housing Assistance Program

The purpose of this grant is to assist residents. There is an immediate need to support the residents of Carver County who have been or will be economically impacted by COVID19. Carver County and the City of Mayer has received federal funding through the CARES Act and targeted a portion of those fund to be used to support people to maintain their housing and supplement basic needs such as utilities and food. Financial assistance via the Carver County Community Development Agency (CDA) and the City of Mayer would seek to focus on core needs of those struggling due to the impacts of COVID19. The framework below generally shows how the Carver County CDA plans to move funding into the community to those most in need with the primary focus on preventing eviction or foreclosure.

Grants would be up to \$5,000.00.

(See attachment for more detailed information on grant eligibility requirements).

Getting Involved in both business and residential grants

While Carver County has received money to fund and administer these grants within Carver County. The City could support these grants even further by putting their own money in and allocating just to City of Mayer businesses and residents.

The administrative process and financial and private data recordkeeping would be a lot to take on by the City alone. By teaming up with the Carver County CDA, that already has everything in place, they City would not have to worry about increased staff time and monetary costs to administer. It would be more efficient and effective to work together with the Carver County CDA.

Attachments.

Carver County CDA - Small Business Emergency Assistance Fund Document

Carver County CDA - Emergency Housing Assistance Program Document



Carver County Emergency Housing Assistance Program

July 2020

Purpose

There is an immediate need to support the residents of Carver County who have been or will be economically impacted by COVID19. Carver County has received federal funding through the CARES Act and targeted a portion of those funds to be used to support people to maintain their housing and supplement basic needs such as utilities and food. Financial assistance via the Carver County Community Development Agency (CDA) seeks to focus on core needs of those struggling due to the impacts of COVID19. The framework below generally shows how the Carver County CDA plans to move funding into the community to those most in need with the primary focus on preventing eviction or foreclosure.

Funding

Grants up to \$5000 will be awarded to households on a first come, first serve basis.

Qualifications for COVID19 financial assistance

- Rent or own your primary housing anywhere in Carver County and are a resident or lawful permanent resident.
- Has a household income at or below 100% of the area median income (about \$103,400 for a household of four) before COVID-19.
- Available liquid assets after the assistance has been applied are limited to three months of the household's total monthly mortgage payment, excluding amounts in pre-tax retirement accounts.
- Current on housing and utilities as of March 1, 2020.
- Loss of income due to COVID-19 that has not been replaced by unemployment insurance or other emergency assistance.
- You are behind in housing and/or utility costs.
- Residents receiving subsidized housing or other rental assistance are not eligible for this service. Those that have utilized other forms of emergency assistance for the current month do not qualify for the current month. Undocumented immigrants are not eligible for assistance.

Verifications to be collected

- Contact information for the landlord
- Mortgage statement
- Utility bills and or account numbers
- Documentation of total income from 2019 (Ask for a copy of their 1040)
- Income from the last 30 days – all sources
- Change of employment due to COVID-19
- Amount of rent/mortgage/HOA and/or utilities owed

Eligible Uses

The eligible uses for each housing type are listed below. The use of funds for each category are then listed in priority order.

Renters: Rent, security deposit, utilities

Homeowners (city limits): Mortgage payments, HOA dues, utilities

Homeowners (rural): Mortgage payments, utilities, septic pumping

Mobile homeowners (parks): chattel payments, lot rent, utilities

Grant Terms

- Up to \$5000
- Terms will be included in a grant agreement, including expense documentation.
- When administratively feasible, assistance payments will be paid directly to the landlord, home mortgage servicer, utility company and/or HOA, or the homeowner must provide documentation the funds have been applied as intended.
- At least one, one-on-one housing counseling session will be required prior to distribution of funds.

NOTE: The Carver County Community Development Agency reserves the right to revise these guidelines as needed to best address the impact to residents of the current pandemic.



Carver County Small Business Emergency Assistance Fund

July 2020

Purpose

Small businesses are critical to Carver County's economy. Approximately 86 percent of all businesses within the county employ less than 20 people, and many of these businesses have been directly impacted by the COVID-19 pandemic. Because of this, Carver County cities and the Carver County Community Development Agency have come together to create the Small Business Emergency Assistance Fund.

The purpose of the Small Business Emergency Assistance Fund is to provide emergency financial assistance, through a \$10,000 grant, to small businesses located in Carver County who have been affected by the COVID-19 pandemic. The goal of program is to assist and stabilize businesses through this economic crisis.

Funding

Grants worth up to \$10,000 will be awarded to businesses who have seen a direct financial impact due to the COVID-19 pandemic via a lottery system.

Funds awarded may not be more than 50% of total revenue for the business in the previous year.

Eligible Businesses

To be eligible, businesses must meet all of the following criteria as of March 1, 2020:

- Be a locally owned and operated for-profit business with a physical establishment in Carver County.
- Have 40 or fewer employees.
- Have \$2 million or less in annual revenue.
- Be open and operating on or before January 1, 2020.
- Be in good regulatory standing with the State of Minnesota, Carver County, and city in which the business is located. This includes being current on applicable licenses, in compliance with city regulations, and being current on property taxes.
- Be located in a commercial or industrial zoned district or allowed by a conditional use permit as defined by the regulating authority's approved Land Use Map.
- Be able to demonstrate a loss of revenue of at least 10 percent since March 15, 2020 (no credit score or collateral requirements apply).
- For-profit farming operations are eligible.

Certain businesses are ineligible, including:

- Businesses without a physical establishment in Carver County
- Non-profit organizations

- Corporate or multi-state chains. Franchisees are considered eligible businesses.
- Businesses in default conditions prior to March 1, 2020.
- Businesses that primarily derive income from any of the following: gambling; adult entertainment; passive investment; real estate transactions; property rentals/property management; billboards; or lobbying.
- Businesses that primarily sell pawned merchandise, guns, tobacco or vaping products.

Businesses that have applied for and/or were awarded any COVID-related federal funding, such as the Small Business Administration's Economic Injury Disaster Loan (EIDL) or the Paycheck Property Program (PPP) are eligible for this grant.

In order to serve as many businesses as possible, businesses who have been awarded COVID related emergency funds through the State of Minnesota Small Business Emergency Loan program or the Small Business Relief Grant program are ineligible for this grant.

Eligible Uses

Funds can be used for the following expenses:

- Payroll
- Rent
- Mortgage payments
- Utilities
- Payments to suppliers
- Other critical non-payroll business expenses (including, but not limited to expenses related to re-opening, personal protective equipment, and others) as approved by the fund administrator

Application Process

The application and award process will be as follows:

- Applications will be accepted during a two week period beginning XXXX, 2020 and ending XXXX, 2020.
- All applications must be completed online at: XXXXXXXX. Please contact XXXX if you need assistance filling out the electronic application.
- If applications exceed the funding available, the fund administrator will select loan recipients using a lottery system.
- The fund administrator, XXXXX, will notify approved applicants by email on or before XXXXX.
- Upon notice of an approved application, applicants will be required to submit the following within five business days and prior to receiving any grant funds:

- 2019 Federal Business Tax Return or appropriate Business Tax Schedule-based upon entity type. Businesses that have not yet completed a 2019 Federal Tax Return are eligible to apply and substitute other documentation of revenue.
 - Evidence of revenue loss related to the COVID-19 pandemic. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to the fund administrator. Examples of acceptable documentation include Sales Tax Reports, Period Statements from 3rd party Sales Platforms, Merchant Services Statements, and Point of Sale or Register Reports.
 - Evidence of employment prior to March 1, 2020. Documents deemed acceptable include period reporting from a 3rd party payroll processor, applicant's Federal Form 941/Employer's Quarterly Federal Tax Return or other State or Federal payroll-related filing.
 - Any additional documentation deemed necessary by the fund administrator to determine eligibility or to meet program requirements.
- Failure to submit required documentation will result in forfeiture of the grant award.
 - Upon acceptance of the documentation noted above, the business will enter into a grant agreement with the Carver County Community Development Agency prior to the disbursement of funds.
 - Terms will be included in the grant agreement, including expense documentation and reporting requirements.

NOTE: The Carver County Community Development Agency reserves the right to revise these guidelines as needed to best address the impact to businesses of the current pandemic.



Council Workshop Memorandum

Item: Street Reconstruction Plan

Meeting Date: July 27, 2020

Presented By: Margaret McCallum, City Administrator

Details:

On August 7, 2018, the City Council of the City of Mayer adopted a Pavement Management Plan that plans for street reconstruction projects and maintenance over the next 15+ years.

There are different methods of pavement rehabilitation including: Seal Coating, Mill and Overlay, Reclamation and Reconstruction.

The Pavement Plan highlights, based on the current age and condition of the City's roads, what maintenance method is recommended and when.

The total project cost for the recommended improvements is about \$5,600,000.00 total for the next 15+ years.

Based on these estimates, the City will need to budget, on average, \$392,900 a year to fund a mill and overlay program between 2019 and 2027. An additional \$47,900 per year will be needed to fund a seal coating program between 2024 and 2034.

In 2020, the City will do the first phase of the Plan. This project will be paid for with cash out of the street improvement fund.

Since 2019, the City has started to put away \$100,000.00 in capital reserve to help fund future projects.

While the City is planning for the future and putting some funds away each year, the City must identify how it will finance the remainder.

The City will have to bond to cover some of the project costs.

(See 2020 Capital Improvement Plan/long term plan for current levy and potential bonding needs).

Under state law, the City is allowed to bond for street projects upon creating a Street Reconstruction Plan (SRP).

Street Reconstruction or overlay projects can be a major expenditure for cities.

The SRP is a document that is designed to anticipate street reconstruction and overlay expenditures and schedule them over a five-year period so that they may be purchased in the most efficient and cost-effective method.

The SRP allows the matching of expenditures with anticipated income.

The process begins with the analysis of the City's five-year capital improvement needs and funding sources. The City may solicit input from citizens and other governmental units at an early stage.

Once the SRP draft is completed, the City Council will hold a Public Hearing on the SRP, with notice published not more than 30 days and not less than seven days for the hearing. The Council may approve the SRP immediately after the hearing or based on input make revisions and approve the SREP at a later meeting.

If the SRP calls for general obligation bonds, the City must allow for an additional set of procedures. The City Council must hold another public hearing regarding the issuance of the bonds.

The City Council must approve the sale of the SRP Bonds by a 2/3 vote. However, bonds are subject to a so-called "reverse referendum". If a petition signed by voters equal to at least 5 percent of the votes cast in the City in the last general election is filed with the City Clerk within 30 days after the public hearing regarding the bonds, the bonds may not be issued unless approved by the voters.

After the SRP has been approved and bonds have been authorized, the City will work with a financial advisor to prepare a bond sale and repayment schedule. (Assuming no petition for referendum has been filed).

Estimated Cost of the Street Projects

The 5 year SRP is estimated to cost \$1,959,000 (bond issue not to exceed \$2,110,000).

Financing the SRP

In Financing the SRP, one significant statutory limitation applies.

Under State Law, municipalities cannot incur debt in excess of 3% of the assessor's estimated market value for the municipality.

The City's estimated market value is \$193,996,400. Therefore, the total amount of outstanding debt cannot exceed \$5,819,892 (2019/2020 tax year).

As of August 10, 2020, the City has \$205,000 subject to the legal debt limit.

To stay within the City's statutory debt limit described in the SRP, some of the road work may need to be issued under Minnesota Statutes, Sections 469.1812 through 469.1815, which allows for the issuance of tax abatement bonds without an election and are not subject to net debt.

If the City later plans to issue tax abatement bonds, the City would need to hold a separate public hearing and make the following findings by resolution:

- a) The Council expects the benefits to the City of the abatement to at least equal or exceed the costs to the City thereof.
- b) Granting the abatement is in the public interest because it will provide financing necessary to prevent further deterioration of streets in the City.
- c) The property will not be located in a tax increment financing district for the period of time that the abatement is in effect.
- d) In any year, the total amount of property taxes abated by the City by this and other abatement resolutions, if any, does not exceed ten percent (10%) of net tax capacity of the City for the taxes payable year to which the abatement applies or \$200,000, whichever is greater.

The Bonds would be issued in an aggregate principal amount to not exceed \$2,200,000.00 to finance to reconstruction and maintenance of streets throughout the City.

The total amount of requested expenditures is \$1,959,000.00. This would be generated through the City's tax levy and bonds.

Under the plan, the City would secure \$2,110,000.00 in GO Bonds in the years 2020 – 2024 to finance the first phases of the project. The bonds will be repaid over a 10 – 15 year period.

Proposed Bonds:

\$755,000.00 – 2020A– 10 year – or - \$755,000.00 – 2020A – 15 year

\$770,000.00 – 2022A – 10 year

\$585,000.00 – 2024A – 10 year

Attachments.

Pavement Management Plan

Long Term Plan – Street Reconstruction Section

City of Mayer Street Reconstruction Plan – Draft.



Real People. Real Solutions.

2638 Shadow Lane
Suite 200
Chaska, MN 55318-1172

Ph: (952) 448-8838
Fax: (952) 448-8805
Bolton-Menk.com

August 15, 2018

City of Mayer
Attn: Margaret McCallum, City Administrator
413 Bluejay Ave.
Mayer, MN 55360

RE: Pavement Management Plan

Dear Maggie:

As requested, we have reviewed the condition of the City Streets and have developed a plan and schedule for proposed improvements.

Overview

The age and current condition of the City's roads varies along with the cross-section of the pavement structure. The actual life of a road depends on several factors including the quality of construction, the amount and type of traffic, soil conditions, drainage, and the materials that are used for construction. For a well-constructed bituminous road, a typical life cycle includes seal coating the surface of the roadway every 5 to 7 years, a mill and overlay at year 15 to 20, and reconstruction at year 35-40.

Pavement Rehabilitation Methods

The following are typical pavement rehabilitation methods that are consistent with past City practice:

Seal Coat – A seal coat consists of the application of emulsified asphalt and loose aggregate to the existing surface. After a specified “curing” time, the excess aggregate is swept up and removed.

This rehabilitation method is typically used several times throughout the life of a pavement. Seal coats are most effective when used on pavements in relatively good condition. This method is used to provide a new driving surface and to re-seal the pavement surface to provide some protection from weathering. The useful life of a seal coat is generally 5 to 7 years depending on the type of materials that are used and the condition of the pavement to which it is applied.

The advantages of seal coating are as follows:

- Relatively low initial capital expense
- Provides improved skid resistance
- Provides some moisture protection to the pavement
- Minimal disruption to traffic
- Provides an aesthetically uniform surface

The disadvantages of seal coating include the following:

- Does not improve the structural integrity of the pavement
- Short useful life
- Requires patching and sealing of major cracks prior to application
- Limited effectiveness on pavements in poor condition

In order to maximize the life of the City's pavements, it is recommended that the City apply at least one seal coat to all streets.

Mill and Overlay – A mill and overlay consists of removing all or a portion of the in-place bituminous surface and placing new bituminous over the milled surface. This rehabilitation method is typically used 1-2 times throughout the life of a pavement. Mill and overlays are most effective on pavements that are in moderate condition with a stable subgrade. This method is used to replace the pavement surface and to increase or restore the pavement's structural integrity. The useful life of a mill and overlay is generally 7 to 12 years depending on the condition of the pavement to which it is applied.

The advantages of a mill and overlay are as follows:

- Moderate initial capital expense
- Provides new pavement surface
- Increases or restores structural integrity of the pavement
- Minimal disruption to traffic
- Does not raise the elevation of the road

The disadvantages of a mill and overlay include the following:

- Requires patching and repair of weak subgrade areas prior to application
- Increased cost compared to an overlay with no milling
- Limited effectiveness on pavements in poor condition
- Useful life is variable depending on the condition of the existing pavement
- Ineffective on pavements with structurally limited subgrades

Reclamation – Pavement reclamation is a process by which the existing bituminous surface is ground and mixed with a portion of the underlying aggregate base. The reclaimed material is compacted and a new bituminous surface is placed over the top. The effectiveness of this method relies on having enough existing bituminous and aggregate base to form a new aggregate base for the road. This method is not recommended on roads with limited aggregate base or when the profile of the road cannot be raised due to concerns related to drainage or matching into adjacent topography.

The advantages of reclamation are as follows:

- Provides a new pavement structure
- Longer term useful life compared to a mill and overlay
- Lower initial costs compared to full depth reconstruction

The disadvantages of reclamation are as follows:

- Allows for limited subgrade corrections
- Use can be limited on roads where the elevation of the surface cannot be raised
- Higher costs compared to mill and overlay

Reconstruction – Reconstruction consists of removal of the entire existing pavement section and the construction of a new pavement structure, including bituminous, aggregate based, geotextile fabric, soil correction, etc. This method is used when the existing pavement has deteriorated to such an extent that other rehabilitation methods are ineffective or utility construction is necessary. The useful life of a reconstructed pavement can be 25 to 30 years with proper maintenance and use of other rehabilitation methods throughout the pavement's life.

The advantages of reconstruction are as follows:

- Provides a new pavement structure
- Allows for soil corrections below the street where necessary
- Long term useful life
- Allows for the opportunity for utility improvements

The disadvantages of reconstruction include the following:

- High initial expense
- Moderate to high disruption to traffic

Recommended Improvements

Based on the current age and condition of the City's roads, it is recommended that a mill and overlay be planned for each street when the pavement is approximately 20-years old. In addition, there are a few streets in town that should be considered for reconstruction during the planning period. It is recommended that new pavements be seal coated within 5 to 6 years of construction and crack filling should be performed as needed.

Figure 1, shows the recommended schedule for a mill and overlay and street reconstruction between 2019 and 2028. Figure 2, shows the recommended schedule for seal coating between 2024 and 2034.

It is recommended that streets under consideration for improvements be inspected the year prior to construction to determine the exact scope of the project and verify that the timing of the project is appropriate given the current condition of the road.

Project Costs

The planning level cost estimates for the recommended improvements, which include contingencies and soft costs, are as follows:

- Mill and overlay projects: \$3,536,000
- Street Reconstruction - \$1,100,000 (includes curb and gutter and storm sewer)
- Seal Coating - \$479,430

Based on these estimates, the City will need to budget, on average, \$392,900 a year to fund a mill and overlay program between 2019 and 2027. An additional \$47,900 per year will be needed to fund a seal coating program between 2024 and 2034.

The City will also need to consider funding for the streets to be reconstructed. In the past, the City has followed its assessment policy for reconstructed roads, which assesses a portion of the costs to the adjacent benefiting property owners. As indicated above, the cost estimates for streets to be reconstructed includes curb and gutter and storm sewer. The cost of the projects can be reduced if the scope of work is scaled back.

Pavement Management Plan
August 15, 2018

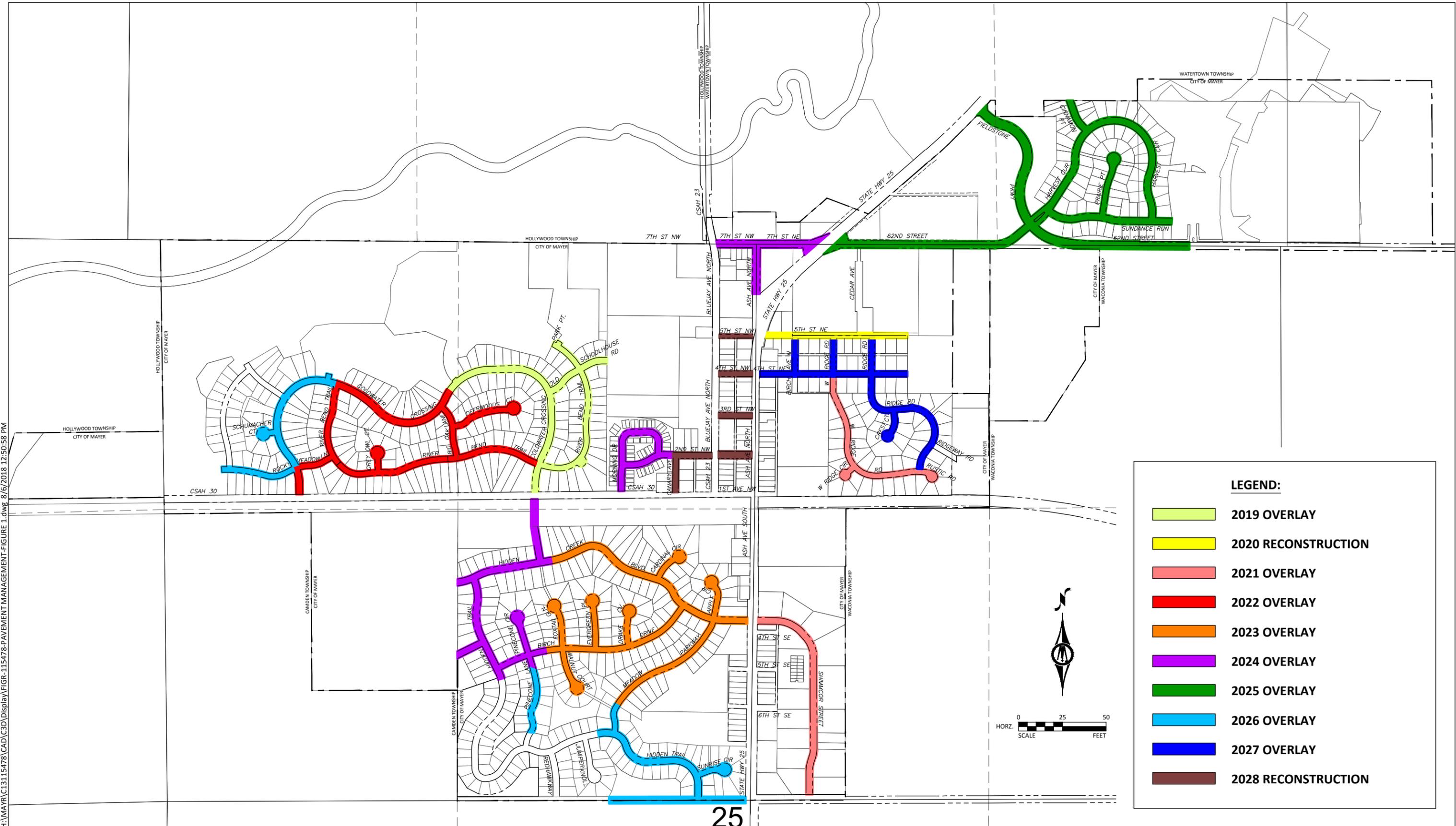
I will be at the Council Meeting on August 27th to discuss this report with the City Council. Please let me know if you have questions or need additional information before then.

Sincerely,

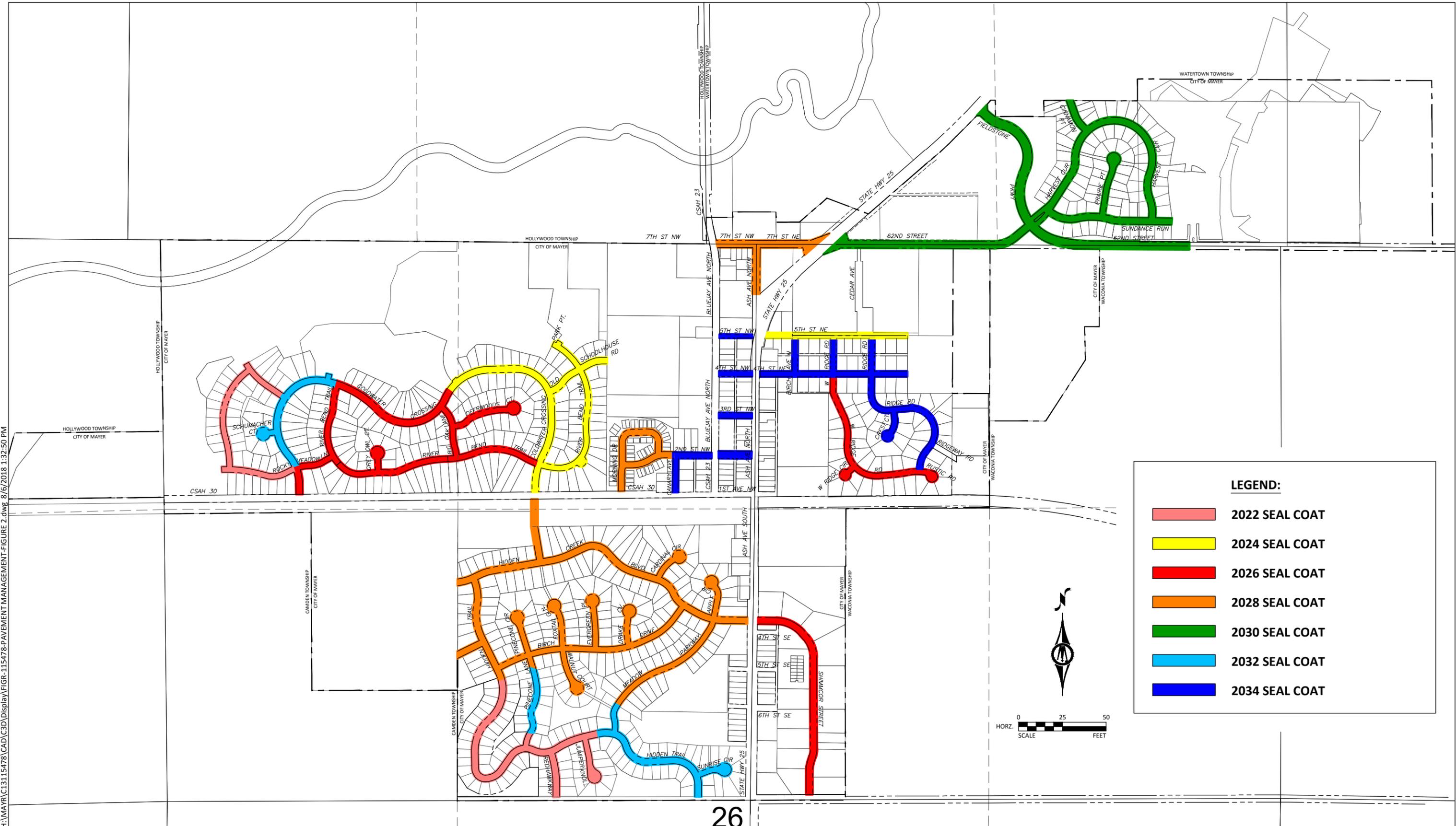
Bolton & Menk, Inc.



David P. Martini
Principal Engineer



H:\MAYR\C13115478\CAD\C3D\Display\FIGR-115478-PAVEMENT MANAGEMENT-FIGURE 1.dwg 8/16/2018 12:50:58 PM



H:\MAYR\C13115478\CAD\C3D\Display\FIGR-115478-PAVEMENT MANAGEMENT-FIGURE 2.dwg 8/16/2018 1:32:50 PM



August 10, 2020

2021 through 2025
Five-Year Street Reconstruction Plan for the
City of Mayer, Minnesota



Prepared by:
City Staff
and
Ehlers

Todd Hagen, CIPMA
VP/Senior Municipal Advisor

Nick Anhut, CIPMA
VP/Senior Municipal Advisor

And

Chris Mickelson, CIPMA
Municipal Advisor

Table of Contents

	Page No.
Section I. Introduction	1
Section II. Purpose	1
Section III. The Street Reconstruction Planning Process	2
Section IV. Project Summary	3
Section V. Financing the Street Reconstruction Plan	4
Appendix A. Proposed Project Costs	
Appendix B. Proposed SRP Bond Issue	
Appendix C. Pre-Sale Schedule	
Appendix D. Resolutions/Notice of Public Hearing	

SECTION I: Introduction

In 2002, the Minnesota State Legislature passed into law a bill which generally exempts city bonds issued under a street reconstruction program from the referendum requirements usually required for bonding expenditures. In 2013 the Legislature amended the law to allow bituminous overlays to be included in the street reconstruction program. The authorization is contained in Minnesota Statutes, Section 475.58, subdivision 3b (the “Act”).

SECTION II: Purpose

Street reconstruction or bituminous overlay is a major expenditure of city funds for the reconstruction or overlay of streets. As defined in the Act, street reconstruction and bituminous overlay may include utility replacement and relocation and other incidental costs, turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects. Except in the case of turn lanes, safety improvements, realignments, intersection modifications, and local share of state and county road projects, street reconstruction does not include the portion of project costs allocable to widening a street or adding curbs and gutters where none previously existed.

A Street Reconstruction Plan (SRP) is a document designed to anticipate street reconstruction and overlay expenditures and schedule them over a five-year period so that they may be purchased in the most efficient and cost-effective method possible. An SRP allows the matching of expenditures with anticipated income. As potential expenditures are reviewed, the city considers the benefits, costs, alternatives and impact on operating expenditures.

The City of Mayer, Minnesota (the “City”) believes the street reconstruction and overlay process is an important element of responsible fiscal management. Major capital expenditures can be anticipated and coordinated to minimize potentially adverse financial impacts caused by the timing and magnitude of capital outlays. This coordination of capital expenditures is important to the City in achieving its goals of adequate physical assets and sound fiscal management. In these financially difficult times good planning is essential for the wise use of limited financial resources.

The Street Reconstruction Plan is designed to be updated on an annual basis. In this manner, it becomes an ongoing fiscal planning tool that continually anticipates future capital expenditures and funding sources.

SECTION III: The Street Reconstruction Planning Process

The City Council annually reviews its capital expenditures according to their priority, fiscal impact, and available funding as part of its Street Reconstruction Plan (CIP) process. The City assembles the specific capital expenditures to be undertaken within the next five years. The City Council prepares a plan based on the available funding sources. From this information, a preliminary CIP is prepared for public discussion from citizens and other governmental units. Changes are made based on that input, and a final plan is established.

Over the life of the CIP, once the funding becomes available the individual capital expenditures can be made as part of individual project approvals. In subsequent years, the process is repeated as expenditures are completed and new needs arise.

If bonding is necessary, the City works with its municipal advisor to prepare a bond sale and repayment schedule. Street reconstruction and overlay planning occurs separately from the CIP process focusing specifically on street reconstruction and overlay projects to be financed with general obligation street reconstruction bonds under provisions of the Act. The SRP is to describe the identified street reconstruction and overlay projects to be financed, their estimated costs, and any planned reconstruction or overlay of other streets in the City over the next five years.

For a city to use its authority under the Act to finance street reconstruction and bituminous overlay expenditures with general obligation bonds, it must meet the requirements provided therein. Specifically, the city must hold a public hearing for public input on an SRP. Notice of such hearing must be published in the official newspaper of the city at least 10, but not more than 28 days prior to the date of the public hearing. In addition, the council must approve the SRP and issuance of street reconstruction bonds by a two-thirds majority vote of its membership present at the meeting following a public hearing.

Although a referendum is not required, a reverse referendum is allowable. If a petition requesting a vote on the issuance of bonds bearing the signatures of at least 5 percent of the votes cast in the last municipal general election is filed with the municipal clerk within 30 days after the public hearing, a referendum vote on the issuance of the bonds shall be required to authorize the issuance. If the municipality elects not to submit the question to the voters, the municipality shall not propose the issuance of bonds under the Act for the same purpose for a period of 365 days from the date of receipt of the petition.

SECTION IV: Project Summary

The expenditures to be undertaken with this Street Reconstruction Plan (SRP) are limited to those listed in Appendix A. All other foreseeable capital expenditures within the City government will come through other means. The following expenditures have been submitted for inclusion in this SRP:

2021 through 2025 Expenditures

- To finance the construction of various bituminous mill/overlay and complete street reconstruction projects in the City. The project goal is to provide long-term safety, capacity, and preservation improvements to accommodate the needs of the City of Mayer.

Based on the current age and condition of the City’s roads, it is recommended by the City Council and City Engineer in the Pavement Management Plan, dated August 7, 2018 that a mill/overlay be planned for each street when the pavement is approximately 20-years old. In addition, there are a few streets in the City that should be considered for complete reconstruction during the planning period.

Pavement Management Plan
City of Mayer

Year	M & O	Recon.	Total
2021	\$ 290,000.00		\$ 290,000.00
2022		\$ 420,000.00	\$ 420,000.00
2023	\$ 273,000.00		\$ 273,000.00
2024	\$ 440,000.00		\$ 440,000.00
2025	\$ 536,000.00		\$ 536,000.00

Any additional expenditures for 2021 through 2025 are not known at this time.

SECTION V: Financing the Street Reconstruction Plan

The total amount of requested expenditures under the Street Reconstruction Plan is \$1,959,000. If these expenditures are to be funded, that amount of money is anticipated to be generated through the tax levy and the sale of \$2,110,000 in bonds over the five-year period.

In the financing of the Street Reconstruction Plan, one statutory limitation applies. Under Chapter 475, with few exceptions, cities cannot incur debt in excess of 3% of the assessor's estimated market value for the city. In the City the EMV is \$193,996,400. Therefore, the total amount of outstanding debt cannot exceed \$5,819,892. As of August 10, 2020, the City had \$205,000 subject to the legal debt limit.

Under the Street Reconstruction Plan, the City will secure \$2,110,000 in general obligation bonds in the years 2021 through 2025 to finance the construction of various bituminous mill/overlay and complete street reconstruction projects in the City. The project goal is to provide long-term safety, capacity, and preservation improvements to accommodate the needs of the City of Mayer. The general obligation bond issue will be repaid over a 10 to 15-year period. The par amount of the issue is based on the amounts listed in Appendix A plus estimated issuance costs. The proposed general obligation street reconstruction bonds (including issuance costs) are shown in Appendix B. The City reserves the right to delay reconstruction projects until subsequent years of this Plan and postpone the issuance of Bonds in more than one series, so long as the Bonds so issued do not exceed \$2,200,000.

Continuation of the Street Reconstruction Plan

This Street Reconstruction Plan should be reviewed annually by the City Council using the process outlined in this Plan. It should review proposed expenditures, make priority decisions, and seek funding for those expenditures it deems necessary for the City. If deemed appropriate, the Council should prepare an update to this Plan.

To stay within the City's statutory debt limit described in this Street Reconstruction Plan, some of the road work may need to be issued under Minnesota Statutes, Sections 469.1812 through 469.1815, which would allow the issuance of tax abatement bonds without an election and are not subject to net debt. If the City later plans to issue tax abatement bonds, the City would need to hold a separate public hearing and make the following findings by resolution:

- a) The Council expects the benefits to the City of the abatement to at least equal or exceed the costs to the City thereof.
- b) Granting the abatement is in the public interest because it will provide financing necessary to prevent further deterioration of streets in the City.
- c) The property will not be located in a tax increment financing district for the period of time that the abatement is in effect.
- d) In any year, the total amount of property taxes abated by the City by this and other abatement resolutions, if any, does not exceed ten percent (10%) of net tax capacity of the City for the taxes payable year to which the abatement applies or \$200,000, whichever is greater.

Appendix A

Proposed Project Costs

The 2021 through 2025 Capital Expenditure of approximately \$1,959,000 is to be funded by bond proceeds to finance the construction of various bituminous mill/overlay and complete street reconstruction projects in the City. The project goal is to provide long-term safety, capacity, and preservation improvements to accommodate the needs of the City of Mayer.

Appendix B

Proposed SRP Bond Issue

City of Mayer, Minnesota

\$755,000 General Obligation Bonds, Series 2020A
 Assumes Current Market BQ AA Rates plus 20bps
 10 Years

Sources & Uses

Dated 05/13/2020 | Delivered 05/13/2020

Sources Of Funds

Par Amount of Bonds	\$755,000.00
Total Sources	\$755,000.00

Uses Of Funds

Total Underwriter's Discount (1.300%)	9,815.00
Costs of Issuance	32,000.00
Deposit to Project Construction Fund	710,000.00
Rounding Amount	3,185.00
Total Uses	\$755,000.00

City of Mayer, Minnesota

\$755,000 General Obligation Bonds, Series 2020A

Assumes Current Market BQ AA Rates plus 20bps

10 Years

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/13/2020	-	-	-	-	-
02/01/2021	-	-	7,048.42	7,048.42	7,048.42
08/01/2021	-	-	4,917.50	4,917.50	-
02/01/2022	70,000.00	1.100%	4,917.50	74,917.50	79,835.00
08/01/2022	-	-	4,532.50	4,532.50	-
02/01/2023	70,000.00	1.100%	4,532.50	74,532.50	79,065.00
08/01/2023	-	-	4,147.50	4,147.50	-
02/01/2024	75,000.00	1.150%	4,147.50	79,147.50	83,295.00
08/01/2024	-	-	3,716.25	3,716.25	-
02/01/2025	75,000.00	1.150%	3,716.25	78,716.25	82,432.50
08/01/2025	-	-	3,285.00	3,285.00	-
02/01/2026	75,000.00	1.200%	3,285.00	78,285.00	81,570.00
08/01/2026	-	-	2,835.00	2,835.00	-
02/01/2027	75,000.00	1.250%	2,835.00	77,835.00	80,670.00
08/01/2027	-	-	2,366.25	2,366.25	-
02/01/2028	75,000.00	1.350%	2,366.25	77,366.25	79,732.50
08/01/2028	-	-	1,860.00	1,860.00	-
02/01/2029	80,000.00	1.450%	1,860.00	81,860.00	83,720.00
08/01/2029	-	-	1,280.00	1,280.00	-
02/01/2030	80,000.00	1.550%	1,280.00	81,280.00	82,560.00
08/01/2030	-	-	660.00	660.00	-
02/01/2031	80,000.00	1.650%	660.00	80,660.00	81,320.00
Total	\$755,000.00	-	\$66,248.42	\$821,248.42	-

Yield Statistics

Bond Year Dollars	\$4,786.08
Average Life	6.339 Years
Average Coupon	1.3841886%
Net Interest Cost (NIC)	1.5892623%
True Interest Cost (TIC)	1.5989308%
Bond Yield for Arbitrage Purposes	1.3808428%
All Inclusive Cost (AIC)	2.3370871%

IRS Form 8038

Net Interest Cost	1.3841886%
Weighted Average Maturity	6.339 Years

City of Mayer, Minnesota

\$755,000 General Obligation Bonds, Series 2020A

Assumes Current Market BQ AA Rates plus 20bps

15 Years

Sources & Uses

Dated 05/13/2020 | Delivered 05/13/2020

Sources Of Funds

Par Amount of Bonds	\$755,000.00
Total Sources	\$755,000.00

Uses Of Funds

Total Underwriter's Discount (1.300%)	9,815.00
Costs of Issuance	32,000.00
Deposit to Project Construction Fund	710,000.00
Rounding Amount	3,185.00
Total Uses	\$755,000.00

City of Mayer, Minnesota

\$755,000 General Obligation Bonds, Series 2020A

Assumes Current Market BQ AA Rates plus 20bps

15 Years

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/13/2020	-	-	-	-	-
02/01/2021	-	-	8,338.42	8,338.42	8,338.42
08/01/2021	-	-	5,817.50	5,817.50	-
02/01/2022	45,000.00	1.100%	5,817.50	50,817.50	56,635.00
08/01/2022	-	-	5,570.00	5,570.00	-
02/01/2023	45,000.00	1.100%	5,570.00	50,570.00	56,140.00
08/01/2023	-	-	5,322.50	5,322.50	-
02/01/2024	45,000.00	1.150%	5,322.50	50,322.50	55,645.00
08/01/2024	-	-	5,063.75	5,063.75	-
02/01/2025	50,000.00	1.150%	5,063.75	55,063.75	60,127.50
08/01/2025	-	-	4,776.25	4,776.25	-
02/01/2026	50,000.00	1.200%	4,776.25	54,776.25	59,552.50
08/01/2026	-	-	4,476.25	4,476.25	-
02/01/2027	50,000.00	1.250%	4,476.25	54,476.25	58,952.50
08/01/2027	-	-	4,163.75	4,163.75	-
02/01/2028	50,000.00	1.350%	4,163.75	54,163.75	58,327.50
08/01/2028	-	-	3,826.25	3,826.25	-
02/01/2029	50,000.00	1.450%	3,826.25	53,826.25	57,652.50
08/01/2029	-	-	3,463.75	3,463.75	-
02/01/2030	50,000.00	1.550%	3,463.75	53,463.75	56,927.50
08/01/2030	-	-	3,076.25	3,076.25	-
02/01/2031	50,000.00	1.650%	3,076.25	53,076.25	56,152.50
08/01/2031	-	-	2,663.75	2,663.75	-
02/01/2032	50,000.00	1.800%	2,663.75	52,663.75	55,327.50
08/01/2032	-	-	2,213.75	2,213.75	-
02/01/2033	55,000.00	1.900%	2,213.75	57,213.75	59,427.50
08/01/2033	-	-	1,691.25	1,691.25	-
02/01/2034	55,000.00	2.000%	1,691.25	56,691.25	58,382.50
08/01/2034	-	-	1,141.25	1,141.25	-
02/01/2035	55,000.00	2.050%	1,141.25	56,141.25	57,282.50
08/01/2035	-	-	577.50	577.50	-
02/01/2036	55,000.00	2.100%	577.50	55,577.50	56,155.00
Total	\$755,000.00	-	\$116,025.92	\$871,025.92	-

Yield Statistics

Bond Year Dollars	\$6,781.08
Average Life	8.982 Years
Average Coupon	1.7110234%
Net Interest Cost (NIC)	1.8557642%
True Interest Cost (TIC)	1.8603589%
Bond Yield for Arbitrage Purposes	1.7006334%
All Inclusive Cost (AIC)	2.4013660%

IRS Form 8038

Net Interest Cost	1.7110234%
Weighted Average Maturity	8.982 Years

City of Mayer, Minnesota

\$770,000 General Obligation Bonds, Series 2022A

Assumes Current Market BQ AA Rates plus 100bps

10 Years

Sources & Uses

Dated 05/01/2022 | Delivered 05/01/2022

Sources Of Funds

Par Amount of Bonds	\$770,000.00
Total Sources	\$770,000.00

Uses Of Funds

Total Underwriter's Discount (1.300%)	10,010.00
Costs of Issuance	32,000.00
Deposit to Capitalized Interest (CIF) Fund	12,166.88
Deposit to Project Construction Fund	713,000.00
Rounding Amount	2,823.12
Total Uses	\$770,000.00

City of Mayer, Minnesota

\$770,000 General Obligation Bonds, Series 2022A

Assumes Current Market BQ AA Rates plus 100bps

10 Years

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
05/01/2022	-	-	-	-	-	-	-
02/01/2023	-	-	12,166.88	12,166.88	(12,166.88)	-	-
08/01/2023	-	-	8,111.25	8,111.25	-	8,111.25	-
02/01/2024	70,000.00	1.900%	8,111.25	78,111.25	-	78,111.25	86,222.50
08/01/2024	-	-	7,446.25	7,446.25	-	7,446.25	-
02/01/2025	70,000.00	1.900%	7,446.25	77,446.25	-	77,446.25	84,892.50
08/01/2025	-	-	6,781.25	6,781.25	-	6,781.25	-
02/01/2026	75,000.00	1.950%	6,781.25	81,781.25	-	81,781.25	88,562.50
08/01/2026	-	-	6,050.00	6,050.00	-	6,050.00	-
02/01/2027	75,000.00	1.950%	6,050.00	81,050.00	-	81,050.00	87,100.00
08/01/2027	-	-	5,318.75	5,318.75	-	5,318.75	-
02/01/2028	75,000.00	2.000%	5,318.75	80,318.75	-	80,318.75	85,637.50
08/01/2028	-	-	4,568.75	4,568.75	-	4,568.75	-
02/01/2029	75,000.00	2.050%	4,568.75	79,568.75	-	79,568.75	84,137.50
08/01/2029	-	-	3,800.00	3,800.00	-	3,800.00	-
02/01/2030	80,000.00	2.150%	3,800.00	83,800.00	-	83,800.00	87,600.00
08/01/2030	-	-	2,940.00	2,940.00	-	2,940.00	-
02/01/2031	80,000.00	2.250%	2,940.00	82,940.00	-	82,940.00	85,880.00
08/01/2031	-	-	2,040.00	2,040.00	-	2,040.00	-
02/01/2032	85,000.00	2.350%	2,040.00	87,040.00	-	87,040.00	89,080.00
08/01/2032	-	-	1,041.25	1,041.25	-	1,041.25	-
02/01/2033	85,000.00	2.450%	1,041.25	86,041.25	-	86,041.25	87,082.50
Total	\$770,000.00	-	\$108,361.88	\$878,361.88	(12,166.88)	\$866,195.00	-

Significant Dates

Dated	5/01/2022
First Coupon Date	2/01/2023

Yield Statistics

Bond Year Dollars	\$4,952.50
Average Life	6.432 Years
Average Coupon	2.1880238%
Net Interest Cost (NIC)	2.3901440%
True Interest Cost (TIC)	2.4044056%
Bond Yield for Arbitrage Purposes	2.1824325%
All Inclusive Cost (AIC)	3.1409206%

IRS Form 8038

Net Interest Cost	2.1880238%
Weighted Average Maturity	6.432 Years

City of Mayer, Minnesota

\$585,000 General Obligation Bonds, Series 2024A

Assumes Current Market BQ AA Rates plus 100bps

10 Years

Sources & Uses

Dated 05/01/2024 | Delivered 05/01/2024

Sources Of Funds

Par Amount of Bonds	\$585,000.00
Total Sources	\$585,000.00

Uses Of Funds

Total Underwriter's Discount (1.300%)	7,605.00
Costs of Issuance	30,000.00
Deposit to Capitalized Interest (CIF) Fund	9,243.75
Deposit to Project Construction Fund	536,000.00
Rounding Amount	2,151.25
Total Uses	\$585,000.00

City of Mayer, Minnesota

\$585,000 General Obligation Bonds, Series 2024A

Assumes Current Market BQ AA Rates plus 100bps

10 Years

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
05/01/2024	-	-	-	-	-	-	-
02/01/2025	-	-	9,243.75	9,243.75	(9,243.75)	-	-
08/01/2025	-	-	6,162.50	6,162.50	-	6,162.50	-
02/01/2026	55,000.00	1.900%	6,162.50	61,162.50	-	61,162.50	67,325.00
08/01/2026	-	-	5,640.00	5,640.00	-	5,640.00	-
02/01/2027	55,000.00	1.900%	5,640.00	60,640.00	-	60,640.00	66,280.00
08/01/2027	-	-	5,117.50	5,117.50	-	5,117.50	-
02/01/2028	55,000.00	1.950%	5,117.50	60,117.50	-	60,117.50	65,235.00
08/01/2028	-	-	4,581.25	4,581.25	-	4,581.25	-
02/01/2029	55,000.00	1.950%	4,581.25	59,581.25	-	59,581.25	64,162.50
08/01/2029	-	-	4,045.00	4,045.00	-	4,045.00	-
02/01/2030	55,000.00	2.000%	4,045.00	59,045.00	-	59,045.00	63,090.00
08/01/2030	-	-	3,495.00	3,495.00	-	3,495.00	-
02/01/2031	60,000.00	2.050%	3,495.00	63,495.00	-	63,495.00	66,990.00
08/01/2031	-	-	2,880.00	2,880.00	-	2,880.00	-
02/01/2032	60,000.00	2.150%	2,880.00	62,880.00	-	62,880.00	65,760.00
08/01/2032	-	-	2,235.00	2,235.00	-	2,235.00	-
02/01/2033	60,000.00	2.250%	2,235.00	62,235.00	-	62,235.00	64,470.00
08/01/2033	-	-	1,560.00	1,560.00	-	1,560.00	-
02/01/2034	65,000.00	2.350%	1,560.00	66,560.00	-	66,560.00	68,120.00
08/01/2034	-	-	796.25	796.25	-	796.25	-
02/01/2035	65,000.00	2.450%	796.25	65,796.25	-	65,796.25	66,592.50
Total	\$585,000.00	-	\$82,268.75	\$667,268.75	(9,243.75)	\$658,025.00	-

Significant Dates

Dated	5/01/2024
First Coupon Date	2/01/2025

Yield Statistics

Bond Year Dollars	\$3,758.75
Average Life	6.425 Years
Average Coupon	2.1887263%
Net Interest Cost (NIC)	2.3910542%
True Interest Cost (TIC)	2.4053501%
Bond Yield for Arbitrage Purposes	2.1831211%
All Inclusive Cost (AIC)	3.3215768%

IRS Form 8038

Net Interest Cost	2.1887263%
Weighted Average Maturity	6.425 Years

Appendix C

Pre-Sale Schedule dated June 26, 2020 For the Sale of G.O. Street Reconstruction Plan Bonds

The City Council must take the following actions before Bonds can be issued:

- City Council directs preparation of a 5-Year Street Reconstruction Plan.
- City Council conducts a Public Hearing on issuance of Bonds and Street Reconstruction Plan.
- City Council approves Bonds and Street Reconstruction Plan by unanimous vote.

The table below lists the steps in the issuing process:

7/13	City Council calls for Public Hearing on issuance of Bonds and on Street Reconstruction Plan.
7/21 @ 11a	Close date to get Notice of Public Hearing on issuance of Bonds and on Street Reconstruction Plan to official newspaper for publication.
7/24	Publish Notice of Public Hearing on issuance of Bonds and on Street Reconstruction Plan (publication no more than 28 days and no less than 10 days prior to hearing date).
8/10 @ 6:30p	City Council holds Public Hearing on Bonds and on Street Reconstruction Plan and adopts Resolution giving preliminary approval for their issuance and approving Street Reconstruction Plan by unanimous vote of its membership present.
9/9	Reverse referendum period ends (within 30 days of the public hearing).
TBD	City Council provides for sale of Bonds.
TBD	Ehlers distributes official statement.
TBD	Conference call with Standard & Poor’s
TBD	City Council accepts offer for Bonds and adopts Resolution-Approving sale of Bonds.
TBD	Tentative closing/receipt of funds.

Net Debt Limit	
Assessor's Estimated Market Value	193,996,400
Multiply by 3%	0.03
Statutory Debt Limit	5,819,892
Less: Debt Paid Solely from Taxes	(2,315,000)
Unused Debt Limit	3,504,892

*These values are for Pay 2019/2020

City of Mayer, Minnesota
 Capital Improvement Plan - Streets Fund 405
 Schedule of Planned Capital Outlay
 For the Year Ended December 31, 2019 (Actual) and 2020 to 2025 (Projected)

Department	Year to Replace	Item	Cost	<u>2019</u> Projected Amounts
Public works	2020	Coldwater Crossing, Old School House Rd, Riverbend Tr	\$ 290,000	\$ -
Public works	2021	5th Street NE (30% Assessed to property owners)	294,000	-
Public works	2022	Shimmcor St, West Ridge Rd	273,000	-
Public works	2023	Coldwater Crossing, Big Oak Ln, Deerwoods, Grey Owl, Meadow Ln, Riverbend	440,000	-
Public works	2024	Hidden Cr, Cardinal, Apple, Foxtail, Evergreen, Drake, Birch, Walnut, Meadow	536,000	-
Public works	2024	Hidden Cr, Hidden Tr, Pinecone, Coldwater Crossing	512,000	-
Public works	2025	62nd, Fieldstone, Harvest, Cinnamon, Prairie, Sundance	700,000	-
				<u>\$ -</u>

2020	2021	2022	2023	2024	2025
Projected Amounts	Projected Amounts	Projected Amounts	Projected Amounts	Projected Amounts	Projected Amounts
\$ 290,000	\$ -	\$ -	\$ -	\$ -	\$ -
-	294,000	-	-	-	-
-	-	273,000	-	-	-
-	-	-	440,000	-	-
-	-	-	-	536,000	-
-	-	-	-	512,000	-
-	-	-	-	-	700,000
<u>\$ 290,000</u>	<u>\$ 294,000</u>	<u>\$ 273,000</u>	<u>\$ 440,000</u>	<u>\$ 1,048,000</u>	<u>\$ 700,000</u>

City of Mayer, Minnesota
 Capital Improvement Plan - Streets Fund 405
 Schedule of Projected Revenue, Expenditures and Debt
 For the Year Ended December 31, 2019 (Actual) and 2020 to 2025 (Projected)

	2019
Revenues	
Property taxes	\$ -
Interest on investments	2,710
Miscellaneous	-
Total Revenues	2,710
Expenditures	
Capital outlay	
Public works	-
Total Expenditures	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,710
Other Financing Sources	
Bond Proceeds	-
Net Change in Fund Balances	2,710
Fund Balances January 1	113,149
Fund Balances, December 31	\$ 115,859

Capital Project Fund Projected Activity

	2020	2021	2022	2023	2024	2025
\$	112,500	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,001
	1,738	(899)	8,178	5,706	691	20,982
	-	-	-	-	-	1
	114,238	99,101	108,178	105,706	100,691	120,984
	290,000	294,000	273,000	440,000	1,048,000	700,000
	290,000	294,000	273,000	440,000	1,048,000	700,000
	(175,762)	(194,899)	(164,822)	(334,294)	(947,309)	(579,016)
	-	800,000	-	-	2,300,000	-
	(175,762)	605,101	(164,822)	(334,294)	1,352,691	(579,016)
	115,859	(59,903)	545,198	380,376	46,082	1,398,773
\$	(59,903)	\$ 545,198	\$ 380,376	\$ 46,082	\$ 1,398,773	\$ 819,757