

City of Ellendale
October 24, 2024
Special Council Meeting 6:30 pm
Discussing & Determining Finance Options for Fire Hall & Review
M.E.& P. Drawing Changes

Agenda

6:30 Call Meeting to Order

1. Pledge of Allegiance
2. Approve Agenda

6:35

1. Funding Options
 - a. GO Bond for Capital Improvement Project (CIP)
 - i. Public Meeting
 - ii. Petition Period (30 Days)
 - iii. Award Contract within the 30 day period
 - b. EDA Lease Revenue Bond
 - i. EDA issues the bonds
 - ii. City pays the EDA annually
 - iii. EDA makes annual bond payments
 - c. USDA loan
 - i. Complete Contract & final quote (includes subcontractor quotes)
 - ii. Submit to USDA for approval
 - iii. If approved for financing, borrow maximum loan of \$450,000.
 - iv. Raise the additional funds needed
 - v. Possible option- bond the additional funds needed through USDA (Small amount may not be feasible or accepted. Additional issuance costs possible).
2. M.E.& P. Drawings

7:00 Adjournment

**MINUTES OF ELLENDALE
CITY COUNCIL SPECIAL MEETING
DISCUSSING & DETERMINING FINANCE OPTIONS FOR FIRE HALL
& REVIEW M.E.& P. DRAWING CHANGES
THURSDAY, OCTOBER 24TH, 2024
6:30 PM**

Present: Mayor Matt Bartsch; Council Members Jon Asplund, Scott Groth, Jackie Froman; City Clerk/Treasurer Steve Engel

Absent: Council Member Froman

Visitors: Fire Chief Logan Busho; Fire Committee members; Travis Ladwig & Tyler McGowan; City residents Joel Meyer & Cynthia Nelson; City Attorney Mark Rahrlick; Star/Eagle Reporter Eli Lutgen, Independent Media Aaron Lane; Independent Investigative Journalist and Advocate Keith Haskell

Call Meeting to Order: Meeting was called to order at 6:36 pm by Mayor Bartsch. The Pledge of Allegiance was recited.

Agenda: A motion was made to approve the Agenda by Council Member Groth. Motion advanced by Council Member Asplund. Motion carried, all in favor.

Engel explained the bond options given by Shannon Sweeney. A Capital Improvement Project (CIP), GO bond requires a public hearing followed by a 30 day period to allow for a public petition of at least 5% of the registered voters in opposition to the building project. This petition must be given to the City Clerk's office within the 30 day period. The city can also move ahead with obtaining bids for the project during the 30 day petition period. If a petition is received, a reverse referendum is required.

The financing option available in response to a petition is to not pursue GO bonding and go with the EDA Revenue Lease bonding. The rate may be .25% to .5% higher, but the project could proceed without a petition period requirement or referendum. The EDA would be responsible for the annual bond payments while the city would make annual payments to the EDA.

The most desired financing would be the GO bonding method. The council and committee members did not see any issues with pursuing this type of funding. There has been no opposition voiced by the public, regarding the fire building project.

The third option is to proceed with the USDA process, complete the contract and have APX obtain subcontractor bids to put together the final level quote. This has to be submitted to the state USDA office for review and approval before submitting to the federal USDA office for final approval. This is the step needed to determine if we are approved for the \$450,000 loan. In addition, the city needs to have any additional needed funds identified, if the building costs exceeds \$450,000. Our last quote was approximately \$600,000. We will have \$65,000 in the CR fund in December. Logan reminded the group up that the townships were asked to contribute \$30,000 from contract funds they have on hand. If these funds have not already been received and put into the CR fund, we will have \$95,000 on hand. We will need to source any difference between the available \$545,000 and the final building cost.

Regarding annual payments, the city already has \$30,000 in the general levy. The tax levy would have to be increased if the payments are higher than \$30,000.

It was agreed that we need to meet with Shannon Sweeney regarding the GO and EDA bonding procedures, to determine what we can do and when. Engel will try to set up a meeting on November 6 or 7.

Logan has not heard from APX regarding updated drawings. The changes were forwarded to Lindell Engineering for revisions. Logan will check with Mitch Rohlfing on the progress.

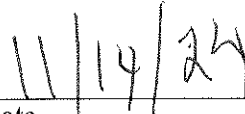
Travis Ladwig will contact Mitch to get the correct AIA contract version so we can work in parallel to submit the contract to USDA for review, so we can proceed with USDA process if that's the final decision.

Motion to adjourn the meeting by Council member Groth. Motion advanced by Council member Asplund. Motion carried, all in favor.

The meeting adjourned at 7:18 pm.



Steve Engel, City Clerk/Treasurer



Date



Matthew Bartsch, Mayor



Date

The Minutes are a true and exact copy of the Minutes as they appear in the City of Ellendale Minutes Book.