

CITY OF MONTEVIDEO
CITY COUNCIL WORKSESSION
January 17, 2012

The city council met in a budget worksession at 5:00 P.M. on Tuesday, January 17, 2012 in the conference room at city hall. This date/time was set by motion of the council on January 3, 2012.

Council members present: Sandra Hodge, Al Johnsrud, Karen Nieuwbeerta, Marvin Garbe and Bryce Curtiss. Absent: None. Mayor Debra Lee Fader absent.

Also present was City Manager Steven C. Jones, Assistant City Manager for Community Development Nick Haggemiller and City Clerk Glennis A. Lauritsen.

Purpose of the worksession was to discuss the Phase 3 Levee Project.

City Manager Jones reviewed and discussed information he had prepared for the discussion, including estimated costs, possible funding sources and a debt cost synopsis, as follows:

Estimated Cost for Phase 3

Amount	Estimate Provided By	Description
\$ 1,625,000	ACOE	1969 levee reconstruction
425,000	ACOE	Gatewell 2 & 3, plus piping to ditch/river
100,000	ACOE	Archaeological mitigation
390,000	ACOE	Railroad closure
300,000	ACOE	Construction management and close-out
60,000	City	100,000 cubic yards of clay
200,000	City	Land acquisition
30,000	City	Attorneys, surveyors, appraisers
300,000	ACOE/City	Contingency
\$ 3,425,000		

Possible Funding Sources:

- 1) Federal government (ACOE)
- 2) State
 - ▶ City has requested funding in the state bonding bill for 2012.
 - ▶ City has requested a meeting between the DNR and the Governor's Office to discuss 2011 state bonding bill funding.
 - ▶ Staff believes that a 50/50 state/city request may have a better chance of approval.
- 3) City
 - ▶ USDA-Rural Development loan.
 - ▶ Abatement Bond
 - ▶ G.O. Bond (vote of the citizens)
 - ▶ Storm Sewer Bonds

Costs of Debt

Amount	Years	Debt Levy Increase	Overall Levy Increase
\$3,500,000 (3.75%)	20	41%	13.6%
	30	31%	10.2%
	40	26%	8.6%
\$1,750,000 (3.75%)	20	20.5%	6.8%
	30	15.5%	5.1%
	40	13.0%	4.3%

Following discussion, it was the consensus of the council that staff continue to work to find additional funding sources and obtain closer cost estimates of the project for further discussion.

Meeting adjourned at 6:24 P.M.

Glennis Lauritsen, Secretary

Approved by council February 6, 2012:

Sandra Hodge, President