

**SPRINGVILLE CITY COUNCIL PROCEEDINGS**  
**Work Session – October 14, 2010**

Mayor Heeren called the work session of the Springville City Council to order at 5:00 pm in City Hall. Present on roll call: Grimley, Gerdemann, Shebetka, and Neff. Ballantyne was absent.

**New Business:**

**Oath of Office:** Mareta Ralston was given the oath of office and seated at the council table. Ralston will serve until the next regular election (November, 2011).

**Sewer System Rehab Update:** Dave Haugen of MSA was present with a wastewater treatment facility evaluation which consisted of a preliminary project scope and cost estimate, a primary sewer system improvements map and a user charge analysis. Dave reported on the specifics of replacing sewer mains, lining of mains and replacement of manholes that would reduce system infiltration by 20% to 30%. Dave also discussed the cost of the project with the council. Estimated total project cost of the project is \$840,000, which could be reduced to \$540,000 by receiving a \$300,000 CDBG grant. Receiving this grant would make for a \$4 per month reduction of the monthly user fee for residents of Springville.

Population	1091
Number of Users	461

<b>User Charge Analysis Sanitary Sewer Project</b>		
<b>TOTAL PROJECT</b>	<b>20 Year With CDBG</b>	<b>20 Year Without CDBG</b>
Total Estimated Project Costs	\$840,000	\$840,000
CDBG	\$300,000	\$0
Other Grant Source	\$0	\$0
<i>Balance of Project</i>	<i>\$540,000</i>	<i>\$840,000</i>
1% Loan Origination Fee	\$5,400	\$8,400
<b>TOTAL LOAN AMOUNT</b>	<b>\$545,400</b>	<b>\$848,400</b>
<i>Term(Years)</i>	<i>20</i>	<i>20</i>
Rate	3.00%	3.00%
Annual Principal and Interest	\$36,659	\$57,026
10% Loan Coverage	\$3,666	\$5,703
Estimated Annual O&M	\$1,200	\$1,200
Existing Debt Service	\$0	\$0
<b>TOTAL ANNUAL COSTS</b>	<b>\$41,525</b>	<b>\$63,928</b>
<b>MONTHLY COST PER USER*</b>	<b>\$7.51</b>	<b>\$11.56</b>
<b>TOTAL</b>	<b>\$7.51</b>	<b>\$11.56</b>

**LMI Survey:** One hundred forty-four (144) more surveys are needed to meet the 80% response requirement for the Low to Moderate Income Survey. Dave reported that of the surveys returned 51.50% fall into the low to moderate income ranges which would qualify Springville for a CDBG grant of up to \$500,000 for funding of improvements to the sanitary sewer system. Discussion continued on obtaining the 144 surveys need to meet the 80% response requirement. Bixler will take the excel spreadsheet and divide the City into quadrants and each council member(s) will be assigned a quadrant. The surveys must be in MSA offices by October 29<sup>th</sup> at the very latest.

**256 Broadway:** Discussion was held on options for the 256 Broadway property now that the real estate listing agreement with Skogman Realty has expired. Points of discussion: approximately \$86,000 of debt remains on the property, rental revenue versus property tax expense (the rental income covers the property tax expense), possibility of recruiting a business for the lower level, selling the property at a loss, the cost and ramifications of moving City Hall to the lower level (would open up Cox Lake area, condition of current city hall, etc...) and listing the property with a different realtor.

**Next Meeting:** October 18, 2010.

Motion was made by Neff, second by Shebetka to adjourn at 6:03 p.m. All ayes, motion carried.

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*Mayor*

**ATTEST:** \_\_\_\_\_  
*City Clerk*

*\*\*minutes not official until approved by City Council*