

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

User Charge Analysis Sanitary Sewer Project		
TOTAL PROJECT	20 Year With CDBG	20 Year Without CDBG
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
TOTAL LOAN AMOUNT	\$545,400	\$848,400
<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
TOTAL ANNUAL COSTS	\$41,525	\$63,928
MONTHLY COST PER USER*	\$7.51	\$11.56
TOTAL	\$7.51	\$11.56

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 29th 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.

Mayor

ATTEST: _____
City Clerk

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