

The Conrad City Council met in a special council meeting on 02-27-20 in the Council Chambers. Officials present were Council Members John Dinsmore, Todd Schnathorst, Peg Brown Lindsay Kuhl and Diane Miller. Also in attendance: Lori Stansberry, City Administrator/Clerk; and Luke Wilson, Clapsaddle Garber Associates (CGA). Mayor Jeff Martin called the meeting to order at 7:00 PM and opened with the Pledge of Allegiance. The agenda was approved by Brown and seconded by Dinsmore.

Martin opened the public hearing at 7:01 for the Plans & Specifications for the Farmers Development Subdivision and Lillian Ave Reconstruction. Stansberry noted there were no comments received prior to the meeting and no comments were made by those present. The public hearing was closed at 7:02. Wilson explained that this resolution to approve the Plans, Specifications, Form of Contract and Engineer's Opinion of Cost for the Katherine Farmer Addition Subdivision and Lillian Avenue Reconstruction is what was actually sent out for bids to the contractors. Brown made a motion with Schnathorst seconding the motion. Resolution #2020-11 approved 5-0.

Next item on the agenda was the resolution accepting the bid and authorization the award of contract for the Subdivision and Lillian Ave Reconstruction. Wilson explained that bids were opened in the morning and there were four bidders. Construct was the low bidder and came in at a cost of \$2.67 million. CGA's opinion of cost was \$2.25 million. CGA went over each line item to see where their estimate was low. He explained what items were higher from their estimates. Wilson explained some alternatives that could be made for cost savings. One would be changing the bike trail from concrete to granular surfacing. Mayor Martin asked why he thought bids were coming in higher. One of the reasons he said is that contractors are busy due to the wet season last year and the short construction deadline. Stansberry explained that they had heard from the financial advisor and the bonding attorney with both saying the higher bids do not surprise them because it is happening statewide. Wilson explained that their recommendation would be to table the motion so they can go back through the contract and do an engineer's financial review. Stansberry explained the legal debt margin and how it works if they would exceed the five percent debt capacity. She explained it could be done but you would have to set up annual appropriation debt. Mayor Martin noted he was not comfortable with exceeding the debt limit. Schnathorst made a motion to table the resolution pending financial review. Motion was seconded by Dinsmore. Roll call vote 5-0 to table the motion until the next meeting.

Stansberry explained that the resolution to set the date of March 19, 2020 for the public hearings on proposals to enter into General Obligation Loan Agreement was a not to exceed amount. The dollar amount of not to exceed \$3.3 million Essential Purpose loan and \$200,000 is due to not knowing for sure what the contracts would come in at. This does not mean the City will issue that dollar amount when they go out for investment bids. Schnathorst made a motion to approve the resolution which was seconded by Dinsmore. Resolution # 2020-12 approved 5-0.

Stansberry explained the resolution approving DA Davidson for the underwriting of debt/financial advisor was due to being able to acquire the money at a lower interest rate. She explained that emails were sent to local banks to see if they could issue at the rates proposed.

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Nate Summers has currently been working with us from the firm and recommends that we go out for a bond issue to get a lower rate. Brown made a motion to approve the resolution which was seconded by Miller. Resolution # 2020-13 approved 5-0

Stansberry explained the public hearing would be on the City's special council meeting night of March 19, 2020. She explained that the property tax rate will increase 33 cents per \$1,000 taxable valuation. 27 cents of the 33 cents is due to the implementation of the emergency levy. Those dollars will be set aside for future capital projects or equipment. The 33 cent number does not include the debt service levy on the subdivision. Stansberry explained we will keep that around \$2.00 per \$1,000 taxable valuation. There are other funding sources that will help make the principal and interest payments for the first couple of years. Miller made a motion to set the public hearing date for March 19 which was seconded by Brown. Motion approved 5-0.

Schnathorst made a motion to adjourn which was seconded by Miller. The meeting was adjourned at 7:20 pm.

Jeff Martin, Mayor

Lori Stansberry, Administrator/Clerk