

**** SPECIAL MEETING ****

LE CENTER CITY COUNCIL

Monday, August 2, 2010 @ 2:00 pm at City Hall

- MINUTES -

I. CALL TO ORDER

Present: Mayor Wetzel, Dinwiddie, Krenik, Squires, Fredrickson
Staff: Clerk Collins, Supt. Roemhildt, Engineers Hawbaker & Femrite

II. PRESENTATION BY USDA- RURAL FOR 2010-2011 STREET PROJECTS

First, Engineer Hawbaker gave a presentation on how we arrived at this position and why we then applied to USDA for grant \$ money; an over-all synopsis of the project.

Shane Hastings and Laurie Schmitt of USDA- Rural were present to give an update as to where the City's application for grant money was sitting. Mr. Hastings handed out a "Processing Checklist" showing the City to be into Stage II of the application process. According to Hastings, the main reason the application hadn't moved along farther, faster was the sheer size of the \$ amount (\$20M) and the shortage of staff at USDA.

Hastings informed the Council: USDA would only be involved with the water & sewer portion of the project/ application was received last May '09/ city is eligible for up to 45% (of the project cost) grant with 40 yr.payback/ seeking A.R.A. grant monies/ \$20M total project of which \$2.6M was not eligible/ "looks like a \$10M loan and a \$6M grant from USDA"/ city qualifies for intermediate interest rate (now 3%)/ project could be split into two or three different phases to help move project along.

Many questions were asked by the Council concerning the next steps, the availability of funds, the odds of receiving these funds, the current cost of water & sewer bills and how they may need to be raised to help obtain the grants, etc.

Some of the remaining information USDA will need to continue the application process was: Equivalent Dwelling Unit (EDU) numbers for the city non-residential users/ debt service schedule for the 2010 Minnesota Street Project/ debt service schedule for the refinance of the current USDA- Rural loan/ "Proposed Method of Finance" letter from bond counsel/ Agreement for Engineering Services, etc. See Processing Checklist.

III. ADJOURNMENT

After most questions were answered, Motion by Krenik, Seconded by Dinwiddie, for Mayor Wetzel to adjourn the Special Meeting. Approved unanimously. 3:11 pm

Christopher L. Collins, Admin. Clerk/Treas. City of Le Center