

MINUTES OF THE CAPITAL IMPROVEMENT PUBLIC HEARING
OF THE BRAHAM CITY COUNCIL
TUESDAY, APRIL 2, 2019
7:00 P.M.

The Capital Improvement Public Hearing was called to order with the following present: Mayor Patricia Carlson; Council Members Robert Knowles, Jeremy Kunshier, and Vicky Ethen; and City Administrator Sally Hoy. Council Member Shawn Sullivan was absent.

Present in the audience were: Delwayne Hahn from the Isanti County News, Scott McKinney from the Braham Journal, Jason Murray from David Drown Associates, Police Chief Eric Baumgart, State Representative Brian Johnson, Cynthia Motzko, Kathy Nielson, and Loren Davis.

Jason Murray from David Drown Associates presented the Capital Improvement Plan. He explained that the reason for the public hearing was to disclose the plans to borrow for improvements to buildings the City owns. He explained that under State Statute, the authorization for borrowing for buildings and improvements is under Capital Improvement bonding. He noted the two components of Capital Improvements is (1) adopting a 5-Year Plan for the borrowing window for projects, and (2) holding a public hearing. Murray told the council that as part of the public disclosure, there is a 30-day reverse referendum period where if the City receives a petition signed by 5% of the registered voters in the last general election, they can stop the project. He noted that is uncommon. He said once the 30-day period is completed, the City can initiate the borrowing.

Murray said the total project is about \$273,000 that includes three buildings— the Maintenance Building, Police Garage, and Fire Hall Roof. He said tonight we disclose to the public that the City intends to borrow around \$273,000. He directed the council to the schedule in the back of the packets. He walked the council through the Capital Improvement Plan, reporting that the CIP Legal Lending Limit for the City was .16% of the 2018/Payable 2019 Estimated Market Value of the City, which was \$95,332,900 which calculated to \$152,532.64 less \$25,320 for proposed CIP Principal and Interest, leaving \$127,216.64 available (annually) for Principal and Interest on the CIP Bonds.

He pointed out that since the City has a population of under 2,500 the proposed debt shall not be counted against the City's statutory net debt limits.

He directed the council to the breakdown of the projects as follows:
\$104,000 for the City Shop Storage Building Improvements,
\$16,000 for the Police Garage Repairs, and
\$110,000 for the Fire Hall Roof Replacement

He noted that these were the projects intended for Capital Improvement borrowing from 2019 to 2023.

Murray then directed the council to the draft Debt Service Schedule through Minnesota Rural Water Association. He noted that the information on the Overlapping Debt Information was from the County and would be revised when they finalize the formal Capital Improvement Bond documents.

Mayor Carlson opened the meeting for comments and questions. Hearing none, Knowles moved, and Ethen seconded to adjourn. Motion carried 4-0. The Public Hearing adjourned at 7:06 p.m.

Respectfully Submitted,

Sally A. Hoy
City Administrator