

1. 1. Call To Order

Documents:

[1. 2020-09-15 FINANCE AGENDA.PDF](#)

2. 3. Proposed 2021 & 2022 Special Assessment Rates

Documents:

[3. MEMO SPECIAL ASSESSMENT RATES FOR 2021-2022.PDF](#)

3. Adjourn



**Minn. Stat. § 13D.021 – Meeting by Telephone or Other Electronic Means; Conditions**  
- Minn. Stat. § 13D.021 provides that a meeting of a public body may be conducted via telephone or other electronic means if meeting in a public location is not practical or prudent because of a health pandemic or declared emergency.

**City Council Finance Committee  
Tuesday, September 15, 2020 at 7:00pm or  
immediately following the Joint Committee Meeting  
City Hall – Council Chambers**

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**AGENDA**

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THE FARIBAULT CITY COUNCIL – FINANCE COMMITTEE HAS RESUMED MEETING IN PERSON.  
ATTENDEES WILL BE REQUIRED TO PRACTICE SOCIAL DISTANCING AND WEAR FACE  
COVERINGS (MASKS) WHILE AT CITY HALL IN ACCORDANCE WITH THE REQUIREMENTS OF  
EMERGENCY EXECUTIVE ORDER 20-81 ISSUED BY GOVERNOR WALZ ON JULY 22, 2020.

A ZOOM MEETING WILL ALSO BE AVAILABLE:  
CALL IN NUMBER: 1 312 626 6799; MEETING ID: 893 1852 2255

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1. Call to Order
2. Faribault CARES Non-Profit Grant Program – Review of Applications
3. Proposed 2021 & 2022 Special Assessment Rates
4. Adjourn

Please contact the City Administrator's Office if you need special accommodations while attending this meeting



## Council Committee Memorandum

**TO:** Finance Committee  
**THROUGH:** Tim Murray, City Administrator  
**FROM:** Mark DuChene, City Engineer  
**MEETING DATE:** September 15, 2020  
**SUBJECT:** Proposed 2021 & 2022 Special Assessment Rates

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### Discussion:

The most recent special assessment rates were adopted per Resolution 2018-227, adopted on November 13, 2018, which established the rates for 2019 & 2020 street reconstruction, street overlay, and sidewalk construction improvements. These rates need to be reviewed and updated.

Staff have assembled summaries of special assessment rates (shown in an attachment), as well as average bid prices over the past 29 years, which are as follows:

|      | <u>Aggr. Base</u> | <u>Bitum. Mixture</u> | <u>Curb &amp; Gutter</u> | <u>Sidewalk</u> |
|------|-------------------|-----------------------|--------------------------|-----------------|
| 1991 | \$11.50/c.y.      | \$22.50/ton           | \$ 5.50/l.f.             | \$1.90/s.f.     |
| 1994 | \$12.00/c.y.      | \$23.50/ton           | \$ 5.75/l.f.             | \$2.00/s.f.     |
| 1997 | \$11.00/c.y.      | \$26.50/ton           | \$ 6.50/l.f.             | \$2.25/s.f.     |
| 2000 | \$12.00/c.y.      | \$29.00/ton           | \$ 7.25/l.f.             | \$2.40/s.f.     |
| 2004 | \$18.00/c.y.      | \$42.00/ton           | \$ 9.00/l.f.             | \$3.50/s.f.     |
| 2008 | \$22.00/c.y.      | \$50.00/ton           | \$10.00/l.f.             | \$4.00/s.f.     |
| 2012 | \$21.00/c.y.      | \$68.00/ton           | \$15.00/l.f.             | \$4.50/s.f.     |
| 2014 | \$25.00/c.y.      | \$69.00/ton           | \$11.50/l.f.             | \$4.25/s.f.     |
| 2016 | \$24.00/c.y.      | \$53.50/ton           | \$15.00/l.f.             | \$4.50/s.f.     |
| 2018 | \$28.50/c.y.      | \$65.00/ton           | \$18.00/l.f.             | \$6.50/s.f.     |
| 2020 | \$28.50/c.y.      | \$68.00/ton           | \$18.50/l.f.             | \$6.65/s.f.     |

The table below also shows averages of the proportion of City street overlay and reconstruction project costs are funded through special assessments for select years going back to 2000.

Percentage of project costs funded by special assessments:

|      | <u>Reconstruction</u> | <u>Overlays</u> |
|------|-----------------------|-----------------|
| 2000 | 40.0%                 | 58.7%           |
| 2002 | 32.1%                 | 59.4%           |
| 2004 | N/A                   | 63.6%           |
| 2006 | N/A                   | 35.4%           |
| 2008 | 26.0%                 | N/A             |

|      |       |       |
|------|-------|-------|
| 2010 | 26.0% | 17.5% |
| 2012 | N/A   | N/A   |
| 2014 | 18.4% | 34.3% |
| 2016 | 19.6% | 30.2% |
| 2018 | 16.8% | 45.4% |
| 2020 | 18.6% | 52.2% |

It should also be noted that the consumer price index (CPI) for the last 12 months from July 2020 rose 1.0%.

Regarding the special assessment rates, Staff would recommend no changes to the current special assessment rates for the next two years, which are based on looking at the CPI, project costs, statutory requirements for bonding projects that use special assessments and the current pandemic and related economic uncertainty. The attached draft resolution shows the proposed special assessment rates at the same rates as the current 2020 rates.

**Attachments:**

- Draft 2021-2022 Special Assessment Rate Adoption Resolution
- Special Assessment Rates – History

**Special Assessment Rates**

**City of Faribault**

| Year | Street Reconstruction (l.f.) | Street Reconstruction w/ Salvaged Curb (l.f.) | Street Overlay (l.f.) | Street Overlay w/ New Curb (l.f.) | Sidewalk (L.D. Residential) (l.f.) | Sidewalk (Other) (l.f.) | Lead Water Service Repl. (ea) |
|------|------------------------------|---|-----------------------|-----------------------------------|------------------------------------|-------------------------|-------------------------------|
| 1988 | \$40.224                     | \$34.224                                      | \$7.50                | \$15.50                           | n/a                                | n/a                     | \$471.00                      |
| 1989 | \$40.224                     | \$34.224                                      | \$7.50                | \$15.50                           | n/a                                | n/a                     | \$479.00                      |
| 1990 | \$40.224                     | \$34.224                                      | \$7.50                | \$15.50                           | n/a                                | n/a                     | \$419.00                      |
| 1991 | \$40.224                     | \$34.224                                      | \$7.50                | \$15.50                           | n/a                                | n/a                     | \$419.00                      |
| 1992 | \$40.224                     | \$34.224                                      | \$7.50                | \$15.50                           | n/a                                | n/a                     | \$419.00                      |
| 1993 | \$41.75                      | \$35.75                                       | \$7.50                | \$15.50                           | n/a                                | n/a                     | \$419.00                      |
| 1994 | \$41.75                      | \$33.75                                       | \$7.50                | \$15.50                           | n/a                                | n/a                     | \$419.00                      |
| 1995 | \$43.75                      | \$35.75                                       | \$7.50                | \$15.50                           | \$2.00                             | \$10.00                 | \$419.00                      |
| 1996 | \$43.75                      | \$35.75                                       | \$7.50                | \$15.50                           | \$2.00                             | \$10.00                 | \$419.00                      |
| 1997 | \$43.75                      | \$35.75                                       | \$7.50                | \$15.50                           | \$2.00                             | \$10.00                 | \$419.00                      |
| 1998 | \$43.75                      | \$35.75                                       | \$7.50                | \$15.50                           | \$2.00                             | \$10.00                 | \$419.00                      |
| 1999 | \$43.75                      | \$35.75                                       | \$7.50                | \$15.50                           | \$2.00                             | \$10.00                 | \$419.00                      |
| 2000 | \$43.75                      | \$35.75                                       | \$7.50                | \$15.50                           | \$2.00                             | \$10.00                 | \$419.00                      |
| 2001 | \$46.00                      | \$36.00                                       | \$8.00                | \$16.00                           | \$2.10                             | \$10.50                 | \$420.00                      |
| 2002 | \$48.00                      | \$38.00                                       | \$9.00                | \$18.00                           | \$2.30                             | \$11.50                 | \$435.00                      |
| 2003 | \$50.00                      | \$40.00                                       | \$10.00               | \$20.00                           | \$2.50                             | \$12.50                 | \$450.00                      |
| 2004 | \$50.00                      | \$40.00                                       | \$10.00               | \$20.00                           | \$2.50                             | \$12.50                 | \$450.00                      |
| 2005 | \$50.00                      | \$40.00                                       | \$10.00               | \$20.00                           | \$2.50                             | \$12.50                 | \$450.00                      |
| 2006 | \$50.00                      | \$40.00                                       | \$10.00               | \$20.00                           | \$2.50                             | \$12.50                 | \$450.00                      |
| 2007 | \$50.00                      | \$40.00                                       | \$10.00               | \$20.00                           | \$2.50                             | \$12.50                 | \$450.00                      |
| 2008 | \$60.00                      | \$48.00                                       | \$12.00               | \$20.00                           | \$3.00                             | \$15.00                 | \$700.00                      |
| 2009 | \$62.50                      | \$50.00                                       | \$13.00               | \$24.00                           | \$3.25                             | \$16.25                 | \$725.00                      |
| 2010 | \$65.00                      | \$52.00                                       | \$14.00               | \$28.00                           | \$3.50                             | \$17.50                 | \$750.00                      |
| 2011 | \$65.00                      | \$52.00                                       | \$14.00               | \$28.00                           | \$3.50                             | \$17.50                 | \$750.00                      |
| 2012 | \$65.00                      | \$52.00                                       | \$14.00               | \$28.00                           | \$3.50                             | \$17.50                 | \$750.00                      |
| 2013 | \$65.00                      | \$52.00                                       | \$14.00               | \$28.00                           | \$3.50                             | \$17.50                 | \$750.00                      |
| 2014 | \$65.00                      | \$52.00                                       | \$15.00               | \$28.00                           | \$3.50                             | \$17.50                 | \$750.00                      |
| 2015 | \$65.00                      | \$52.00                                       | \$15.00               | \$28.00                           | \$3.50                             | \$17.50                 | \$750.00                      |
| 2016 | \$67.50                      | \$53.50                                       | \$17.00               | \$31.00                           | \$4.25                             | \$18.75                 | \$775.00                      |
| 2017 | \$70.00                      | \$55.00                                       | \$18.50               | \$33.00                           | \$5.00                             | \$20.00                 | \$800.00                      |
| 2018 | \$72.50                      | \$57.50                                       | \$20.00               | \$35.00                           | \$5.50                             | \$22.00                 | \$800.00                      |
| 2019 | \$74.00                      | \$59.00                                       | \$20.50               | \$35.50                           | \$6.00                             | \$22.50                 | \$825.00                      |
| 2020 | \$75.50                      | \$60.50                                       | \$21.00               | \$36.00                           | \$6.50                             | \$23.00                 | \$825.00                      |
| 2021 | \$75.50                      | \$60.50                                       | \$21.00               | \$36.00                           | \$6.50                             | \$23.00                 | \$825.00                      |
| 2022 | \$75.50                      | \$60.50                                       | \$21.00               | \$36.00                           | \$6.50                             | \$23.00                 | \$825.00                      |

\* Surcharges of approximately 10% and 20% are added for High Density Properties and Commercial/Industrial/Institutional Properties, respectively.

|   |      |      |      |      |      |
|---|------|------|------|------|------|
| For period from 1991 to 2020, the assessment rates have increased the following average percent per year: | 2.3% | 3.7% | 5.0% | 3.5% | 2.7% |
|---|------|------|------|------|------|

|   |      |      |      |      |      |
|---|------|------|------|------|------|
| Under the proposed 2021 and 2022 rate increases, the assessment rates will have increased the following average percent per year: | 2.1% | 3.5% | 4.7% | 3.2% | 2.6% |
|---|------|------|------|------|------|

Assessment Period (through 2013)

- 10 years - Reconstructions
- 5 years - Overlays
- 5 years - Sidewalks

Assessment Period (2014 & beyond)

- 15 years - All

Interest Rate

2% over City Bonding Rate

M.S.A. Streets

Reconstructions assessed same as non-MSA streets.  
 Overlays on MSA streets not assessed prior to 2003.  
 Low density residential properties on MSA streets received a 50% reduction in rate for overlays through 2015.

**CITY OF FARIBAULT**

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**RESOLUTION #2020- XXX**  
**ADOPT SPECIAL ASSESSMENT RATES FOR 2021 & 2022**

**WHEREAS**, the City levies special assessments against benefiting properties pursuant to Minnesota Statutes, Chapter 429, for street reconstruction, street overlays, and sidewalk construction, on a fixed per-unit basis.

**NOW, THEREFORE BE IT RESOLVED**, that the City Council hereby adopts the following schedule of Special Assessment Rates for 2021 and 2022:

|  | <u>2021</u>     | <u>2022</u>     |
|--|-----------------|-----------------|
| <b><u>Street Reconstruction</u></b>          |                 |                 |
| Low Density Residential Property             | \$75.50/l.f.    | \$75.50/l.f.    |
| High Density Residential Property            | \$83.00/l.f.    | \$83.00/l.f.    |
| Commercial/Industrial/Institutional Property | \$90.00/l.f.    | \$90.00/l.f.    |
| Credit for Salvaged Curb                     | (-)\$15.00/l.f. | (-)\$15.00/l.f. |
| Lead Water Service Replacement               | \$825.00/ea     | \$825.00/ea     |
| <b><u>Bituminous Street Overlays</u></b>     |                 |                 |
| Low Density Residential Property             | \$21.00/l.f.    | \$21.00/l.f.    |
| High Density Residential Property            | \$23.00/l.f.    | \$23.00/l.f.    |
| Commercial/Industrial/Institutional Property | \$25.00/l.f.    | \$25.00/l.f.    |
| New Curb & Gutter Added                      | (+)\$15.00/l.f. | (+)\$15.00/l.f. |
| <b><u>Sidewalk Construction</u></b>          |                 |                 |
| Low Density Residential Property             | \$ 6.50/l.f.    | \$ 6.50/l.f.    |
| Other Property                               | \$23.00/l.f.    | \$23.00/l.f.    |

**Date Adopted: September 8, 2020**

**Faribault City Council**

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**Kevin F. Voracek, Mayor**

**ATTEST:**

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**Timothy C. Murray, City Administrator**