

MINUTES OF A REGULAR CITY COUNCIL MEETING HELD WEDNESDAY, JUNE 4, 2008 - 6:02 P.M. – ROCKVILLE CITY HALL.

The meeting was called to order by Mayor Brian Herberg. Roll Call was taken and the following members were found to be present: Mayor Brian Herberg, Council Members Vern Ahles, Bill Becker, Susan Palmer, & Jim Pfllepsen. Absent: Randy Volkmuth. Don Simon arrived at 6:11 p.m.

Staff members present were: Administrator/Clerk Rena Weber & Engineer Scott Hedlund.

Others present were: Kristen Molitor, Mike Loesch, Dave Volkmuth, Ev Balko, Aaron Cheeley, Gene Merten, Dick Nieters, Ed Kalla, Liza Fuchs, Joyce Hansen, Jackie & Earl Pierskalla, Vince & Audrey Schaefer.

ADDITIONS TO THE AGENDA: Motion by Member Ahles, second by Member Palmer, to approve the additions to the agenda for discussion purposes.

AYES: Ahles, Becker, Herberg, Palmer & Pfllepsen
Motion passed on a 5 to 0 vote.

CONSENT AGENDA: Motion by Member Palmer, second by Member Ahles, to approve the consent agenda as presented:

- a) **Approve minutes of 05/21/08**
- b) **Approve Treasurer's Report of 06/04/08**
- c) **Approve List of Bills and Additions of 06/04/08**

Accounts Payable CK # 010246 to 010292	\$20,692.28
Payroll CK #003081 to 003092	6,045.80
EFT#000139	384.71

AYES: Ahles, Becker, Herberg, Palmer & Pfllepsen
Motion passed on a 5 to 0 vote.

OLD BUSINESS

ASSESSMENT POLICY – Administrator/Clerk Rena Weber read the 3 Requests for Council Action from Attorney Jim Mogen regarding the proposed changes from the Special Assessment Policy committee and also reported on the history regarding the A-40 deferment:

a) 4/11/07 – discussed A-40 deferred assessment

A-40 properties will be assessed for 200 lineal feet for each building unit that could be constructed (the same as SP-1) except that in addition deferred assessments will apply. The deferred assessments will be based upon the actual front foot measurement of the property less the 200 foot per unit assessment which is originally levied as part of the project. This assessment will be deferred for 10 years, or upon sale or development of the property. Deferral will be upon TRANSFER or development.

b) 5/2/07 – discussed again

Page 15 & Ag-40 and SP-1 Assessments – Igor explained that the proposal is to assess an 80 acre parcel as such:

*400 feet – assessed at time of improvement
Interest accrues*

The remaining amount would be deferred for 10 years or until sold

No action taken as more discussion needs to occur on this subject.

c) 5/9/07 – discussed again

Discussion was held regarding Reconstruction projects Vs Reclaiming projects.

The cost per foot is cheaper for reclaiming, but the life of a reconstruction is longer.

Motion by Member Palmer, second by Member Hagen, to set the following length of time for A-40 keeping the same language that triggers when assessments get paid sooner.

Reconstruction **10 years and 10 year deferment**
Reclaim **7 years and 7 year deferment**

AYES: Ahles, Hagen, Herberg, Palmer, Simon & Volkmuth

NAYS: Pfllepsen

For SP -1 there is no deferral – it's the 200' assessed and that's it.

d) 8/15/07 – Amended Special Assessment Policy adopted

e) 10/30/07 – held special assessment policy meeting and made two recommendations but this was not changed in the policy

RECOMMENDATION – Motion by Member Hagen, second by Member Volkmuth, to recommend a reduction in the sidewalk assessment to 50% and leave Curb & Gutter at 100%.

AYES: Hagen, Herberg, Palmer, Simon & Volkmuth

NAYS: Pflepsen

Motion passed on a 5 to 1 vote.

RECOMMENDATION – Motion by Member Palmer, second by Member Volkmuth, to recommend a change in deferrals to 30 years or a change from farm use which applies to A-40 and SP-1.

AYES: Hagen, Herberg, Palmer, Pflepsen, Simon & Volkmuth

Motion passed on a 6 to 0 vote.

Mayor Herberg voiced concern of the sidewalk amendment and that it should not be reflected in the policy. We have the right to assess differently for County Road 82, but do we want this to be city wide? He suggested that we leave the policy at 100% with the right to reduce if we want. The motion from the 10/30/07 Special Assessment Policy meeting should reflect that this was for County Road 82.

Rena Weber reported that downtown is the only area where the sidewalks are basically located.

Amendment #2 – Attorney Jim Mogen requested action on the following:

REQUESTED ACTION: Approval of Amendment 2 to the Assessment Policy as Proposed on June 4, 2008

BACKGROUND: The Assessment Policy was reviewed by the Task Force established by the City Council. They have made recommendations based on that review. In addition, the City Council in workshop session made inquiries regarding other potential amendments to the policy, especially as it applies to agricultural property,

The Council is being presented with a number of options: Each option makes a different change. The Council may adopt any combination of the options, and the actual changes will be made by the City staff. Each option is provided as a separate RCA.

This proposed amendment addresses the percentage of sidewalk that is assessed. It was unclear if the Council wished to make a change to the current language, so this option is being put forward.

Making this amendment will change the assessment for a new sidewalk from 50% per side of the street, to 25% per side.

Amend the City of Rockville Assessment Policy as proposed on June 4, 2008, by replacing Section 10(C) with the following new Section 10(C).

C. Sidewalks_

1) New Construction. 50% of the costs of new sidewalks will be assessed, by allocating 25% of the full costs as set forth in the Schedule of Costs against properties on each side of the street in the block being improved.

2) Repair and Replacement. Sidewalks will be repaired or replaced in accordance with the sidewalk replacement policy in effect at the time. Annual inspection by the Public Works Director shall determine those sidewalks which are in not in compliance with City standards. If a portion of a sidewalk that requires repair only immediately abuts one or two properties, the property owner(s) shall be notified and allowed thirty days in which to make repairs. If the owner

fails to do so, the City shall order the repairs to be made and shall certify the cost of the repairs as an assessment against the properties. If -a larger portion of sidewalk is being repaired or replaced during the same project, 54% of the costs of sidewalk replacement will be assessed by allocating 27% of the full costs as set forth in the Schedule of Costs against properties on each side of the street in the block being improved.

Regional Trails. Costs for trails that are designed by the City as part of a regional trail network, shall not be assessed against abutting properties, and may be paid for out of funds provided for by federal, state, or county authorities, of out of city general or park funds.

Member Ahles questioned the change to 27% or 54%. Rena Weber explained that the 27% was a recommendation of the Special Assessment Committee and the attorney changed the 60% to 54% based on a percentage reduction.

Motion by Member Palmer, second by Member Pflepsen, to reject this request (Amendment #2) as presented.

***AYES: Ahles, Becker, Herberg, Palmer, Pflepsen & Simon
Motion passed on a 6 to 0 vote.***

Amendment #1 – Attorney Jim Mogen requested approval on the following:

REQUESTED ACTION: Approval of Amendment 1 to Assessment Policy as Proposed on June 4, 2008

BACKGROUND: The Assessment Policy was reviewed by the Task Force established by the City Council. They have made recommendations based on that review. In addition, the City Council in workshop session made inquiries regarding other potential amendments to the policy, especially as it applies to agricultural property.

The Council is being presented with a number of options. Each option makes a different change. The Council may adopt any combination of the options, and the actual changes will be made by the City staff. Each option is provided as a separate RCA.

This proposed amendment addresses the deferral of the remaining assessment against property located in the A-40 district. It was requested to amend the policy to provide for a further delay than the current 7 or 10 year period.

Under Minnesota law, an assessment must be paid in full within 30 years, so the deferral, including any period of repayment, may not extend the time past 30 years. That means that the deferral, plus any repayment term, must be 30 years or less.

Two options are put forward for your consideration. Option 1 provides for 30 years. Option 2 provides for 20 years. Option 3 is basically a "no change" option (that corrects some language).

Please note, Legal does not recommend making any change to this item. The extended delay will create difficulties in administering the deferred assessments. More importantly, if the property is being farmed by a family farmer, the "Green Acres" law already provides for a better deferral for the property owner than provided here. The effect is to give a deferral for property that is not actually being farmed.

MOTION: Approve Amendment 2, Option 1, 2 or 3 (choose one), as attached, to the Assessment Policy as proposed on June 4, 2008.

OPTION 1

Amend the City of Rockville Assessment Policy as proposed on June 4, 2008 by replacing Section 10(H) with the following new Section 10(H).

- R **Assessments for Properties Zoned A-40.** For roadway reconstruction and reclaim projects, the assessments levied for properties zoned A-40 will be limited to 200 Adjusted Front Feet for each building unit that may be constructed on the property (Le. 200 front feet for each 40 acres). In addition, however, the property shall also have a deferred assessment for the remaining Adjusted Front Footage of the property in accordance with this Section 11(B). No limit or deferral will be provided for overlay projects. For example, a 160 acre parcel zoned A-40 with 2,000 feet of adjusted front footage shall have an assessment levied for 800 Adjusted Front Feet (200 feet for each 40 acres of the parcel) and shall have a deferred assessment for the remaining 1,200 adjusted front feet. The purpose of this provision is to recognize the future development potential for property zoned A-40 and account for the benefits actually received by the public improvements. The deferred assessments shall become payable upon the earlier occurrence of one of the following: (1) 30 years has passed from the date of the adoption of the assessment roll; (2) the property is no longer classified as agricultural pursuant to the tax assessment classification system. The deferred assessments shall be payable at the duration provided in Section 8 (C). but must be paid in full within 30 years. The deferred assessments shall accrue interest from the date of the adoption of the assessment roll.

OPTION 2

Amend the City of Rockville Assessment Policy as proposed on June 4, 2008 by replacing Section 10. with the following new Section 10 H.

- H. **Assessments for Properties Zoned A-40.** For roadway reconstruction and reclaim projects, the assessments levied for properties zoned A-40 will be limited to 200 Adjusted Front Feet for each building unit that may be constructed on the property (i.e. 200 front feet for each 40 acres). In addition, *however*, the property shall also have a deferred assessment for the remaining Adjusted Front Footage of the property in accordance with this Section 11(H). No limit or deferral will be provided for overlay projects. For example, a 160 acre parcel zoned A-40 with 2,000 feet of adjusted front footage shall have an assessment levied for 800 Adjusted Front Feet (200 feet for each 40 acres of the parcel) and shall have a deferred assessment for the remaining 1,200 adjusted front feet. The purpose of this provision is to recognize the future development potential for property zoned A-40 and account for the benefits actually received by the public improvements. The deferred assessments shall become payable upon the earlier occurrence of one of the following: (1) 20 years has passed from the date of the adoption of the assessment roll; or (2) the property is no longer classified as agricultural pursuant to the tax assessment classification system. The deferred assessments shall be payable at the duration provided in Section 8 (C), but must be paid in full within 30 years. The deferred assessments shall accrue interest from the date of the adoption of the assessment roll:

OPTION 3

Amend the City of Rockville Assessment Policy as proposed on June 4, 2008 by **replacing Section 10(H) with** the following new Section 10(H).

- H. **Assessments for Properties Zoned A-40.** For roadway reconstruction and reclaim projects, the assessments levied for properties zoned A-40 will be limited to 200 Adjusted Front Feet for each building unit that may be constructed on the property (i.e. 200 front feet for each 40 acres). In addition, however, the property shall also have a deferred assessment for the remaining Adjusted Front Footage of the property in accordance with this Section 11(B). No limit or deferral will be provided for overlay projects. For example, a 160 acre parcel zoned A-40 with 2,000 feet of adjusted front footage shall have an assessment levied for 800 Adjusted Front Feet (200 feet for each 40 acres of the parcel) and shall have a deferred assessment for the remaining 1,200 adjusted front feet. The purpose of this provision is to recognize the future development potential for property zoned

A-40 and account for the benefits actually received by the public improvements. The deferred assessments shall become payable upon the earlier occurrence of one of the following: (1) 10 years (for totally reconstructed streets) or 7 years (for reclaimed streets) has passed from the date of the adoption of the assessment roll; or (2) the property is no longer classified as agricultural pursuant to the tax assessment classification system. The deferred assessments shall be payable at the duration provided in Section 8 (C), but must be paid in full within 30 years. The deferred assessments shall accrue interest from the date of the adoption of the assessment roll.

Member Palmer questioned the deferment “only if it is farmed”. Mayor Herberg explained the difference is due to the definition of a hobby farm and where Attorney Mogen is concerned on where to draw the line.

Mayor Herberg also indicated that the property tax statement addresses whether or not the property has an ag credit and should be tied into that.

Member Simon indicated that there has to be 10 acres or more to apply for green acres.

Member Pflapsen was concerned with the statement “the earlier of 10 years or subdivision of property or rezoning the property” would trigger the assessments.

Mayor Herberg indicated that 10 years goes by quick.

Motion by Member Becker, to table action until we can get clarification on the definition of “farmed”.

Motion died for a lack of second.

Motion by Member Pflapsen, second by Mayor Herberg, to approve Option 2 using the 20 year deferment, in addition amend Section 11 to qualify any deferment of special assessment in A-40 shall only apply to land registered in the Green Acres program.

AYES: Ahles, Becker, Herberg, Palmer, Pflapsen & Simon

Motion passed on a 6 to 0 vote.

Motion by Mayor Herberg, second by Member Simon, to approve the Assessment Policy as revised and corrected as of this meeting leaving the 27% factor as is.

AYES: Ahles, Becker, Herberg, Palmer, Pflapsen & Simon

Motion passed on a 6 to 0 vote.

CONCRETE VS SOD – CR 82 PROJECT – Rena Weber reported that at the last meeting the council looked at the price of pavers for the north side of CR 82 and determined that it was too costly. Since then the city was contacted by Jeff Hagen to consider concrete instead of sod. The cost of concrete is \$5,415 plus \$1,800 = \$7,215. There was a suggestion from Member Pflapsen to leave some green space and install concrete on the one block through the business district.

Motion by Member Ahles, second by Member Becker, to approve installing concrete on the one block which is the business district and sod in front of residential.

AYES: Ahles, Becker, Herberg, Palmer, Pflapsen & Simon

Motion passed on a 6 to 0 vote.

COUNTY ROAD 82 ASSESSMENT ROLL - Rena Weber explained that now the special assessment policy has been adopted the council needs to determine how they wish to proceed with the adoption of the assessment roll for CR 82. There is no need to hold an additional hearing as the hearing was officially closed. If it is less than the original assessment by law no additional hearing need be held.

Mayor Herberg reminded all of the 50% reduction on sidewalk and there would be no change to new curb & gutter. Mayor Herberg stated he would like to give a reduction on the curb & gutter assessment and do the same straight across the board.

Rena Weber suggested the council may wish to look at the assessment roll first.

Member Palmer indicated that at one time we were looking at assessing everything on the road based on different facts.

Mayor Herberg indicated that sitting on the Special Assessment Committee the desire was to not assess anything which is something the council can do, but his opinion would be to compromise.

Member Pflapsen felt that the policy is now amended and should be followed.
Member Palmer indicated that the Committee recommended changes that the council has accepted.

Member Palmer introduced the following resolution and moved for its adoption:

RESOLUTION NO. 2008-15

RESOLUTION ADOPTING ASSESSMENT FOR THE COUNTY ROAD 82 TURNBACK IMPROVEMENT PROJECT.

WHEREAS, pursuant to notice duly given as required by law, the City Council has met, heard and passed upon all objections to the proposed assessment for 2007 County Road 82 Improvement Project, and has amended such proposed assessments as it deems just;

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Rockville, Stearns County, Minnesota, as follows:

- 1. Such proposed assessment, a copy of which is attached hereto and made part hereof is hereby accepted and shall constitute the special assessment against the lands named herein, and each tract of land there is hereby found to be benefited by the proposed improvements.**
- 2. Such assessment is hereby attached and marked Exhibit B which indicates the sidewalk assessment is reduced to 50% while the curb & gutter remains at 100% for new construction.**
- 4. The remaining assessments shall be payable in equal annual installments including principal and interest extending over a period of 10 years, with interest rate of five percent (5.0%) per annum, in the amount annually required to pay the principal over such a period at such a rate, the first of said installments to be payable with general taxes for the year 2009, collectible with such taxes during the year 2009. Interest shall accrue from and after July 4, 2008.**
- 5. The owner of the property so assessed may at any time prior to the certification of the assessment to the County Auditor, pay to the Administrator/Clerk, and thereafter at any time prior to November 15 of any year pay to the County Auditor or Administrator/Clerk, the whole of the principal amount of the assessment on such property provided that no such prepayment shall be accepted without payment of all installments due to and including December 31 of the year of the prepayment, and the original principal amount reduced only by the amounts of principal included in such installments computed on an annual amortization basis.**
- 6. The Administrator/Clerk shall forthwith transmit a certified duplicate copy of this assessment to the County Auditor to be extended on the tax list of the County.**

The motion for the adoption of the foregoing resolution was duly seconded by Member Pflapsen and upon a vote being taken thereon, the following voted in favor thereof:

AYES: Ahles, Becker, Palmer, Pflapsen & Simon

NAYS: Herberg

Motion passed on a 5 to 1 vote.

ENGINEER REPORT

260TH STREET RECLAIM PROJECT - Scott Hedlund presented the feasibility report for 260th Street Reclaim project (A copy of which is hereby attached and marked Exhibit A). A breakdown of costs were:

- \$195,000 Total Estimated Cost
- 97,500 ½ cost to city and twp.
- 91,500 city cost
- 6,000 proposed to be assessed

Scott Hedlund indicated that the next steps would be to accept the Feasibility Report and Call for Public Hearing.

Member Palmer asked Scott if he considered turning it back to gravel.

Member Pflapsen stated this was not a priority road and was not on the radar to spend money on this road.

(It should be noted that Scott Hedlund stated that 260th is identified on the CIP project needs list as a priority 2 level).

Mayor Herberg introduced the following resolution and moved for its adoption:

RESOLUTION NO. 2008-16

Resolution Receiving Report and Calling Hearing on Improvement

(260TH STREET RECLAIM PROJECT)

WHEREAS, pursuant to resolution of the council, a report has been prepared by Short Elliott Hendrickson Inc. with reference to the proposed RECLAIM improvement of 260TH Street from the west line of County Road 139 to the intersection of C.R. 2 and this report was received by the council on June 4, 2008, and

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost- effective, and feasible.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ROCKVILLE, MINNESOTA:

1. The council will consider the improvements in accordance with the report and the assessment of abutting property to be served by the improvements, for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of \$195,000.

2. A public hearing shall be held on such proposed improvement on the 2nd day of July, 2008, in the council chambers of the city hall at 6:15 PM., and the clerk shall give mailed and published notice of such hearing and improvement as required by law.

The motion for the foregoing resolution was duly seconded by Member Ahles with the following vote being taken:

Member Palmer asked is it still our top priority?

Member Becker asked what is the total of the top priority needs. Scott Hedlund indicated that we don't have that finalized.

Member Palmer stated that she still wants to go through the whole financing process in the finance committee.

Mayor Herberg stated that we tried to hold a joint finance/street committee meeting and the Finance Committee did not have a quorum to talk about this.

Member Palmer expressed concern stating that just because we say we have money to spend on this doesn't mean we should. This is not the way to approach it.

Mayor Herberg indicated that this request came to us from our neighboring township and we have to work with our neighbor.

AYES: Ahles, Becker, Herberg, Simon

NAYS: Palmer & Pflapsen

Motion passed on a 4 to 2 vote.

Scott Hedlund stated that he would still like to keep meeting with the Finance Committee on the priority list to identify the number needed.

ADDITIONS TO THE AGENDA

CONCESSION STAND WORKER – Rena Weber reported that one of the concession stand workers is unable to work this month and suggested that Sandra Schutz be hired as the fill in concession stand worker.

Motion by Member Ahles, second by Member Simon, to approve the hiring of Sandra Schutz as the temporary concession stand worker effective immediately.

AYES: Ahles, Becker, Herberg, Palmer, Pflapsen & Simon

Motion passed on a 6 to 0 vote.

ON-SALE MALT LIQUOR LICENSES – Rena Weber reported that Stoney's Bar is requesting approval for on-salt malt liquor licenses on:

7/27/08 – Noon to 8 p.m. at Pickup Power'n Sports

8/23/08 – Noon to midnight at Granite Edge Cafe

Motion by Mayor Herberg, second by Member Simon, to approve the On-Sale Malt Liquor license requests as presented.

AYES: Ahles, Becker, Herberg, Palmer, Pflapsen & Simon

Motion passed on a 6 to 0 vote.

COMMITTEE REPORTS

MAYOR'S REPORT - Mayor Herberg reported that the City of Rockville had some success with the legislature regarding Local Government Aid this year. Due to a formula change we are scheduled to receive \$38,122 which is up from the \$15,000 we currently receive. In addition special legislation will give the city an additional \$30,000 for 2009.

STREET COMMITTEE – Chair Simon Street Committee met with citizens on the turn back of County Road 138.

- Most concerns were the dust problems and traffic/speed
 - No decision was made and we are not spending any money
 - 4 options were presented by Mitch Anderson
 - Stearns County will upgrade the road without spending a lot of money
- Vince Schaefer stated the County Engineer will review the options and get back to the city.

Member Pflapsen referred to the State improving Highway 23 and having to improve a portion of roadway before turning back to the county which is what started this in the first place.

Member Simon indicated that people were interested in getting this road ruled a rustic road, but the traffic count was more than what would warrant a rustic road

ADMINISTRATOR REPORT

EDA BILLS – Rena Weber reported that due to the fact the council will not be meeting on 6/18/08 she is asking the council to approve the payment of the following invoices Pending EDA Approval. They will meet on 6/9/08.

NAME	COMMENT	AMOUNT
Ralph Walz	6 hours – boiler check	\$ 90.00
SBI	Revised final payment – City Hall	\$22,854.38
SEH	Executive Director services	\$ 1,111.24

Motion by Mayor Herberg, second by Member Palmer, to approve the request as presented.

AYES: Ahles, Becker, Herberg, Palmer, Pflapsen & Simon

Motion passed on a 6 to 0 vote.

OPEN FORUM

Lake Road Park stating there is one heck of mess of dandelions. Rena Weber indicated that Lion's Park was supposed to have a major re-seeding project done. Rena will check on whether this was done.

Vince Schaefer - 541 Caroline Lane, questioned the County Road 82 assessment and did the council vote to not hold another public hearing. Rena Weber stated the council passed the resolution approving the revised assessment roll.

Vince Schaefer stated it would be in the best interest of the city to hold another hearing. After the last public hearing most of the people have filed appeals. Vince Schaefer asked at what point does the time clock start. Rena Weber indicated that it starts with the adoption of the assessment roll. Members of the council wanted the attorney to answer that.

Vince Schaefer asked at what point the property owners will be notified of the decision. He also requested a copy of the minutes once done – unapproved. Mr. Schaefer wants to know how the assessment is applied with the city costs taken out. Mr. Schaefer questioned if the unique project fell by the way side.

ADJOURNMENT – Motion by Member Ahles, second by Member Palmer, to adjourn the meeting at 7:17 p.m. Motion carried unanimously.

**VERENA M. WEBER-CMC
ADMINISTRATOR/CLERK**

**BRIAN HERBERG
MAYOR**

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