

**NOTES FROM A PERSONNEL COMMITTEE MEETING HELD WEDNESDAY,
FEBRUARY 10, 2010 – ROCKVILLE CITY HALL – 6:00 P.M.**

The meeting was called to order by Chair Randy Volkmuth. Roll Call was taken and the following members were found to be present: Chair Volkmuth, Mayor Hagen, Bill Becker, Susan Palmer & Duane Willenbring. Absent: None. Also present: John Koerber & Jerry Schmitt.

Also present: Administrator/Clerk Rena Weber, Public Works Superintendent Rick Hansen & Assistant Fire Chief Don Simon.

FINANCE DIRECTOR – Rena Weber reported that ABDO auditors were out right after the first of the year to do a preliminary audit. This was mainly to see where staff was at and how things were being handled. At that time Tom Ohlinger indicated to the Administrator that things were looking good. Staff still has concerns on

- ◆ Reconcile unearned revenue
- ◆ Reconcile Accounts payable
- ◆ Reconcile Due from other governments
- ◆ Reconcile Delinquent property taxes & special assessment receivable
- ◆ Reconcile deferred special assessment receivable asset and liability
- ◆ Reconcile Accounts receivable
- ◆ Reconcile Abated Receivables
- ◆ Reconcile prepaid expenses

Rena indicated that staff hopes to go over all of the reports that Amy has on her computer with ABDO to determine the necessity and how to do the reports. Rena Weber reported that the checkbook is balanced and more importantly investments are still being made. This was not just something that was done by the former Finance Director. It has always been a team effort.

Council members were invited to meet with the auditors during audit week as well. No action was taken as staff would like to go through the audit first.

LOIS LENZMEIER – 25418 PLEASANT ROAD - Mayor Hagen noted that this item was not on the agenda, but he wished to inform the committee that Lois Lenzmeier's real estate broker had contacted him and it appears that she may fight the fee as was discussed at the 1/27/10 Public Works Committee meeting. It is a fairness issue and the Public Works Committee expressed that specific concern.

Council members wanted to know what the options are instructed the Administrator to check with the city attorney.

FIRE DEPARTMENT ISSUES – Don Simon and Rick Hansen were present to voice concern on some fire department personnel issues:

- ◆ % of attendance
- ◆ Lack of cooperation by some members
- ◆ Cameras in the fire hall (Chair Volkmuth and Duane Willenbring to talk to the former chief about this issue as it should be a non-issue and further that no tapes were made)

It was determined that the officers need to follow their by-laws in dealing with the issues. They need to treat everybody the same.

Rena Weber reported that she is meeting with two members of the department on Thursday to hopefully settle another issue.

ADJOURNMENT – *Motion by Chair Volkmuth, second by Mayor Hagen, to adjourn the meeting at 6:51 p.m. Motion carried unanimously.*

Submitted by
Rena Weber-CMC
Administrator/Clerk

**NOTES FROM A PUBLIC WORKS COMMITTEE MEETING HELD WEDNESDAY,
JANUARY 27, 2010 – 4:30 P.M. – ROCKVILLE CITY HALL**

The meeting was called to order by Mayor Hagen. The following members were found to be present: Mayor Hagen, Council Members Jerry Schmitt, Randy Volkmuth & Duane Willenbring. John Koerber arrived shortly thereafter. Absent: Bill Becker

Staff Members present were: Rena Weber-Administrator/Clerk, Rick Hansen-Public Works Director & Engineer Scott Hedlund.

Others present: Chris & Michelle Prior, Joe Heinen, Lois Lenzmeier & Don Simon.

LOIS LENZMEIER – 25418 PLEASANT ROAD – Rena Weber reported that this piece of property was one of the seven lot development that was done by James & Jackie Voigt. At the time the assessments were re-apportioned the city attorney figured in a portion of the Voigt lift station, but not the stub fee that includes the trunk main to Cold Spring or the improvement to the WWTP.

The developer (Voigt's) also wanted to sell some of the lots for garages only so they would not need a sewer stub. At a later time a low pressure stub fee was approved.

Scott Hedlund added to the report that at the time the proposed assessments were adopted BWK provided a unit cost summary that broke out the Collections Cost/Unit, Trunk Cost/Unit, & Grinder Station Cost/Unit. The cost without the grinder station was \$7,586.66

In this situation Ms. Lenzmeier paid for the grinder station on her own, but was not charged the low pressure system fee (currently at \$8,782.50).

Scott Hedlund indicated that a credit of the \$2200 should be given to Ms. Lenzmeier since she paid that portion of the assessment.

Member Volkmuth indicated that this is a fairness issue in that all other people on the system paid \$14,387.90 and the future homes should pay approximately the same amount plus interest. He suggested we take the \$8782.50 minus the \$2200 and proposed putting it on the tax rolls for 10 years at 4.59%.

Rick Hansen reported that Ms. Lenzmeier had to de-water in order to install her system and this was an extra cost that should have been included in the cost of the stub.

Member Volkmuth then suggested the reduced cost of \$6582 be lowered to \$5500 to account for the cost of de-watering. This would be a 10 year assessment at 4.59% interest.

Motion by Member Volkmuth, second by Member Willenbring, to recommend the council approve a reduction from \$8782.50 to \$6582.50 and further that the bill be reduced to \$5500 to reflect the de-watering costs over 10 years at 4.59% interest.

Motion carried.

(Upon further review it was determined that the interest rate charged in 2005 was 4.34%)

CHRIS & MICHELLE PRIOR – Questions regarding the Van Lith Property – Chris & Michelle Prior were present to ask a few questions about the Van Lith property. Rena Weber informed the committee that the individual who was at the December council meeting to ask about the requirement to hook up to sewer backed out of the process.

Rena Weber also reported that since 2009 the \$54,000 assessment was no longer to be deferred and the assessment is now approximately \$69,000.

Chris Prior had submitted a concept plan showing 5 lots.

Scott Hedlund had reviewed the proposal and sent it off to Stearns County for their comment of access to CR 6 due to the fact that they would not allow Mr. Van Lith any access with his proposed plat. The County re-affirmed their decision. Scott felt that if a few council members met with the county they may change their mind.

Member Volkmuth stated that he could support the five lots, and felt the committee should continue to work with county on the access to CR 6.

Chris asked about:

- ◆ Is there a possibility for future water – At this time, no.
- ◆ He would like to construct a 40' x 60' shop. Rena explained that this is zoning questions that would be reviewed by the Planning Commission.
- ◆ Can they use the septic system until they develop or it goes bad – no.

JOE HEINEN – stated he is also interested in purchasing the property, but does not want to develop the property. Chris Prior had wanted to purchase the property and build a new house with a shop on it. Discussion was held regarding the fact that they could purchase the property together, request a subdivision into two lots and each would hook up to the sanitary sewer lines adjacent to the property.

Joe Heinen asked if there is a possibility of a break on the sewer assessment since the oversized system would not be used. This may be considered at the Finance Committee level.

2010 ROAD PROJECTS - Discussion was held regarding the proposed projects:

Rena Weber reported that in 2008 the city agreed to pay ½ the cost to fix 260th Street which is the dividing line between St. Joseph Township and Rockville.

Scott Hedlund presented an estimate of the cost to be \$97,500 each.

Rick Hansen reported that he has received requests to fix:

- ◆ 80th Avenue request to pave – 100%
- ◆ Holly Road – Request to have paved again
- ◆ Lake Road – reclaim from where it stopped on Lena Lane to CR 47
- ◆ Chestnut Street from 4th to Othmar Lane
- ◆ Tamarack Court
- ◆ 230th Street
- ◆ Ahles Road from 88th Ave to Lake Road

Member Volkmuth indicated that when we are reviewing the roads to be improved we need to consider:

- ◆ How many people are on the road
- ◆ Is the area Agriculture zoned
- ◆ Determine how many will benefit
- ◆ Is the road widely travelled and/or heavily populated

Rick Hansen stated that it is his opinion we should do:

- ◆ Chestnut Street - 1210 feet
- ◆ Lake Road - 7317 feet

Scott Hedlund reported that if we re doing reclaims there is not a ton of money in engineering.

Estimated cost per lineal foot:

\$195,000 divided by 5300 feet – \$40 per lineal foot

Mayor Hagen stated we could look at this as one of two projects:

- a) A \$1,000,000 project with assessment
- b) A \$300,000 using only funds accumulated in the road and bridge fund

Rena will check with David Drown regarding the threshold on when we should bond.

Rena, Rick and Scott to come up with estimate for 80th Ave. As soon as we get this info – call another Public Works meeting.

Inform the Finance Committee of this process.

DAN HANSEN – LETTER OF REQUEST - Dan Hansen had presented a letter of request regarding the letter of credit he currently has on the gravel pit that was to be turned into a wetland. Mr. Hansen requested the LOC be released and that he get a 20 year extension.

Rick Hansen informed the committee that old stoves and refrigerators are being dumped behind the dirt pile and need to be cleaned up. This is the reason there is a letter or credit.

Motion by Member Volkmuth, second by Member Willenbring, to recommend the council deny this request and further that a letter be sent to Mr. Hansen informing that the junk needs to be removed. Motion carried.

ADJOURNMENT – Motion by Member Volkmuth, second by Member Koerber, to adjourn at 6:13 p.m. Motion carried.

Submitted by:
Rena Weber-CMC
Administrator/Clerk

Rena Weber

From: Scott Hedlund [shedlund@sehinc.com]
Sent: Thursday, January 28, 2010 9:44 AM
To: Rena Weber
Cc: Scott Hedlund; rhansen@mywdo.com
Subject: Fw: Rockville
Attachments: Street Reconstruction.pdf

Rena, please forward this to the Public Works Committee members. This email discusses street project financing options for the City. The "G.O. Street Reconstruction bond" is what I was referring to last night as another financing option if we can't come up with a way to assess at least 20% of the amount borrowed; the attachment specifically discusses this option. Thanks.

Scott D. Hedlund, PE | Associate
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----- Forwarded by Scott Hedlund/seh on 01/28/2010 09:41 AM -----

"Mark Ruff" <mark@ehlers-inc.com>

To "Scott Hedlund" <shedlund@sehinc.com>

CC "Shelly Eldridge" <Shelly@ehlers-inc.com>

10/10/2006 05:18 PM

Subject Re: Rockville

Scott:

Tough to put into writing a short version of the financing options, but here is a try:

G.O. Improvement Bonds. Not subject to debt limits and no referendum if 20% of project costs are assessed. Can remove any sewer and water costs from the project if done in the 429 process to lower the 20% special assessments. Also could remove storm sewer costs if attributed to sewer or to a storm sewer utility fee.

G.O. Street Reconstruction bonds (see attached) Subject to debt limit and 100% approval by council. Also subject to reverse referendum.

Voted G.O. bonds. Requires vote in election and is subject to debt limits.

Less common options:

Lease purchase. Cities commonly lease vehicles and buildings. We could explore a lease purchase with the city's bond attorney for roads. Would be unusual. Lease under \$1M are not subject to debt limit.

1/28/2010

Slightly higher interest rates and requires legal description.

G.O. Abatement Bonds. Could issue abatement bonds for a public improvement. This does not change the amount people pay in taxes. It only reallocates taxes to debt service on a bond. It is subject to the maximum \$200,000 per year for all abatements. City may want to save abatement for an economic development project. Bonds not subject to debt limit.

>>> Scott Hedlund <shedlund@sehinc.com> 10/5/2006 12:02 PM >>>
Mark,

As you may know, the City of Rockville is looking at doing a \$1,000,000 street reconstruction project in the next couple of years. We're struggling with figuring out a palatable way to assess 20% of the project cost. The problem is properties along the road are mostly large tract agricultural, making the assessments rather high.

Please email me a brief summary of the City's options for financing this project. I know options have been discussed at previous meetings with the City, but I don't have anything on paper.

My general understanding is: 1) a GO bond requires 20% of the amount being borrowed be assessed 2) a CIP Bond requires a public hearing and 7-0 council vote with the chance of a reverse referendum by the public?.

Please clarify.

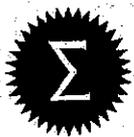
Thanks.

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1/28/2010



In 2002, the Legislature made a variety of changes in the powers of local governments to issue bonds and incur other forms of debt. A new subdivision 3b was added to Minnesota Statutes, Section 475.58 authorizing municipalities to issue bonds without a referendum under street reconstruction programs (see also, Laws of Minnesota for 2002, Chapter 390, Section 18). The 2003 Legislature clarified that street reconstruction bonds may be issued for utility replacement and relocation, public safety street modifications, and other incidental costs, not including curbs and gutters.

Granting municipalities the authority to issue bonds under Minnesota Statutes, Chapter 475 for street reconstruction without regard to election requirements affords them the opportunity of financing this type of improvement without having to specially assess at least 20% of the project costs. Conditions on the authority include approval of the issuance by unanimous council vote, is part of the reconstruction plan, public notice is provided, is conditioned on reverse referendum, and is subject to the municipalities net debt limit, even if they would be exempt under another law.

The law authorizes issuance of obligations without an election for reconstruction of streets, if the bonds are issued under a 5-year street reconstruction plan. To qualify for the referendum exemption, the following qualifications must be met:

- The governing body must approve the street reconstruction plan unanimously after a public hearing. The *notice* must be published in the official newspaper at least 10 days but not more than 28 days prior to the hearing. The *plan* must include the following:
 - ✓ The streets to be reconstructed;
 - ✓ The estimated costs; and
 - ✓ Any planned reconstruction of other streets in the municipality over the next five years.
- Approval of the bond issuance must be made by a unanimous vote of the governing body.
- Issuance of the bonds is subject to referendum approval, if a petition signed by voters equal to 5% of the voters in the last general election is filed with the municipal clerk within 30 days of the public hearing.

Because the bonds are subject to the debt limits, even if they would be exempt under another law (e.g., because they were payable from special assessments), we recommend that municipalities consult their independent public financial advisor for a complete net debt analysis before issuing this type of debt.

1-27-2010

Dear Mayor and all council personal, This is in regards to the Hansen gravel pit, as you know road construction has come to a grinding halt. In 2009 the total sale of gravel out of the pit was far less than the letter of credit required by the city. The permit is in the fifth year of its expiration, I am asking the city to drop the requirement of a letter of credit as other pits do not have this requirement , which makes it that much more difficult to compete with them. The condition of 230th was not built to any engineered specs and has been in frail condition since before the gravel pit was started in 2001. I am also asking for a twenty year extension of the permit . In the past four years I have sold the city of Rockville gravel at a huge savings to the city . I do plan on continuing this discount policy because of my loyalty to the city of Rockville . The pit itself does not look offensive and is near the center of the city . I respectfully request an opportunity to discuss these issues before the council at the councils convenience. Thank you DAN HANSEN

Dan Hansen

Cell: 320 492-0848