

Special Meeting & Public Hearing
November 19, 2014
7:00 p.m.

With due call and notice thereof, the November 19, 2014 Special Council Meeting and Public Hearing of the City of Eden Valley was called to order by Mayor Korman at 7:00 p.m. in the Civic Center meeting room. Present were Mayor Korman, Councilors Gabrelcik, Bradshaw, Thielen and Kern and Clerk Haag. Also present Public Works Director Rademacher, Police Chief Junker, Kent Louwagie, Brent Bengtson, Janice Sheets, and Violet Hamilton. Mayor Korman presided.

The purpose of the special meeting was for the public hearing on the Main Street Highway 22 Street Project and to review proposed budgets for 2015.

Mayor Korman opened the public hearing, explaining the purpose and asked City Engineer Kent Louwagie for a review of the project. Louwagie provided an Assessment Hearing Handout summarizing the project and Final Assessment Rolls were available for all present. He reviewed the project summary, including the area of project included, as well as sanitary sewer, watermain, storm sewer, street, streetscape, and CP Railroad crossing improvements. Punch list items remain to be completed and turf, concrete and other remaining issues will be reviewed and addressed. The project was funded through a combination of funding sources, including State funds from MNDOT, low interest PFA loans from both the clean water and drinking water revolving loan funds, PFA drinking water revolving grant funds, city funds, bonding and special assessments. Total project cost is \$3,979,852.56, of which \$284,089.27 will be assessed. Final assessment rates were lower than preliminary assessment rates presented at the Improvement Hearing in May 2012, with the exception of two properties which requested additional services after the improvement hearing and agreed to the additional costs. McCarthy Avenue improvements were also added after the improvement hearing by request, and the Council had met with affected property owners and agreements to waive appeal of assessments had been made, with Clerk Haag reporting the City is still waiting for the signed waiver from one property owner to confirm verbal agreement. Preliminary assessment rates for street work from Hwy 55 to Coleman Avenue were \$32.75/foot, with final rates at \$30.19/foot. Preliminary rates from Coleman Avenue to Hutcheson Avenue were \$32.75/foot for street and \$14.00/foot for curb, with final rates of \$30.19/foot for street and \$15.60/foot for curb. The assessment procedure was reviewed, with clarification assessments can be paid in full with no interest within 30 days of adoption by City Council, which would be December 19th if adopted at this meeting, or placed on property taxes to be repaid over 20 years, with interest rate of 5.1%. The City also offers a deferment option for senior citizens and/or disabled based on income, but application must be received within 30 days of the adoption by the Council. Mayor Korman questioned the amount of MNDOT financing and PFA grant funding, and Louwagie reported approximately \$1.5 million dollars was paid by MNDOT and \$700,000 of PFA grant funds were received. Mayor Korman asked for public comments and resident Violet Hamilton reported she had a complaint on the project, stating they made her driveway too narrow and her vehicle now hits the curb when she enters or exits her driveway. It was discussed all the property owners received written notification once the driveway widths were

staked and before concrete was poured for curbs and driveways to notify the contractor or engineer if there were any concerns, but Hamilton did not remember receiving such notification. Louwagie reported he would check the plans and see if it's different from actual, and check on the possibility of widening the area if needed. As there were no further questions or comments, Mayor Korman closed the public hearing at 7:28 p.m. Resolution #2014-18, A Resolution Adopting Assessment was introduced and moved for adoption by Thielen, and seconded by Gabrelcik. Voting in favor were Gabrelcik, Bradshaw, Korman, Thielen, and Kern; against: none, whereby Resolution #2014-18 was duly adopted.

Proposed budgets for 2015 were reviewed, beginning with Enterprise Funds. Water and Sewer Funds both showed proposed expenses exceeding revenue, but Council consensus was to wait one more year before considering increase in rates. Concern was noted over increasing rates in addition to increasing the levy due to the street project just completed. It is anticipated the water fund will show a decrease in expenses due to repairs of various water main leaks that had contributed to excessive costs of both maintenance as well as contributions to Water Treatment fund based on gallons pumped. Reserves in sewer fund will be used for excesses in expense over revenue for 2014. The Council will review rates in the 2016 budget process. Brookview Apartments was reviewed, and projected revenues exceed expenses, which will allow rents to remain the same. A 5% increase in salary for apartment manager was included, with Haag reporting the manager continues to do an excellent job and much of the success of Brookview comes from her job performance. Special Revenue Fund budgets were reviewed, and remain similar to previous years. General Fund budget versus actual was reviewed with several areas noted where adjustments will be made from preliminary budget numbers in September without impacting net result. Physical requirements and expenses in Fire and Rescue budgets were discussed and may need adjustments at the December meeting.

As there was no further business, the meeting was adjourned at 8:20 p.m. on a motion by Kern, seconded by Bradshaw.

Attest:

Mona Haag, Clerk/Treasurer

Peter Korman, Mayor