

Glyndon City Council
10/22/2019
Public Hearing 6:00 p.m.
Parke Avenue Special Assessments
Glyndon Community Center

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 6:02 p.m.
2. **Roll Call:** Council Members Present: Dave Owings, Justin Schreiber, Joe Olson, and Kimberly Schreiber; City Engineers Kris Carlson and Alex Ranz; City Clerk Wendy Affield; City Attorney Ken Norman; City Maintenance Supervisor Scott Lofgren; Administrative Assistant Heather Johnson.

As Per Sign in Sheet: Residents Janice Jones, Anita Teal, Steven Ring, Michael Overson, Lanette Osbjornson, Dan Osbjornson, Erik Mickelson, Josh Argall, Kaylie Hanson, Tiffany Wardlow, Mike Wardlow, Renee Hobbs, Corey Trick, Lloyd Stoll Jr., Amy & Robert Schuldt, Debbie Strong, Kristina Dernier, Carla Olson, Lila Ebner, Travis Luthi, Kayla Billings, Wayne Mahlum, Duane & Susan Peterson, Gerald Thomas and wife, Tim Pender, Lori Pender, Jack Olek, Nick & Cara Olek, and Jim Masseeth.

3. **Open Public Hearing**
4. **Read Public Hearing Notice – Mayor Johnson**

In accordance with Minnesota State Statute 429 the City is required to hold a final public assessment hearing to correct any errors or inequities in the assessments. Preliminary Public hearings were held in January 2018 and February 2019. Property owners will be handled on an individual basis in order of the sign-in sheet. If you have questions on your assessment, please sign the sheet. City Engineer Kris Carlson will give a brief presentation on the project costs and assessment rates. City Clerk Wendy Affield will review the payment procedures for the assessments and the terms, interest rate, and other applicable information. After the presentations, we will call you in the order of the sign-in sheet to present your questions on your individual assessment to the Engineer and the City Council.

5. **Presentation by City Engineer – Kris Carlson** – Carlson distributed handouts along with a Power Point presentation. He began by stating the project was designed and constructed in conjunction with Clay County's C.S.A.H 19 project. The purpose of the project was to construct utilities, street and drainage improvements, on Parke Avenue from Hwy 10 down to 12th Street S, as well as 7th Street from Parke Avenue to a point approximately one thousand, two hundred fifty (1,250) feet west. He provided a project location map which shows the project in its entirety, as well as showing railroad drainage improvements. Sanitary sewer, storm sewer and watermain improvement maps were provided. Project Costs were broken down into different sections, and Carlson went through each section in detail. He stated the total project cost is going to be approximately eight-point-six (8.6) million dollars. **C.S.A.H 19 (Parke Avenue):** Watermain cost is roughly nine hundred thirty thousand (\$930,000); Sanitary Sewer cost is about five

hundred thirty thousand (\$530,000); *Storm Sewer* cost, which included two stormwater ponds and two pump stations, is roughly one-point-eight (1.8) million; *Street Reconstruction* cost is three-point-five (3.5) million; and *Sidewalk & Path* cost is seven hundred twenty-five thousand (\$725,000). Approximate subtotal for C.S.A.H. 19 is seven-point-five (7.5) million. **Seventh Street S:** *Watermain* cost is about one hundred ten thousand (\$110,000); *Sanitary Sewer* cost is just under one hundred thousand (<\$100,000); and *Street Reconstruction* is roughly three hundred eighty-four thousand (\$384,000). Approximate subtotal for Seventh Street S is five hundred ninety-three thousand (\$593,000). **Railroad Crossing:** Carlson stated a new crossing on Parke Avenue was installed, with many new Quiet Zone features. Once the project is complete, and the crossing at Partridge Avenue is finished, the City can apply for the Quiet Zone from BNSF to eradicate train horn noise. The subtotal for the Railroad Crossing is approximately five hundred eleven thousand (\$511,000). All subtotals combined brings the entire project cost to eight million, six hundred twenty thousand, nine hundred eighty-two dollars and ninety-one cents (\$8,620,982.91). Carlson went on to explain the Project Cost Sharing, and restated this was a joint project with Clay County Highway Department and the City of Glyndon. The City entered into a Memorandum of Understanding (MOU) early on in the project, and the percentages were shown in table format. **C.S.A.H 19:** *Watermain* cost share will be 0% County, and 100% City. *Sanitary Sewer:* 0% County, 100% City; *Storm Sewer:* 50% County, 50% City; *Street Reconstruction:* 70% County, 30% City; and *Sidewalk & Path:* 50% County, 50% City. **Seventh Street S:** *Watermain:* 50% County, 50% City; *Sanitary Sewer:* 50% County, 50% City; and *Street Reconstruction:* 30% County, 70% City. **Railroad Crossing:** *Railroad Quiet Zone Features:* 0% County, 100% City; *Railroad Crossing – Path/Sidewalk:* 50% County, 50% City; and *Railroad Signals & Crossing – C.S.A.H. 19:* 70% County, 30% City. Carlson went to the next slide which breaks down the Project Cost Sharing dollar amounts. For the **C.S.A.H. 19 (Parke Avenue)** subtotal, the County's cost split is approximately three-point-seven-three (3.73) million compared to the City's share of three-point-seven-eight (3.78) million. For the **Seventh Street S** subtotal, the County's cost is slightly less due to the 30-70 split. The County will pay approximately two hundred, twenty thousand (\$220,000) and the City will pay three hundred, seventy-three thousand (\$373,000). And the **Railroad Crossing** cost split will have the County paying approximately two hundred, eight thousand (\$208,000) to the City's share of three hundred, two thousand (\$302,000). All said, the total project cost will be split with the County paying roughly four-point-one (4.1) million and the City paying just under four-point-five (<4.5) million. Carlson went to the next slide in the presentation, which broke down the Project Financing in terms of what portion share is assessable to Parke Avenue residents, and what share is levied to the rest of the City. He stated early on at the preliminary hearings the cost-split was decided, and this slide shows how each portion of the project will be paid for. The *Watermain* portion of the project will be 50% assessable, and 50% paid by the City. The *Sanitary Sewer* portion will be 50% and 50%. The *Storm Sewer* portion will be 25% assessable, and 75% paid by the City. *Street Reconstruction* will be 25% assessable and 75% paid by the City. The *Sidewalk & Path* portion will be 0% assessable and 100% paid by the City. The final portion, *Railroad Crossing*, will be 0% assessable and 100% paid by the City. Total project cost share which will be assessable is roughly one-point-three (1.3) million, and the portion paid by the City will be about three-point-one (3.1) million. Carlson wanted to note the City & County have been approved for a three hundred, seventy-five thousand (\$375,000) Transportation Alternative Grant for the Sidewalk and Multi-Use Trail, which brought down the final costs of those portions. The next slide presented was for Proposed Assessment Rates, breaking down the cost per unit (frontage foot) of abutting properties to Parke Avenue. Carlson said all of the assessments are being based on front footage. The *Watermain* cost/unit is roughly fifty-four dollars and ninety-eight cents (\$54.98) per foot. The *Sanitary Sewer* cost/unit is about fifty-five dollars and fifty-eight cents (\$55.58) per foot. The *Storm Sewer* cost/unit is twenty-two dollars and forty-four cents (\$22.44) per foot. The *Street Reconstruction* cost/unit is thirty-three dollars and five cents

(\$33.05) per foot. Carlson said assuming a resident will be gaining one hundred percent (100%) of the project benefits, the final cost/unit then averages out to be one hundred sixty-six dollars and five cents (166.05) per foot. The next slide presented shows an approximate total assessment cost of a property with a one hundred (100) foot lot. With all portions of the project combined, a typical one hundred (100) foot lot can expect to be assessed approximately sixteen thousand, six hundred five dollars (\$16,605). Carlson said he would turn the next portion of the presentation over to City Clerk Affield to go over the payment terms. Affield read from the letter as follows:

Such assessment is proposed to be payable in equal annual installments extending over a period of 15 years, the first of the installments to be payable on or before the first Monday in January 2020, and will bear interest at the rate of 4.50 percent per annum from the date of the adoption of the assessment resolution. To the first installment shall be added interest on the entire assessment from the date of the assessment resolution until December 31, 2019. To each subsequent installment when due shall be added interest for one year on all unpaid installments. You may at any time prior to certification of the assessment to the county auditor, pay the entire assessment on such property, with interest accrued to the date of payment, to the City of Glyndon. No interest shall be charged if the entire assessment is paid within 30 days from the adoption of this assessment. You may at any time thereafter, pay to the City of Glyndon or the Clay County Auditor, the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year. If you decide not to prepay the assessment before the date given above, the rate of interest that will apply is 4.50 percent per year. The right to partially prepay the assessment is available.

6. Questions and Comments by City Council – None at this time.

7. Questions and Comments by anyone in attendance – Mayor Johnson stated it will be at this time residents will be free to ask questions, and he will list off in order of the sign-in sheet. Janice Jones was the first resident on the list. Jones stated she had no questions. Next was Anita Teal, and she had no questions. Resident Steven Ring was next, and he asked Council if the interest owed by January 1st is for the whole payment for the year, or is interest only owed if they payment is not made by November 15th? Affield responded interest will accrue each year. Ring wanted to clarify if the interest is in addition to the initial assessment amount? Affield said yes, and said she had a sheet available for residents to view which shows what the entire amount per property will be, including interest. He then asked if the City's interest rate is at the same 4.5% as the assessments? Carlson responded no, the City's interest rate on the bond is at 3.5% plus 1.75% and it is typical financing to cover if any specials go unpaid and to cover for any administrative costs. Ring asked to clarify when the first full payment is due? Affield responded if a resident does not want to have interest accumulate, the first full payment will be due by November 15th of 2019. Council Member Savageau stated homestead taxes are typically due by May 15th and October 15th, so if assessments are not prepaid by those dates then the specials will get certified and the interest will go onto the tax statement. Ring asked if the project is not going to be completed by the original goal date, why do Parke Avenue residents have to pay already? Carlson said it is because the City's bond payment will come due in February 2020, and because this is a County project, it will be completed for sure. Council Member Olson asked if by the time residents are expected to make their first payment, will the City be informed of an end date ensuring completion? Carlson said yes, and the City will know more in the next two weeks regarding completion. He said many projects will certify specials before the first dig even takes place, and typically if a project finishes under budget then the specials are recertified. Ring asked if today is the last day he is able to submit an official protest to the assessments? City Attorney Norman stated he was correct, and a written protest will need to be filed with the presiding officer

at the hearing. Ring asked if it would be due today? Norman answered yes. Mayor Johnson asked if today is the due date for official protest, is there a specific form for such? Affield and Norman both responded it will be up to the resident to put something in writing. Another resident asked for clarification on when the specials will be officially adopted by the City? Mayor Johnson responded they would be adopted at tomorrow's regular Council Meeting. Carlson reiterated tonight is only the Public Hearing on the assessments, not the official adoption of them. The next resident was Michael Overson, and he had no questions. Next up was LaNette and Dan Osbjornson. She asked Council what the life span of the current water and sewer lines were, and if they truly needed to be replaced? Carlson said the typical life expectancy of public works piping is around fifty (50) years, and the current pvc pipes which were replaced had originally been laid in 1969. She asked if Parke Avenue residents are being assessed for the entire share of the project even though the rest of the city also uses Parke Ave? Carlson said no, and referred her to the handout which shows how much is assessed to Parke Avenue residents, and how much is the City's portion. He then presented a slide which shows the last six projects in the City which have had specials attached, and how those residents were assessed in the same manner. Mayor Johnson stated he would contact the County and ask more about the City's share. It was at this time, Norman wished to clarify and read aloud from the League of Minnesota Cities' *Local Improvement Code* regarding official protest of assessments:

The law sets out discreet timelines and procedures for challenging the City's special assessment. For the most part, objections must be raised at or before the assessment hearing. Only those who object at this stage may proceed to appeal an assessment to the District Court. Further, these provisions for appeals to the District Court are the exclusive method of appeal from a special assessment levied under the local improvement code. Thus it is not possible to contest such assessment under the statute unless you follow this procedure. No one can formally object to or appeal the amount of the assessment unless the property owner signs a written objection, and files it with the City Clerk prior to the assessment hearing or presents it to the presiding officer at the hearing. Property owners subject to be proposed special assessments must be informed of this requirement in the mail.

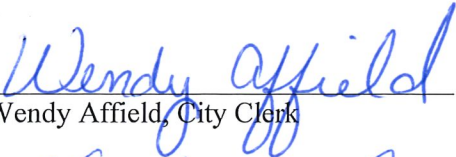
Norman asked Carlson when the anticipated finalization of the project will be? Carlson said the original project completion date was November 15th, 2019. However, due to the abnormally high amount of rain this year, crews are now targeting road completion to gravel by that date. Norman, in response to questions regarding the appraisal process and official protest date, clarified assessments are allocated by the City Engineer based upon the cost of the project and current City policy. He said benefit tests are a separate appraisal from how specials are assessed. Carlson agreed and said in the event of a protest, it will then go through the appraisal process. Typically, the appraisal would be presented to Council by the resident, and the City would then either accept it, get their own appraisal, and then compare the two. Carlson said today would mark the official date for a resident to file their protest to the City. Mayor Johnson then asked the next resident on the list, Eric Mickelson, if he had any questions? He asked Council for more clarification on the City's shared portion of the costs, and if it means the remaining costs are spread among the other residents? Carlson responded yes, and those funds will be paid either from the general levy or from raised water and sewer rates. Olson asked if similar cost sharing would be in place if the City did projects elsewhere in town? Carlson said yes. Josh Argall did not have any questions. Kaylie Hanson did not have any questions. Resident Tiffany Wardlow was next, and asked because their property has plat line issues, do they need to officially protest if their front footage may in fact be different than what it currently is? Mayor Johnson and Carlson stated they both have looked into the issue, but it is something the adjoining property owners need to resolve on their own. Norman stated the plat lines have already been recorded with the County, and so the property will be assessed based upon those footage numbers. Renee Hobbs

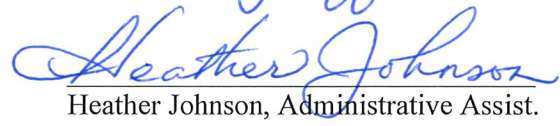
did not have any questions. Corey Trick did not have any questions. Lloyd Stoll Jr. did not have any questions. Debbie Strong did not have any questions. Kristina Dernier did not have any questions. Carla Olson did not have any questions. Lila Ebner stated her mother's residence had already been assessed over twelve thousand (\$12,000) in assessments for a different project, and wants Council to take this into consideration before charging these new assessments. Carlson said there are no sewer assessments for the property. Affield showed her on her assessment sheet the blank spot where the sewer assessment amount would have been if she was charged. Travis Luthi did not have any questions. Kayla Billings did not have any questions. Wayne Mahlum did not have any questions. Duane and Susan Peterson did not have any questions. Gerald Thomas wanted to express his concern regarding assessments to his property, as he is being assessed nearly fifty thousand dollars (\$50,000) even though he does not have driveway access to Parke Avenue. He explained a large portion of his property is abutting the coulee, which is technically Buffalo River Watershed District property, not his, even though he and his wife maintain it. He is asking Council to consider the issue, and reassess the property fairly. Carlson agreed, and said this property is definitely one which will need more consideration. Mrs. Thomas stated she spoke with the County Assessor's office and was told the coulee stretch of property might fall under the category of having "no tax value" as it is unusable. Mayor Johnson stated the Council will reach out to the BRWD concerning this. Carlson said he will prepare a recommendation for them to the Council. Jack Olek did not have any questions. Nick Olek asked if Carlson could go over the assessments cost sharing section again. Olek asked if the project was a County road, why wasn't 100% of the project cost picked up by the County? Carlson said because of upgrades to the road and other improvements, such as curb and gutter, is why the City had to pay some portion. He also said those ditches which are now removed will eliminate the standing water issue which affected many Parke Ave residents. Jim Masseth did not have any questions. Tim Pender asked how the initial figures residents were given differ so much from the final figures given tonight? Carlson responded the overall numbers tonight are close to the same as those discussed during January's Public Hearing, although the distribution of the costs may differ from before. He did acknowledge the numbers may have changed from the very initial hearing until the second hearing, but they have not changed at all since the second hearing back in January. Another resident asked if the sewer line which was installed is now the main sewer line for the whole City, and if so, are the assessments the same for everyone? Carlson responded no, there are some lines which will drain into this new one, but not the entire City's lines. He said each resident is only assessed for the portion of water and sewer lines directly in front of their homes.

8. Close the Public Hearing – Mayor Johnson asked if anyone else present had any other questions? Lila Ebner asked again about the due dates for paying assessments in full? Olson and Carlson responded November 15th is the first due date if a resident wishes to pay all assessments in full, in order to avoid paying interest. Savageau also clarified, and said if an assessment is not paid in full the City will then certify the specials to the County Auditor/Treasurer, who in turn will add the special assessments to a resident's property tax bill. She said any interest and principal will then be due on May 15th and October 15th of 2020. Carlson said all Parke Avenue residents should check with their escrow lenders on payment options. A resident asked if these proposed assessment amounts would ever go up? Carlson said no, but there is always a chance the amounts could decrease. Olson asked for clarification? Carlson said if a project comes under budget at its completion, then the City has the option of having another hearing to recertify the specials.

9. Adjournment: A motion was made by Kimberly Savageau to adjourn at 7:28 p.m., seconded by Dave Owings. All in favor.
Motion Carried.


Cecil Johnson, Mayor


Wendy Affield, City Clerk


Heather Johnson, Administrative Assist.



Project Assessment Hearing
Street and Utility Improvements
C.S.A.H 19 (Parke Avenue) and Seventh Street

October 22, 2019
Glyndon, Minnesota

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Meeting Agenda

- Introduction (Mayor)
- Project Summary
- Review Project Costs
- Review Assessment Policy
- Assessment Summary
- Questions and Comments

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Introduction - Mayor

- In accordance with Minnesota State Statute 429 the City is required to hold a final public assessment hearing to correct any errors or inequities in the assessments.
- Preliminary Public hearings were held in January, 2018 & February, 2019
- Property owners will be handled on an individual basis in order of the sign-in sheet. If you have any questions on your assessment, please sign the sheet.

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Introduction – Mayor (Continued)

- City Engineer, Kris Carlson, will give a brief presentation on the project costs and assessment rates.
- City Clerk, Wendy Affield, will review the payment procedures for the assessments and the terms, interest rate and other applicable information.
- After the presentations, we will call you to the table in the order of the sign-in sheet, to present your question on your individual assessment to the Engineer and the City Council.

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Project Summary

The project was designed and constructed in conjunction with Clay County's C.S.A.H. 19 project.

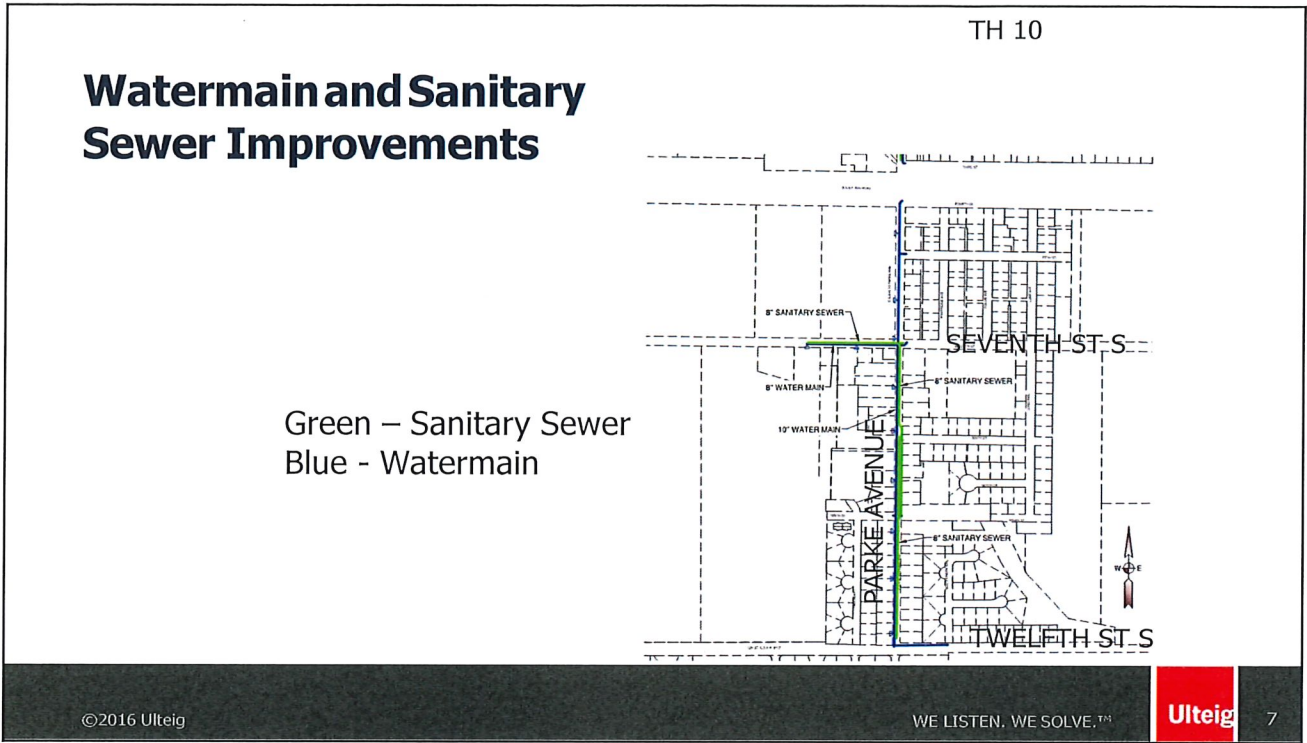
- Purpose
 - Construct Utility, Street and Drainage Improvement to:
 - C.S.A.H. 19 (Parke Avenue) – TH 10 south to Twelfth Street S
 - Seventh Street – Parke Avenue to a point approximately 1,250 feet west

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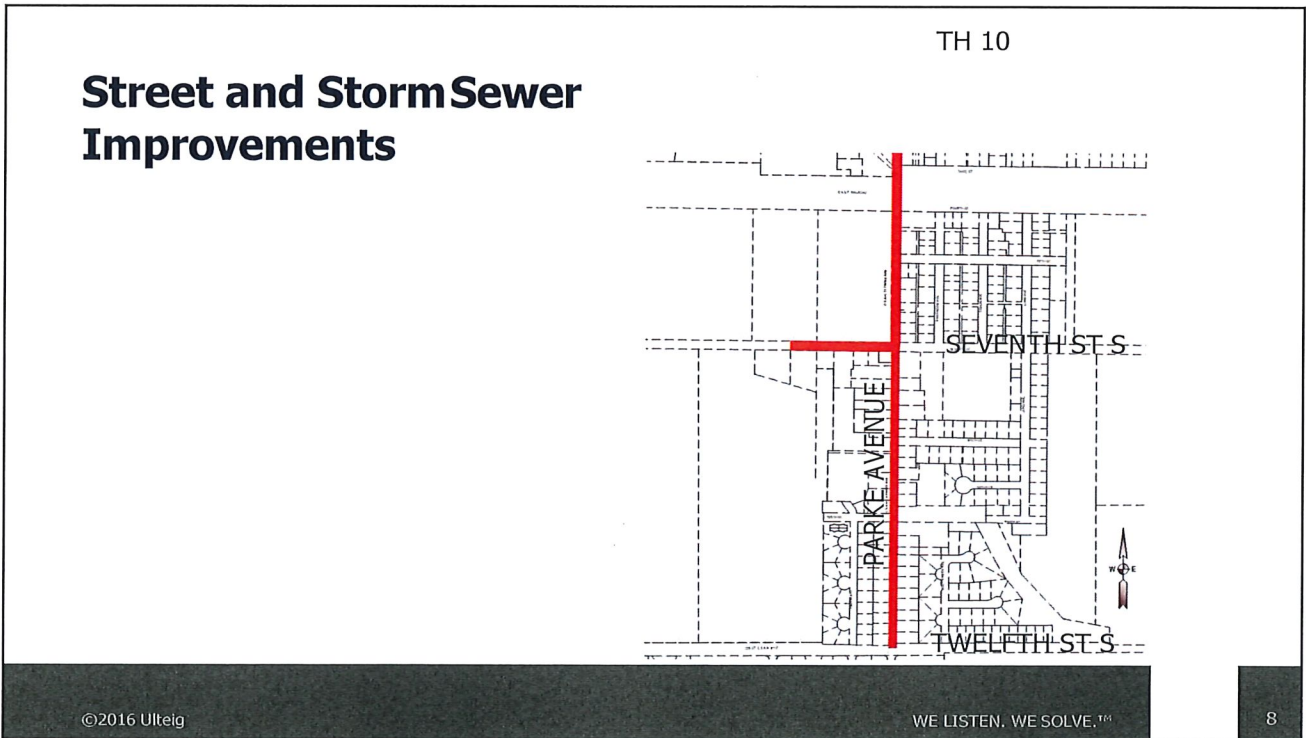
Project Location Map



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Project Costs		C.S.A.H. 19 (Parke Avenue)		Cost
	Watermain	\$		930,846.38
	Sanitary Sewer	\$		527,343.65
	Storm Sewer	\$		1,802,409.84
	Street Reconstruction	\$		3,529,808.43
	Sidewalk & Path	\$		725,420.08
	SUBTOTAL - C.S.A.H. 19 (Parke Avenue)	\$		7,515,828.38
	Seventh Street S			Cost
	Watermain	\$		110,719.85
	Sanitary Sewer	\$		98,564.06
	Street Reconstruction	\$		384,138.72
	SUBTOTAL - Seventh Street S	\$		593,422.63
	Railroad Crossing			Cost
	Railroad Quiet Zone Features	\$		180,722.95
	Railroad Crossing - Path/Sidewalk	\$		113,859.26
	Railroad Signals & Crossing - C.S.A.H. 19	\$		217,149.69
	SUBTOTAL - Railroad Crossing	\$		511,731.90
	TOTAL PROJECT COST	\$		8,620,982.91

Project Cost Sharing				
<ul style="list-style-type: none"> Joint Project between Clay County and the City of Glyndon The Memorandum of Understanding (MOU) is summarized in the table to the right 	Watermain	0%	100%	
	Sanitary Sewer	0%	100%	
	Storm Sewer	50%	50%	
	Street Reconstruction	70%	30%	
	Sidewalk & Path	50%	50%	
				Cost Share
	Seventh Street S			
		County	City	
	Watermain	50%	50%	
	Sanitary Sewer	50%	50%	
	Street Reconstruction	30%	70%	
				Cost Share
	Railroad Crossing			
		County	City	
	Railroad Quiet Zone Features	0%	100%	
Railroad Crossing - Path/Sidewalk	50%	50%		
Railroad Signals & Crossing - C.S.A.H. 19	70%	30%		

Project Cost Sharing

C.S.A.H. 19 (Parke Avenue)	Cost Splits	
	County	City
Watermain	\$ -	\$ 930,846.38
Sanitary Sewer	\$ -	\$ 527,343.65
Storm Sewer	\$ 901,204.92	\$ 901,204.92
Street Reconstruction	\$ 2,470,865.90	\$ 1,058,942.53
Sidewalk & Path	\$ 362,710.04	\$ 362,710.04
SUBTOTAL	\$ 3,734,780.86	\$ 3,781,047.52

Seventh Street S	Cost Splits	
	County	City
Watermain	\$ 55,359.93	\$ 55,359.93
Sanitary Sewer	\$ 49,282.03	\$ 49,282.03
Street Reconstruction	\$ 115,241.62	\$ 268,897.10
SUBTOTAL	\$ 219,883.57	\$ 373,539.06

Railroad Crossing	Cost Splits	
	County	City
Railroad Quiet Zone Features	\$0.00	\$180,722.95
Railroad Crossing - Path/Sidewalk	\$56,929.63	\$56,929.63
Railroad Signals & Crossing - C.S.A.H. 19	\$152,004.78	\$65,144.91
SUBTOTAL	\$208,934.41	\$302,797.49
TOTAL PROJECT COST	\$4,163,598.85	\$4,457,384.07

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Project Financing

- The City's portion of the project will be financed in combination with City funds and special assessments

Item	Assessable	City
Watermain	50%	50%
Sanitary Sewer	50%	50%
Storm Sewer	25%	75%
Street Reconstruction	25%	75%
Sidewalk & Path	0%	100%
Railroad Crossing	0%	100%

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Project Financing

Item	Assessable	City
Watermain	\$ 493,103.15	\$ 493,103.15
Sanitary Sewer	\$ 288,312.84	\$ 288,312.84
Storm Sewer	\$ 225,301.23	\$ 675,903.69
Street Reconstruction	\$ 331,959.91	\$ 995,879.72
Sidewalk & Path***	\$ -	\$ 362,710.04
Railroad Crossing	\$ -	\$ 302,797.49
TOTALS	\$ 1,338,677.13	\$ 3,118,706.93

- \$375K Transportation Alternative (TA) Grant for the Sidewalk and Multi-Use Trail

Proposed Assessment Rates

Item	Methodology	Units	Cost/Unit
Watermain	Front Foot	8,968	\$ 54.98
Sanitary Sewer	Front Foot	5,187	\$ 55.58
Storm Sewer	Front Foot	10,044	\$ 22.44
Street Reconstruction	Front Foot	10,044	\$ 33.05
Sidewalk & Path	Front Foot	-	\$ -
Railroad Crossing	Front Foot	-	\$ -
TOTALS			\$ 166.05

*Assessable footage is equal to the width of the parcel abutting the improvement

Proposed Assessment – 100' Lot

Item	Front Feet	Cost/FF	Total
Watermain	100	\$ 54.98	\$ 5,498.00
Sanitary Sewer	100	\$ 55.58	\$ 5,558.00
Storm Sewer	100	\$ 22.44	\$ 2,244.00
Street Reconstruction	100	\$ 33.05	\$ 3,305.00
Sidewalk & Path	0	\$ -	\$ -
Railroad Crossing	0	\$ -	\$ -
TOTALS			\$ 16,605.00

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Questions?

Contact Information

Kris Carlson, PE
 (218) 846-7728
 Kris.Carlson@ulteig.com

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