



## **CITY COUNCIL WORK SESSION MEETING AGENDA**

**Thursday, September 14, 2017  
At 5:00 p.m.**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA – September 14, 2017 Council Work Session**
- 4. CITY COUNCIL BUSINESS**
  - A. 2018 Preliminary Budget and Tax Levy
  - B. Exterior Storage Uses in the Industrial Zones
  - C. Motor Vehicle Noise and Speed Enforcement
  - D. DNR Flood Hazard Mitigation Grant Funding
  - E. Proposal for Solar Farm on Mn/DOT Property
  - F. Downtown Village Improvement Project
  - G. 2017 Pavement Management Project
- 5. ADJOURN**

**A quorum of the City Council or Other Commissions may be present to receive information at this meeting**

**City of Afton**  
**3033 St. Croix Trl, P.O. Box 219**  
**Afton, MN 55001**

# Meeting Date Sept. 14, 2017

## Council Memo

To: Mayor Bend and Members of the City Council  
 From: Ron Moorse, City Administrator  
 Date: September 11, 2017  
 Re: 2018 Proposed Budget and Preliminary Tax Levy

At its August 17 budget work session, the Council reviewed the 2018 preliminary budget and tax levy, made two changes and directed staff to obtain more information regarding two items. The two changes were to add \$5,000 for additional police patrols related to noise and speed enforcement and to add \$11,000 to the line-item for brush removal along roadways.

The two key areas about which the Council requested additional information were the projected annual operating revenues and expenditures of the wastewater treatment system and the costs related to the replacement of the City's bridges, particularly the two bridges on Valley Creek Trail that are in poor condition. In addition, the current need to address the necessary maintenance and possible improvements to the sewer lines of the 201 System on River Road identified the need to plan for longer term wastewater collection and treatment system maintenance and capital improvement costs.

### Wastewater Treatment System Operating Expenses and Revenues

#### # of units to be connected in 2017

##### -Commercial units

Of a total of 124 units, a rough estimate is that 70 units are expected to be connected in 2017. The main reason for a significant number of units not expected to be connected in 2017 is that there are 60 units that are related to compliant septic systems. The rough estimate of units to be connected is based on a small percentage of these being hooked up in 2017.

##### -Residential Units

There are 28 residential parcels that are required to connect to the new wastewater system in 2017, due to nonconforming septic systems. This includes 13 properties on River Road, who are currently on the 201 system. In addition, staff has sent a letter to all residents to determine the number who are planning to connect to the new wastewater collection and treatment system in 2017. Due to an incomplete response, the actual number of residential units is not accurately known. However, a conservative estimate is that, of a total of 70 residential units, 30 units are expected to be connected in 2017.

-Total commercial and residential units to be connected in 2017: 100

#### Annual Operating Costs

Several significant operating expenses of the wastewater treatment system are variable costs based on the volume of the sewer flow. These include electricity, chemicals and tank pumping. In addition, substantially lower volume has an impact on the timing of repairs/replacement of pumps, etc. The wastewater treatment system operator has indicated that, based on 100 units of a possible 194 units expected to connect in 2017 (51.5%), a high estimate of the annual operating costs would be \$80,000,

with a significant potential for lower expenses. For its estimate, staff has used an operating budget of \$75,000.

#### Fee Per Unit

A fee per unit has been calculated by dividing the annual operating costs by the number of units.

$\$75,000/100 \text{ units} = \$750 \text{ per year or } \$62.50 \text{ per month.}$

#### Bridge Replacements

At the budget work session, it was discussed that the bridge replacements could be partially funded by state bridge replacement funding. It was also discussed that it may be more cost-effective over the long term to replace the bridges with culverts. The City Engineer has advised that, because Afton is not eligible for Municipal State Aid funding, (due to having a population less than 5,000) it is not eligible for state bridge replacement funding. The City Engineer has also advised that, in order to determine whether the bridges can be replaced by culverts, a hydrological analysis needs to be completed to show that a culvert can accommodate the amount of water that is expected to flow through the culvert.

The City Engineer is also preparing cost estimates for the replacement of the two bridges on Valley Creek Road that are both in poor condition, and will provide those estimates at the work session. The estimates will include the cost of replacing the bridges with new bridges and the cost of replacing the bridges with culverts.

At the August 17 budget work session, it was discussed that while the Street Improvement Spreadsheet reflects a \$390,000 debt service payment in 2017, the first debt service payment on the street improvement bonds is not due until 2018. Staff has asked Tom Niedzwiecki, City Accountant, to clarify the availability of the levy dollars that were allocated to this debt service payment for additional street improvements or for bridge replacement.

#### Long term wastewater collection and treatment system maintenance and capital improvement costs

The sanitary sewer lines of the 201 system on River Road were installed in the mid-1980's. The televising of these lines will show whether these lines need substantial repairs or replacement. The remainder of the sanitary sewer system is all new, so significant repairs or replacements should not be needed for a substantial time into the future. However, these costs need to be planned and budgeted early on to enable them to be funded on a pay-as-you-go basis and without large fee increases. While the operating budget for the wastewater treatment system includes funding for future equipment replacement, there is no funding source in place for the capital replacement costs of the sewer lines and lift station in the Downtown Village. Because it is estimated that only about one-half of the properties in the Downtown Village are planning to connect to the system in 2017, it would be difficult to build funding for capital replacement costs into the sewer utility budget and the sewer fees at this time.

The street improvement spreadsheet could be expanded into an overall capital improvement plan that includes bridge replacement and sanitary sewer capital replacement costs, with the revenue sources for the sewer capital costs to be determined.

### **City of Afton 2018 Preliminary Budget Overview**

The following is an overview of the proposed 2018 budget that reflects the changes made by the Council at its August 17 work session.

#### **General Fund Budget**

The General Fund Budget includes expenditures and revenues related to the general day-to-day operation of the City.

### **General Fund Expenditure Highlights**

The proposed 2018 General Fund expenditures are \$1,243,890. This is an increase of \$10,714 or 0.09% from the 2017 budget. The proposed General Fund budget reflects a significant reduction in pothole repair expenditures due to the improvements to the 17 miles of streets that were in the poorest condition through the 2017 Pavement Management Project. The budget also addresses service needs and maintains current service levels of police and fire services.

An outline of the key items affecting the General Fund expenditures is as follows:

- Fire and Ambulance service operating expenditures are up \$5,870, or 2.4%
- Police Service expenditures are up \$5,000 or 2.9% based on the estimated cost increase from the Washington County Sheriff's Department
- A line-item for additional police patrols related to noise and speed enforcement has been added in the amount of \$5,000.
- Costs related to pothole patching are reduced by \$36,000 or 78.3%.
- The budget item that includes brush trimming along roadways has been increased by \$11,000 due to a substantial increase in the amount of brush trimming required.
- Costs related to street lights are up by \$7,000 or 140% to reflect additional electricity costs for the new street lights in the downtown area.
- Wages and benefits are up \$12,044, or 4.6%, mainly due to market adjustments for the City Clerk and Office Assistant positions.

### **General Fund Revenue Highlights**

- All revenues are generally flat. While actual Building Permit revenue is higher than the amount budgeted, the City has been budgeting these revenues conservatively.

### **Tax levies and Transfers**

- The remaining \$50,000 levy that was used to fund the high speed internet project in 2017 has been redirected to the Street Improvement Capital Fund as one funding source to increase the annual level of funding related to street improvements from \$375,000 to \$460,000. Of the \$460,000, \$390,000 is being budgeted in the 2017B Road Bond Debt Service account, leaving \$70,000 available for additional street improvements. The other additional source of funding is a \$33,000 increase in the annual levy for street improvements.

### **Street and Bridge Improvements Planning**

#### Streets

While the original funding plan with the \$3.5 million bond issue anticipated completing 3.5 miles of reclamation and 6.5 miles of mill and overlays, the 2017 Pavement Management Project will complete 16.9 miles of improvements, including all streets that required reclamation. This leaves only 7.5 miles of streets to be improved, all of which appear to need mill and overlay vs. reclamation.

The levy impact using the scenario of completing the remaining miles over the next six years is that, rather than increasing the street improvement levy by \$150,000 in 2018, as was anticipated in the original funding plan, the levy is proposed to be increased by \$33,000 in 2018.

### Bridges

The City has five bridges that are periodically inspected regarding the need for repair or replacement. The City does not have a funding plan for bridge replacement. Staff is working with the City Engineer to obtain information regarding the timing and costs of addressing future bridge replacement needs.

### Downtown Improvement Project

The Downtown Village Improvement Project has been under construction since April of 2017. The Project is expected to be substantially complete in the fall of 2017. The planned funding from the DNR, based on an additional \$350,000 of funding becoming available, appears to be sufficient to fund all project elements. This will be confirmed through an updated funding review.

The proposed budget and tax levy reflect funding for the planned level of property tax support for the projects. The outcome of assessment appeals and the easement condemnation process could affect the amount of funding required from the City. The proposed budget includes sufficient funding to address potential increased funding needs related to the outcome of these processes without increasing the existing tax levy.

### Tax Levy, Tax Rate and Impact on Property Owners

The proposed 2018 budget results in a total tax levy, including the General Fund levy and the debt service and transfer levies, of \$2,084,115. This is a \$42,215, or 2.07% increase over the total 2017 levy. The main item causing this increase is a \$33,000 increase in the levy for street improvements. The proposed 2018 General Fund levy is \$1,013,206, which is a \$9,764, or 1.0% increase from the 2017 General Fund levy.

### Tax Rate

Based on the proposed total levy, the City's tax rate would be reduced from 32.299% in 2017 to 31.504% in 2018.

### Impact on Property Owners

The proposed budget and tax levy would result in the City's share of property taxes on a home valued at \$500,000 being \$1,654.00, an increase of \$39.03 or 2.42% over 2017.

### Sanitary Sewer Utility

Beginning in late 2017, a Sanitary Sewer Utility will be needed to account for the operating costs of the wastewater collection and treatment system, particularly the cost of the wastewater treatment facility, as well as the revenues necessary to fund the operating costs. A utility billing system will also be needed to manage the billings and receipts. Tom Niedzwiecki, City Accountant, has suggested setting up a utility billing system using Quickbooks, with which both he and Julie Yoho, City Clerk, are familiar.

### Sewer Fees

Because a large percentage of properties are not required to immediately hook-up to the sanitary sewer system, the number of properties that will be hooked up and charged sanitary sewer fees is not accurately known at this time. Because some significant costs of operating the wastewater treatment facility vary with volume, it appears that, even with a 51% connection rate, the operating costs can be covered by a reasonable sewer fee.

## Long Term Capital Costs

With the construction of the new wastewater treatment and collection system to serve the Downtown Village area, and the existing 201 system sewer lines and lift stations on River Road, there is a need to plan and budget for future costs of repairs and replacements of equipment and infrastructure to enable pay-as-you go financing.

**City of Afton**  
**Preliminary 2018 General Fund Budget**

	Audited 2015	Audited 2016	Year to Date 6/30/2017	Annual Budget 2017	Remaining Budget \$	Annual Budget 2018	Increase (Decrease) 2018 minus 2017 Budget	
							\$	%
<b>#100 GENERAL FUND</b>								
<b>A: Revenue</b>								
<b>1-PROPERTY TAXES:</b>								
4000 General Fund Levy	899,578	961,378	549,779	1,003,442	453,663	1,013,206	9,764	1.0%
4003 Market Value Credit	0	0	0	0	0	0	0	
4005 Fiscal Disparity	44,904	44,674	35,744	49,525	13,781	49,525	0	0.0%
4015 Delinq Taxes, Penalties & Int	5,456	23,892	10,030	0	(10,030)	0	0	
4013 Street Improvement Capital Fund	200,000	200,000	187,500	375,000	187,500	70,000	(305,000)	-81.3%
6928 Special Reserve Fund	5,000	3,000	4,750	9,500	4,750	5,000	(4,500)	-47.4%
6932 Stormwater Fund	3,500	3,500	1,750	3,500	1,750	3,500	0	0.0%
6933 Vehicle/Equipment Replacement Fund	2,500	2,500	1,250	2,500	1,250	2,500	0	0.0%
6935 Comprehensive Plan/Planning	2,000	3,000	2,000	4,000	2,000	4,000	0	0.0%
6936 Flood Fund	5,500	5,500	2,750	5,500	2,750	5,500	0	0.0%
6937 DNR Levee Project Grant Match	95,000	95,000	47,500	95,000	47,500	95,000	0	0.0%
6934 Codification	100	100	100	100	0	100	0	0.0%
4843 MN Unemployment Claims	3,000	1,000	500	1,000	500	1,000	0	0.0%
6939 Election Fund	5,500	5,500	2,750	5,500	2,750	5,500	0	0.0%
6910 City Council Contingency Fund	0	0	0	0	0	0	0	
4842 Audit and Legal Reserve	100	1,000	500	1,000	500	1,000	0	0.0%
4844 Parks Capital Repairs/Trail & Ped Bridge	5,500	5,500	2,750	5,500	2,750	5,500	0	0.0%
4022 Afton Septic System - City Bldgs + City Share Oper E	15,000	15,000	7,500	15,000	0	15,000	0	0.0%
4897 Public Facilities Authority (PFA) Loan Interest	8,000	0	0	0	0	0	0	
4846 Sidewalk	2,000	2,000	1,000	2,000	1,000	2,000	0	0.0%
4012 Bldg & Land Capital Fund	6,000	6,000	3,000	6,000	3,000	6,000	0	0.0%
4818 City Share High Speed Internet	0	75,000	25,000	50,000	25,000	0	(50,000)	-100.0%
<b>Subtotal - General Prop Tax Levy</b>	<b>1,308,639</b>	<b>1,453,544</b>	<b>886,153</b>	<b>1,634,067</b>	<b>740,414</b>	<b>1,284,331</b>	<b>(349,736)</b>	<b>-21.4%</b>
4050 Debt Service Levy, Fire Hall Remodeling	57,933	49,893	24,917	49,833	24,916	49,784	(49)	-0.1%
4898 Debt Service Levy, Downtwn Imp Tmp Bond	0	28,000	14,000	28,000	14,000	30,000	2,000	7.1%
4899 Debt Service Levy, Downtwn Imp Bond/PFA	0	70,000	35,000	70,000	35,000	70,000	0	0.0%
xxxx Debt Service Levy, 2017B Road Bond	0	0	0	0	0	390,000	390,000	
4725 Debt Serv Levy - 2014A Road Bond	310,000	260,000	130,000	260,000	130,000	260,000	0	0.0%
<b>TOTAL PROPERTY TAXES</b>	<b>1,676,572</b>	<b>1,861,437</b>	<b>1,090,070</b>	<b>2,041,900</b>	<b>944,330</b>	<b>2,084,115</b>	<b>42,215</b>	<b>2.07%</b>

**City of Afton**  
**Preliminary 2018 General Fund Budget**

	Audited 2015	Audited 2016	Year to Date 6/30/2017	Annual Budget 2017	Remaining Budget \$	Annual Budget 2018	Increase (Decrease) 2018 minus 2017 Budget	
							\$	%
<b>2-INTERGOVERNMENTAL REVENUE:</b>								
4100 Gravel Tax/West Lakeland Cent College	(2,333)	(2,160)	(2,267)	(2,400)	(133)	(2,400)	0	0.0%
4108 MV Credit - Ag	10,033	9,597	0	4,000	4,000	4,000	0	0.0%
4112 PERA Rate Increase Aid	634	634	0	634	634	634	0	0.0%
4175 Agricultural perserve credit	663	1,005	0	500	500	500	0	0.0%
<b>TOTAL INTERGOV'T REVENUES</b>	<b>8,998</b>	<b>9,076</b>	<b>(2,267)</b>	<b>2,734</b>	<b>5,001</b>	<b>2,734</b>	<b>0</b>	<b>0.0%</b>
<b>3-CHARGES FOR SERVICES:</b>								
4205 Assessment Search	20	80	40	35	(5)	35	0	0.0%
4210 Sale of Copies	117	34	1	100	99	100	0	0.0%
<b>TOTAL CHARGES FOR SERVICES</b>	<b>137</b>	<b>114</b>	<b>41</b>	<b>135</b>	<b>94</b>	<b>135</b>	<b>0</b>	<b>0.0%</b>
<b>4-FINES &amp; FORFEITURES:</b>								
4300 County Fines & Fees	15,861	14,422	5,142	14,000	8,858	14,000	0	0.0%
4305 Other Fines & Forfeitures	0	664	0	250	250	250	0	0.0%
<b>TOTAL FINES &amp; FORFEITURES</b>	<b>15,861</b>	<b>15,086</b>	<b>5,142</b>	<b>14,250</b>	<b>9,108</b>	<b>14,250</b>	<b>0</b>	<b>0.0%</b>
<b>5-LICENSES, FEES, PERMITS:</b>								
4400 Building Permit Fees - Afton	117,818	206,416	100,567	86,000	(14,567)	86,000	0	0.0%
4401 Building & Eng'g Inspection Fees	1,050	1,550	1,500	250	(1,250)	250	0	0.0%
4404 4th of July permits	0	0	0	0	0	0	0	0.0%
4405 Pet License & Impound Fees	1,025	325	555	300	(255)	300	0	0.0%
4410 Liquor Licenses	3,000	5,023	0	2,600	2,600	2,600	0	0.0%
4415 Other Licenses	260	589	167	350	183	350	0	0.0%
4435 R-O-W Permit/Utility Permit Fees	500	2,250	1,750	1,750	0	1,750	0	0.0%
4437 Utility Franchise Fees	59,554	57,832	17,107	58,000	40,893	58,000	0	0.0%
4440 Zoning Fees & Permits	6,965	7,885	1,975	3,000	1,025	3,000	0	0.0%
<b>TOTAL LICENSES, FEES, PERMITS</b>	<b>190,172</b>	<b>281,870</b>	<b>123,621</b>	<b>152,250</b>	<b>28,629</b>	<b>152,250</b>	<b>0</b>	<b>0.0%</b>

**City of Afton**  
**Preliminary 2018 General Fund Budget**

	Audited 2015	Audited 2016	Year to Date 6/30/2017	Annual Budget 2017	Remaining Budget \$	Annual Budget 2018	Increase (Decrease) 2018 minus 2017 Budget	
							\$	%
<b>7-MISCELLANEOUS REVENUE:</b>								
4601 Insurance dividend	3,271	3,972	0	2,000	2,000	2,000	0	0.0%
4604 Park rental & cleaning fees	560	225	200	500	300	500	0	0.0%
4615 Settlements/Other Income/Transfer	869	160	234	0	(234)	0	0	
TOTAL MISCELLANEOUS REVENUE	<b>4,700</b>	<b>4,357</b>	<b>434</b>	<b>2,500</b>	<b>2,066</b>	<b>2,500</b>	<b>0</b>	<b>0.0%</b>
<b>9-OTHER GRANTS:</b>								
4810 County Grant-recycling grant	7,210	7,210	0	7,090	7,090	7,090	0	0.0%
4815 Cable Commission Distribution	1,200	1,200	1,500	1,200	(300)	1,200	0	0.0%
TOTAL OTHER GRANTS	<b>8,410</b>	<b>8,410</b>	<b>1,500</b>	<b>8,290</b>	<b>6,790</b>	<b>8,290</b>	<b>0</b>	<b>0.0%</b>
<b>10-INTEREST REVENUES:</b>								
4901 Interest - 4M Fund General	144	955	3,358	50	(3,308)	1,000	950	1900.0%
4905 Miscellaneous Income	0	0	0	0	0	0	0	
TOTAL INTEREST REVENUES	<b>144</b>	<b>955</b>	<b>3,358</b>	<b>50</b>	<b>(3,308)</b>	<b>1,000</b>	<b>950</b>	<b>1900.0%</b>
<b>TOTAL REVENUES</b>	<b>1,904,993</b>	<b>2,181,305</b>	<b>1,221,899</b>	<b>2,222,109</b>	<b>992,710</b>	<b>2,265,274</b>	<b>43,165</b>	<b>1.94%</b>

**City of Afton**  
**Preliminary 2018 General Fund Budget**

	Audited	Audited	Year to Date	Annual Budget	Remaining	Annual Budget	Increase (Decrease) 2018 minus	
	2015	2016	6/30/2017	2017	Budget \$	2018	\$	%
<b>B: EXPENDITURES</b>								
<b>1-WAGES &amp; BENEFITS:</b>								
5002 Mayor & Council	13,400	13,200	6,600	13,200	6,600	13,200	0	0.0%
5004 City Administrator	88,150	91,483	46,075	97,759	51,684	99,700	1,941	2.0%
5005/511 Intern(s)/Contract Office Admin	0	0	4,021	4,500	479	500	(4,000)	-88.9%
5007 Office Assistant	16,059	18,272	10,948	16,556	5,608	20,500	3,944	23.8%
5008 Office Manager/Deputy Clerk	38,922	38,798	3,973	44,150	40,177	51,535	7,385	16.7%
5020 Maintenance Personnel (incl Mileage)	17,300	18,816	11,158	24,669	13,511	25,400	731	3.0%
5014 FICA & Medicare	17,702	17,854	9,690	15,364	5,674	16,129	765	5.0%
5018/37 Ins Benefits (Disability)and Other Fin'l (CA)	27,046	27,048	13,257	27,120	13,863	27,120	0	0.0%
5053 PERA	12,178	13,008	5,647	15,062	9,415	16,340	1,278	8.5%
5024 Workers Comp Insurance	3,689	3,171	0	3,100	3,100	3,100	0	0.0%
<b>TOTAL WAGES &amp; BENEFITS</b>	<b>234,446</b>	<b>241,650</b>	<b>111,369</b>	<b>261,480</b>	<b>150,111</b>	<b>273,524</b>	<b>12,044</b>	<b>4.6%</b>
<b>2-PROFESSIONAL SERVICES:</b>								
5120 Contract - Videographer	710	1,807	1,356	2,000	644	2,800	800	40.0%
5302 Assessor Fees	20,716	21,269	22,215	21,850	(365)	22,700	850	3.9%
5304 Accounting fees	14,375	15,247	7,965	16,500	8,535	16,850	350	2.1%
5305 Auditing fees	5,450	5,350	5,650	8,700	3,050	8,900	200	2.3%
5310 Engineering Fees	17,707	23,561	8,141	20,000	11,859	20,000	0	0.0%
5315 Recording fees	46	0	0	300	300	300	0	0.0%
5320 Legal fees - Prosecution	25,140	23,160	12,776	28,000	15,224	28,000	0	0.0%
5321 Legal fees - General/Civil	20,447	21,951	6,901	22,000	15,099	22,000	0	0.0%
5323 Legal fees - Special/Co-Pays	0	0	0	0	0	0	0	0.0%
5330 Planning Fees	0	0	1,854	4,000	2,146	4,000	0	0.0%
5335 Other Fees for Service/YSB/4H	0	(433)	0	1,500	1,500	1,500	0	0.0%
5350 Building Inspection Fees - Stensland	48,921	80,054	43,585	34,400	(9,185)	34,400	0	0.0%
5360 Misc Dev Fees	(345)	0	0	0	0	0	0	0.0%
5370 Well Monitoring Program	0	768	0	1,000	1,000	1,200	200	20.0%
5380 Watershed Management	488	595	0	500	500	600	100	20.0%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>153,655</b>	<b>193,329</b>	<b>110,443</b>	<b>160,750</b>	<b>50,307</b>	<b>163,250</b>	<b>2,500</b>	<b>1.6%</b>

**City of Afton**  
**Preliminary 2018 General Fund Budget**

	Audited 2015	Audited 2016	Year to Date 6/30/2017	Annual Budget 2017	Remaining Budget \$	Annual Budget 2018	Increase (Decrease) 2018 minus 2017 Budget	
							\$	%
<b>4-OTHER EXPENDITURES:</b>								
5500 Office Equipment	1,612	576	0	700	700	700	0	0.0%
5505 Bank/IRS Fees/Penalties/Interest	347	262	142	400	258	400	0	0.0%
5510 Comp Sve (All HW/SW, GIS, Web, Email)	5,396	5,610	1,889	9,500	7,611	9,500	0	0.0%
5516 Copier Lease	6,796	3,243	1,380	7,000	5,620	7,000	0	0.0%
5520 Equipment Maintenance	0	0	0	1,000	1,000	1,000	0	0.0%
5525 Insurance-General Liability	17,886	17,250	15,962	21,000	5,038	21,000	0	0.0%
5535 Misc. Expense	956	21	152	2,000	1,848	2,000	0	0.0%
5540 Office Supplies	2,953	2,631	1,796	4,000	2,204	4,000	0	0.0%
5545 Other Administration	713	400	320	500	180	500	0	0.0%
5550 Postage	3,439	3,281	1,220	3,500	2,280	3,500	0	0.0%
5555 Publishing & Printing	3,656	2,201	335	2,800	2,465	2,800	0	0.0%
5560 Newsletter	6,058	5,339	3,064	6,000	2,936	6,000	0	0.0%
5565 Telephone	2,682	2,703	1,248	3,500	2,252	3,500	0	0.0%
5575 Travel & Mileage	0	132	109	500	391	500	0	0.0%
5580 Membership & Dues	3,158	3,207	0	3,000	3,000	3,000	0	0.0%
5585 Seminars & Education incl ICMA	2,364	682	875	2,500	1,625	2,500	0	0.0%
TOTAL OTHER EXPENDITURES	<b>58,017</b>	<b>47,538</b>	<b>28,492</b>	<b>67,900</b>	<b>39,408</b>	<b>67,900</b>	<b>0</b>	<b>0.0%</b>
<b>SUBTOTAL GENERAL &amp; ADMINISTRATIVE</b>	<b>446,119</b>	<b>482,517</b>	<b>250,304</b>	<b>490,130</b>	<b>239,826</b>	<b>504,674</b>	<b>14,544</b>	<b>3.0%</b>
<b>5-PUBLIC SAFETY:</b>								
5605 Animal Control	2,823	1,959	(49)	4,000	4,049	4,000	0	0.0%
5625 Fire & Ambulance Service	219,953	232,893	121,648	243,296	121,648	249,166	5,870	2.4%
xxxx Police Service - Additional Patrols	0	0	0	0	0	5,000	5,000	
5635 Police Service - County	169,289	178,385	227	175,000	174,773	180,000	5,000	2.9%
TOTAL PUBLIC SAFETY	<b>392,065</b>	<b>413,237</b>	<b>121,826</b>	<b>422,296</b>	<b>300,470</b>	<b>438,166</b>	<b>15,870</b>	<b>3.8%</b>
<b>6-PUBLIC HEALTH:</b>								
5705 Recycling - Afton	268	1,076	475	500	25	500	0	0.0%
5720 Refuse Hauling - City Hall	819	708	403	1,500	1,097	1,500	0	0.0%
TOTAL PUBLIC HEALTH	<b>1,087</b>	<b>1,784</b>	<b>878</b>	<b>2,000</b>	<b>1,122</b>	<b>2,000</b>	<b>0</b>	<b>0.0%</b>

**City of Afton**  
**Preliminary 2018 General Fund Budget**

	Audited	Audited	Year to Date	Annual Budget	Remaining	Annual Budget	Increase (Decrease) 2018 minus 2017 Budget	
	2015	2016	6/30/2017	2017	Budget \$	2018	\$	%
<b>7-STREETS:</b>								
5820 Gravel Road Maintenance	3,530	7,944	2,643	4,000	1,357	4,000	0	0.0%
5825 Crackseal/Seal Coat/Gravel Shouldering	51,829	11,701	294	75,000	74,706	75,000	0	0.0%
5830 Snow & Ice Control	62,431	78,910	53,656	110,000	56,344	110,000	0	0.0%
5835 Surf maint/Sweeping/Pothole Repair	49,873	33,139	19,027	46,000	26,973	10,000	(36,000)	-78.3%
5845 Brush/Tree/Mow/Bridge/Culvert/Guardrail	40,117	21,136	32,516	39,000	6,484	50,000	11,000	28.2%
5850 Street Lights	4,286	3,164	2,306	5,000	2,694	12,000	7,000	140.0%
5855 Gas Lamps - Operating Costs	2,491	1,889	936	2,700	1,764	0	(2,700)	-100.0%
5856 Gas Lamps - Capital	0	0	0	0	0	0	0	
5860 Signs & Signals	3,247	3,413	1,328	4,000	2,672	4,000	0	0.0%
5870 Other - Road Maint.	605	1,696	261	2,000	1,739	2,000	0	0.0%
<b>TOTAL STREETS</b>	<b>218,410</b>	<b>162,992</b>	<b>112,967</b>	<b>287,700</b>	<b>174,733</b>	<b>267,000</b>	<b>(20,700)</b>	<b>-7.2%</b>
<b>9-OTHER PUBLIC WORKS EXPENDITURES:</b>								
5910 Flood Control: Oper Pump/Dike Annual Maint	0	0	0	1,600	1,600	1,600	0	0.0%
5920 Repair & Maint - Equipment	1,080	1,324	784	1,500	716	1,500	0	0.0%
5925 Fuel & Lubricants	558	311	100	1,000	900	1,000	0	0.0%
5930 Tools & Minor Equipment	277	275	75	950	875	950	0	0.0%
5940 Sidewalk improvements	0	0	0	0	0	0	0	
<b>TOTAL OTHER PUBLIC WORKS</b>	<b>1,914</b>	<b>1,910</b>	<b>959</b>	<b>5,050</b>	<b>4,091</b>	<b>5,050</b>	<b>0</b>	<b>0.0%</b>
<b>SUBTOTAL STREETS, REHAB &amp; PUBLIC WORKS</b>	<b>220,324</b>	<b>164,902</b>	<b>113,926</b>	<b>292,750</b>	<b>178,824</b>	<b>272,050</b>	<b>(20,700)</b>	<b>-7.1%</b>
<b>9-BUILDINGS &amp; LAND:</b>								
6010 Gas Heat	1,937	1,071	540	2,200	1,660	2,200	0	0.0%
6020 Electricity	1,731	1,635	1,139	2,000	861	2,000	0	0.0%
6030 Miscellaneous Expense	1,036	944	729	800	71	800	0	0.0%
6035 Cleaning	874	273	0	2,000	2,000	2,000	0	0.0%
6040 Repair & Maintenance	1,910	902	654	2,000	1,346	2,000	0	0.0%
6045 City Garage Expense	2,557	3,182	1,593	2,500	907	2,500	0	0.0%
xxxx Deputy Facility/PW Garage	0	0	0	0	0	1,000	1,000	
6050 Supplies	288	289	174	500	326	500	0	0.0%
<b>TOTAL BUILDINGS &amp; LAND</b>	<b>10,334</b>	<b>8,296</b>	<b>4,829</b>	<b>12,000</b>	<b>7,171</b>	<b>13,000</b>	<b>1,000</b>	<b>8.3%</b>

**City of Afton**  
**Preliminary 2018 General Fund Budget**

	Audited 2015	Audited 2016	Year to Date 6/30/2017	Annual Budget 2017	Remaining Budget \$	Annual Budget 2018	Increase (Decrease) 2018 minus 2017 Budget	
							\$	%
<b>12-PARKS &amp; RECREATION:</b>								
6105 4th of July Celebration	3,500	3,500	3,500	3,500	0	3,500	0	0.0%
6135 Park Maintenance	359	569	298	1,200	902	1,200	0	0.0%
6140 Miscellaneous expense	62	112	0	300	300	300	0	0.0%
6205 Cemetery Maintenance	0	9,000	9,000	9,000	0	9,000	0	0.0%
<b>TOTAL PARKS &amp; RECREATION</b>	<b>3,921</b>	<b>13,181</b>	<b>12,798</b>	<b>14,000</b>	<b>1,202</b>	<b>14,000</b>	<b>0</b>	<b>0.0%</b>
<b>OVERALL TOTAL EXPENDITURES</b>	<b>1,073,850</b>	<b>1,083,917</b>	<b>504,561</b>	<b>1,233,176</b>	<b>728,615</b>	<b>1,243,890</b>	<b>10,714</b>	<b>0.9%</b>

**City of Afton**  
**Preliminary 2018 General Fund Budget**

	Audited	Audited	Year to Date	Annual Budget	Remaining	Annual Budget	Increase (Decrease) 2018 minus 2017 Budget	
	2015	2016	6/30/2017	2017	Budget \$	2018	\$	%
<b>C: OTHER FINANCING SOURCES (USES)</b>								
4050 Tax Levy to Fire Hall Debt Service Fund	(57,933)	(49,893)	(24,917)	(49,833)	(24,916)	(49,784)	49	-0.1%
4898 Tax Levy re Dwtwn Imp Tmp Bonds	0	(28,000)	(14,000)	(28,000)	(14,000)	(30,000)	(2,000)	7.1%
4899 Tax Levy re Dwtwn Imp Bonds/PFA	(8,000)	(70,000)	(35,000)	(70,000)	(35,000)	(70,000)	0	0.0%
xxxx Debt Service Levy, 2017B Road Bond	0	0	0	0	0	(390,000)	(390,000)	
4725 Tax Levy to 2014A Road Construction Debt Serv Fd	(310,000)	(260,000)	(130,000)	(260,000)	(130,000)	(260,000)	0	0.0%
6920 Oper trf to Bldg & Land Fund - Budgeted	(6,000)	(6,000)	(3,000)	(6,000)	(3,000)	(6,000)	0	0.0%
4818 City Share High Speed Internet	0	(75,000)	(25,000)	(50,000)	(25,000)	0	50,000	-100.0%
6920 Oper trf to Bldg & Land Fund - Unbudgeted	(20,000)	(25,000)	0	0	0	0	0	
6921 Oper Trf to Street Imp - UnBudgeted	(43,500)	(230,000)	0	0	0	0	0	
6925 Oper trf to Street Imp- Budgeted	(200,000)	(200,000)	(187,500)	(375,000)	(187,500)	(70,000)	305,000	-81.3%
6928 Oper Trf from(to) Special Reserve Fund	(5,000)	(3,000)	(4,750)	(9,500)	(4,750)	(5,000)	4,500	-47.4%
6932 Oper Trf to Stormwater Fund	(3,500)	(3,500)	(1,750)	(3,500)	(1,750)	(3,500)	0	0.0%
6933 Oper Trf to Vehicle Fund	(2,500)	(2,500)	(1,250)	(2,500)	(1,250)	(2,500)	0	0.0%
6935 Oper Trf to Comprehensive Plan	(2,000)	(3,000)	(2,000)	(4,000)	(2,000)	(4,000)	0	0.0%
6936 Oper Trf to Flood Mitigation & Control	(5,500)	(5,500)	(2,750)	(5,500)	(2,750)	(5,500)	0	0.0%
6937 Oper Trf to DNR Grant Match	(95,000)	(95,000)	(47,500)	(95,000)	(47,500)	(95,000)	0	0.0%
6934 Oper trf to Codification (Spec Act Fd)	(100)	(100)	(100)	(100)	0	(100)	0	0.0%
4843 Oper Trf to MN Unemployment Claims	(3,000)	(1,000)	(500)	(1,000)	(500)	(1,000)	0	0.0%
6939 Oper Trf to Election Fund	(5,500)	(5,500)	(2,750)	(5,500)	(2,750)	(5,500)	0	0.0%
6910 City Council Contingency Fund	0	0	0	0	0	0	0	
4842 Audit Legal Reserve	(100)	(1,000)	(500)	(1,000)	(500)	(1,000)	0	0.0%
6944 Oper Trf Parks Capital (Incl Trail & Ped Bridge)	(5,500)	(5,500)	(2,750)	(5,500)	(2,750)	(5,500)	0	0.0%
4022 Oper Trf to Afton Septic System - City Bldgs	(15,000)	(15,000)	(7,500)	(15,000)	(7,500)	(15,000)	0	0.0%
6944 Oper Trf to Sidewalk	(2,000)	(2,000)	(1,000)	(2,000)	(1,000)	(2,000)	0	0.0%
6929 Trf (to) from Special Activities Fund (Various)	(15,000)	(10,000)	0	0	0	0	0	
<b>TOTAL OTH FINANCING/TRANSFERS</b>	<b>(805,133)</b>	<b>(1,096,493)</b>	<b>(494,517)</b>	<b>(988,933)</b>	<b>(494,416)</b>	<b>(1,021,384)</b>	<b>(32,451)</b>	<b>3.3%</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$26,010</b>	<b>\$895</b>	<b>\$222,821</b>	<b>0</b>	<b>(\$230,321)</b>	<b>0</b>	<b>230,321</b>	
Fund Balance - Beginning of Period	<b>\$301,307</b>	<b>\$327,317</b>	<b>\$328,212</b>					
Fund Balance - End of Period	<b>\$327,317</b>	<b>\$328,212</b>	<b>\$551,033</b>					
Check Total (Actual) - Rev Over (Under) Exp	26,009.99	894.62	222,822.17					
Check Total (Actual) - Fund Balance	327,317.07	328,211.69	551,033.86					
Total General Fund Expenses				1,233,176		1,243,890	This is the balancing formula for the General Fund Levy	
Less Fiscal Disparity Levy				(49,525)		(49,525)		
Less Non-Levy Revenue - General Fund				(180,209)		(181,159)		
General Fund Levy				<b>1,003,442</b>		<b>1,013,206</b>		

**City of Afton**  
**Preliminary 2018 General Fund Budget**

Audited 2015	Audited 2016	Year to Date 6/30/2017	Annual Budget 2017	Remaining Budget \$	Annual Budget 2018	Increase (Decrease) 2018 minus 2017 Budget	
						\$	%
			0		0		

**City of Afton**  
**3033 St. Croix Trl, P.O. Box 219**  
**Afton, MN 55001**

# Meeting Date Sept. 14, 2017

## Council Memo

To: Mayor Bend and Members of the City Council  
From: Ron Mourse, City Administrator  
Date: September 12, 2017  
Re: Exterior Storage Uses in the Industrial Zones

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A number of uses that involve or could involve a substantial amount of exterior storage are currently in operation and/or allowed in the Industrial zones. The following is a list of those uses.

- Exterior Sales and Storage (Wholesale only)
- Light Manufacturing
- Nursery and Garden Supplies (wholesale)
- Recreation Equipment Storage (Private)
- Transportation/Motor Freight Terminal

The Council has discussed the desire for uses in the Industrial zones that are more in keeping with Afton's rural character and higher valued in terms of generating tax base. Looking to the future of the Industrial zones, uses that require a substantial amount of exterior storage tend to attract more of the same uses and their appearance tends to be a barrier to higher quality uses. Removing these types of uses from the list of allowed uses in the Industrial zones would help to facilitate the change to more desirable types of uses. This would not require uses that are currently in operation to be stopped from operating. Existing uses could remain in operation until they are replaced with other uses by a decision of either the current property owner or a new property owner. Making changes to the list of allowed uses would involve drafting an ordinance amendment, reviewing it with the Council and Planning Commission, and holding a public hearing at the Planning Commission. Upon the Council's direction, staff can draft an ordinance amendment.

City of Afton  
3033 St. Croix Trl, P.O. Box 219  
Afton, MN 55001

## Meeting Date Sept. 14, 2017

### Council Memo

To: Mayor Bend and Members of the City Council  
From: Ron Moorse, City Administrator  
Date: September 12, 2017  
Re: Motor Vehicle Noise and Speed Enforcement

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As a follow-up to the Council's discussion of a motor vehicle noise ordinance, Mayor Bend discussed the noise enforcement issue with Sheriff Starry, which led to meeting that involved Mayor Bend, Council member Ross, Washington County Sheriff's Department Patrol Commander Doug Anschutz and Administrator Moorse. Commander Anschutz indicated the Sheriff's Department is supportive of noise and speed enforcement. He also explained the difficulties of enforcing motor vehicle noise regulations. The group agreed that a good first step toward increased enforcement would be the purchase of a decibel meter and testing it in various locations to determine if its use would be feasible and effective. Council member Ross has found a decibel meter that logs noise levels over a period of time. The cost is \$265.50 plus \$8.44 shipping, for a total cost of \$273.94. If the Council agrees that the purchase of a decibel meter is a good first step, the Council could authorize the City Administrator to purchase the meter under his purchasing authority, or the purchase could be formally approved by the Council at the September 19 Council meeting.

**City of Afton**  
**3033 St. Croix Trl, P.O. Box 219**  
**Afton, MN 55001**

## **Meeting Date Sept. 14, 2017**

### **Council Memo**

To: Mayor Bend and Members of the City Council  
From: Ron Moorse, City Administrator  
Date: September 13, 2017  
Re: DNR Flood Hazard Mitigation Grant Funding

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The DNR has made available to the City an additional \$350,000 with the understanding that this additional funding would be sufficient to complete the project, with the exception of unforeseen costs. Todd Hubmer, City Engineer, is reviewing updated funding information to determine if the additional funding is sufficient to complete the project. He will provide the information at the work session.

**City of Afton**  
**3033 St. Croix Trl, P.O. Box 219**  
**Afton, MN 55001**

## **Meeting Date Sept. 14, 2017**

### **Council Memo**

To: Mayor Bend and Members of the City Council  
From: Ron Moorse, City Administrator  
Date: September 12, 2017  
Re: Proposal for Solar Farm on Mn/DOT Property

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Mn/DOT owns a parcel on the south side of Hudson Road east of the Shepherd of the Valley Lutheran Church. The parcel, which is zoned Rural Residential, is a former gravel pit. Mn/DOT would like to lease the land to a company that would use it for a solar farm. This use is not allowed in the Rural Residential zone. Mn/DOT has indicated that state statute exempts land owned by the state from local zoning regulations, and would like to work with the City to enable a solar farm to be developed in a way that avoids negative impacts and that also benefits the City. The City Attorney is skeptical about whether the land is exempt from City zoning regulations. Mayor Bend and Administrator Moorse are meeting with Mn/DOT in late September to obtain more information about the proposal, the benefits to the City and the statutory exemption.

City of Afton  
3033 St. Croix Trl, P.O. Box 219  
Afton, MN 55001

## Meeting Date Sept. 14, 2017

### Council Memo

To: Mayor Bend and Members of the City Council  
From: Ron Moorse, City Administrator  
Date: September 12, 2017  
Re: Downtown Village Improvement Project

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A. Sidewalk Between 36<sup>th</sup> Street and 37<sup>th</sup> Street

Staff has been working with the City Engineer and Washington County regarding the construction of a sidewalk between 36 Street and 37<sup>th</sup> Street as requested by Kathy Bolton Iverson. The County has indicated the sidewalk was removed from the project plans due to a drainage issue and the desire to protect large trees along the sidewalk north of Kathy Bolton Iverson's property. The County met with Ms. Iverson at the time and she agreed to the elimination of the sidewalk. The County has indicated the sidewalk could be added back into the plans, but the City would have to pay the costs of resolving the drainage issue. They also indicated the construction of the sidewalk will disturb the roots of the large trees along the sidewalk which could result in negative effects to the trees. Corey Slagle of Washington County will attend the work session to provide the County's perspective and policies regarding the sidewalk issue. Nick Guilliams, City Engineer, will provide a cost estimate for resolving the drainage issue.

B. Sanitary Sewer Connections for Pennington Avenue Properties

Nick Guilliams will provide updated information regarding the sewer connections to the properties on Pennington Avenue.

**City of Afton**  
**3033 St. Croix Trl, P.O. Box 219**  
**Afton, MN 55001**

## **Meeting Date Sept. 14, 2017**

### **Council Memo**

To: Mayor Bend and Members of the City Council  
From: Ron Moose, City Administrator  
Date: September 13, 2017  
Re: 2017 Pavement Management Project

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This item was included on the agenda to provide any new information regarding the 2017 Pavement Management Project. As of September 13, there was no new information to share regarding the project.