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PROCEEDINGS OF THE AFTON CITY COUNCIL
CITY OF AFTON
WASHINGTON COUNTY, MINNESOTA

Approved City Council Regular Meeting Minutes
December 20, 2016
Afton City Hall
3033 St. Croix Trail
Afton, MN 55001
7:00 P.M.

1. **THE MEETING WAS CALLED TO ORDER** at 7:00 P.M. by Mayor Bend.

2. **THE PLEDGE OF ALLEGIANCE** – was recited.

3. **ROLL CALL:** Council Members Nelson, Ross, Richter, Palmquist and Mayor Bend. **Quorum Present.**

ALSO PRESENT: City Attorney Fritz Knaak, City Engineer Diane Hankee and City Administrator Ron Moorse.

4. **APPROVAL OF AGENDA** –

A. Agenda for the Regular City Council Meeting of December 20, 2016 – A presentation by Robert Craggs, Lower St. Croix Valley Foundation, was added as Item 7D. A cost estimate for engineering plans to reflect the design revisions for the Downtown Village Improvements Project was added as item 10.B.4.

Motion/Second: Palmquist/Bend. To approve the agenda of the December 20, 2016 Regular City Council Meeting as amended. Motion carried 5-0-0.

5. **APPROVAL OF MINUTES** -

A. Minutes of the November 14, 2016 City Council Work session

Motion/Second: Palmquist/Nelson. To approve the minutes of the November 14, 2016 City Council Work Session. Motion carried 5-0-0

B. Minutes of the November 15, 2016 Regular City Council Meeting –

Motion/Second: Nelson/Bend. To approve the minutes of the November 15, 2016 Regular City Council meeting as amended. Motion carried 5-0-0.

C. Minutes of the November 30, 2016 City Council Work Session

Motion/Second: Palmquist/Ross. To approve the minutes of the November 30, 2016 City Council Work Session. Motion carried 5-0-0.

6. **PUBLIC INPUT** –

7. **REPORTS/PRESENTATIONS** -

A. Sheriff's Monthly Report – Deputy Sullivan provided the monthly report and indicated he has very much enjoyed working as a Patrol Deputy in the Afton and Lower St. Croix Valley area and is now moving to the Detective Division. Mayor Bend and the City Council members thanked Deputy Sullivan for his outstanding service and wished him the best in his new position.

B. Tom Niedzwiecki, Budget Report – Due to time constraints, there was no budget report.

C. Lower St. Croix Fire District Report – Nelson had nothing to report.

D. Robert Craggs, Lower St. Croix Valley Foundation – Provided an update regarding the improvement

53 project for the recreational trail along CR 18, including the upgrade of the pedestrian bridge over Valley Creek
54 in Afton. He reported that the Foundation's fundraising efforts have been successful, which means the bridge
55 upgrade project will move forward. Also, the Lower St. Croix Valley Foundation is developing a cost-
56 reimbursement agreement with Washington County.

57
58 **8. 2017 BUDGET AND TAX LEVY HEARING**

59 Mayor Bend opened the hearing at 7:20 p.m. Moose provided an outline of the 2017 proposed budget and tax
60 levy. The focus of the proposed budget is increasing the resources for meeting street improvement needs. The
61 proposed total tax levy is \$2,041,901, which is a 183,210 or 9.86% increase over the 2016 levy. The main item
62 causing the tax levy increase is a \$150,000, or 75%, increase in the levy for street improvements. Based on the
63 proposed tax levy, the City's tax rate would be increased from 29.373% in 2016 to 32.3288% in 2017. The
64 proposed budget and tax levy would result in the City's share of property taxes on a home valued at \$200,000
65 being \$581.04, an increase of \$49.98 or 9.417% over 2016. For a home valued at \$500,000, the increase would
66 be \$139.94 or 9.53%.

67
68 John Doyle of 14378 Valley Creek Trail asked what is planned to happen with the street improvements tax levy
69 over the next ten years, based on the proposed street improvements funding plan.

70 Moose provided information on the planned dollar and percentage increases to the street improvements levy
71 over the next ten years.

72
73 Peg Nolz of 15339 Afton Boulevard indicated that between 2017 and 2026 the street improvements funding plan
74 she thought would result in a cumulative total increase in the levy of 701%. She also indicated that although the
75 notice for the budget and tax hearing indicates the 2017 budget is on the city's website, the budget has not been
76 posted to the website. A person would need to go to the meeting packet to find the budget.

77
78 Riley /Anderson of 13501 50th Street, asked where the majority of funding for the annual budget is going right
79 now.

80
81 Moose outlined the main areas and amounts of expenditures and levies in the current budget.

82
83 **Motion/Second: Palmquist/Ross. To close the hearing at 7:25 p.m. Motion carried 5-0-0.**

84
85 **Motion/Second: Palmquist/Ross to Adopt Resolution 2016-55 adopting the final 2017 budget in the
86 amount of \$2,222,110. Roll Call: All Ayes. Motion carried 5-0-0.**

87
88 **Motion/Second: Palmquist/Ross. To adopt Resolution 2016-56 adopting the final 2017 Tax Levy in the
89 amount of \$2,041,901. Roll Call: All Ayes. Motion carried 5-0-0.**

90
91 **9. CONSENT AGENDA –**

92 **Motion/Second: Palmquist/Nelson. To approve the consent agenda, including Resolution 2016-57, as
93 presented. Roll Call: All Ayes. Motion carried 5-0-0.**

94
95 **9. CITY COUNCIL BUSINESS –**

96 **A. Planning Commission Report –**

97 1. Localized LLC Application for Conditional Use Permit for a Nature Center at 2167 Oakgreen
98 Avenue and Two Adjacent Parcels with PID#s 16.028.20.23.0001 and 16.028.20.23.0002 – Moose indicated
99 the application has been withdrawn, and the applicants have requested a refund of the fees that have been paid
100 to-date.

101 **Motion/Second: Bend/Ross. To deny the request for the refund of fees, but to apply the fees paid to a**
102 **future Nature Center CUP application, and to direct the City Administrator to reach out to the**
103 **applicants to assist and encourage them to reapply. Motion carried 5-0-0.**

105 2. Ordinance Amending Sec. 12-132. B.3. Contiguous Parcels Under Common Ownership –
106 Administrator Moorse reported that the Planning Commission had a number of questions and concerns
107 regarding the proposed amendment. The Council discussed the questions and concerns and directed that the
108 ordinance amendment be brought back to the Planning Commission with responses to the questions and
109 concerns and additional language to add an exception for a lot with an existing house. The additional language
110 is to be added to the end of subparagraph B as follows: “with the exception of a lot containing an existing
111 residence, as long as the residence continues to qualify as an existing nonconforming structure.
112 **Motion/Second: Bend/Palmquist. To approve the additional language to be added to the end of**
113 **subparagraph B as follows: “with the exception of a lot containing an existing residence, as long as the**
114 **residence continues to qualify as an existing nonconforming structure. Motion carried 5-0-0.**
115

116 **B. Engineering Report –**

117 1. City Engineer Diane Hankee indicated the Seal Coat Project has been inspected and found to be
118 satisfactory.

119 **Motion/Second: Palmquist/Richter. To approve payment of the invoice from Astech Corp. for the 2016**
120 **Crack Fill and Seal Coat Project in the amount of \$32,804.**
121

122 2. Diane Hankee indicated the cost for the culvert replacement on 30th Street could be reduced by at
123 least \$20,000 if the city could obtain a permit from the Valley Branch Watershed District to use a smaller
124 culvert. The cost of a permit would be between \$5,000 and \$7,500.
125

126 **Motion/Second: Richter/Nelson. To authorize the City Engineer to provide the hydraulic analysis**
127 **necessary to obtain a permit from the Valley Branch Watershed District to enable a smaller culvert at a**
128 **cost between \$5,000 and \$7,500. Motion carried 5-0-0.**
129

130 3. Putnam Bridge L8173 - Closure Requirements & Costs. Staff provided an update on the purchase
131 and installation of required barricades and signage related to the bridge closure.
132

133 **Motion/Second: Richter/Nelson. To approve the hauling and placement of the required concrete barriers**
134 **by Tri County at a cost not to exceed \$2,000, and the purchase of warning barricades and Bridge Closed**
135 **signs at a cost of \$882.80. Motion carried 5-0-0.**
136

137 4. Cost Estimate for Downtown Village Improvements Project Design Revisions – Diane Hankee
138 presented a cost estimate for developing final engineering plans for the design revisions in the area of
139 the Rattlesnake Mound in the amount of \$46,931.
140

141 **Motion/Second: Palmquist/Ross. To approve the WSB cost estimate of \$46,931 to develop final**
142 **engineering plans related to the design revisions in the area of the Rattlesnake Mound. Motion carried 5-**
143 **0-0.**
144

145 **10. Administration –**

146 1. Street Improvements Planning – Moorse indicated the Council had been working to develop a long
147 term plan for street improvements over the past several months. Next steps include selecting a
148 funding option for the street improvements, selecting the street improvements to be completed in
149 2017, and directing the City Engineer to prepare bid specifications and advertise for bids for a 2017
150 Street Improvement Project.
151

152 The Council discussed two bonding options – Street Reconstruction Bonds and Abatement Bonds.
153 Dough Green, the City’s Bond Consultant, indicated the Street Reconstruction Bonds require a
154 unanimous vote by the Council and are subject to a reverse referendum. The Abatement Bonds
155 require a majority vote of the Council and are not subject to a reverse referendum. Abatement
156 Bonds require additional effort regarding the determination of Property identification numbers for

157 parcels included in the project. They could also require an additional year of amortization and
158 interest costs.

159
160 Richter asked why the Street Reconstruction Bonds require unanimous approval.

161
162 Doug Green indicated it is not clear why this requirement was placed on this type of bonds.
163 Generally when the legislature adds a type of bonding authority requirements are added during the
164 legislative discussion, and the specific reason for the requirement may not be clear.

165
166 Richter indicated he did not have an opportunity to fully discuss the issues regarding bonding vs.
167 pay-as-you-go funding at the street improvement open house. He indicated only 40 people attended
168 the open house and only a small number commented. Richter reviewed a spreadsheet with a pay-as-
169 you-go scenario that uses an initial cash infusion of \$400,000 that enables the planned reclamation
170 projects to be completed by 2023 and enables the 14 miles of Mill and overlay to be completed by
171 2026. He indicated that is a reasonable timeline.

172
173 Richter indicated a \$400,000 cash infusion is possible unless more funding is needed for the
174 downtown village improvement project. He stated that the City should not move forward with
175 bonding until the costs and revenues of the downtown project have been updated, in case the
176 downtown project requires more funding from the city.

177
178 Mayor Bend asked Tom Niedzwiecki, City Accountant, about the possibility of having \$400,000
179 available for an initial cash infusion. Niedzwiecki indicated that he estimates a \$200,000 surplus in
180 the 2016 General Fund budget, which could, along with the use of some of the existing funds in the
181 Street Capital Improvement Fund, provide close to the \$400,000.

182
183 Mayor Bend asked for a comparison of the timing of Richter's pay-as-you-go option vs. a bonding
184 option. Moorse indicated the pay-as-you-go option does not complete the mill and overlays as
185 timely as recommended, which could cause some of those roads to deteriorate into needing a
186 reclamation vs. a mill and overlay.

187
188 Richter indicated the City needs to figure out how to do road maintenance on a pay-as-you-go basis,
189 just like other General Fund activities.

190
191 Mayor Bend indicated he agreed, except that there is a backlog of street maintenance, which has
192 allowed roads to deteriorate to the point of needing reclamation. He indicated he is concerned with
193 the risks related to increasing road costs.

194
195 Ross indicated that stretching out the reclamation projects to 2023 would result in the need for more
196 large patches similar to the ones required on Afton Hills Road and 15th Street, which could cost as
197 much or more than a mile of reclamation.

198
199 **Motion/Second: Bend/Nelson. To fund the planned street improvements with a bonding mechanism.**
200 **Motion carried 4-1-0, Richter Nay.**

201
202
203 **Motion/Second: Bend/Nelson. To finance the street improvements with Street Reconstruction Bonds and**
204 **to set in motion the process required to sell the bonds, and to authorize the City Administrator to proceed**
205 **on a dual track with Abatement Bonds in the case the Street Reconstruction Bonds are not approved with**
206 **a unanimous vote. Motion carried 4-1-0, Richter Nay.**
207

208 **Motion/Second: Palmquist/Nelson. To move forward to plan street improvements for 2017 and to choose**
209 **reclamation priorities based on the priorities identified by the Public Works Committee and shown on the**
210 **Street improvements planning spreadsheet.**

211
212 **Richter indicated that River Road is going to be more difficult to plan, due to its narrowness, and will be**
213 **more expensive.**

214
215 **It was suggested that the City Engineer prepare a cost estimate for each road.**

216
217 **Motion carried 4-1-0, Richter Nay.**

218
219 **Motion/Second: Nelson/Palmquist. To direct the City engineer to prepare a proposal for preparing cost**
220 **estimates and bid specifications and advertising for bids for review at a Special Council Meeting in early**
221 **January. Motion carried 4-1-0, Richter Nay.**

222
223 2. Refinancing of the Downtown Village Improvements Project Temporary Bonds – Doug Green, The
224 City’s Bond Consultant, provided information regarding the refinancing of the temporary bonds.
225 He will bring information regarding refinancing options to a Special Council meeting in early
226 January.

227
228 3. Purchase Electronic Drop Box to Store and Access the City Accountant’s Records – Moose
229 indicated the contracted City Accountant currently stores the City’s accounting records in an
230 electronic drop box, to which the City does not have direct access. The recommended solution for
231 the City to purchase a drop box to which both the City and the City Accountant would have access.

232 **Motion/Second: Palmquist/Ross to authorize the purchase of an electronic drop box through Dropbox**
233 **Business at a cost of \$99 per year. Motion carried 5-0-0.**

234
235 4. Authorize Updating of the Downtown Village Improvements Project Cash Flow Spreadsheet- the
236 Council agreed to continue this item to the January regular Council meeting.

237
238 5. Periodic Review and Requests For proposals for Contracted Services – The Council agreed to
239 continue this item to the January regular Council meeting

240
241 6. Michael Pofahl - Proposal for Annual Audit Services - **Resolution 2016-58**

242 **Motion/Second: Nelson/Ross. To adopt resolution 2016-58 appointing Michael Pofahl to provide annual**
243 **audit services for fiscal year 2016 at a cost not to exceed \$5,650. Roll Call Vote: Motion carried 5-0-0.**

244
245 7. Amendment No. 4 to DNR Flood Hazard Mitigation Grant Agreement- Moose indicated the
246 amendment is to add \$15,000 of funding to the grant amount.

247 **Motion/Second: Palmquist/Bend. To approve amendment No. 4 to the DNR Flood Hazard Mitigation**
248 **Grant Agreement #3000006474. Motion carried 5-0-0.**

249
250 8. Replacement of Dais Chairs in the Council Chambers

251 **Motion/Second: Nelson/Ross. To approve the replacement of the five upper dais chairs and the 12 lower**
252 **dais chairs in the Council Chambers at a cost not to exceed \$3,549. Motion carried 5-0-0.**

253
254
255 **D. Committee Reports –**

256 1. Public Works – None

257 2. Personnel – None

258 3. Parks – None.

- 259 4. HPC/DR – None
- 260 5. Natural Resources and Groundwater – None

261
262 **10. COUNCIL, CONSULTANT AND STAFF REPORTS, ANNOUNCEMENTS AND UPDATES**

- 263 **A.** Ward 1 Council Member Palmquist –None
- 264 **B.** Ward 2 Council Member Richter – None
- 265 **C.** Ward 3 Council Member Ross – None
- 266 **D.** Ward 4 Council Member Nelson –None
- 267 **E.** Mayor Bend – None.
- 268 **F.** City Attorney Knaak – Prosecution Report is on file; it was a quiet month.
- 269 **G.** City Administrator Moorse – None.

270
271 **11. ADJOURN –**

272
273 **Motion/Second: Nelson/Ross. To adjourn the meeting at 10:55 p.m. Motion carried 5-0-0.**

274
275 Respectfully submitted by:

276
277
278 _____
279 Ronald J. Moorse, City Administrator

280
281 **Approved by Council (on January 17, 2017) as (check one): Presented: _____ Amended: X**

282
283 **Signed by Mayor Richard Bend _____ Date _____**