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

APPROVED City Council Regular Meeting Minutes
December 15, 2015
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 Pro Tem Joe Richter.

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

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

ALSO PRESENT: City Attorney Fritz Knaak, City Engineer Diane Hankee, City Administrator Ron Moorse and Deputy Clerk Kim Swanson Linner. City Accountant, Tom Niedzwiecki, and Springsted Financial Advisor, Doug Green, joined the meeting in progress. Peter Miller and Eric Blasing were in attendance from Wenck.

4. **APPROVAL OF AGENDA** –

A. Agenda for the Regular City Council Meeting of December 15, 2015 –

Motion/Second: Palmquist/Richter. To approve the agenda of the December 15, 2015 Regular City Council Meeting as presented. Motion carried 5-0-0.

5. **APPROVAL OF MINUTES** -

A. Minutes of the November 12, 2015 City Council Work Session –

Motion/Second: Richter/Palmquist. To approve the minutes of the November 12, 2015 City Council Work Session as presented. Motion carried 5-0-0.

B. Minutes of the November 17, 2015 Regular City Council Meeting –

Motion/Second: Palmquist/Richter. To approve the minutes of the November 17, 2015 Regular City Council Meeting as presented. Motion carried 4-0-1 (Abstain: Bend).

C. Minutes of the December 8, 2015 Special City Council Meeting –

Motion/Second: Palmquist/Ross. To approve the minutes of the December 8, 2015 Special City Council Meeting as presented. Motion carried 5-0-0.

D. Minutes of the December 8, 2015 City Council Work Session –

Motion/Second: Palmquist/Richter. To approve the minutes of the December 8, 2015 City Council Work Session as presented. Motion carried 5-0-0.

6. **PUBLIC INPUT** –

Steve Steury, 2529 Trading Post Trail S, spoke of the devaluing of property due to the lack of access to utilities and internet service, yet the County assessments on property are not considering the detriments to the value of the property. He called for the County to consider dropping a percentage of assessment for home value due to this lack of utilities.

Grant Gugisberg, 14141 44th Street S, indicated that medical technology is advancing rapidly and using medical treatments that need to go through the internet. He spoke of a pill that dogs can be given to inspect the GI tract, with results traveling over the internet to the Vet.

53 Liz Johnson, 3415 Trading Post Trail S, felt that residents are willing to pay more through the city levy for
54 internet access for the future of Afton, especially for the school children who are asked do their homework using
55 the internet.

56 Jerry Beutel, 3485 Trading Post Trail S, gave kudos to the High Speed Internet Committee for moving
57 ahead with the city getting appropriate internet access. He felt \$125,000 for the city (or \$125 per year per
58 household) is worth getting internet service now, rather than waiting a year or two and possibly paying more.

59 Mark Berger, 2447 Trading Post Trail S, stated he has been waiting a long time for internet access. He is
60 now selling his home and reported that showings or offers on the house dropped after learning that internet
61 access was problematic.

62 August LaRenzie, 2696 Stagecoach Trail S, spoke about the piles of gravel and snow being placed on
63 Putnam to block the road. He indicated he and others use Putnam as a walking, biking and skiing trail and would
64 like the city to have the person stop blocking the road. He also thought Comcast should build out all of Afton to
65 offer cable.

66 Sally Doherty, 13575 40th St S, owner of Little Foot Farm, wanted the city to consider, not just the internet
67 access contribution for 2016, but to provide a permanent line item for such upgrades in the future as a long-term,
68 ongoing strategy.

70 **7. REPORTS/PRESENTATIONS -**

71 **A. Sheriff's Monthly Report** – [No deputy in attendance; monthly reports on file].

72 **B. Jim Bougie, Finance Committee Report** – Bougie indicated their was no cash flow report due to the
73 retirement of Pat Joyce. He hoped that the new staff will be able to continue the cash flow chart to show the
74 “cash in the bank.” [Council was in agreement that the report by Bougie is beneficial to the city.]

75 **C. Tom Niedzwiecki Budget Report** – [This item will “float” until Mr. Niedzwiecki arrives from another
76 meeting.]

77 **D. Lower St. Croix Fire District Report** – Nelson reported that Bend was appointed as Treasurer.

79 **8. 2016 BUDGET AND TAX LEVY HEARING** – Mayor Bend opened the Budget and Tax Levy Hearing at 80 7:26 p.m.

81 Administrator Moose summarized that the Budget and Tax Hearing is an opportunity to provide an overview
82 and to obtain public input regarding the budget and tax levy prior to its adoption. He indicated the proposed 2016
83 budget reflects the effort to expand and upgrade high speed internet access throughout the City, to provide additional
84 funding for roadway maintenance and to fund the planned debt service payments related to the downtown
85 improvement projects. Moose indicated the proposed 2016 budget results in a total tax levy, including the General
86 Fund levy and the debt service and transfer levies, of \$1,908,692; a \$204,509, or 12% increase over the total
87 2015 levy. The three main items causing this increase are a \$125,000 levy for an internet access expansion
88 project, a \$34,000 or 13.4% increase in expenditures for street maintenance, and a \$48,535 or 13.2%, increase in
89 debt service (related to the downtown improvement projects). The City's tax rate would increase from 27.716%
90 in 2015 to 30.166% in 2016. The tax impact on a home valued at \$200,000 would be \$565.03, an increase of
91 \$63.93 or 12.76% over 2015; a home valued at \$500,000 would have a City share of property taxes of
92 \$1,564.94, an increase of \$179.13 or 12.93% over 2015; for a commercial property valued at \$500,000, the
93 city's share of property taxes would be \$2,880.98, an increase of \$317.23 or 12.37%. Moose detailed the
94 changes to the final proposed 2016 budget and tax levy:

- 95 • The levy and transfer for the road paving debt service has been reduced by \$50,000, or 16.1% to reflect the
96 reduced debt service obtained by the refunding of the 2005 road paving bonds.
- 97 • A levy and transfer for the interest payments on the temporary bonds for the downtown improvement
98 projects has been added in the amount of \$28,000.
- 99 • A levy and transfer for the debt service on a planned low interest loan from the Public Facilities Authority
100 (PFA) for the wastewater collection and treatment system project has been added in the amount of \$70,000.
- 101 • A levy of \$125,000 has been added to pay the cost of the City-wide expansion and upgrade of high speed
102 internet access.

103 Moose noted that the City is required to submit the final tax levy to the County by December 30, 2015.

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Motion/Second: Palmquist/Richter. To close the 2016 Budget and Tax Levy Hearing at 7:30 p.m. Motion carried 5-0-0.

Council Discussion

Council reduced the High Speed Internet line item 4818 of \$125,000 by \$50,000 and shifted \$75,000 to the Special Reserve Fund 6928 in order to eliminate the High Speed Internet line item. The Flood Control line item 5910 was reduced from \$4,000 to \$1,600 and \$2,400 was added to Cemetery Maintenance line item 6205.

Motion/Second: Palmquist/ Richter. To adopt Resolution 2015-77 approving the final 2016 Budget in the amount of \$2,032,901. ROLL CALL: All Ayes. Motion carried 5-0-0.

Motion/Second: Palmquist/Nelson. To adopt Resolution 2015-78 approving the final 2016 Tax Levies in the amount of \$ 1,858,692. ROLL CALL: All Ayes. Motion carried 5-0-0.

9. CONSENT AGENDA –

- A. Just and Correct Claims
- B. 4M Fund Transfer - NOVEMBER - **Resolution 2015-79**

Motion/Second: Richter/Palmquist. To approve the Consent Agenda as presented, including Resolution 2015-79. ROLL CALL: All Ayes. Motion carried 5-0-0.

10. CITY COUNCIL BUSINESS -

A. Planning Commission Report – Council Member Liaison Stan Ross reported for the Planning Commission. He stated that the Washington County staff presentation on the topic about the land spreading of septage was the predominant subject of the meeting.

Mayor Bend, who was also in attendance, briefed on some of the pertinent details presented. He indicated that the Planning Commission appears to have a recommendation for Council.

Ross indicated the Commission has deferred their final recommendation until after a full review and discussion of the entire revised Washington County Septic Ordinance which was adopted in April 2015.

It was noted that cities have a year to adopt and incorporate by reference the revised ordinance or to amend and adopt. Afton needs to accomplish this by April 2016.

Moore also reported that the Planning Commission requested that a “Solar Power Hour” presentation be scheduled for the education and benefit to residents. This one-hour FREE presentation is open to all and will begin at 7:00 p.m. January 4, 2016.

B. Engineering Report -

1. Staff Report/Council Update - Downtown Improvement Projects– Engineer Hankee reported that the MPCA Sanitary Permit has been received and engineers are working to get the project certified (plans and specifications approved). Two projects will be bid: 1) Treatment site – Bid opening February 2, 2016; and, 2) Roadways, Levee, Collection System, Lift Stations and Forcemain – Bid Opening March 8, 2016. Project specifications and plans are going from a 90% to a final plan (this includes 33rd Street) and final adjustments to the sanitary sewer depth. Engineers will be working with affected residents regarding the following: 1) Well variance concurrence for the sanitary sewer services, recommended with the Minnesota Department of Health permit; and, 2) BWSR grant application and low income verification process. People are encouraged to respond as there is a potential financial benefit.

2. WSB 2016 Rate Schedule – Hankee reported that the 2016 WSB rate schedule is an increase of 2.4% over the 2015 rate schedule.

Motion/Second: Palmquist/Bend. To approve the WSB 2016 Rate Schedule as provided for in the annual contract language. Motion carried 5-0-0.

156 3. Downtown Improvement Projects Cooperative Agreement with Washington County – Resolution
157 **2015-80** – Administrator Moose reported that Council, at its December 8, 2015 work session, reviewed a draft
158 cooperative agreement with Washington County setting out the responsibilities of the City and the County on the
159 downtown improvement projects, the City and County cost participation and estimated costs, and the process
160 and timing of payments from the County to the City during construction. The updated cooperative agreement
161 and the related cost-shares map and spreadsheet were provided to Council just prior to the meeting. Moose
162 noted that the City Attorney has reviewed and approved the Cooperative Agreement draft.

163
164 **Motion/Second: Bend/Ross. To approve Resolution 2015-80 for a Cooperative Agreement with Washington**
165 **County regarding the Afton Downtown Improvement Projects. ROLL CALL: All Ayes. Motion carried: 5-0-0.**
166

167 4. Contract with Xcel Energy for Upgraded Electrical Service – Engineer Hankee explained that the
168 stormwater and sanitary sewer lift stations require that three phase power be extended into the Downtown
169 Village. The City’s electrical engineer has coordinated with Xcel Energy to provide the proposed agreement to
170 extend this service. WSB engineers have been working with Xcel to coordinate with the engineers at
171 Washington County as well for this work. Hankee confirmed to Council that the cost of this work has been
172 included in the overall funding for the project.

173
174 **Motion/Second: Richter/Nelson. To approve the contract with Xcel Energy to extend three phase power**
175 **service into the Downtown area, in the amount of \$9,904.28. Motion carried 5-0-0.**
176

177 5. Wenck Proposal for Bidding and Construction Supervision – Administrator Moose explained that
178 Wenck Associates has been providing engineering services to the City related to the design of the wastewater treatment
179 system, as well as the completion of a hydrogeological study and an Environmental Assessment Worksheet. He
180 reported that the next phase of engineering services involves finalizing plans and specs, bidding, construction, and post
181 construction engineering services. Peter Miller and Eric Blasing of Wenck Associates were in attendance to answer
182 any questions about the proposed scope of services and cost for these services. The contract for construction oversight
183 services was presented as \$220,000.

184 Peter Miller clarified that this proposal is for construction oversight; there will be another proposal for post
185 construction services which will take the city into 2017 and will include approximately six site visits and
186 operational support for the system.

187 It was noted that the construction documents include repairs to the existing fence surrounding the 25-acre
188 property; there is also a second fence around just the wastewater treatment portion of the site. Miller informed
189 that the MPCA requires the property to be fenced and posted. Council decided that the exterior perimeter fence
190 should have signs stating, “City of Afton Property NO TRESPASSING” which will be placed every 400 feet.
191 The interior fencing shall be signed, “Wastewater Treatment Site DO NOT ENTER.”

192
193 **Motion/Second: Palmquist/Nelson. To approve the proposal from Wenck Associates for engineering**
194 **services to finalize plans and specs, advertise for bids, construction, and post construction engineering**
195 **services, and approving the contract reflecting the proposal with a cost not to exceed \$220,000. Motion**
196 **carried 5-0-0.**
197

198 6. Advertisement for Bids for the Construction of the Wastewater Treatment System – Resolution
199 **2015-81** – Engineer Hankee reported that with the issuance of the permit for the wastewater treatment system by the
200 Minnesota Pollution Control Agency (MPCA), the process of advertising for bids for the construction of the
201 wastewater treatment system can move forward. She reminded that Council previously approved plans and
202 specifications for the treatment system. The most significant change since that time is the reconfiguration of the
203 drainfield. Wenck is currently finalizing the plans and specifications based on comments from the MPCA.

204 Mayor Bend noted that he and Council Member Ross were relatively newcomers on the Council with the
205 project in the process. He thanked those members of the Council who were instrumental in getting the city to
206 this point. Bend also thanked Engineer Hankee for all her work and support throughout the process.

207

208 **Motion/Second: Bend/Ross. To adopt Resolution 2015-81 approving Plans and Specifications and**
209 **Authorizing Advertisement for Bids for the Wastewater Treatment System. ROLL CALL: All Ayes.**
210 **Motion carried 5-0-0.**

211
212 **C. Administration** – [Council chose to move up Items 4 and 5, to accommodate Doug Green of Springsted.
213 Items were moved down accordingly.]

214
215 1. Springsted Municipal Advisor Contract - Including Continuing Disclosure Services and Arbitrage
216 Monitoring Services - Resolution 2015-82 – Administrator Moorse explained that Springsted, Inc. has been
217 providing municipal advisor services to the city, including financial planning and bond issuance. As municipal
218 financial advisors are now a regulated industry, their work for cities is required to be conducted under a contract.
219 Springsted has provided a proposed contract for three services: 1) Municipal Advisor services (planning and bond
220 issuance); 2) continuing disclosure (CD); and 3) arbitrage compliance. Moorse explained the purpose of the contract is
221 to: 1) disclose that Springsted is registered with the SEC as a Municipal Advisor which by definition means they have
222 a fiduciary duty to the City; 2) outline the specific services to be performed; and 3) outline the fees for each of those
223 services. The fees for the Arbitrage Monitoring Service was listed as \$1,500 the first year and \$400 for each additional
224 year up to a five year period. The fee is paid at the end of the five year period. The fee for the Continuing Disclosure
225 Services was the “Limited disclosure” annual fee of \$600 plus \$200 for the City’s one debt obligation. The fee covers
226 an annual required filing and a semi-annual “material events” filing.

227
228 **Motion/Second: Richter/Palmquist. To approve Resolution 2015-82 approving the Municipal Advisors**
229 **Contract with Springsted, Inc. ROLL CALL: All Ayes. Motion carried 5-0-0.**

230
231 2. Springsted Invoice for Financial Consulting Services – Doug Green, from Springsted explained that
232 the invoice is for various dates of providing municipal advisor services to the city for the last half of 2015 and
233 was asking for authorization for payment.

234
235 **Motion/Second: Richter/Palmquist. To authorize payment for the Springsted invoice for municipal**
236 **advisor services from July through October 2015 in the amount of \$1,440. Motion carried 5-0-0.**

237
238 3. Office Assistant Appointment – Administrator Moorse reported that he, the Personnel Committee,
239 and the Deputy Clerk interviewed 5 candidates for the position of Office Assistant. It was a unanimous decision
240 in choosing the candidate. She has been offered and accepted the position pending the Council’s approval.

241
242 **Motion/Second: Palmquist/Nelson. To approve the appointment of Deb Meade to the position of Office**
243 **Assistant with a work schedule of 20 hours per week at a starting pay rate of \$14.00 and a start date of**
244 **Monday, December 21, 2015. Motion carried 5-0-0.**

245
246 4. Amendment No. 3 to DNR Flood Hazard Mitigation Grant Agreement – Administrator Moorse
247 reported that the current DNR Flood Hazard Mitigation Agreement expires at the end of 2015, therefore, the
248 agreement needs to be extended. Pending a 2016 bond appropriation that includes funding for flood hazard mitigation,
249 the agreement will be amended again mid-2016 to reflect the addition of new money for construction.

250
251 **Motion/Second: Palmquist/Ross. To authorize Amendment No. 3 to the DNR Flood Hazard Mitigation Grant**
252 **Agreement, extending the agreement through 2017. Motion carried 5-0-0.**

253
254 5. Lynn Danz Kaye Application to Serve on the Park Committee – Administrator Moorse reported
255 that the Council, at its December 8 work session, had an opportunity to meet Lynn Danz Kaye and ask her questions
256 about her interest in applying to serve on the Park Committee.

257 Council Member Ross felt Ms. Kaye was not an appropriate candidate for the Parks Committee.

258 Council members discussed that they could make phone calls to try to fill positions on committees, but felt
259 that if a resident has an interest in serving, the city should encourage that commitment. Several council
260 members had approached multiple residents to fill this opening on the Parks Committee.

261
262 **Motion/Second: Richter/Palmquist. To appoint Lynn Danz Kaye to a three year term on the Park Committee.**
263 **Motion carried 4-1-0 (Nay: Ross).**

264
265 6. City Hall Office Replacement of Carpeting, Floor Tile and Toilets – Administrator Moose
266 explained that City staff had investigated office carpet replacement from two vendors in 2013 for wall to wall
267 carpeting, but put the replacement on hold until additional decisions could be made. Staff recently decided that
268 carpet tiles would be preferable to wall-to-wall carpet. Quotes were obtained from the preferred vendor:

269 Carpet tiles (including vinyl base and extra tiles) \$ 2,870.95
270 Floor tiles (including floor seal and skim coat to level & vinyl base) \$ 4,582.12

271
272 Staff are recommending replacing the existing toilets with handicapped accessible compliant toilets at this time,
273 as the toilets will need to be pulled in order to install the floor tiles. Quotes were received as follows:

274 Stillwater Plumbing \$1,500 (Includes flanges, if needed, and new shut off valves)
275 Courteau Plumbing \$1,200 (Repairs to flanges, shut off valves @ \$130/hr for t & m)

276
277 **Motion/Second: Palmquist/Richter. To request staff obtain additional quotes for the removal and**
278 **replacement of carpet tiles for the City Hall office and copier room and sealing and leveling the existing**
279 **floor tile areas and installing new tile flooring for the work room, hallway and restrooms, including new**
280 **vinyl base for all areas, and to approve the work in an amount not to exceed \$7,453.07. Motion carried 5-**
281 **0-0.**

282
283 **Motion/Second: Palmquist/Richter. To approve the removal and hauling away of existing toilets and**
284 **replacing and installing new handicapped accessible toilets in compliance with ADA requirements in both**
285 **restrooms in an amount not to exceed \$1,500. Motion carried 5-0-0.**

286
287 7. Schedule Council Work Session – No dates could be identified that worked for all.

288
289 8. 2012 Park Plan – Administrator Moose indicated Mayor Bend was to review the 2012 Park Plan Draft
290 and related materials in order to move towards the adoption of the Park Plan.

291 Mayor Bend reported he had not gone through all of the comments, but felt the Council should approve the plan as
292 drafted, as it has been three years since the committee finished their work.

293
294 **Motion/Second: Palmquist/Nelson. To adopt the 2012 Park Plan as drafted. Motion carried 5-0-0.**

295
296 **D. Committee Reports -**

297 1. Public Works – none.

298 2. Personnel – Hiring of the Office Assistant position.

299 3. Parks – none.

300 4. HPC/DR – the HPC would like the City to nominate for historic designation the Old Town Hall on
301 Stagecoach Trail.

302 5. Natural Resources and Groundwater – none.

303 6. High Speed Internet – none.

304
305 **10. COUNCIL, CONSULTANT AND STAFF REPORTS, ANNOUNCEMENTS AND UPDATES**

306 **A. Ward 1 Council Member Palmquist** – none.

307 **B. Ward 2 Council Member Richter** – none.

308 **C. Ward 3 Council Member Ross** – none.

- 309 **D.** Ward 4 Council Member Nelson – none.
- 310 **E.** Mayor Bend – will get his expense reimbursements in to the office for payment before end of year.
- 311 **F.** City Attorney Knaak – quiet month; Prosecution Report on file.
- 312 **G.** City Administrator Moorese – none.

313
314 **11. ADJOURN –**

315
316 **Motion/Second: Bend/Palmquist. To adjourn the meeting at 10:27 p.m. Motion carried 5-0-0.**

317
318 Respectfully submitted by:

319
320
321 _____
322 Kim Swanson Linner, Deputy Clerk

323
324 **Approved by Council (on January 19, 2016) as (check one): Presented: X Amended: _____**

325
326
327 **Signed by Mayor Richard Bend _____ Date _____**