

Credit River Township Meeting Minutes August 18, 2008

Call to Order

Chairman Leroy Schommer called the meeting to order with the Pledge of Allegiance at 6:00 pm.

Members Present:

Chairman Leroy Schommer, Vice Chairman Bruce Nilsen, Supervisor Brent Lawrence, Supervisor Al Aspengren, and Supervisor Tom Kraft.

Others Present:

Township Clerk Jerry Maas, Township Treasurer Holly Batton, Ken Beck, representing Hakanson & Anderson, our Township Engineer, Township Attorney Bob Ruppe joined the meeting at 6:40 pm.

Old Business

1) Littering Ordinance

Postponed until later in the meeting when Mr. Ruppe is scheduled to join.

2) Status of Discussions with City of Savage – Pearson Gravel Mining.

Supervisor Lawrence noted that he and Supervisor Nilsen met with Savage City Administrator Barry Stock to discuss a proposed Letter of Understanding (LOU) between Credit River and the City of Savage. Mr. Stock is drafting a copy to present to the Savage City Council and it is proposed that it be considered by the Board at the September 15th Board meeting.

Supervisor Lawrence noted that on August 4th, Pearson Gravel sent a letter to the City of Savage requesting that they consider a petition to annex approximately 200 acres in the North portion of the Township to the City of Savage. Mr. Lawrence indicated that since the Township did not receive a copy of this letter, he followed up with Mr. Stock and was told that Pearson had filed this petition. Supervisor Lawrence was told by Gerald Duffy, attorney for Pearson, that this was an oversight and he immediately sent a letter to the Township.

In response to a question, it was noted that it is our understanding that the scope of LOU is to include only property owned by Pearson Gravel.

Supervisor Nilsen noted that this is a complex issue since a potential exists that an "island" could be left that would be difficult to serve by the township.

Chairman Schommer stated that the Township has been previously notified that Pearson Gravel intended to pursue this petition for annexation with the understanding that it could be withdrawn during the process if the Township were to arrive at another solution that would meet the needs of the gravel company. Resident Duane Sebens of Creekwood asked about the financial impact to the Township should this annexation take place?

Chairman Schommer noted that we would stand to lose gravel taxes and the property taxes associated with future homes built on the site once the gravel mining operation was completed.

Treasurer Batton noted with respect to the alleged gravel tax that she has been unable to substantiate this and it was her understanding that the value of the gravel tax is questionable.

The Board asked that Supervisor Lawrence inquire of the City of Savage as to how much gravel tax might be involved.

Resident Paul Berscheit of 170th Street noted that it was his understanding from comments made at the candidates meeting that he had attended that this property was not supposed to be annexed in the foreseeable future.

Supervisor Lawrence stated that it has been his understanding that Savage would not aggressively pursue annexing any property in Credit River and would only consider it should a property owner petition to pursue annexation which is the case in this situation.

Mr. Berscheit asked about the status of incorporation and if this action would have any effect on that process. Chairman Schommer stated that it was his understanding that the Township will continue to look at the possibility of incorporation.

Lloyd Krocek, property owner in the Creekwood development, noted that gravel mining is a noisy and dirty process and it would be his recommendation that the Township do what ever is necessary to stop any efforts at expanding the Pearson mining operation.

3) Fiscal Impact Proposal

Treasurer Holly Batton passed out copies of a proposal from Ehlers & Associates to perform a Fiscal Impact Study (FIS) on various options for governance in Credit River Township.

The proposal suggests that there are 3 options before the Township; 1) to incorporate, 2) to review the impact of losing portions of the Township to neighboring cities through annexation and 3) to discuss an orderly annexation agreement with the City of Savage.

The result of this study would be a 10-year budget and financial management plan and would be useful regardless what form of government the township chooses. The estimated cost is \$15K to \$20K and the time to complete is estimated at 90 to 120 days.

Treasurer Batton noted that in her mind, this study should have been done before the Township spent over \$100,000 in studying incorporation and she would like to recommend that the Board now approve this expenditure..

In response to a discussion regarding the amount of money spent so far in studying incorporation, Chairman Schommer noted all expenditures to date have been spent with an eye to insuring their long-term usefulness even if the Township were to be annexed. They involve sewer, water and transportation plans, along with general Comprehensive Plans.

In response to a question from Supervisor Lawrence regarding additional expenses that might be incurred from our consultants, Treasurer Batton indicated that she had discussed this with Ehlers and they didn't think there would be a need to involve the Town Attorney in these discussions. They would need to meet with the Board and the engineer along with the planner.

It was noted that the FIS proposal suggests that the preparers plan to meet with the Town Board and others in arriving at their calculations. It was suggested that they meet with the engineer and planner, but there would be no need to meet with the Town Attorney.

Supervisor Lawrence asked about other governmental organizations that Ehlers has worked with and Treasurer Batton indicated that she would inquire.

Resident Jay Saterbak noted that the 90 to 120 days was not going to be satisfactory to get the information needed prior to the current annexation petition before the City of Savage. He suggests that perhaps a portion of the proposal could be made available earlier.

It was noted that this FIS would not be required in order to reach some understanding with Savage on the LOU.

Supervisor Aspengren suggested that we get a competitive quote and that we form a sub-committee to work with Ehlers and Associates.

Chairman Schommer requested that Treasurer Batton contact the Springstad Company and request that they have an updated proposal for a Fiscal Impact Study to us by the next meeting.

Supervisor Aspengren suggested that we get a more precise estimate of the cost from Springstad and that we require that the portion dealing with incorporation be completed within 60 days.

Supervisor Kraft noted that in the absence of reviewing the other alternatives we might not have the benefit of a complete analysis and that it was his goal to have all of the information available for the residents to review. He feels that we need to take our time in preparing the information.

Resident Lee Karow noted that we appear to have missed our opportunity to retain the gravel pit, and cautioned that we not be rushed trying to get an answer in time to solve this situation but that we do a thorough review of the larger picture.

Supervisor Nilsen noted that he wanted to be certain that all aspects of the long-term effects of this decision be reviewed thoroughly before a conclusion can be arrived at. Resident Duane Sebens inquired as to whether the Board has taken into consideration the loss of tax monies such as Federal Road money was taken into account noting that if we were a city, we would be entitled to receive these funds.

Treasurer Batton commented that it was her understanding that these funds would not amount to much in terms of revenue, perhaps less than \$200,000.

Supervisor Nilsen noted that the results of the Fiscal Impact Study might indicate that it would be in the best interests of the residents of the North part of the Township to become part of Savage. We need to evaluate this and present the information.

Resident Jerry Wersal suggested that we consider even a third proposal for this work.

3) Open Re-Organization Items

Supervisor Kraft noted that we did not have clear direction on some items, specifically issues related to compensation. He also noted that Treasurer Batton had prepared a list of recommended job responsibilities for the supervisors.

Supervisor Lawrence noted that Supervisor Aspengren had prepared a recommendation on Supervisor allowances and asked if we might discuss this in detail.

Supervisor Lawrence reviewed this list in detail with other members of the Board and recommended that the Board follow these.

Supervisor Kraft noted that some of the recommendations were defined quite narrowly and that they might prove to be too restrictive. He suggests that we use these as a guideline.

The Board asked Supervisors Kraft and Aspengren to incorporate some of the suggestions made this evening into this document and return with final recommendations.

Treasurer Batton suggested that the list of duties be shown on the website to assist residents with contacting specific supervisors for handling specific issues. Supervisor Aspengren suggested that he and Supervisor Kraft come up with a plan to address this topic. Chairman Schommer noted that it was his feelings that all of the supervisors retain responsibility for the various duties.

Supervisor Kraft noted that there has been talk about the compensation of the Clerk and Treasurer. Supervisor Aspengren noted that it was his feeling that this had already been discussed and that we would review it again if circumstances change. He's not sure that there is a need to discuss at this time.

It was noted that this request came from a resident and therefore the Board wished to clarify it.

At the last meeting resident Jay Saterbak asked that we revisit the issue of the compensation of the Clerk and Treasurer. He felt that there was no difference in the job responsibilities and that there should not be a differential in the hourly rates as currently exists since the Board recently revised the pay rates.

Treasurer Batton noted that she had been paid at the rate of \$25/hour two years ago, but accepted a pay reduction anticipating longer hours.

Resident Paul Berscheit noted that the Board had made a decision and ought to stick to it.

Supervisor Kraft made a motion to set the pay rates at \$24/hour for both positions.

Chairman Schommer called for a second. Hearing none, he called a second time and a third time. Hearing none, motion was defeated.

Chairman Schommer made a motion to continue the pay rates as previously decided until the next annual re-organization meeting in March. Supervisor Aspengren offered a second, all in favor, motion carried 5 – 0.

Supervisor Aspengren asked about the annual financial report due 6/30/08 for which we were given an extension. Treasurer Batton noted that it is in the process of being completed.

4) 210th Street Road Improvement Project

Attorney Ruppe noted that since the last discussion on this road project Treasurer Batton had brought up some concerns relative to the equity of the assessment rolls.

Treasurer Batton noted that she brought some issues to the attention of Julie Eddington, Bond Counsel for Kennedy & Graven and that there appeared to be some inconsistencies.

Attorney Ruppe indicated that he was comfortable with the proposal as presented and adopted and that he was quite certain that Ms Eddington would concur once he had opportunity to discuss the concerns with her.

Resident Gary Tupy, who also developed the Harvest Ridge, the project associated with this road improvement project called attention to the fact that the Developers Agreement for Harvest Ridge specifies that his development company, On Site

Marketing was to pay for gravel road improvements related to 210th and that the developers of the Territory were to pay for the bituminous surface of the roadway. It was his contention that the Section 429 process should not be used in this situation.

Chairman Schommer noted that the residents have come forward and asked that the road be paved in advance of development being in a position to do so at this time. That is the reason the 429 process is being considered.

Resident Ben Seppman of 210th Street indicated he was very much in favor of the project moving forward if the cost was not excessive and he felt that many on 210th Street were of the same mind.

Supervisor Aspengren asked Treasurer Batton to share her concerns with those in attendance.

Treasurer Batton indicated that she had discussed the advisability of financing the construction of 210th Street out of future expected revenues with representatives of the Springstad Company. It was noted that we might not receive the money at which time the Township would be permanently liable for this expense.

Attorney Ruppe noted that he was comfortable that the Township was adequately covered against future liability. He noted that we are in possession of a Developer's Agreement with the Territory that might at some time have to be re-negotiated, but that the Township retains control over its financial claims related to the property.

5) Use of Town Hall as a Meeting Place

Supervisor Kraft Noted that the residents had asked for an update at the previous meeting and that was the reason for this topic being on the agenda. Referring to a copy of the policy developed by the Citizen's Advisory Group, he expressed a concern that there were too many unresolved issues and that in his opinion; the hall should not be rented out.

Supervisor Lawrence noted that the current septic system does not accommodate extensive public use of the building in that it is only a holding tank and that even with current limited use needs to be pumped frequently.

Resident Bill Jennings asked that the Board continue to allow the Citizen's Advisory Group (CAG) to use the facility once a month and asked if his group, the Credit River Citizens for Change (CRCC) might be allowed to use it also..

Resident Jay Saterbak noted that he feels the Town Hall belongs to the Community as a whole and should be made available as a meeting place.

Resident Lee Karow asked if the concerns about users having access to information left on desks is warranted since this is all public information anyway. Attorney Ruppe noted that while the general public has a right to certain information under the Freedom of Information Act, certain documents remain in the private domain and need to be reviewed before they are made available to the public.

Resident Carolyn Schulte expressed the view that the CAG and the CRCC are two distinct groups with clearly different objectives and she is of the opinion that the arrangements be left the same for the time being. In other words, the CAG should be allowed continued access to the building.

Resident Jerry Wersal noted that without improved control over the security of documents in the Town Hall, he would be opposed to renting it out.

Resident Jerry Michels agreed with Mr. Wersal and suggested that the topic be tabled until some future date.

Chairman Schommer made a motion to not rent the Town Hall out. He then withdrew his motion.

Supervisor Aspengren made a motion to allow residents to rent the Town Hall at no charge after giving two-week notice and that the request be approved by the Board and that users agree to follow the guidelines established by the CAG. Supervisor Lawrence offered a second, all in favor, motion carried 5 – 0.

6) John Mesenbrink – Discuss Lot Fees for Stoneridge Projects

Mr. Mesenbrink was unable to attend the meeting this evening and the Board tabled discussion until the meeting on September 2nd.

7) Discuss Littering Ordinance

Attorney Ruppe noted that he had asked the Board to review this at the last meeting with the intention of presenting it to officials at Scott County for review and agreement in order that we might expect their cooperation in enforcing the provisions of the ordinance.

Treasurer Batton noted that the previous discussion centered around the fact that the fines seemed to be minimal and wondered if they could be increased. Attorney Ruppe indicated that they could be raised to \$300.

The Board asked Attorney Ruppe to adjust to \$300 and misdemeanor and to review it with the county.

Review and Pay Bills

Chairman Schommer requested that this be moved to the end of the meeting.

Engineer's Report

1) Discuss 5 Year Road Maintenance / Capital Improvement Plan

Ken Beck, Assistant Township Engineer presented a preliminary 5 year Road Improvement and Maintenance plan that was designed to estimate the potential costs that might be expected to be incurred should the Township elect to perform the road projects identified.

He noted that County Road 75 was not included in the plan, nor were any of the existing gravel roads.

Supervisor Aspengren noted that he felt that our engineering staff was headed in the right direction and commended them for their efforts to date on this project.

Supervisor Kraft asked Mr. Beck to propose what it would cost to update the Road Inventory report.

In summary, the Board asked Mr. Beck to complete this 5 year CIP / Maintenance Plan.

2) Consider Bids for Current Road Projects

Ken Beck, Assistant Township Engineer noted that the bids had been opened as advertised on August 13th at 11:00 am.

He noted that Quiring Excavating was the low bidder on the Whitewood / Birch project at \$ 464,459.60.

Mr. Beck further noted that Tri County Aggregate was the low bidder on Huntington Way at \$ 280,323.84. 210th Street at \$ 218,761.65 and Nevada Ave at \$ 171,848.48.

Joe White, representing Tri-County Aggregate asked to appear before the Board to discuss what he felt was a misunderstanding in the manner in which the bids were advertised.

Mr. White noted that it was his understanding based on the advertisement presented in the Construction Bulletin that these projects were to be bid as a single project which he in fact did at a considerable reduction in his estimates.

Chairman Schommer noted that the first line of the Bid Proposal specified that the bids were to be submitted individually.

Attorney Ruppe hastened to point out that should ambiguities arise, it would be the bidders responsibility to ask questions.

Whitewood Ave / Birch Road

Supervisor Kraft made motion to accept the bid from Quiring Excavating contingent on attorney review and approval. Supervisor Nilsen offered a second, all in favor, motion carried 5 – 0.

Huntington Way

Supervisor Lawrence expressed concern as to ability to prove benefit based on the increase in property value via an appraisal in the amount of \$16,000 plus.

Resident Peter King of Huntington Way, indicated that he can't see the value added to his property.

Attorney Ruppe cautioned that if the Board has any reservations at this time, they should not award the contract.

Resident Jay Saterbak of White Drive, noted that we have been discussing a township wide need for a plan to finance road projects.

Resident Greg Brown, noting that in his opinion "appraised value" is not the issue, it's "value added".

Supervisor Aspengren made a motion to accept the bid from Tri County Aggregates contingent on attorney review and approval after consultation with Bond Counsel. Supervisor Kraft offered a second. Motion passed 4 – 1 (Supervisor Lawrence opposed)

210th Street

Supervisor Nilsen noted that he brought this project to the Board after discussions with several residents. While it was noted that the Territory was responsible to contribute to the paving of 210th street a a part of their development, the residents wanted the work done faster and it was his intention to seek to accelerate the project by borrowing against future receipts from the developers of the Territory.

There was a question as to how much Integra Telecom was to be assessed as a parcel on the road. The plans call for them to be assessed one full assessment.

Supervisor Aspengren made motion not to go forward with 210th Street project at this time based on the premise that the road is adequate at this time. Supervisor Lawrence offered a second. Motion passed 4 – 1 (Supervisor Nilsen opposed)

Nevada Ave

Resident Gail Robin of Nevada Ave., pointed out that if the decision is not to proceed with 210th Street, it would make little sense to proceed with Nevada for many of the same reasons.

Supervisor Nilsen made a motion to cancel the Nevada Ave. project, Supervisor Lawrence offered a second, motion carried 5 – 0.

Huntington Way

It was noted that if legal issues arise with the Huntington Ave. project, we do not want to proceed on this project with the next lowest bidder.

Supervisor Nilsen made a motion to cancel the Huntington Ave, project if any legal issues arise. Chairman Schommer offered a second, all in favor, motion carried 5 – 0.

Minutes of Previous Meeting

Chairman Schommer called upon Clerk Maas to summarize the minutes of the August 4th meeting and upon completion asked if there were any corrections?

Supervisor Nilsen noted a change on page 5 with regard to the security system at the Town Hall. He wished to note that he said we would have to look into this if we were to consider renting out the Town Hall.

Supervisor Kraft made a motion to accept the minutes as read with the correction. Supervisor Aspengren offered a second, all in favor, motion carried 5 – 0

Residents Group Report

Greg Brown noted some observations regarding the Lakeville Comprehensive Plan that the group was asked to review. The Board asked that these be forwarded to Mr. Beck in order to be incorporated into the Township's response to the City of Lakeville relative to the plan.

Resident Open Forum

Chairman Leroy Schommer called for anyone who would like to bring something to the attention of the Board that is not on the agenda to come forward at this time. He further requested that anyone wishing to comment step to the podium to state his or her thoughts.

- 1) Resident Greg Brown, Chairman of the CAG, noted that the Detailed Area Planning (DAP) committee was mentioned in the Scott County Scene and wondered what the impact would be if the plan discussed was not successful? It was noted that Supervisor Aspengren is our representative on this group and that he would keep us informed.

- 2) Resident Paul Berscheit asked about Civil Defense sirens and inquired if the Board has looked into the feasibility of acquiring them.

Supervisor Aspengren indicated that he has looked into these and found that they fall under the jurisdiction of the County.

Supervisor Kraft noted that this topic has been mentioned on previous occasions.

Resident Cathy Haugh noted that she had recently attended a meeting in Spring Lake Township and heard that they had worked out a plan to have the City of Prior Lake pay for needed sirens.

- 3) Bill Jennings asked if the mailing announcing the website had been sent out as yet?

Clerk Jerry Maas noted that he had sent it to all but 75 residents on his list and that he expected to complete this task in the next day or two.

- 4) Ron Enright, resident of Crimson Lane noted that he had applied for a building permit to build a garage on the lot he owns adjacent to his current residence.

When it was pointed out that current regulations prohibited building an accessory building on a parcel without a corresponding home, he worked with the county to combine the two lots and in order to meet the requirements.

He now has a problem in that he has a single parcel with two accesses required and this is also against regulations. He pointed out that his current plans call for him to eventually split these two lots again and build a home on the second lot.

Supervisor Nilsen made a motion that the Board consider a hardship exemption that would allow this for a period of two years with the possibility that an extension might be applied for at that time if conditions prohibited Mr. Enright from completing his plans for a home-site on the property.

Supervisor Aspengren offered a second, all in favor, motion carried 5 – 0.

Treasurer's Report

1) Financial Report for July

Treasurer Batton presented the Financial Report for July, 2008.

Supervisor Kraft made a motion to accept the report as presented. Supervisor Aspengren offered a second, all in favor, motion carried 5 – 0.

Treasurer Batton requested permission to transfer \$90,000 from the savings account to the checking account.

Supervisor Nilsen made a motion approving this request. Supervisor Lawrence offered a second, all in favor, motion carried 5 – 0.

2) Escrow Status

Treasurer Batton presented the Escrow Account Status noting that there has been little activity. She did specifically note that On Site Marketing is negative with respect to the Cress View Estates project and that Laurent Development is also negative with respect to the Territory project.

Supervisor Aspengren noted that Don Loehr wants a meeting with Board to review his account.

3) Discussion of Preliminary Budget for 2009

Treasurer Batton noted that she had recently met with Supervisor Aspengren and Supervisor Kraft to review the proposed budget for 2009.

She noted that it would be her recommendation not to change the amount levied for the General Fund. She noted that we had received a letter from the City of Prior Lake outlining our share of the Fire Contract for 2009 and that amount is \$ 195,931.00.

4) Assessment Policy

Treasurer Batton noted that she feels we need an assessment policy

5) CSTS Charges

Treasurer Batton indicated she needs direction on how to break down allocations among the various CSTS projects.

Clerk's Report

1) County Contract for Assessment Services

Clerk Jerry Maas presented the Board with the proposed Joint Powers Agreement (JPA) with Scott County for to perform assessment services for the year 2009.

After a brief review, Supervisor Lawrence made a motion to approve the JPA. Supervisor Nilsen offered a second, all in favor, motion carried 5 – 0.

New Business

1) New Assignments

Supervisor Nilsen suggested that the Board retain the authority to make committee assignments and suggests that a policy be established at the next meeting.

2) Assessment Hearings – Judicial Road

The Board asked Clerk Jerry Maas to contact Attorney Bob Ruppe and begin making preparations for the formal assessment hearings for the Judicial Road Improvement Project. They would like this to be a night separate from our regular meetings.

Review and Pay Bills

The Town Board approved the following claims for payment:

8/6/2008		Anchor Bank	July/Aug With Taxes	\$	4,388.26
8/18/2008	4533	Integra Telecom	Phone Service	\$	510.36
8/18/2008	4534	Reed Business Systems	Road Bid Advertisements	\$	355.68
8/18/2008	4535	One Call Concepts	General Locate Services	\$	14.50
8/18/2008	4536	Private Underground	Utility Locates - July 2008	\$	107.00
8/18/2008	4537	Braun Intetec	Judicial Road Bituminous Tests	\$	1,913.50
8/18/2008	4538	Void	Print Error	\$	-
8/18/2008	4539	Void	Print Error	\$	-
8/18/2008	4540	Mike's Septic Service	Septic Tank Pumping	\$	335.00
8/18/2008	4541	Northwest Associated Consultants	July 2008 Plan/ Zone	\$	68.60
8/18/2008	4542	WebCetrera Design	Website Maintenance	\$	150.00
8/18/2008	4543	Scott Soil & Water Cons District	Sediment & Erosion Control Insp	\$	2,000.00
8/18/2008	4544	J B Woodfitter	NPDES Refund	\$	1,186.90
8/18/2008	4545	Pentagon Enterprises	NPDES Refund	\$	1,760.00
8/18/2008	4546	College City Remodeling	NPDES Refund	\$	1,790.00
8/18/2008	4547	Lennar Corp	NPDES Refund	\$	1,780.00
8/18/2008	4548	Lennar Corp	NPDES Refund	\$	1,800.00
8/18/2008	4549	Terry/Beth Marlette	NPDES Refund	\$	1,730.00
8/18/2008	4550	Collins Tree	Tree Trimming	\$	1,970.25
8/18/2008	4551	Prior Lake Blacktop	Bituminous Patching	\$	27,720.00
8/18/2008	4552	Hakanson Anderson	Engineering July 2008	\$	64,202.69
8/18/2008	4553	Stonegate Construction	Refund - Overpay Bldg Permit	\$	50.00
8/18/2008	4554	Safety Signs	Street Signs	\$	440.00
8/18/2008	4555	Jon Sorenson	NPDES Refund	\$	1,980.00
8/20/2008	4556	SW Suburban Publishing	July Legal Publishing- Prior Lake	\$	539.01
8/20/2008	4557	ECM Publishing	July Legal Advertising-Lakeville	\$	623.00

Adjourn

There being no further business before the Town Board, Supervisor Nilsen made a motion to adjourn, Supervisor Kraft offered a second, all in favor, motion carried 5 - 0. The meeting adjourned at 12:23 pm.

Submitted By: (s/) Jerald R. Maas
Township Clerk
Credit River Township

Approved By: (s/) Leroy Schommer
Chairman Board of Supervisors
Credit River Township