

**Credit River Township
Meeting Minutes
December 2, 2008**

Call to Order

Chairman Leroy Schommer called the Public Hearing to order at 7:00 pm.

Members Present:

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

Others Present:

Township Clerk Jerry Maas, Township Treasurer Holly Batton, Township Engineer Shane Nelson, Township Attorney Bob Ruppe

Public Hearing - Road Assessment – Huntington Way

Attorney Ruppe summarized the reason for the Public Hearing this evening. He noted that we are required to hold this hearing by statute. It is an opportunity for the residents to ask questions about the assessment. At the close of the hearing, the Board will consider the assessment and modify and/or adopt the assessment. He noted that if any resident should object, it would be necessary to submit a written objection before the hearing closes this evening.

Attorney Ruppe mentioned that we had an appraisal done as to what the increase in value was as a result of the road reconstruction and that came back at \$12,000 per parcel.

It was noted that we have received written objections from the following residents:

Mr. & Mrs. James Dalsin, 20397 Huntington Way, Prior Lake, MN 55372
Mr. & Mrs. William Rittenhouse, 20321 Huntington Way, MN 55372
Mr. & Mrs. Mike Skovran, 20170 Huntington Way, Prior Lake, MN 55372
Mr. & Mrs. Garrett Hardman, 20686 Huntington Way, Prior Lake, MN 55372
Mr. & Mrs. Peter King, 20622 Huntington Way, Prior Lake, MN 55372
Mr. & Mrs. Darwyn Johnson, 20266 Huntington Way, Prior Lake, MN 55372
Mr. & Mrs. Gregg Spandl, 20480 Huntington Way, Prior Lake, MN 55372
Mr. & Mrs. John Wilkens, 20560 Huntington Way, Prior Lake, MN 55372
Mr. & Mrs. Don Knauf, 20701 Huntington Way, Prior Lake, MN 55372
Mr. & Mrs. Glen Johnson, 20455 Huntington Way, Prior Lake, MN 55372
Mr. & Mrs. Joseph Bronk, 20410 Huntington Way, Prior Lake, MN 55372
Mr. William Jennings, 20700 Huntington Way, Prior Lake, MN 55372
Mr. Steven Palmer, 10187 Bridgewater Circle, Woodbury, MN 55129

Engineer Shane Nelson reviewed the project status. He noted the base course has now been applied. Next spring the contractor will complete the project with the exception of applying the final lift of bituminous which will be scheduled for next summer.

At the feasibility stage, the total project cost was estimated at \$342,000. It is being proposed to assess \$156,000 leaving a total cost for the Township to absorb of \$186,000, a 54% Township contribution.

Chairman Schommer called for comments from those residents present this evening.

Bill Rittenhouse, 20321 Huntington Way stated that he was in disagreement with the \$12,000 appraisal. He noted that we have a road project that was necessitated because the road was improperly maintained for a long period of time. He felt that this road improvement did not increase his property value by anything close to \$12,000.

Mike Skovran, 20170 Huntington Way, asked if another the Board would consider getting another appraisal. Attorney Ruppe indicated that would not be possible in view of the time constraint in that the assessments are due to the County tomorrow. He also pointed out that Townships don't typically get appraisals unless the assessments are appealed.

Mr. Skovran noted that he felt that one-half of this amount would be more appropriate.

Garret Hardman, 20686 Huntington Way, mentioned that he thought perhaps \$6000 would be closer to a fair amount. He also indicated that he is very concerned about contractor's viability and his ability to honor a warranty. He observed that since this is one of the first road projects this Board has had to work with, he expects that the Board has learned a lot about road projects as a result.

Don Knauf, 20701 Huntington Way, felt that appraisal at \$715,000 for the property that was appraised is too high. He wondered how that specific property was selected. Attorney Ruppe noted that sine it was on the market, certain information was readily available.

Mr. Knauf feels that this appraisal has a number of mistakes in it and he wanted to review these some of which include:

- 1) in checking with the Scott County Assessors office, he found that they do not take the condition of the road into consideration when arriving at their values.
- 2) there is reference to public utilities on page 2. There are no public utilities on Huntington Way.
- 3) page 2 of the appraisal suggests that prior to the project the appraiser felt that the road was in fair to good condition, while the Township records indicate that Huntington Way was among the worst in the Township.
- 4) a reference on page 3 indicates the size of the house and to the best of the property owner's knowledge, the house was not physically measured.
- 5) the appraiser failed to mention that the house adjacent is lacking siding and yet he indicated that most homes in the neighborhood are average to good quality.

Joe Bronk, 20410 Huntington Way, was very surprised that this appraisal was done on his property without him knowing about it and without the appraiser going through the home.

Steven Palmer, property owner at 20671 Huntington Way, indicated that he feels there is a penalty being imposed here because there are only 13 homes on the road. He also expressed concerns about the quality of construction and the resulting warranty. He also noted that after conversations with other realtors, it is his opinion that this appraisal is very high.

A number of residents expressed a view that had they been fully aware of the costs of this project, they would have suggested that alternatives be considered rather than a full re-construction of the roadway.

Supervisor Aspengren noted that for a variety of reasons, it was impossible to compare other road projects to this specific project.

Mr. Skovran asked if the appraisal had shown the increase in value to be less, would that amount have been proposed as the assessment. Attorney Ruppe indicated that it would have been used as the amount.

Peter King, 20622 Huntington Way, stated that he feels that this appraisal is critical and yet as has been discussed. It appears that it contains many errors among the most major being the reference to sewer and water after the project's completion.

Mr. King asked about the process going forward.

Attorney Ruppe noted that the residents have 30 days to pay the amount in full or the amount will go to the County for assignment to the Taxes. In the event, a resident feels the assessment is inaccurate, the next step would be to appeal to the District Court within 30 days. From that point forward the Court would then take charge of the process going forward.

A question arose as to what happens with the requirement to pay while this process is followed. Attorney Ruppe indicated he would get an answer to that question

Mr. King summarized his position by noting that any consideration in terms of reducing this assessment would be appreciated by the residents.

Supervisor Lawrence made a motion to close the Public Hearing. Supervisor Kraft offered a second, all in favor, motion passed 5 – 0. The Public Hearing was closed.

Supervisor Nilsen noted that when this project was proposed, it was estimated that the township could expect to spend \$50,000 in repairs during the next year and it was suggested that this should be a part of the Township contribution reducing the balance of the project cost to approximately \$292,000. He also wanted to point out that there are covenants on these properties that restricted the number of homes on the road and that there is a cost associated with this lesser density that the residents enjoy.

Supervisor Nilsen noted that we just did a project in a higher density area where the assessment amounted to approximately \$7600 for homes of far lesser value. He therefore feels that the 25% township contribution is more than fair. And in fact we are contributing 54% to this project due to the appraised amount. It is his opinion that the covenants are the basis for this issue and therefore agreed that the \$12,000 assessment is correct.

Supervisor Aspengren noted concerns about the appraisal, however he heard no specific arguments that indicated that would justify a lesser amount. He suggested that in his opinion the \$12,000 assessment is appropriate.

Supervisor Kraft agreed noting that we could have gotten 20 appraisals and all would have been somewhat different. He feels the appraisal we have is fair and while he recognizes that this is a burden on the homeowners, but never the less fair.

As to the argument that the road was improperly maintained, Supervisor Nilsen noted that during the years in question, the Township was much smaller and lacked the resources to address some of these roads. Now that we have grown, we have put forth considerable effort in implementing a plan to regularly perform needed road maintenance.

Supervisor Lawrence observed that appraisals are used to get an idea of property values and although he feels there is an increase in value, he found it difficult to agree with the increase of \$12,000 on each parcel on Huntington Way.

Attorney Ruppe presented a draft resolution 2008-39 to declare costs to be assessed and ordering the preparation of an assessment roll and notice of assessment hearing.

Supervisor Kraft made a motion to adopt Resolution 2008-39. Chairman Schommer offered a second, all in favor, motion carried 5 – 0.

Attorney Ruppe then presented Resolution 2008-40 to adopt the assessment roll and requirement that it be sent to the County Auditor.

Supervisor Aspengren made a motion to set the assessment amount at \$12,000 for Huntington Way adopting Resolution 2008-40. Supervisor Kraft offered a second, motion passed 4 -1 (Lawrence voting no)

Attorney Ruppe suggested that the Board authorize him to accept service of process on behalf of the Township on any appeals that may result from this assessment. Chairman Schommer made a motion to authorize Attorney Ruppe to accept service. Supervisor Nilsen offered a second, all in favor, motion carried 5 – 0.

Continuation of 12/1/08 Meeting

Chairman Schommer called for the continuation of last nights meeting.

1) Township Communication

Supervisor Lawrence noted that communication is moving forward. The website is progressing, the newsletter is developing. He is suggesting that responsibility for oversight of this function be assigned to him in view of the years he has spent in this area. He noted that he is on the computer quite often during the day and that this would be a distinct advantage.

Supervisor Nilsen suggested that since we have a 5-person Board we ought to have a primary and secondary person designated to oversee these major areas of responsibility and with that he nominated Supervisor Lawrence to take responsibility for communications.

Supervisor Kraft asked if this meant that he would now be responsible for the newsletter. Supervisor Lawrence noted that he did not see a direct responsibility for the newsletter. He would hope that he would have a chance to review its contents prior to distribution.

Supervisor Nilsen noted that he and Supervisor Kraft had previously been asked to work on the newsletter.

Cathy Haugh suggested that at least two people oversee both communications and the newsletter.

Supervisor Kraft noted that the current newsletter calls for input to the newsletter to be sent to an specific newsletter email address that is not currently on the website and should we choose to add it to the website, who will manage the responses in that he's not of a mind to increase the cost of the site any more than we are seeing now...

Supervisor Lawrence indicated that we might ask the website administrator if we need another email address and if so any of the supervisors could access with a password.

Resident Cathy Haugh noted that she didn't think that the communication responsibility should be concentrated as the responsibility of any single supervisor. She felt that each supervisor ought to communicate in the areas of his specific duties and asked if Supervisor Lawrence might be more specific in exactly what he was suggesting.

Supervisor Lawrence noted that as an example in the case of a major disaster someone would in all probability need to be the spokesman for the Township and be

in a position to handle questions from the media. In that he has had experience in this area, he feels quite comfortable in this assignment.

Chairman Schommer indicated that the Board would review this topic and consider in more in detail at a later date.

Supervisor Nilsen suggests persons wanting to put something in the newsletter, contact any of the supervisors.

The Board asked Supervisor Lawrence to contact the web administrator and set up separate newsletter email address.

2) Computer Data Back Up

Supervisor Lawrence is recommending that we take steps to insure that data from the Township computers is properly backed up and protected. He has been in discussions with a source that can provide hardware and technical assistance to get this accomplished. It is his recommendation that we purchase this equipment and get this process implemented.

Supervisor Kraft noted that we ought to consider keeping a copy in the fire proof safe.

Chairman Schommer made a motion to authorize Supervisor Lawrence to make expenditure not to exceed of \$400 to implement a backup system for the Township computers. Supervisor Aspengren offered a second, all in favor, motion carried 5 – 0.

3) Permits for Erosion Control – Foreclosed Homes

Clerk Jerry Maas noted that the County Inspector had brought to our attention that there was a home that had been foreclosed that was now regarding the property and the sediment and erosion deposit had already been refunded.

Treasurer Holly Batton suggested that no refunds be made for the sediment and erosion control deposits until the Final Grade has been completed.

The Board asked Supervisor Aspengren to discuss a procedure with our contracted inspectors, Scott Soil and Water Conservation District and develop a recommendation.

4) Snow Plowing Update

Supervisor Kraft noted that he and Chairman Schommer met with New Market/Elko who had some issues with our snowplow operator taking salt from their salt shack. It New Market/Elko would like to be reimbursed for this service in order to justify the cost of the salt shack building. Consequently an amount of \$600 / per year was considered fair as a reimbursement. He is recommending that the Board approve this expenditure.

Supervisor Nilsen made a motion to approve an annual expenditure of \$600 for salt storage at the City of New Market / Elko facility. Supervisor Kraft offered a second, all in favor, motion carried 5 – 0.

5) CSTS Permit for the Stonebridge Project

Supervisor Aspengren noted that some inspection work is required in order for the Stonebridge CSTS system to qualify for a permit renewal and he is asking that the Board authorize funds in order to complete this requirement.

Since it is for permit renewal, the expense should be properly absorbed by the Stonebridge CSTS operating account.

Supervisor Nilsen made a motion to authorize EcoCheck to spend an amount not to exceed \$2000 to complete the work necessary for the permits for the CSTS System at Stonebridge. Chairman Schommer offered a second, all in favor, motion carried 5 – 0.

6) Hardship Cases

Supervisor Aspengren, noting that the Board had previously decided not to adopt an Assessment Deferral Policy, asked if the Board would be agreeable to further discussion on this subject and if so, that this topic be placed on the agenda for the meeting on December 15th.next meeting.

The Board indicated that they would entertain further discussion and asked that it be placed on the next agenda

7) Mailbox damage on Whitewood

Supervisor Lawrence asked about mailbox damage that occurred as a part of the construction project on Whitewood Ave. and how to proceed.

The Board asked that this be referred to Engineer Nelson

8) Fire Contract

Supervisor Lawrence noted that we need to get the 2009 Fire Contract agreed to and signed before the end of the year.

The Board asked that Supervisor Lawrence arrange a meeting with Supervisor Aspengren, Spring Lake Township and the necessary Prior Lake City Officials.

9) Township Participation in Road Projects

Resident Bud Borglund noting that there appears to be some lack of understanding on the part of the residents as to what is involved asked if it would be possible to develop some minimum specifications for roads projects that would help the residents understand the 25% contribution that the Township makes to these projects.

Supervisor Nilsen commented that each road project is different and that at the beginning of each project we typically try to identify any items that might require that the Township consider contributing an additional amount.

10) Fredrickson & Byron Charges

Supervisor Nilsen will supply copies for the Board to review and discuss at the next meeting.

11) Joint Powers Agreement with City of Savage

Attorney Ruppe gave an update on the JPA with Savage. He noted that Supervisor Lawrence asked him to call the County and let them know we are working on this. He did want to remind the Board that State law requires us to be consistent with and more restrictive than the current County ordinances. He did put a clause in the JPA that we will not violate state law on this. He is hopeful that the County will work with us on this project.

Supervisor Aspengren indicated that it is his opinion that there is an opportunity to address several topics such as those related to noise, etc.

12) Credit Rating

Treasurer Batton mentioned that our Bond Consultants, Springstad and Associates, recommended that the township pursue obtaining a credit rating.

Treasurer Batton noted that it will cost us \$20,000 to obtain a credit rating, but this should result in a savings at a later date. Supervisor Nilsen made a motion to authorize moving forward with an application for a credit rating. Supervisor Aspengren offered a second, all in favor, motion carried 5 – 0.

Supervisor Lawrence asked if we could better define the cost we are requesting. Treasurer Batton indicated that our Bond Counsel said it would be a wash. The Board requested that Treasurer Batton get a better indication of the cost commitment and call Chairman Schommer with that amount. Supervisor Nilsen modified his motion to include a contingency upon the approval of Chairman Schommer. Supervisor Aspengren offered a second, all in favor, motion carried 5 – 0.

The Board tentatively set the second meeting in January for the 20th at which time the Bond Counsel would like to attend that e meeting and make a presentation.

13) Plan Zone

Chairman Schommer noted that he has visited with Supervisor Berens of Spring Lake about setting up a meeting to discuss setting up our own Planning and Zoning.

Attorney Ruppe recommended that we invite all of the Town Boards to attend and that it would be necessary to remind them to post the meeting.

14) Tri-County Pay Estimate

Engineer Nelson presented change order number # 1 to approve a contract change that called for the addition of 3 inches of Limestone at an additional cost of \$1076.00.

Supervisor Nilsen made a motion to approve Change Order # 1. Supervisor Aspengren offered a second, all in favor, motion carried 5 – 0.

Engineer Nelson then presented Pay Request Number 1 noting that he prepared the numbers. Chairman Schommer recommended that the Board review this and it will be discussed at a later time. However, Engineer Nelson did request that we pay the contractor an amount of \$172,789.00 this evening for the work that the Township acknowledges has been completed.

Supervisor Nilsen made a motion to approve P Estimate # 1 in the amount of \$195,589.56 less liquidated damages of \$22,800.00 for a net total payment of \$172,789.56. Supervisor Aspengren offered a second, all in favor, motion carried 5 – 0.

Supervisor Nilsen also asked that a meeting be set up between Chairman Schommer, Engineer Nelson, and the contractor meet to review the disputed items and negotiate liquidated damages. Supervisor Lawrence offered a second, all in favor, motion carried 5 – 0.

15) Bill from Braun Intetec

Engineer Nelson noted that we have received a bill from Braun Intertec for \$2202.75 that has been in dispute.

Supervisor Aspengren suggested that a meeting be set up to discuss this bill.

Supervisor Aspengren made a motion to authorize payment and that a meeting be set up with Chairman Schommer and Engineer Nelson to discuss. Chairman Schommer offered a second, motion passed 5 – 0.

16) Transfer funds

Treasurer Batton requested authorization to transfer \$516,763,40 from the savings account to the checking account. Supervisor Kraft offered a second, all in favor, motion carried 5 – 0.

Adjourn

There being no further business before the Town Board, Supervisor Nilsen made a motion to adjourn, Chairman Schommer offered a second, all in favor, motion carried 5 - 0. The meeting adjourned at 9:55 pm.

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

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