CALL TO ORDER AND DETERMINATION OF A QUORUM
The special meeting and Public Hearing of the New York Mills City Council was called to order at 5:30 p.m. in the Ballroom of the City Hall Building at 28 Centennial 84 Dr., New York Mills, Minnesota, all members of the Council having been notified of the meeting and the business to be transacted.

Members Present: Gerber, Maki, Roder, and Hetland

Members Absent: Hoaby

Staff Present: J. Roberts, C. Kopveiler and K. Mattson,

Guests Present: Jon Pratt and Mike Weber

Call to Order The meeting was called to order at 5:30 p.m. A quorum was present.

PUBLIC HEARING MINUTES – 2017 Centennial Drive (CSAH 84) Underground Utility Improvement

Residents/Interested Parties in attendance: Tim Vaughn, Whitman Briard, and Dan Matti

Mayor Gerber opened the public hearing for the 2017 Centennial Drive (CSAH 84) Underground Utility Improvement project. The project covers the portion of Centennial Drive from Hayes Avenue to Broadway Avenue. Mayor Gerber introduced Jon Pratt and Michael Weber of Apex Engineers. Pratt displayed a power point presentation covering the scope of the project and the project costs. Pratt explained the need for the project as being primarily driven by Otter Tail County making improvements to CSAH 84. The water and sewer service under this section dates back to the 1930’s and is operating beyond typical service life. He provided a history of the dates from the initial project proposal up to this hearing. Improvements were made to the sanitary sewer and water systems in the four block area, curbs, and gutter, sidewalks, some storm drainage. He noted the methodology used for determining the assessments amounts. For this project, 75% of certain costs are being assessed to the property owners, and 25% to the City at large. 100% of the street and restoration will be assumed by the City. Those costs subject to assessments include costs for sewer and water mains and service lines and streets. Assessable costs are done at standard amounts, in other words any oversizing done is not assessed but rather picked up as a City at large expense. So the City has 25% of the assessable costs and 100% of others. Those items picked up at 100% by the City at large include storm sewer, sidewalk, street restoration, as well as all oversizing.

The total projects costs came in below the original as bid projections at $331,973 versus $351,865 as bid, for a savings of about $19,892. The City funded the project expenses with a municipal general obligation bond, it will be repaid with special assessments and City-wide taxes.

Jon went thru his presentation explaining how assessments are determined per the City’s assessment policy. He covered the rates applied for interior lots; corner lots; and irregular shaped lots. He explained how assessment frontage is determined in each case. In his presentation he went through typical 50’ and 100’ lot assessments and compared those to the initial estimates. Wrapping up his comments, Jon explained that the City would be spreading the assessments on tax roll A at 4% for 20 years. These would be certified now. Properties that had been assessed in the recent improvements made to the back side of the lots in 2015 fare on tax roll B and those assessments will be deferred for three years, or until sold or developed. Once certified to the tax roll they will be spread 4% interest for 20 years.
Mayor Gerber thanked Jon for his presentation and invited the audience to ask any questions. She asked that they give their name first then ask their questions.

**Tim Vaughn:** Mr. Vaughn asked Jon Pratt to explain again how the city properties were calculated and who will be assessed for the city owned property.

**Jon Pratt:** The unassessable property frontage is included in the total frontage to obtain a by foot cost, but the frontage is not served by these replaced lines. Therefore, the city as a whole absorbs the costs.

**Tim Vaughn:** Mr. Vaughn asked why he is being assessed again, but Mid-State is not be assessed on the corner lot on at the Broadway end of the project.

**Jon Pratt:** Jon explained that a property can be assessed more than once only on street improvements if they would fall on more than one side of the property. When it comes to water and sewer, the property owner is only assessed once based upon where they receive their service from. The mains service that property from Tousley, and that property was assess for water and sewer at that time.

**Whitman Briard:** Mr. Briard asked how far back does it go to where a property cannot be assessed again.

**Jon Pratt:** Jon said it goes back to the assessment policy which is service life of the item being assessed. Service life for sewer and water is 40 years.

**Tim Vaughn:** Tim stated that there are nine individual property owners paying for this assessment and asked why is the city paying for any street restoration if it was a county project?

**Jon Pratt:** The County’s project entailed just the road up to the curb. Because of the placement of the water and sewer lines, curbing, sidewalk, lighting and driveways were affected. The City had to remove these items to get to the mains. The City is absorbing the cost of the restoration of these items.

**Whitman Briard:** Mr. Briard asked if there is a total for the amount of feet that were assessed for sewer and water.

**Jon Pratt:** Sewer footage assessed was 622 feet Water footage that was assessed was about 1400 feet. Jon then reviewed the calculations in the presentation.

Some discussion ensued about the size of the water mains.

Jon then addressed the Council, noting that if there were no more comments that it should close the Public Hearing. It was pointed out that should anyone have an objection, it must be filed with the clerk before the closing of the public hearing, it must be in writing.

The Public Hearing was closed at 6:02 p.m.

The Council then opened its special council meeting.

**Tim Vaughn:** A water main that was put into parcel 73000990126000. He wanted to know why the property is not on the deferred tax roll B. It was his understanding that it would be deferred indefinitely. If he realized it was not going to be deferred indefinitely, he would not have agreed to installation of the service into that property.

**Julie Gerber:** A questions was directed to Jon Pratt as to what the normal or usual practice would be on such a case.

**Jon Pratt:** Jon stated that the cities take different approaches. He asked Mr. Vaughn how long does he feel it should be deferred.
Discussion ensued regarding how long it should be deferred. Tim Vaughn felt he should not have to pay the assessment until far into the future because that was what the deferred concept meant at the earlier hearings. It was discussed what a reasonable amount of years would be.

**Tim Vaughn:** Tim said if the City would pick up half the cost of the service connection he would be fine with the balance being put on the deferred roll B.

Discussion ensued.

The City accepted the agreement to reduce the service connection on parcel 7900099126000 by $1,213.27.

After discussing this, the following resolution was presented for consideration:

**CITY OF NEW YORK MILLS,**
**MINNESOTA**

**RESOLUTION NO. 12-5-2017a**

Resolution Adopting Assessment for the 2017 Centennial Drive (CSAH 84) Underground Utility Improvements

WHEREAS, pursuant to proper notice duly given as required by law, the Council has met and heard and passed upon all objections to the proposed assessments for the 2017 Centennial Drive (CSAH 84) Underground Utility Replacement project (North Broadway Avenue to Hayes Avenue).

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NEW YORK MILLS, MINNESOTA:

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.

2. **For Assessment Roll A (Non-Deferred):**

   Such assessment is proposed to be payable in equal annual installments extending over a period of twenty (20) years, the first of the installments to be payable on or before the first Monday in January 2018, and will bear interest at the rate of 4 percent (4%) per annum from the date of the adoption of this assessment resolution. To the first installment shall be added interest on the entire assessment from the date of this resolution until December 31, 2018. To each subsequent installment when due shall be added interest for one year on all unpaid installments.

   The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City of New York Mills. No interest shall be charged if the entire assessment is paid within 15 days from the adoption of this resolution. The owner of any property so assessed may, at any time thereafter, pay to the City of New York Mills any portion of or the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year.

3. **For Assessment Roll B (Deferred):**

   Unless a particular lot, piece, or parcel of land is sold prior to November 15, 2020, such assessment is proposed to be payable in equal annual installments extending over a period of twenty (20) years, the first of the installments to be payable on or before the first Monday in January 2021, and will bear interest at the rate of four
(4%) percent per annum from January 1, 2021. To the first installment shall be added interest on the entire assessment from January 1, 2021 until December 31, 2021. To each subsequent installment when due shall be added interest for one year on all unpaid installments.

If a particular lot, piece, or parcel of land is sold prior to November 15, 2020, such assessment is proposed to be payable in equal annual installments extending over a period of twenty (20) years, the first of the installments to be payable on or before the first Monday in January of the year succeeding the sale, and will bear interest at the rate of four (4%) percent per annum from January 1 of the year succeeding the sale. To the first installment shall be added interest on the entire assessment from January 1 of the year succeeding the sale until December 31, of the same year. To each subsequent installment when due shall be added interest for one year on all unpaid installments.

The owner of any property so assessed may, at any time prior December 15, 2020, pay the entire or a portion of the assessment on such property to the City of New York Mills. No interest shall be charged if the entire assessment is paid by December 15, 2020. The owner may at any time thereafter, pay to the City of New York Mills any portion of or the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year.

4. The Clerk shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the property tax lists of the County. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

Adopted by the Council this 5th day of December 2017.

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Julie Gerber, Mayor

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Julie Roberts, City Clerk

A motion was made by Maki and seconded by Hetland to adopt Resolution No. 12-05-2017a with the adjustment of the assessment roll to reflect the reduction in Vaughn’s assessment as noted earlier. The motion carried without a dissenting vote.

Adjournment

A motion was made by Roder and seconded by Maki to adjourn. The motion carried without a dissenting vote.

The meeting was adjourned at 6:27 p.m.

Respectfully submitted by,

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Julie Roberts
City Clerk