SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, SEPTEMBER 28, 2011

1. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE

The Sauk Centre City Council met in a Special Meeting on Wednesday, September 28, 2011 at 6:30 p.m. in the City Hall Council Chambers pursuant to due notice being given thereof. Present were Mayor Dennis Rykken, Council Members Warren Stone, Keith Johnson and Al Coenen. Also present were City Administrator Vicki Willer, City Engineer Keith Yapp and Administrative Assistant Nicki Vogt. Mayor Rykken presided thereat.

2. APPROVAL OF AGENDA

The agenda was approved as presented.

3. PUBLIC HEARING

a. Procedure Synopsis. City Administrator Willer read the Public Hearing Procedure, and stated that this meeting is to present the 2012 Proposed Stormwater Project to the public and to take public comment. Notices were sent to 491 property owners within the Stormwater District.

Administrator Willer stated that this issue will not come up for public vote. In order for the City to finance the project as a Special Assessment Bond, the process involves a public hearing with notice to all affected property owners, followed by a vote by the Council. The benefit to financing via a Special Assessment Bond is that the City can sell a tax exempt bond at a very low interest rate. Twenty-percent of the project must be assessed in order to meet the qualifications of a Special Assessment Bond. The balance of the bond payment can be paid through taxes to the entire tax base of the City.

The City could finance via a Capital Project Bond which is a newer type of bond that typically carries a higher interest rate. This type of funding also requires a Public Hearing with general notice to the public.

The project could also be funded via a GO Bond. In putting forth a bond to the voters, only the voters pay, if it passes. Fifty-one percent of the tax capacity in the City is homestead so they would be the ones bearing the cost.

b. City Engineer Yapp noted the project location, stating that the main problem locations include Walnut and 4th Street, Grove Lake Street and surrounding streets and the Lake Wobegon Trail and TH 71. The total project area includes 96.3 acres.

The existing storm sewer conditions:

- The existing pipes are undersized for even a 1 year rainfall event (typical design is for a 10 year event).
- The problem areas:
    - Flood prone areas have undersized pipes with low pipe slope.

    - Elm & 4th Street have 2 parallel pipes that flow to Sauk Lake. Both pipes are undersized.
    - The Junction structure near the lake is inadequate to handle large flows.
- Commercial areas generate more stormwater than residential areas. Commercial areas contain more impervious are (ex: pavement, rooftops, etc.)

Proposed Improvements:

- Pipes upsized from Walnut and 4th. This addresses the flooding at the intersection.
- Pipes upsized in the Grove Lake Street area to address the flooding there.
- Extension of pipes south of the Grove Lake Street area to help reduce flooding at the Lake Wobegon Trail/TH 71 underpass.
- Flow from these areas is directed through a new trunk storm sewer to the east.
- The outlet will discharge into a wetland adjacent to the Sauk River.
- Portions of the existing storm sewer system will remain in place as part of the new system.
- The new trunk main under 4th Street will benefit a larger land area.
- Addresses the current flooding problem and serves an additional drainage basin.

Cost estimates:

Est. Construction Cost	$2,228,129
Est. Cont, Eng, Admin	735,283
Est. Total Project Cost	$2,963,412

Yapp stated that the final assessment would be based on actual cost. The average assessment is $1,430. The City would pay approximately 1.76 million dollars. The construction period would be approximately two years.

Estimated Assessment Summary:

50% Adjust Street by FF & 25% Storm assessed over tributary area prorated by land use runoff by area.

Item	Estimated Project Cost	Assessable Units	Unit	Estimated Asmnt per Equiv SF unit	Typical SF unit (75 FF, .25 ac)	City Cost per unit	City Cost	PUC Cost
Streets	$ 78,287.18	5,137	FF	$ 7.6199	$ 571.50	$ 7.6199	$ 39,143.59	
Storm Sewer	2,240,980.78	5,313,698	SF	0.1054	1,148.18	0.3163	1,680,735.59	
Water Main	237,116.86		LS	-		-	-	237,116.86
Sanitary Sewer	236,714.21		LS	-		-	-	236,714.21
Water Service	100,820.65	41	Ea	2,459.04	2,459.04	-	-	
Sewer Service	69,492.50	39	Ea	1,781.86	1,781.86	-	-	
Est. Total Cost	$ 2,963,412.18				$ 5,960.57		$ 1,719,879.18	$ 473,831.07
							46,799.36	Prev Asmnts
				Typ SF wo Service or Street	$ 1,148.18		1,766,678.54	
				Typ SF wo Service	$ 1,719.67			

c. Questions of staff/engineer by City Council.

Council Member Olson arrived at 6:30 p.m.

d. Questions by Members of the Public.

Bradley Winters – Winter Properties: 715 Getty Street. Mr. Winters was curious if the City was going to put in two extra stubs on his property. City Administrator Willer stated he would need to request additional stubs which would be assessed against his parcel. They would be connected at the property line and it would be the property owner's responsibility to connect from the property line to the home.

Mr. Winters then questioned Bonestroo's revenue from this project. City Engineer Yapp responded, stating that their revenue is 15.5% of actual construction costs.

Mr. Winter's last question was if rain gardens were considered. It was noted that rain gardens have little impact on the size of pipe needed for the project as they improve water quality, not water quantity.

John Sovereign – 403 Pine. Mr. Sovereign stated that he purchased his property in 1992 and within years 4th street was re-done. The debt for that project has since been retired. He questioned whether the timing on this stormwater project is appropriate. City Administrator Willer stated that it appears that the City would be able to fund this project at a 1% interest rate and that bids would be very favorable.

Greg Juelke – Pleasant St. Mr. Juelke asked if approved, when the assessments will be applied to property taxes. The city will start assessing in 2014. An assessment hearing will be held prior to assessing to taxes. Property owners will have the opportunity to pre-pay or to pay off early.

Dave Meyer – 124 4th St. Mr. Meyer was curious if they would receive reimbursement on this project from previous project. All costs (storm sewer portion only) for the Grove Lake project would be tabulated and would be credited back.

Joan Donnay – Northstar Gas Station. Ms. Donnay feels that the water from Standard Iron drains to her property. City Engineer Yapp stated that they will be making edge adjustments as needed for drainage areas.

Alice Karakas – Maple Street. Ms. Karakas stated that she had the 2012 CIP and the Engineering report and questioned if the City could afford to complete all of these projects. City Administrator Willer stated that the CIP is revisited annually and just because an item is on it, does not mean that the project will be completed. She also noted that the City Engineer is not paid for projects that are not completed.

Gary Gamradt - 327 Main St. Mr. Gamradt questioned what the new system will do with a 1 inch rain during a two hour time period. City Engineer Yapp responded stating that the design provides for the system to handle the vast majority of rain events and that this is the most appropriate design to cover the needs of Sauk Centre. Also, there are currently not enough inlets to take in rain.

Joan Donnay stated that if there are not enough inlets, that may be the solution to the problem. City Engineer Yapp stated that there are not enough inlets, but that is one of many problems of the existing system.

Cecile McClain. Ms. McClain commented that she feels that previous projects always cost more than originally intended. City Administrator Willer stated that there is a 15% contingency included in the estimates. The City can do this project and levy it without increasing the tax rate to property owners.

e. Mayor Rykken read the Public Hearing procedure and called for persons to speak in favor.

Patty Neal – 4th & Walnut. Ms. Neal feels that this is an important project that will fix a serious problem. She feels citizens should not have to sandbag their home every summer.

Jean Bromenshenkel – 517 Grove Lake Street. Ms. Bromenshenkel stated that she is in favor of the project as she feels there is no other solution to the existing problem. As it sits currently it is a hazard as kids feel it is a playground. This summer alone, they had to remove 160 gallons of water from their basement.

Hailey Hill – 507 Grove Lake Street. Ms. Hill stated that she has lived at her property for 3.5 years. During rain events, they often get water up to their house and she feels it is a safety hazard.

Mayor Rykken called for additional persons to speak in favor. None additional spoke.

Mayor Rykken called for persons to speak in opposition.

Greg Juelke – Pleasant Street. Mr. Juelke felt that the project is not necessary due to the costs. He feels it is not worth it if it will only benefit 5 property owners. He also feels it should go to public vote at which time he feels the project would be voted down.

Gary Gamradt – 327 Main St. Mr. Gamradt is opposed because the current plan is not a guaranteed fix. He suggested changing it to a 25 year rain event or adding lift stations instead.

Jack Sunderman – 621 Birch St. Mr. Sunderman did not feel the City had the capacity to complete this project.

Reed Strickler – 535 South 6th St. Mr. Strickler felt the project should be assessed to the entire city.

Joan Donnay – Opposed.

Dick Meyer – Opposed.

City Administrator Willer read two letters in opposition to the project.

Mayor Rykken called three additional times for persons to speak in opposition. None additional spoke.

4. COUNCIL DISCUSSION

Council Member Stone feels this is a good project. Stormwater is the city's problem as it benefits anyone who drives within City limits so he feels the City should cover the cost of the entire project.

Council Member Johnson was unsure how much longer the City can keep discharging runoff into the lake. He feels this is a safety issue as well.

Council Member Coenen stated that it costs money to maintain a City. Every year for the last 7 years the Council has reduced the budget.

Council Member Olson stated that this is a city-wide issue.

5. ACTION

a. Resolution No. 2011-60 Ordering Improvement.

Council Member Coenen introduced Resolution No. 2011-60 Ordering Improvement. The motion was seconded by Council Member Olson. A vote being recorded as follows: For: Council Members Coenen, Olson and Johnson. Against: Council Member Stone. Abstain: Mayor Rykken. The motion failed.

A motion was made by Council Member Stone and was seconded by Council Member Olson to assess the storm water portion of the project 100% on the City. For: Council Members Stone and Olson. Against: Council Members Coenen and Johnson. Abstain: Mayor Rykken. The motion failed.

12. ADJOURNMENT

A motion was made by Council Member Stone and was seconded by Council Member Olson to adjourn the meeting. A vote being recorded as follows: For: Council Members Stone, Olson, Coenen, Johnson and Mayor Rykken. Against: None. The motion passed.

With no further business to come before the Council, Mayor Rykken adjourned the meeting at 8:15 p.m.

Respectfully submitted,

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Mayor Dennis Rykken City Administrator Vicki M. Willer