

Barnesville City Council
Special Meeting
March 23, 2010

Mayor Dahnke called this special meeting to order at 6:30 p.m. Members present were Mayor Dahnke and council members Larry Davis, Jr., Darin Allmaras, Jeremy Krause, Del Ellefson, Jason Rick and Merlin Strom. Others in attendance were City Attorney John Shockley, City Administrator Mike Rietz, City Clerk Jeri Reep, EDA Director Karen Lauer, Public Works Supt. Dave Riddering, Gene Prim, Dan Hanson with Ulteig Engineers, and Pam Aakre with the Record Review.

Mayor Dahnke asked City Administrator Mike Rietz to take roll call.

Mayor Dahnke stated the next item on the agenda was the pledge of allegiance. All rose to recite the pledge.

Mayor Dahnke stated this special meeting was called to discuss the City of Barnesville Special Assessment Manual. City Administrator Mike Rietz stated that this meeting is to get a good understanding of the special assessment policy. Mr. Rietz stated that EDA Director Karen Lauer would provide the history on how this manual came together, Mr. Dan Hanson with Ulteig Engineering would provide how the special assessments work, and City Attorney John Shockley would provide the legal prospective.

EDA Director Karen Lauer provided council members the history on the special assessment policy. Former City Engineer Gary Nansen with Ulteig Engineers urged the city to develop an assessment policy manual. In November 2006, Mayor Bauer appointed a task force consisting of EDA Director Karen Lauer, Council members Del Ellefson and Merlin Strom, and Public Works Supt. Dave Riddering. Mrs. Lauer stated that they met monthly and put together a comprehensive policy. Mrs. Lauer stated that they looked at several different policies, and created a policy that can be consistently applied. The current assessment policy has not been used since the adoption. The Hwy 52 project was discussed during the process.

City Engineer Dan Hanson next discussed the key points Mr. Hanson discussed the three types of improvements.

- Type I Improvement-Benefit abutting properties. (ex. Local residential street)
- Type II Improvement-Benefit larger definable area. (ex collector/arterial street)
- Type III Improvement-Benefit the entire city. (ex. Water tower, water treatment facility)

Mr. Hanson next discussed the three assessment methods.

1. Front Footage Method-Project costs divided by the calculated front footage of the abutting properties benefitting. (typical for local streets)
2. Area method-Project costs divided by the total benefitting area. Parcels are then assessed based off of the area of their parcel. (typical for storm sewer)

- a. This is not to be confused with an area wide assessment that is typical of a Type II Improvement. This is another method of assessing any type of project.
3. Unit Method-Project costs divided by the number of units assessed.

Mr. Hanson next discussed the determination of assessable cost, rate, and term.

1. What is the percentage of the costs of a project that are assessed?
 - a. New construction-100% of project costs is assessed for water, sanitary, storm and streets for both residential and commercial.
 - b. Utility Reconstruction-up to 50% of project costs are assessed for sanitary sewer, water main and storm sewer improvements for both residential and commercial.

Mr. Hanson stated that the assessment would be $\frac{1}{4}$ mile in each direction. Mr. Hanson stated that this is typical of what they do in other cities. Mr. Hanson stated that this policy is fair and very standard.

Council member Larry Davis, Jr. questioned if this assessment should be assessed city wide.

City Attorney John Shockley stated that generally, a water tower or lagoon can be assessed for a city wide assessment. We need to have the policy in place before we start a project. Mr. Shockley stated that we need to have this discussion now.

Mr. Gene Prim next approached the council and stated that in 1988 the city had a special assessment policy. Mr. Prim stated that the water and sewer replacement fund was established at that time. Mr. Prim felt that the Hwy 52 project affects the entire community, that everyone uses Front Street. Mr. Prim stated that the current special assessment policy will assess the oldest, least expensive homes in town. Mr. Prim stated that the city is responsible for the water mains in the center of the road; this has been the past history.

Council member Jason Rick stated that what Mr. Gene Prim just said, is what he has been hearing from citizens also.

City Administrator Mike Rietz stated that the current policy is that you assess parcels a different way. Mr. Rietz stated that the amount will be approximately \$15.34 a month for the area wide assessments, and very likely it will be less, because it will be assessed on approximately 400 parcels.

Council member Del Ellefson stated that the businesses are the ones that are going to benefit the most for this improvement.

Mr. Gene Prim stated that he objected to what the city is doing to the residents.

City Attorney John Shockley stated the difference is the law.

Council member Larry Davis, Jr. questioned on how much we have in the replacement funds.

City Attorney John Shockley stated that the city could do a G.O. Levy-which the city raise taxes, raise rates, or assess special assessments.

Mr. Gene Prim stated that he disagrees with the Special Assessment district that has been set up with the current Special Assessment policy.

Council member Jeremy Krause asked if we are going to proceed with the current Special Assessment Policy, or re-do the policy.

Mr. Gene Prim stated that if the council proceeds with the current special assessment policy, that the city should eliminate the sewer and water replacement funds.

Council member Del Ellefson stated that he thinks the current Special Assessment Policy is a good policy.

03-23-10-01 Motion by Mr. Davis and second by Mr. Rick to adjourn the meeting at 9:00 p.m. Motion carried.

Submitted by:

Attest:

Jeri L. Reep
City Clerk

Fred Dahnke
Mayor