

**MINUTES**  
**MAPLE PLAIN CITY COUNCIL – REGULAR MEETING**  
**MAPLE PLAIN CITY HALL**  
**November 28, 2016**  
**6:30 P.M.**

**1. WELCOME**

**2. CALL TO ORDER**

Present: Mayor Jerry Young, Councilmembers Mike DeLuca, Julie Maas-Kusske, Justin McCoy, and Dave Eisinger. Also present: City Administrator Robert Schoen, City Attorney John Thames, City Planner Mark Kaltsas, City Engineer Dan Boyum, and Director of Public Safety Gary Kroells.

**3. PLEDGE OF ALLEGIANCE**

**4. ADOPT AGENDA**

**Motion by Councilmember Eisinger, seconded by Councilmember McCoy, to adopt the agenda as written. Motion passed, 5-0.**

**5. CONSENT AGENDA**

- A. Accounts Payable
- B. November 14, 2016 Economic Development Authority Meeting Minutes
- C. November 14, 2016 City Council Minutes
- ~~D. Change to City Hall Hours~~
- E. Payment Request No. 2 – Budd Avenue Street Improvement Project

**Motion by Councilmember McCoy to remove item “D” from the consent agenda and move item “D” to new business, seconded by Councilmember Maas-Kusske. Motion passed, 5-0.**

**Motion by Councilmember McCoy to adopt the consent agenda with changes, seconded by Councilmember Maas-Kusske. Motion passed. 5-0.**

**6. ADMINISTRATIVE REPORTS**

**A. City Engineer November Monthly Report**

City Engineer Dan Boyum was present to give the City Engineer November Monthly Report. The report covered the following: Meadows of Maple Plain, Budd Ave. Improvements, Well No. 4, Heritage Museum, and other miscellaneous projects.

**Motion by Councilmember McCoy to approve the City Engineer November Monthly Report, seconded by Councilmember DeLuca. Motion passed, 5-0.**

**B. City Planner November Monthly Report**

City Planner Mark Kaltsas was present to give the City Planner November Monthly Report. The report covered the following: attendance to a variety of city meetings and

meetings with Total Auto Sales, the city's commercial developer, and Maple Terrace Apartments. Kaltsas also stated that much correspondence that has taken place regarding the above topics as well as a variety of others.

Mayor Young asked if the old schoolhouse property would be more appealing if the building was not there. Kaltsas stated he was not sure, and that there is most likely some value in the large building but cannot say for sure. Kaltsas also explained some of the difficulties of development Maple Plain's downtown area, including the small size of the lot and the setbacks.

**Motion by Councilmember Maas-Kusske to approve the City Planner November Monthly Report, seconded by Councilmember Eisinger. Motion passed, 5-0.**

C. West Hennepin October Monthly Report

Director Kroells was present to give the West Hennepin October Monthly Report. Kroells' report began with stating a total of 7,520 incident complaints have occurred; 2,648 in Maple Plain and 4,369 in Independence. The total number is an increase of 520 incidents since this time last year.

Kroells covered events such as reckless driving, a child stuck in playground equipment, drug paraphernalia possession, a stolen vehicle, property damage investigation, domestic disputes, and stolen property.

**Motion by Councilmember Eisinger, seconded by Councilmember Maas-Kusske, to approve the West Hennepin October Monthly Report. Motion passed, 5-0.**

Director Kroells also provided an update for the upcoming 36<sup>th</sup> Annual View Santa on Saturday, December 3<sup>rd</sup>. He stated that it was not in the local Maple Plain paper, but the issue was brought to the paper editor's attention. Mayor Young asked if it would be appropriate to use the emergency alert system. Kroells stated that he is not sure if he wants to over-provide information with the system. Councilmember Maas-Kusske stated additional means to advertise, such as flyers and social media. Kroells continued to state the amenities for the event. Councilmember Maas-Kusske clarified that the [Heritage] Museum is providing cookies and cider, and the [West Hennepin] Chamber is providing lights on the tree. Mayor Young stated the event is put on by them [West Hennepin] and the Chamber.

D. Public Works November Monthly Report

City Administrator Schoen was present to give the Public Works November Monthly Report. The report covered the following: compost site clean-up, preparing for snow/winter, update water treatment plant chemical feed lines, placed holiday ornaments, planted trees, prepared the hockey rink and warming house, and completed some pothole patching.

Mayor Young asked if someone was available to grind the product of the compost site. Schoen stated there is no one lined up yet, but staff is still pursuing that option. Schoen also stated that the compost site is scheduled to close the next Monday.

Mayor Young asked if any volunteers have been found to help out with the hockey rink. Schoen stated there are no volunteers at this point and they are still looking for people. Mayor Young asked who will be locking and unlocking the warming house. Schoen stated that has not been determined yet. Director Kroells stated that traditionally West Hennepin has locked it. Mayor Young stated that would be greatly appreciated if West Hennepin can continue doing that. Kroells stated that would be fine.

**Motion by Councilmember Maas-Kusske to approve the Public Works November Monthly Report, seconded by Councilmember DeLuca. Motion passed, 5-0.**

E. City Administration November Monthly Report

City Administrator Schoen was present to give the City Administration November Monthly Report. The report covered the following: 2016 General Election, attended various meetings, continuing work on Cable Franchise Agreements, communicating with residents regarding Budd Avenue project, working on an electronic sign policy, end of year reports, utility bill certifications, liquor licenses, and more.

**Motion by Councilmember McCoy to approve the City Administration November Monthly Report, seconded by Councilmember DeLuca. Motion passed, 5-0.**

7. OLD BUSINESS

8. PUBLIC HEARING

A. Budd Avenue Street Improvement Project Property Assessment Hearing

Mayor Young introduced the Budd Avenue Project Assessment Hearing. City Engineer Dan Boyum was present to provide information regarding the hearing. Boyum began with a power point presentation to cover a project update, project cost and distribution, special benefit analysis, interest rates, terms of assessment and proposed assessment roll, and questions from public.

Project Update

Utility and street improvements have been done on Budd Avenue from Independence Street to the Maple Plain Apartments, just North of Manchester Drive. In addition to these improvements, a sidewalk and street lights are also being installed. The project began September 2016 and is in the final stage of wrapping up for the season and will finish in the spring. The remaining items for the spring are the final lift of asphalt, striping, completing signage, and final restoration of land.

Project Cost and Distribution

The total project cost is \$1,177,900.00. The total cost comes from the following: utility improvements: \$291,270; Street and Storm Sewer Improvements: \$731,490; Sidewalk Improvements: \$89,170; and Street Light Improvements: \$65,970.

The costs plan to be distributed 35% and 65%, with the city paying 65% of the project costs. The Sanitary and water main costs are on a per parcel basis. 100% of the sanitary sewer and water main for future development were assessed. The street and storm sewer costs are on an adjusted front footage basis. The one City of

Independence property is assessed on 260 feet of rural section roadway. Lastly, the adjustments to street costs were made for sidewalk and street lighting.

### Special Benefits Analysis

The City has been doing analysis on recent projects and the city uses information from the special benefits analysis for any assessment adjustment. This process includes an appraiser appraising some properties, contributing to any adjustments on the assessments roll.

### Interest Rates, Terms of Assessment, and Proposed Assessment Roll

The interest rate is set at 3.8%. The terms of the assessment are 20 years, the owners can pay off the assessment within 30 days after this council meeting with no interest. The assessment amounts must be provided to the County on or before November 30, 2016. Staff will provide updates to the County by late December/early January of payments. The first payment by the owner is due in 2017.

Boyum continued his report by identifying the Proposed Assessment Rolls handout that the property owners also received. He made one correction to the chart, for the "Ad Lawns Property" amount. An adjustment was made on a special benefit analysis.

Boyum stated most of the properties went down from the original estimate.

Boyum opened up the meeting to public participation and questions.

### **Motion by Councilmember McCoy, seconded by Councilmember Maas-Kusske, to open the Budd Avenue Street Improvement Project Property Assessment Public Hearing. Motion passed, 5-0.**

The first resident to speak at the public hearing was Wayne Marshall, of 1689 Budd Avenue. Marshall commented that the proposed assessment is excessive. All of the residents on that side of Budd are the poorest in the town. Marshall stated he experiences troubles affording his property taxes as is, and stated that he knows his neighbors experience the same burden. He stated that he knows there is not much recourse, but that he is familiar with some attorneys who would be able to assist him in this matter.

The second resident to speak at the public hearing was Caitlin Cahill of 1775 Budd Avenue. Cahill thanked the city for installing a pedestrian crosswalk, especially for the children who cross the street to get to the park from the apartments. Cahill stated she was there to appeal the amount because it will be a hardship for her. She stated that the legislature also believes the assessment to be too high. They [the legislature] say that, the special assessment "cannot exceed the special benefit which is measured by the increase in market value." My house value only went up \$8,000 this year. That was not according only to these improvements, but also to school performance and other neighborhood factors. The \$14,000 assessment is considered unconstitutional by law. Additionally, the construction has caused a significant financial burden on me. I rely on my income from an online store, I was not able to ship or receive significant amounts of product. Even though I shipped out the day my driveway opened, I still did not make Black Friday and have lost significant income. While I thank you for some of the improvements, I do not think they are worth the \$14,000 assessment.

The third resident to speak at the public hearing was Marcy Fahrman of 1617 Budd Avenue. She stated she is unhappy with the hump at the end of her driveway. It used to be level and now the road is also too narrow for all of the activities that use it.

**Motion by Councilmember McCoy to close the Budd Avenue Street Improvement Project Property Assessment Public Hearing, seconded by Councilmember Eisinger. Motion passed, 5-0.**

Councilmember Eisinger asked a question to Boyum; if we have additional information regarding the appraisals. Boyum stated that yes, the appraiser provided a summary of the appraisals, and Boyum also reviewed other information regarding the last road project to make the most accurate assessment possible. Boyum continued to state that the appraiser told him that the very small lots should be not assessed more than \$10,000. The assessment roll reflects the information.

Councilmember Maas-Kusske asked for comments regarding Cahill's remarks. Councilmember Eisinger stated that he believes Cahill received the county's appraisal, but the road was not yet completed and did not reflect the change in value due to the improvements. Schoen stated he is not aware if that was the case. Boyum stated that the county makes spot checks on certain properties within cities while they are quantifying a property's market value. Boyum also stated that when a project is done in the fall, it is usually not known to the county is has been done.

Councilmember Eisinger followed up by asking if the appraiser had anything to say about increased property value of more than \$14,000. Boyum stated that the appraiser's general feedback was that the upper limit of this lot size's increase in value is \$15,000 or so. After new sewer, new water, and a new street, the property value will increase. That was our spot-check was that if these assessments were over \$10,000 for a small property or over \$15,000 for the midsize property, then we knew it was too high and we would make an adjustment.

Mayor Young asked if that come spring time, all of the residents would see the increased property value of those amounts. Boyum stated that he was not sure historically if the county assessor goes an exactly matches the true benefit of the improvements. Over time, the improvements are reflected in selling. The amounts are not necessarily reflected by the county assessor.

Mayor Young asked Councilmember Eisinger if his property value went up after his street was recently done here in Maple Plain. Councilmember Eisinger stated that he did not see the property value go up, but what he could get for it increased. Eisinger asked how big Cahill's home was. Cahill stated about 800 square feet.

Councilmember McCoy stated that he knows Cahill is correct on the legislation she brought up. The assessment cannot be more than the value added to the property. McCoy continued to ask if there is a way to know for sure whether or not the county did these spot-checks on these properties or not to include the improvement. Secondly, when West Main Street was done, there was a cap set. Does the assessor have a new cap for us? Lastly, McCoy asked for further clarification on how exactly the amount per footage and amount per water hookup was calculated.

Boyum stated he can answer question three. Boyum began by stating the cost per parcel can be given individually to owners in a more detailed breakdown. But overall, it is \$113,300 for the sanitary sewer cost. It is divided by 15 parcels. A cost per parcel is \$7,553.33. So we take 35% of that to get the \$2,643.67 each. Then the \$148,805 divided by 15 properties again is \$3,472.12 for water. Add those two together to get the sewer and water assessment. There were two properties that paid for their eight inch sewer stub and six inch water main stub, and those are included in those two totals seen. The street costs were \$886,629, and subtracted out the street lighting cost and the sidewalk, to come up with the \$731,490. There is some talk that there might be a possible speed sign, and that potential cost has been subtracted out also. In general, divided by the feet of frontage, and also to mention the property is different in Independence seeing as it is in a different city.

Councilmember McCoy asked what the cost was per foot. Considering the 35% paid by the property owners equates to \$106.47 per foot. We do that, and we got down to the church property where the building was on, and the appraiser set a set value in which the city followed of \$45,000. We had originally stated that some properties higher than what they were, but we changed it based on the feedback of the appraiser.

Councilmember DeLuca stated to Boyum that he thought that was a formula; water, sewer, and street, at 35%. DeLuca stated he was having a hard time reconciling 1665 Budd Avenue's amount of a property of 75 adjusted feet and then make way to 1775 with 75 feet, with two different numbers for assessment. Boyum stated the big difference with 1665 is that they get their sewer and water from Independence. That is the main difference on their property from others.

Mayor Young asked why sewer and water infrastructure would matter in the calculation of the assessment. Boyum stated that the property is calculated differently because the property would only be assessed for sewer and water infrastructure if the City of Independence put new infrastructure in. It is the same process for the Main/Rainbow project that if a corner house received service from a street that is not being reconstructed, they do not receive the sewer and water assessment. That is similar to the feasibility report as well.

Councilmember McCoy asked if most of the houses on the West Main project were around the same amount to be assessed, approximately \$8,000-\$9,000 per parcel. Boyum stated that some of the corner lots may have had the smaller assessment. Councilmember McCoy stated that the reason he asks is because he believes that the numbers are higher than he remembers talking about. Mayor Young agreed. Boyum stated that he is seeing \$10,000 or \$11,000, or \$14,000 for Main and Rainbow. That project had many more properties to spread the cost compared to Budd Avenue. Also, the amounts are less than what was talked about in March, as seen on the power point. This includes the bids coming in less and saving some money. I hear what the homeowners and council is saying, and adjustments can be made to the roll which is what is being discussed here tonight.

Councilmember McCoy said that if two properties with water and sewer from Budd, divide that from the frontage, they should have the same number. Boyum stated that if two properties were of the same length, then they should be very similar. Councilmember McCoy stated that he attempted to reconcile two similar properties and

could not get the numbers to work. One property was 1709 Budd which was \$196 per frontage foot and 1775 Budd was \$188 per frontage foot. McCoy stated he is trying to figure out the discrepancy. Boyum stated that 1709 has a sewer assessment of \$643.67 and a water assessment of \$3472.12 and a street assessment of \$7,270.19. This totals to \$13,355.97. 1775 has the same water and sewer assessment, but because that property has slightly more footage, the assessment is approximately \$700 or so more; which totals her assessment of \$14,001.

Councilmember DeLuca asked Boyum if he had any reason to believe the assessor and the information you have, will not support an increase in value as constitutional requirement. Based on what the appraiser told staff, Boyum is comfortable with the numbers. He is comfortable, too, after discussion with staff and the city attorney, as well as the appraiser. The appraiser also stated the 35% covered by the residents seems to work well. Boyum offered conversation on lowering that percent owed.

Mayor Young stated that he believed Councilmember DeLuca was asking if the home value will go up to support the assessment. Boyum stated as a city engineer and not an appraiser, he cannot make claims to that.

Councilmember McCoy stated he doesn't believe Council can make a decision until they have the appraisal information. Councilmember Maas-Kusske asked if the appraiser can come out to look at all of the properties and is not comfortable approving the assessments. Mayor Young stated he cannot be comfortable to accept the assessments as is.

Councilmember DeLuca asked for a formula to be written out to easily understand the assessments. DeLuca also stated that the assessor should provide written information stating that the homeowners will receive equal or more market value than the assessment amount.

Councilmember Maas-Kusske stated that precedent has been set with the 35% amount paid by homeowners. But if the facts show that that should be different, then we may need to reevaluate.

Mayor Young asked if it would be too late to submit this if the information were to come in front of council at the next meeting. City Administrator Schoen stated that it would be too late, and that it is calculated that if the city did not assess until the following year, the city would have to float \$16,400. Councilmember DeLuca asked why that amount has to be submitted to the county, and clarified when the cutoff date is to submit a plan for payment. Schoen stated that it is November 30. Councilmember Maas-Kusske stated there would not be enough time to get all of the information to make an informed decision. Councilmember Eisinger stated that he thought the appraiser did provide some information. City Attorney John Thames addressed the matter by stating that the precedent the established is correct, and that council is here to determine that the special benefit will be equal to or outweigh the assessed value on the property. Thames continued to state that the appraiser works with the city engineer to appraise a few properties, but not all properties, to get a good cross section of properties that the city provides, which has been done. From there, the formula is created to develop an overall picture to show how the properties fit the standard. So, it is unknown if the appraiser being here will remedy the question. I understand that individuals come and raise

individual questions about their own property, but no city doing a project like this will have every single property appraised. That would cost an astronomical amount of money for the city. What you are dealing with is a cross section the best we can; what staff actually did was added an additional property so that we could check the numbers. So, if the questions pertain to the formula, then I am not sure. Mayor Young stated that the question does not pertain to the formula, but rather if the road improvement will improve the value of the home more than the assessment. There are too many variables to approve and move on.

Councilmember DeLuca asked which properties were appraised. Councilmember Maas-Kusske asked how many properties were appraised. Boyum stated initially three properties were appraised, which were 1715 Budd, 1875 Budd, 1815 Budd. Schoen stated that staff then went back to look at 1741 Budd as well. DeLuca stated that only one residential home was used. Schoen stated that is correct because we need to understand the variety of properties on the street. Councilmember Maas-Kusske asked if that was a fair analysis with one residential property only. Councilmember DeLuca asked what the appraisal showed for the one residential property. Boyum stated that the appraisal was a max of \$10,000. This was based on the appraiser's review of the various issues he looks through. We took three properties on the Main and Rainbow project, and added an additional like this project. Councilmember Maas-Kusske stated that she does not think that is a fair sampling. Boyum stated that the appraiser's summary report, that the properties that are not 30 to 33 feet in front footage, he assumed that the assessment should not exceed \$15,000. Staff can gather more feedback and provide that.

Mayor Young stated there are only two days to get the information. Councilmember Eisinger asked for more clarification on the options, and stated that Council may ratify the 35% and have another hearing with the more correct information and drop it at that time if necessary. Boyum stated that in the previous road project in 2014, there was a final MCS credit that was given, and notices were provided to everyone in December. The notices stated that based on what was approved at the previous council meeting, that the amount of the assessment would be decreasing based on the credits given. At that time the city was able to work that out with the county. The city fulfills the assessment rollout, but some people may pay prior to the year, and the county will check back. Councilmember Eisinger stated if nothing can be done, then the city will pay the \$16,000 which would be a lot of money. Councilmember McCoy asked if the city would recover that money. Schoen stated that yes; the city would recover than money, just at a one year delay.

Councilmember McCoy stated that many projects have been, ranging from 20% - 35%. The previous project was 70 or more homes. This project is only 8 or so homes. Councilmember McCoy wants to see what different percentages of amounts paid by the property owners to get a bigger picture and make a better decision.

**Motion by Councilmember DeLuca to table the Budd Avenue Street Improvement Project Assessment Certification Resolution 16-1128-01 for a future meeting, seconded by Councilmember Maas-Kusske. Motion passed, 5-0.**

Schoen asked Council for the number of appraisals they wish to see when additional information is provided. Mayor Young stated all of the properties.

## B. Utility Bill Delinquency Assessment Hearing

Schoen introduced the Utility Bill Delinquency Assessment Hearing. The properties listed on the list have not paid their water bill previous to July 31<sup>st</sup> and have had overdue accounts since. The city has typically assessed twice a year.

**Motion by Councilmember McCoy to open the Utility Bill Delinquency Assessment Public Hearing, seconded by Councilmember Maas-Kusske. Motion passed, 5-0.**

No residents were present to speak in regards to the Utility Bill Delinquency Assessment Hearing.

**Motion by Councilmember Eisinger to close the Utility Bill Delinquency Assessment Public Hearing, seconded by Councilmember DeLuca. Motion passed, 5-0.**

## 9. NEW BUSINESS

### A. Adopt Resolution 16-1128-01 Budd Avenue Street Improvement Project Assessment Certification

*Resolution 16-1118-01 tabled for a future meeting.*

### B. Adopt Resolution 16-1128-02 Utility Bill Delinquency Assessment Certification

**Motion by Councilmember McCoy, seconded by Councilmember Maas-Kusske, to approve Resolution 16-1128-02 Utility Bill Delinquency Assessment Certification. Motion passed, 5-0.**

Councilmember DeLuca made comment that many of the people on the delinquency list were also on the list last year. Councilmember DeLuca recommends writing a letter to inform the residents of their obligation to pay their water bill, and the right of the city to shut water off and turn it back on after payment. Mayor Young stated there is a resolution that has passed allowing water shut off. Councilmember DeLuca stated that it is not so much a threat, but let the residents know that it can happen. Mayor Young stated that water should be shut off sooner than the six month assessment certification process. Councilmember DeLuca stated that this is \$37,000 that the city is financing to people. The city is not in the bank business, but in the business of providing water and sewer.

## C. Change to City Hall Hours

Schoen was present to provide information regarding a change to city hall hours of the following:

Monday: 7:30am – 6:30pm  
Tuesday – Thursday: 7:30am – 4:30pm  
Friday: 8:00am – 12:00pm

Schoen stated this would allow city hall to be open an additional two hours, and provide more service hours for those who have daytime jobs and cannot make it to city hall during our current hours. Councilmember McCoy asked for it to be pulled so that the new city council may make the new decision to avoid city hall hours changing back in forth in case new members disagree with the change.

**Motion by Councilmember DeLuca to table the change to city hall hours to January after the new councilmembers begin, seconded by Councilmember Eisinger. Motion passed, 5-0.**

**10. COUNCIL REPORTS & OTHER BUSINESS**

A. Attitude of Gratitude

1. First Presbyterian Church of Maple Plain

Councilmember Eisinger presented the Attitude of Gratitude for First Presbyterian Church of Maple Plain for their community service for painting the pavilion at Rainbow Park.

2. Lyndale Lutheran Church

3. Councilmember DeLuca presented the Attitude of Gratitude for Lyndale Lutheran Church for their community service of clean-day at Rainbow Park.

4. Paul Stinson and the American Legion

Councilmember Maas-Kusske presented the Attitude of Gratitude for Paul Stinson and the American Legion for their community service in the flag retirement ceremony at the Maple Plain Fire Department Open House.

5. Maple Plain Days Committee

Councilmember McCoy presented the Attitude of Gratitude for the Maple Plain Days Committee for their community service in commitment, planning, and dedication to the event.

Councilmember Maas-Kusske provided a council report which stated that the Maple Plain Days Committee is hosting a meeting on Thursday, December 1, 2016, at 7:00pm, which is looking at the future of Maple Plain Days in 2017, and the committee is in need of volunteers and those hoping to serve on the committee. Please reach out even if you are not able to make the meeting.

**11. VISITORS TO BE HEARD**

*Note: This is a courtesy extended to persons wishing to address the council who are not on the agenda. A completed public comment form should be presented to the city administrator prior to the meeting; presentations will be limited to 3 minutes. This session will be limited to 15 minutes.*

**12. ADJOURNMENT**

**Motion by Councilmember DeLuca, seconded by Councilmember McCoy, to adjourn the meeting. Motion passed, 5-0.**

