

MINUTES OF THE PUBLIC HEARING
FOR THE 2018 STREET ASSESSMENTS
BRAHAM CITY COUNCIL
TUESDAY, NOVEMBER 13, 2018
6:30 P.M.

The public hearing for the 2018 Street Improvement assessments was called to order with the following present: Mayor Patricia Carlson; Council Members Lowell Jaques, Shawn Sullivan, and Jeremy Kunshier; City Administrator Sally Hoy. Council Member Vicky Ethen was absent, recovering from surgery.

Present in the audience were Police Chief Eric Baumgart, City Engineer Brian Miller, Scott McKinney from the Braham Journal, and residents of the street improvement project: Ketrina Johnson, Jarod and Adam Jokinen, Brenda Turner, Vern Fix, Mrs. Otten, and James Moore.

City Engineer Brian Miller gave an overview of the 2018 Street Improvement and assessments. He explained that when the first public improvement hearing was held, it was for the public to give testimony of whether or not the project should happen. He said at this assessment hearing, the project costs and assessments will be discussed. He said the testimony the council should receive from the public at this hearing is whether or not the amount of the assessment are reasonable.

Miller explained that the improved streets include:

Cypress Ave South from 8th St. SE (CR 4) to 3rd Street SE
3rd Street SE from Beechwood Ave S to Eastgate Ave; and
Eastgate from 2nd Street SE to Mailbox south of 3rd St. S

He showed an overhead of the project streets. He noted that the project is not complete, so he was working with estimated costs of what the project will end up costing after it is completed in 2019. He said the contract amount and overhead on the street portion is \$347,815 which includes storm sewers, and raising manholes and valve boxes. He noted that the water main replacement on S. Cypress and the manhole replacement were not part of the street project costs. He said the total cost of the assessable part of the project is \$447,600 which includes the construction costs, the cost of putting the plans together, engineering construction observation, and contract management. Miller said the City's policy is that 30% of the street costs are assessed to the benefitting property owners. He said the 30% comes to \$134,280, divided by 51 units would be \$2,632.94. He said when they were putting the announcement together and preparing the assessment roll from the October meeting, he had accidentally included a property with an address on 4th St. SE, which is not part of this project, so the original calculations were based on 52 units. He said this amount of \$2,582.31 was the amount noticed to everybody, and therefore was the assessment amount for the purpose of the hearing.

Miller explained that when the project gets completed in 2019 and they tally up the actual costs, it could be more or less. He said if the costs with 51 units is still in the range of the \$2,582 amount, there would be no reason to make any changes, but if the costs end up being higher, the

council could consider a supplemental assessment which will require the notice and hearing process. He said if the costs come in less, the council could refund or change the assessment amounts certified to the county.

Miller said the assessments were at 5.5% over 10 years. He said the City has used a constant assessment method, so each year the same amount of principal is paid off. He showed the annual principal payments at \$258.23. Miller explained the interest in the first year will be accrued from this Nov. 13 date through the end of 2019 for an annual payment of \$419.32, then it drops to \$386.06 for the second year, and continues to decrease with the interest amount. He noted that with assessments paid over the 10-year period, the amount they will pay, including interest, is \$3,382.53. Miller said that the statutes allow prepayment with no interest within 30 days of this public hearing date. He said if they pay it off any time in the future, the interest will be accrued through 12/31 of that pay-off year.

Miller presented an overview of the assessment roll, noting that it included the Dolan property that should not be included because the address is on 4th St. SE. He explained that the City's policy is to assess off the address of the property. He said there are a few properties that do not have a house on them, but they are independent PID numbers and meet the City's standards for a buildable lot, so they have the proposed assessment. He referred to the Kaunonen properties where one property has a house on it, and one does not. He noted that each property will get the proposed assessment.

Miller said that with previous projects, the council had discussed whether large properties that could be subdivided should be assessed multiple units, and the council had determined not to do so, but if the property is subdivided within the 10-year assessment period, each unit will receive a prorated assessment for the remainder of that 10-year assessment period.

James Moore asked what happens to that money, and if the assessed properties would be credited back, and Miller replied it would go into a City street fund because it cannot be depended upon. He noted that this has yet to happen on any of the City's projects.

Vern Fix noted that he only received one letter for assessment, and Miller told him that the house Fix lives on (on 8th Street SE) is not being assessed, but his two vacant lots on S. Cypress do have the assessments because they have independent property ID numbers. Miller told him if his entire property was a single property, and he didn't subdivide, he would not receive any assessment because his single property would be addressed off 8th St. SE. Miller said that Fix's two lots on Cypress are assessable. With regard to Fix's corner property, he explained that the County will not allow them to access the property with a driveway off the county road when they could put a driveway off the city street. Fix commented that the lots are small and he didn't think they were buildable, so he did not feel the two assessments were fair.

Miller completed the slideshow, then opened the hearing for public comment.

Ketrina Johnson expressed concerns about the drainage issues in the area of 4th and Cypress. She asked if the assessments included the work on the drainpipe and pump at 311 S. Cypress. Miller replied that the 2018 Street Improvement was not a reconstruction project, so it did not change the street grade. He said there was a section of buried sidewalk that was taken out and put in at a

higher elevation, and that the property north of her, at 311 S. Cypress, has had drainage issues for years. He said a larger pump was installed by the City.

James Moore expressed concerns of the drainage at 311 S. Cypress as well.

Miller replied that the City worked with the property owners and came up with a solution they'd accepted where the City would install a higher capacity pump that drains their back yard down faster. Miller explained that before this project, this property took on the water from the surrounding area and it all drained in their back yard. He confirmed that the City installing a higher capacity pump was not included in the street costs and assessments, nor would the property owners be charged for the pump. He explained that the property owners are paying the electricity for the pump, and when the pump wears out, the City will replace the pump.

Moore expressed concern with a culvert and the 4th and Cypress manhole not being tarred until spring, presenting a problem for residents and the City plow drivers. He asked about stakes that were left in the ground, and Miller said he could remove them. Moore commented that the contractor did a good job with the paving, but was concerned with the drainage in his yard. Miller told him that it was too late in the season to get any restoration work done, which will include adding topsoil and seeding to control the drainage.

Discussion took place regarding the moisture that remains in the intersection, and Miller explained the process of letting it dissipate with time.

Miller was asked about the assessments in reference to the location of driveways, and he explained that practice of the City has been that the assessments go with the street address. He noted that this way, corner properties get only one assessment when their abutting streets are done.

Drainage discussion continued.

Jarod and Adam Jokinen asked if the City would pay to have their vehicles realigned after having to drive over the potholes in the road all summer.

Mrs. Otten, from 409 S. Cypress, told Miller that there is a about a 6" difference between the tar and the driveway. She too said she liked the road, but this had created issues with the front end of her truck. Miller said he would look at her driveway.

Fix asked about his lots. Council Member Jaques noted they are stipulated as lots. Miller said that if they can be built on, they will be assessed. He noted the one lot only has access from Cypress, and the corner lot that is on the County road and Cypress will be accessed off Cypress because the County will not allow the driveway off the County road when it can be off a City street. He said both those lots are legal, buildable lots that would be accessed off Cypress.

One of the residents asked how the assessments came about, and if they came about because the City had messed up on the project. Miller answered no, and that the City streets have been declining condition, and the City decided to take an active approach, starting back in 2013 where

the City decided to adopt the practice of assessing 30% of the costs to the adjacent properties. He noted the City also had a project in 2016, and now in 2018.

Fix noted that he would have to get a special permit to even build on one of his lots, where someone would have to come out to make sure that lot is even buildable. He said he doesn't have a driveway on it, either. He said he felt it was unfair when another property owner has a driveway and runs a business off of S. Cypress. He said he didn't have a problem with one assessment, but didn't agree with having to pay two.

Administrator Hoy asked Fix if he'd thought about combining the two lots. Fix said he was told he couldn't do it because the assessments were already in progress. Hoy asked where he was told he could not, because the assessments were not certified yet. Fix said he talked with Marshall and that he'd have to do soil borings before he built on them. Fix said he thought Hoy had told him he would have to be assessed for both lots, and Hoy replied not if he combined the lots. Fix said he didn't know who he'd talked to. Hoy noted that she recalled Fix asking about this earlier in the year, and that he talked with Marshall Lind, the City Planner.

One of the new residents asked about the notification process for the project and assessments. The council told her that the initial improvement hearing was noticed in the fall of 2017. Miller said the improvement hearing had estimated costs, and the actual costs came in higher than expected. Miller said that the contract was split into two to get the price down further. He said at the improvement hearing, they estimated the assessments to be in the \$2,000 mark.

Moore addressed the council about the drainage being blocked on the railroad property, recognizing that the City is not able to clean the drainage area on railroad property. He asked if anything can be done. Miller said that Burlington Northern could be contacted. He said the only way they could tell is to shoot the elevation on both sides, and he suspected it wouldn't be a lot different. He said from there it goes out to the judicial ditch out towards Stanchfield. He noted that when the Stanchfield road blew it and it got replaced, that actually helped the drainage. Miller said people can talk to the area counties about cleaning out their ditch systems too, which is assessed back to the benefitting properties.

Discussion followed regarding Braham's high water table in general across the City. Moore expressed frustration that the new development resulted in more drainage issues. When Council Member Sullivan asked what he proposed, Moore replied cleaning the drainage ditches and culverts. Administrator Hoy replied that the City does ditch cleaning, but only to the City Limits. She suggested they could go to the County Board. Miller concurred that people who want the County ditches cleaned need to go to the County Board. Mayor Carlson noted she could bring this up at the next ICICLE meeting.

Jarod Jokinen asked for an answer if the City helps with the vehicle repairs from the potholes on the road. Mayor Carlson said the City has never done anything like that before. Miller noted that communities don't normally pay for repairs. He said if a contractor left something in the road, that might be something the contractor is responsible for. He said he's driven over a lot of construction sights for 35 – 36 years, and it has never put his car out of alignment. He noted he's driven his personal vehicle and never had a problem, even in the roughest parts.

Miller was asked about the interest rate, and he answered that it is typically 1% over the bond rate. He said that when the City went to finance this project, it was advertised to have the assessments at 5.5%. He explained that the reason cities typically have an increment above the bond rate is to cover the City's interest payments. He said if people prepay their assessments, the City doesn't collect the interest, yet the City has to make its interest payments.

With no other comments or questions, Jaques moved, and Kunshier seconded to adjourn the public hearing. Motion carried 4-0. The public hearing was adjourned at 7:37 p.m.

Respectfully Submitted,

Sally A. Hoy
City Administrator