

ARLINGTON CITY COUNCIL
MEETING MINUTES
NOVEMBER 5, 2007

The meeting was called to order at 6:30 p.m., Mayor Kreft presiding.

Members present: Mayor Kreft, Borchert, Griep, Reetz, Vrklan, Wills

Members absent: None

Also present: Administrator Jaunich, Attorney Arneson, P&Z Administrator Cynthia Smith-Strack

Motion by Reetz, seconded by Griep, and passed by unanimous vote to approve the agenda with the addition and/or changes as follows:

10D) Resolution No. 32-2007 Extending Location for Gambling License for Arlington Baseball Association
Take off consent agenda items 4D, 4E & 4F and move them to item 14.5 on the agenda.

Motion by Vrklan, seconded by Reetz, and passed by unanimous vote to approve the consent agenda as follows:

- 1) October 15th Regular Meeting Minutes
- 2) Approval of the Bills
- 3) Appointment of Jeff Otto to Fire Chief for a 2-year term.

Adm. Jaunich reminded the Council that the City Office will be closed on Monday, November 12th in observance of the Veteran's Day Holiday. He also reminded the Council of the upcoming Sibley County Municipalities meeting in Winthrop on Thursday, December 6th.

Adm. Jaunich stated that it has been brought to the City's attention that damage is occurring to stones/monuments in the public cemetery. Borchert commented that he has received numerous complaints about the damage being done by the lawn mowers. Supt. Thomes has been made aware of this and has talked to the people who are mowing, but it continues to happen. Adm. Jaunich commented that he anticipates one individual to come forward and ask for the stone to be replaced, and if this happens, it will be submitted to the City's insurance.

Adm. Jaunich commented that he has received both compliments and complaints about the tree trimming being done around town by the City. He stated that he intends to send staff to some tree trimming classes within the next year. Wills commented that an attempt to contact property owners before any trimming is done would be a nice gesture. Adm. Jaunich explained that various notices were published in the paper, but there is room for improvement as far as sending out individual notices. It was suggested to create a notice that could be hung on the affected property owner's door informing them that a tree will be trimmed.

The Council reviewed a letter from a concerned citizen about a policing issue. Mayor Kreft commented that the Police Committee had reviewed the letter. Adm. Jaunich explained that 8 citations had been issued to the property in question.

Adm. Jaunich stated that the Planning & Zoning Committee was recommending to the Council to review the pet ordinance, mainly the vicious dog section. Attorney Arneson commented that the city's pet ordinance does address this, but State Statutes are in place regarding vicious dogs. Attorney Arneson will research this further.

Mayor Kreft noted that there were no citizens present to address the Council.

Mayor Kreft recessed the regular meeting to hold a public hearing.

At 6:45 p.m. Mayor Kreft called to order the public hearing for proposed Ordinance No. 214 – Assessment Policy. It was noted that there was no one present, therefore there was no discussion.

Mayor Kreft adjourned the public hearing and reconvened the regular meeting.

Adm. Jaunich presented Ordinance No. 214 – An Ordinance Establishing a Policy for Public Improvements, Trunk Areas, Maintenance Costs and Special Assessments for its second reading. He stated that there have been some concerns expressed about the proposed policy. He explained that this policy, for the most part, is not really something new; it is just being put into written form. Over the years, the City has assessed for projects in some form or another, but this policy will make things more fair and uniform and the residents will know what to expect for future projects. He stated that this policy also helps the City meet the guidelines set out in State Statute 429.091, Subd. 7(a) regarding the use of general obligation bonds for projects. Reetz commented that he feels that the upgrading of gravel streets to pavement should be assessed at 100% rather than the proposed 50%, as developers currently have to pay 100% when they put in a new development (a fairness issue).

Motion by Reetz, seconded by Wills, and passed by unanimous vote to approve Ordinance No. 214 – An Ordinance Establishing a Policy for Public Improvements, Trunk Areas, Maintenance Costs and Special Assessments as follows:

ORDINANCE NO. 214

AN ORDINANCE ESTABLISHING A POLICY FOR PUBLIC IMPROVEMENTS, TRUNK AREAS, MAINTENANCE COSTS AND SPECIAL ASSESSMENTS

WHEREAS, the Arlington City Charter, Chapter 8, Section 3 states that the City Council shall establish a Local Improvement Ordinance; and

WHEREAS, the following policy shall constitute the Local Improvement Ordinance for the City of Arlington.

THE CITY COUNCIL OF THE CITY OF ARLINGTON, MINNESOTA, DOES ORDAIN AS FOLLOWS:

SECTION 1. GENERAL POLICY STATEMENT

The purpose of this policy is to establish a fair and equitable manner of assessing the increase in market value (special benefit) associated with public improvements. The procedures used by the City of Arlington (“City”) for levying special assessments is those specified by Minnesota Statutes, Chapter 429 which provides that all or a part of the cost of improvements may be assessed against benefiting properties.

Three basic criteria must be satisfied before a particular parcel can be assessed. The criteria are as follows:

1. The land must have received special benefit from the improvement.
2. The amount of the assessment must not exceed the special benefit.
3. The assessment must be uniform in relation to the same class of property within the assessment area.

It is important to recognize that the actual cost of extending an improvement past a particular parcel is not the controlling factor in determining the amount to be assessed. However, in most cases the method for assigning the value of the benefit received by the improvement, and therefore the amount to be assessed shall be the cost of providing the improvement. This shall be true provided the cost does not demonstrably exceed the increase in the market value of the property being assessed. The entire project shall be considered as a whole for the purpose of calculating and computing an assessment rate. In the event City staff has doubt as to whether or not the costs of the project may exceed the special benefits to the property, the City Council may obtain such appraisals as may be necessary to support the proposed assessment.

The assessment policy is intended to serve as a guide for a systematic assessment process in the City. There may be exceptions to the policy or unique circumstances or situations which may require special consideration and discretion by City staff and the City Council.

SECTION 2. IMPROVEMENTS AND MAINTENANCE COSTS ELIGIBLE FOR SPECIAL ASSESSMENT.

(A) The following public improvements and related acquisition, construction, extension, and maintenance of such improvements, authorized by Minnesota Statutes, Sections 429.021 and 459.14, subd. 7 are eligible for special assessment within the City:

1. Streets, sidewalks, pavement, curbs and gutters, including the beautification thereof.
2. Parking lots.
3. Water works systems and appurtenances, within and without the corporate limits.
4. Sanitary sewer and storm sewer systems including appurtenances, within and without the corporate limits.
5. Street boulevard trees.
6. Street lights, street lighting systems and special lighting systems.
7. Steam heating mains.
8. Parks, playgrounds, and recreational facilities, including the purchase of equipment, within or without the corporate limits.
9. Abatement of nuisances; including but not limited to, draining and filling swamps, marshes, and ponds on public and private property.
10. Dikes and other flood control works.
11. Retaining walls and area walls.

12. A pedestrian skyway system upon a petition pursuant to section 429.031, subdivision.
13. Underground pedestrian concourses.
14. Public malls, plazas or courtyards.
15. District heating systems.
16. Fire protection systems in existing buildings upon a petition pursuant to section 429.031, subdivision 3.
17. Highway sound barriers.
18. Gas and electric distribution facilities.

(B) The City is also authorized by ordinance adopted pursuant to Minnesota Statutes Section 429.021 to recover, through special assessment, the following costs:

1. Snow, ice, or rubbish removal from sidewalks.
2. Weed elimination from streets or private property.
3. Removal or elimination of public health or safety hazards from private property excluding any structure included under the provisions of Minnesota Statutes, sections 463.15 to 463.26.
4. Installation or repair of water service lines, street sprinkling, sweeping, or other dust treatment of streets.
5. The trimming and care of trees and the removal of unsound trees from any street.
6. The treatment and removal of insect infested or diseased trees on private property.
7. The repair of sidewalks and alleys.
8. The operation of a street lighting system.
9. The operation and maintenance of a fire protection or a pedestrian skyway system.
10. Delinquent utility billings.

SECTION 3. INITIATION OF PUBLIC IMPROVEMENT PROJECTS.

Public improvement projects can be initiated in the following ways.

1. Public improvement projects may be initiated by petition of owners of at least 50% in frontage of the property abutting the proposed improvement.
2. Public improvements also may be initiated by the City Council when, in its judgment, such action is required.
3. A resolution ordering any improvements initiated by the Council or by owners of less than 50% of abutting property owners requires a four-fifth's majority vote of all members of the Council. A resolution ordering any improvements initiated by owners of not less than 50% of abutting property owners requires a majority vote of all members of the Council. A resolution ordering any improvements initiated by all owners of abutting property, and assessing the entire cost against their property, may be adopted without a public hearing. The Council may consider the request of a Developer to construct the improvements and assess them.

SECTION 4. PUBLIC IMPROVEMENT PROCEDURE.

The following is the general procedure followed by the City Council for all public improvement projects from initiation of such a project through certification of the assessment roll to the County Auditor. Formats for the various reports and resolutions referenced in this section are made a part of the policies and procedures of the City.

1. Staff reviews petition or Developer's request for submission to Council.
2. Council accepts or rejects petition or request. If based upon a petition, the Council adopts a resolution declaring whether the required percentage of property owners has signed. If the petition or request is accepted, Council orders preparation of feasibility report.
3. City Engineer prepares feasibility report. The report shall preliminarily evaluate whether the proposed improvement is necessary, cost-effective, and feasible and whether it should be made as proposed or in conjunction with another project. The report shall include an estimate of the cost of the improvement as proposed. Council may refer the report to the Planning and Zoning Commission.
4. Council accepts or rejects feasibility report. If accepted, Council orders public hearing on the improvements.
5. Staff posts and publishes hearing notice and mails notices to affected property owners as provided in Minn. Stat. § 429.031(a).
6. Council conducts public hearing.
7. Within six (6) months of the hearing date, Council adopts or rejects resolution ordering improvement to be constructed and advertisement of bids. If adopted, the City Engineer and Staff prepares final plans, advertises for and opens bids as provided in Minn. Stat. § 429.041, prepares bid tabulation, makes recommendation to City Council for award, and prepares proposed assessment roll. Bonds to finance project costs may be issued at any time after the improvements are ordered.
8. Council awards contract based on the bids received.
9. City Engineer supervises construction and prepares payments.
10. Council reviews proposed assessment roll and orders assessment hearing.
11. Staff publishes hearing notice, mails notice of hearing date and proposed assessments to the affected property owners as provided in Minn. Stat. § 429.061.
12. Council conducts assessment hearing and adopts, revises, or rejects resolution determining the amount of the total expense the City will pay, if any, and establishing the assessment roll. If adopted, Council authorizes certification of the assessment to the County Auditor.
13. Staff certifies the assessment roll to the County Auditor.

SECTION 5. FINANCING OF PUBLIC IMPROVEMENTS

(A) The City encourages public improvement projects as the area(s) benefiting and needing such improvements develop. Examples of this policy can be seen through the subdivision regulations, zoning ordinance, and building codes. However, it is recognized that certain areas of the City have developed without all needed public improvements (e.g. parks, water, sewer, and street improvements) and that methods must be found to provide these improvements without causing undue hardships on the general public or the individual property owner.

(B) Special assessments are generally accepted as a means by which areas can obtain improvements or services; however, the method of financing these is a critical factor to both the City and the property owner. Full project costs spread over a very short term can cause an undue hardship on the property owner and, likewise, city costs and systems costs spread over a long period of time can produce an undue hardship on the general public of the City.

(C) It is the policy of the City to not defer assessments except in cases where hardship to senior citizens 65 years of age or older or persons retired by virtue of a permanent and total disability would result. Also, the City Council may elect to defer assessments on undeveloped land for a specified length of time or until the lands is developed. Terms and conditions of any such deferral will be established in the resolution adopting the assessments.

(D) Private Developers are responsible for all public improvement costs. Public improvements are defined as those items listed in Section 2(A) of this policy. Public improvement costs will be paid by the private developer before construction begins.

SECTION 6. GENERAL ASSESSMENT POLICIES APPLICABLE TO ALL TYPES OF IMPROVEMENTS

The cost of any improvement shall be assessed upon property by the improvements based upon benefits received. The following general principles shall be used as a basis of the City's assessment policy:

1. **Project Cost.** The "project cost" of an improvement includes the costs of all necessary construction work required to accomplish the improvement, plus engineering, legal, administrative, financing and other contingent costs, including acquisition of right-of-way and other property. The finance charges include all costs of financing the project. These costs include but are not limited to financial consultant's fees, bond rating agency fee, bond attorney's fees, and capitalized interest. The interest charged to the project shall be included as financing charges. Actual SAC and WAC are not included in the project cost and will be billed to the property owner upon completion of the home.
 - a. **SAC** is defined as the Sewer Access Charge. This is the initial hook up charge of a property to the City's sewer system.
 - b. **WAC** is defined as the Water Access Charge. This is the initial hook up charge of a property to the City's water system.
2. **City Cost.** The "city cost" of an improvement is the amount of the total improvement expense the City will pay as determined by Council resolution. Where the project cost of an improvement is not entirely attributed to the need for service to the area served by said improvement, or where unusual conditions beyond the control of the owners of the property in the area served by the improvement would result in an inequitable distribution of special assessments, or for any other reason determined by City, the City, through the use of other funds, may pay such "city cost."
3. **Assessable Cost.** The "assessable cost" of an improvement is equal to the "project cost" minus the "city cost."
4. **Interest.** The City will charge interest on special assessments at a rate specified in the resolution approving the assessment roll.
5. **Prepayment.** Property owners may pay their assessments in full interest free for a period of 30 days after the assessment hearing. After such period interest shall be computed from the date specified in the assessment resolution. The City will transmit a certified duplicate of the assessment roll with each installment, including interest, to the County Auditor, or in lieu of such certification, annually certify to the County Auditor by November 30 in each year, the total amount of installments of and interest on assessments on each parcel which are to become due in the following year. Prior to certification of principal and interest or the first installment thereof, to the County Auditor, a property owner may make a partial prepayment of the principal to the City. If the partial prepayment is made after the 30-day "interest free" period allowed by state law, interest will be charged on the amount of the partial prepayment from the date specified in the resolution and paid along with the partial prepayment. After the City has made the first certification of principal and interest to the County Auditor, prepayment will be accepted only for the total amount still owing including interest and must be made prior to November 15 of any year. If a parcel has two or more separate special assessments, prepayment of the remaining principal balance may be made on one or more assessment totals. Tax-exempt parcels such as churches and school properties may make only one partial prepayment to the first certification to the County Auditor. The remaining principal after the partial prepayment will be paid in equal installments over the remaining term of the special assessments.
6. **Extensions.** Where an improvement is designed for service of an area beyond that receiving the initial benefit, the City may pay for increased project costs due to such provisions for future service extensions. The City will levy assessments to cover this cost when a new improvement is installed as an extension of the existing improvement upon identification of such additional amount in the notice of hearing for the extensions or new improvements. As an alternative, the City may assess these costs to the area of future benefit immediately.

7. Frontage Roads. Because frontage roads along highways or other arterial streets are deemed to be of benefit to commercial or industrial properties, the entire costs of any improvement on such frontage roads shall be assessable to the benefited properties, even if only those properties on one side of such frontage roads are benefited.
8. Front Lot. The front lot shall be defined as the legal address of the property.
9. Project Assistance. If the City receives financial assistance from the Federal Government, the State of Minnesota, the County, or from any other source to defray a portion of the costs of a given improvement, such aid will be used first to reduce the "city cost" of the improvement. If the financial assistance received is greater than the "city cost," the remainder of the aid will be placed in the Capital Improvement Fund to be applied towards other City projects.
10. Assessable Property. Property owned by the City and other political subdivisions including municipal building sites, parks and playgrounds, but not including public streets, alleys, and right-of-way, shall be regarded as being assessable on the same basis as if such property was privately owned. Private right-of-way shall be assessable.
11. Individual Benefits. The City must construct improvements specifically designed for or shown to be of benefit solely to one or more properties. The costs for these improvements will be assessed directly to such properties, and not included in the assessments for the remainder of the project. An example of this would be utility service lines running from the main lines to the property.
12. Benefit Appraisals. In the event that city staff has doubt as to whether or not the proposed assessments exceed the special benefits to the property in question, the City Council may order benefit appraisals as deemed necessary to support the proposed assessments.
13. Condemnation Awards. A property owner may elect to offset special assessments against condemnation awards. In such case, the property owner must execute an agreement (Net Assessment Agreement) with the City Council.

SECTION 7. METHODS OF ASSESSMENT

General Statement. There are different methods of assessment: per lot, adjusted front foot and area. The feasibility report will recommend one or a combination of these methods for each project, based upon which method would best reflect the benefit received for the area to be assessed. The City Council will select the preferred method of calculating the assessments at the time the project is ordered.

Policy Statement. The following methods of assessment, as described and defined below, are hereby established as methods of assessment in the City.

(A) "Adjusted Front Footage" Method of Assessment. The "cost per adjusted front foot" method of assessment shall be based on the quotient of the "assessable cost" divided by the total assessable frontage benefiting from the improvement. For the purpose of determining the "assessable frontage," all properties, including governmental agencies, shall have their frontages included in such calculation.

The actual physical dimensions of a parcel abutting an improvement (i.e., street, sewer, water, etc.) shall not be construed as the frontage utilized to calculate the assessment for a particular parcel. Rather, an "adjusted front footage" will be determined. The purpose of this method is to equalize assessment calculations for lots of similar size. Individual parcels by their very nature differ considerably in shape and area. The following procedures will apply when calculating adjusted front footage. The selection of the appropriate procedure will be determined by the specified configuration of the parcel. All measurements will be scaled from available plat and section maps and will be rounded down to the nearest foot dimension with any excess fraction deleted.

1. Rectangular Interior Lots. The rectangular lot is defined as having no more than 2.0 feet difference between the front and rear lot lines. The adjusted front footage is the actual front footage of the lot. For rectangular lots whose frontage is greater than its depth, the "odd shaped or non-rectangular lot" method shall be used.
2. Odd Shaped or Non-Rectangular Lots. For odd shaped or non-rectangular lots; the adjusted front frontage shall be equal to the average width of the lot.
3. Corner Lot Adjustment. Street surface and curb and gutter costs for the front lot is assessed 100% and the side footage is assessed 50% with the remaining 50% being paid for by the City.

(B) "Area" Method of Assessment. The "area" method of assessment shall be based on the number of square feet or acres within the boundaries of the appropriate property lines of the areas benefiting from the project. The assessment rate (i.e., cost per square foot) shall be calculated by dividing the total assessable cost by the total assessable area. On large lots, the City Engineer may determine that only a portion of the lots receive the benefit and may select a lot depth for the calculations equal to the benefit received.

All properties included in the benefited area, including other governmental areas, churches, etc. shall be assessable. The following items may not be included in area calculations: public right of-ways, and natural waterways, swamps and lakes and other wetlands designated by the Minnesota Department of Natural Resources or City. The City Engineer will make a recommendation on the boundaries or parameters of the benefited area in the feasibility report.

(C) "Per Lot" Method of Assessment. The "per lot" method of assessment shall be based on equal assessment of all lots within the benefited area. The "assessment per lot" shall be the quotient of the "assessable cost" divided by the total assessable lots or parcels benefiting from the improvement. For the purpose of determining the "lots" or "parcels" all parcels, including governmental agencies, shall be included in such calculations.

SECTION 8. STANDARDS FOR PUBLIC IMPROVEMENT PROJECTS

The following standards are hereby established by the City to provide a uniform guide for improvements within the City.

Surface Improvements. Surface improvements shall normally include all improvements visible on or above the ground within the right-of-way, and includes, but is not limited to trees, lighting, sidewalks, signing; street and accessory improvements such as drainage ponds and facilities, parking lots, parks and playgrounds.

Policy Statement. Prior to construction or completion of surface improvements, all utilities and utility service lines (including sanitary sewers, storm sewers, water lines, gas and electric service) shall be installed to all planned service locations such as residences or buildings. When practicable, no surface improvements to less than both sides of a full block of street shall be approved except as necessary to complete partially completed improvements initiated previously. Concrete curbing or curb and gutter shall be installed at the same time as street surfacing.

Sub-Surface Improvements. Subsurface improvements shall normally include such items as water distribution, sanitary sewer and storm sewer lines and electric and gas utilities. Main lines are the publicly owned and maintained lines or facilities such as trunk lines, interceptors, mains, and laterals. Service lines are those privately owned lines or facilities extending from the main line to the property line.

Policy Statement. Sub-surface improvements shall be made to serve current and projected land use. All installations shall conform to applicable standards established by local, state and/or federal agencies of competent jurisdiction. All installations shall also comply, to the maximum extent feasible, with nationally recognized standards such as those of the American Insurance Association.

Service lines from the lateral or trunk to the property line of all planned service locations such as residences or buildings shall be installed in conjunction with the construction of the mains.

SECTION 9. POLICIES OF REASSESSMENT

An improvement of a property or a portion of a property can not be reassessed if that property is currently in an assessment payoff payment period from a similar project. (i.e. A property owner will not be assessed for a sidewalk if they are currently paying an assessment for a sidewalk improvement)

SECTION 10. ASSESSMENT COMPUTATIONS

The following is the typical City assessment for various specified improvements.

(A) Street and Curb and Gutter Improvements.

1. **New Constructions.** New streets and curb and gutters are assessed 100% to the abutting benefited properties. Street and curb and gutter improvements will normally be assessed by the adjusted front foot method, however other methods may be utilized if conditions warrant. Cost of construction of streets shall be assessed based on the minimum design of 7-ton axle load in residential areas and 9-ton axle load in commercial and industrial areas. Oversizing costs which are incurred in excess of the above may be paid by: (1) State funds, (2) larger assessment rates to other benefited properties, (3) general obligation funds, or (4) any other method or combination of methods authorized by the City Council.
2. **Reconstruction.** Reconstruction is defined as bituminous and subgrade excavation and replacement. Street and alley reconstructions are assessed 25% to the abutting benefited properties. Reconstructed curb and gutter are 50% assessed to the abutting benefited properties.
3. **Gravel Streets.** Upgrading of existing gravel streets by adding pavement is assessed 100% to the abutting benefited properties.
4. **Seal Coats and Overlays/millings.** Seal coats and overlays/millings are not being assessed to the abutting properties.
5. **Alleys.** Any upgrading of existing alleys is assessed 100% to all lots abutting on the alley in the block being improved.
6. The City pays for curb and gutter across intersections and alleys.
7. 100% of the costs of the corner radius for curb and gutter are paid for by the City.
8. The City pays for street surface reconstruction across intersections and alleys.

(B) Sidewalks and Trails.

1. **New Construction.** New sidewalks are assessed 100% to the abutting property on which the sidewalk is located.

2. Reconstruction. Replacement sidewalks are assessed 50% to the abutting property owner and 50% City funded.
3. Trails. Bituminous walkways and/or bicycle trails are not assessed, but rather funded by the City.

(C) Storm Sewer Improvements. Storm sewers are assessed on a project-by-project basis. Storm sewers in new subdivisions are considered an improvement on an area basis and are paid for by the developer upfront.

Oversizing costs due to larger mains and larger appurtenances are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area storm sewer charges are levied to all unplatted property at the time of platting, to re-plats that have not been charged trunk area charges when the land was originally platted, and to re-plats that have been charged trunk area charges when the land was originally platted but where the use is increasing (only the cost difference based on current and prior use is charged). The charges will be set in the annual fee schedule during the first City Council meeting in January of each year.

Normally, storm sewers are assessed on an area wide basis (square foot or acres), but in certain situations the per lot method or adjusted front method may be utilized at the City Council's discretion.

(D) Sanitary Sewer Assessments. Assessments for sanitary sewer in residential areas are based upon the cost of construction of 8 inch mains, which is the smallest size installed in residential areas of the City. Assessments for sanitary sewers in commercial and industrial areas are based upon a standard size of 12-inch mains.

Oversizing costs due to larger mains and larger appurtenances will be paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area sanitary sewer charges shall be levied to all un-platted property at the time of platting and to re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule during the first City Council meeting in January of each year. Services installed to individual properties are fully assessed to the benefiting property.

Normally, sanitary sewers are assessed on an area wide basis (square foot or acres), but in certain situations the per lot method or adjusted front method may be utilized at the City Council's discretion.

Lateral benefit from major trunk sewers or interceptors is assessed to the properties benefited by the sewer. Any oversizing cost is assessed as described above.

The replacement of existing sewers is assessed 25% with the remaining costs paid for by other funding sources identified by the City Council.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing sanitary services, but do not have mainline sewers adjacent, across or up to their property lines pay 50% of the assessment rate for the new mainline sanitary sewer as well as 100% of the cost associated with replacing the service lines.

Any existing service lines found to be defective as part of a street reconstruction are replaced as part of the project and assessed directly to the property benefited.

(E) Watermain Assessments. Assessments for watermains in residential areas are based upon the cost of construction of 8 inch mains, which is the smallest size installed in residential areas of the City. Assessments for watermains in commercial and industrial areas are based upon the standard size of 12-inch mains.

Oversizing costs due to larger mains and larger appurtenance are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area water charges shall be levied to all un-platted property at the time of platting and to re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule during the first City Council meeting in January of each year. Services installed to individual properties shall be fully assessed to the benefiting property.

Normally, watermains are assessed on a per lot basis, but in certain situations the area or adjusted front method may be utilized at the City Council's discretion.

The replacement of existing watermains is assessed 25%.

Lateral benefit from major trunk water mains is assessed to properties benefited by the water main. Lateral water main assessments are to be based on the costs for an equivalent 8" diameter water main for residential properties and for an equivalent 12" diameter water main for residential properties and for an equivalent 12" diameter water main for commercial/industrial properties.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing water services, but do not have mainline watermains adjacent, across or up to their property lines pay 50% of the assessment rate for the new watermain as well as 100% of the cost associated with replacing the service lines.

Any existing service lines found to be defective as part of the project, are assessed directly to the property.

(F) Street Boulevard Trees. All street boulevard trees installed as part of new street constructions or in reconstructing existing streets shall be included as part of the overall project costs included in the assessment calculations.

(G) Street Lights. All costs for new streetlights installed as part of constructing new streets or streetlights relocated as part of reconstructing streets are included in the overall project costs and included in the assessment calculations. In new subdivisions, the City may require the developer to finance street light improvement rather than assessing the cost.

(H) Other Improvements. Based on the City Council determination, any other improvements may be fully assessed or assessed in part.

SECTION 11. DEFERMENT OF SPECIAL ASSESSMENTS

(A) The Council may defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability, and the City Administrator is hereby authorized to record the deferment of special assessments where the following conditions are met:

1. The applicant must apply for the deferment not later than 90 days after the assessment is adopted by the City Council.
2. The applicant must be 65 years of age or older or retired by virtue of permanent and total disability.
3. The applicant must be the owner of the property.
4. The applicant must occupy the property as his principal place of residence.
5. The average annual payment for assessments levied against the subject property exceed one percent of the adjusted gross income of the applicant as evidenced by the applicant's most recent federal income tax return. The average annual payment of an assessment shall be the total cost of the assessment divided by the number of years over which it is spread.

(B) The deferment shall be granted for as long a period of time as the hardship exists and the conditions aforementioned have been met. However, it shall be the duty of the applicant to notify the City Administrator of any change in his status that would affect eligibility for deferment.

(C) The entire amount of deferred special assessments shall be due within sixty days after loss of eligibility by the applicant. If the special assessment is not paid within the sixty (60) days, the City Administrator shall add thereto interest at a per annum interest rate of two percent (2%) above the bond interest rate and the total amount of principal and interest shall be certified to the County Auditor for collection with taxes the following year. Should the applicant demonstrate to the satisfaction of the Council, that full repayment of the deferred special assessment would cause the applicant particular undue financial hardship, the Council may order that the applicant pay within sixty days a sum equal to the number of installments of deferred special assessments outstanding and unpaid to date, including principal and interest, with the balance thereafter paid according to the terms and conditions of the original special assessments.

(D) The option to defer the payment of special assessments shall terminate and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:

1. The death of the owner when there is no spouse who is eligible for deferment.
2. The sale, transfer or subdivision of all or any part of the property.
3. Loss of homestead status on the property.
4. Determination by the Council for any reason that immediate or partial payment would impose no hardship.
5. At the request of the property owner.

State Law References(s): Minn. Stat. § 435.193, Senior Citizens or retired & disabled persons hardship special assessment deferral.

This Ordinance shall become effective immediately upon publication.

Adopted by the City Council of the City of Arlington on the 5th day of November, 2007.

/s/ James R. Krefl
Mayor James R. Krefl

/s/ Matthew Jaunich
City Administrator Matthew Jaunich

Adm. Jaunich presented Ordinance No. 216 – An Ordinance to Amend Ordinance 177, Authorizing the City Council to Establish Street Sign Locations and Regulate Parking and Snow Removal within City Limits for its first reading. He stated that private businesses will no longer be permitted to push snow onto the city street; they will either have to pile it on their property or contract with the City to have it hauled away at a specified cost (based on property size). It was noted that the second reading of this Ordinance will be held at the next regular meeting.

Adm. Jaunich presented Ordinance No. 217 – An Ordinance to Amend Ordinance 94 and 207, Regulating Meetings of the City Council for its first reading. He reviewed the changes, which included the time of the regular meetings and addition of posting locations. He commented that this ordinance will permit the City to be more compliant with the open meeting laws. It was noted that the second reading for this ordinance will be at the next regular meeting.

P&Z Administrator Smith-Strack presented Ordinance No. 213 – An Ordinance for the Purpose of Protecting the Planning Process and Developing Standards for Detached Accessory Structures in the R-1 Single-Two

Family Residential District and the R-2 Multiple Family Residential District for its second reading. She stated that this ordinance (moratorium) will give the City/Planning & Zoning Committee time to determine whether or not the current zoning standards adequately support the presence of detached accessory structures that are in keeping with the residential character of neighborhoods within the City of Arlington. The Planning Committee will be considering floor area, setbacks, height, exterior design and materials for accessory structures, along with the number of accessory structures that will be permitted and Conditional Use Permit requirements. She explained that moratoriums are good for 6 months, unless a new ordinance is enacted during that period or the City Council deems it necessary to grant an extension. Smith-Strack commented that the Planning & Zoning Committee had recommended approval of the proposed ordinance.

Motion by Reetz, seconded by Griep, and passed by unanimous vote to approve Ordinance No. 213 – An Ordinance for the Purpose of Protecting the Planning Process and Developing Standards for Detached Accessory Structures in the R-1 Single-Two Family Residential District and the R-2 Multiple Family Residential District as follows:

ORDINANCE NO. 213

AN ORDINANCE FOR THE PURPOSE OF PROTECTING THE PLANNING PROCESS AND DEVELOPING STANDARDS FOR DETACHED ACCESSORY STRUCTURES IN THE R-1 SINGLE-TWO FAMILY RESIDENTIAL DISTRICT AND THE R-2 MULTIPLE FAMILY RESIDENTIAL DISTRICT

THE CITY COUNCIL OF THE CITY OF ARLINGTON, MINNESOTA TO PROMOTE THE PUBLIC SAFETY, HEALTH AND WELFARE, HEREBY ORDAIN AS FOLLOWS:

SECTION 1. PURPOSE

- A. The City of Arlington is currently studying standards for detached accessory structures in the R-1 and R-2 zoning districts as regulated by Ordinance 169, the Arlington Zoning Ordinance.
- B. The objective of the study is to review zoning standards relating to detached accessory structures in the R-1 and R-2 districts so as to determine appropriateness of said standards to ensure detached accessory structures are in keeping with the residential character of neighborhoods.
- C. In addition to the study, the City may need to revise the Arlington Zoning Ordinance relating to the following issues:
 - Accessory structure floor area
 - Accessory structure setbacks
 - Accessory structure height
 - Accessory structure exterior design
 - Accessory structure exterior materials
 - Conditional Use Permits requirements for detached accessory structures
- D. There is a need for the City to study this issue so that the City staff and the City Council will have current and relevant information before considering or making any changes to the city's zoning ordinance.

SECTION 2. DETACHED ACCESSORY STRUCTURE STUDY; MORATORIUM

- A. The City Council authorizes the City staff to do this study. The Consulting Planner shall coordinate this study (during normal contracted office hours and meetings as assigned) with the Planning Commission, other government agencies, property owners, interested citizens, the City Council and any other entities that may provide input to the study.
- B. Upon completion of the study, the Consulting Planner will present study results to the Planning Commission for their review and recommendation to the City Council.
- C. A moratorium on the erection of detached accessory structures in the R-1 Single and Two Family Residential District and the R-2 Multiple Family Residential District is adopted pending completion of the study and/or the adoption of any amendments to the City's zoning ordinance as the City deems necessary because of the study. The City will not approve any building permit or other request for the new or expanded detached accessory structures during the moratorium period. The City may issue building permits for the remodeling of existing detached accessory structures, provided no expansion or relocation is of said existing structure is contemplated.

SECTION 3. TERM

The term of ordinance shall be for six (6) months or until the City Council adopts amendments to the City's zoning ordinance as the City deems necessary because of the study or the City Council takes any action that directly impacts the study or the ordinance.

SECTION 4. EFFECTIVE DATE

This Ordinance shall be effective upon publication in the official newspaper.

Adopted by the City of Arlington on the 5th day of November, 2007.

Attest: /s/ James R. Kreft
James R. Kreft, Mayor

/s/ Matthew Jaunich
Matthew Jaunich, City Administrator

P&Z Administrator Smith-Strack presented Ordinance No. 215 – An Ordinance Repealing and Replacing Ordinance 196 Regarding the Regulation of Telecommunication Towers, Antennas and Related Facilities within the City Arlington and Providing for Administration and Enforcement of such Regulations for its first reading. She reviewed the changes and/or additions, which included more language about “commercial” wireless telecommunication services. She commented that the Planning & Zoning Committee held a public hearing for the proposed ordinance and were recommending approval. It was noted that the second reading for this ordinance will be held at the next regular meeting.

P&Z Administrator Smith-Strack stated that the Sibley County Public Works Department had applied for a variance to construct a 1,600 (40x40) steel frame durable fabric covered structure to be placed on bituminous pavement. She stated that the intended use would be to shelter road salt from snow/rain. The Planning and Zoning Committee held a public hearing and were recommending approval based on the following findings:

1. That there are special circumstances or conditions affecting the land, building or use referred to on the application.
 - A. The proposed structure will be used to contain road salt and will eliminate existing surface water runoff of concentrated salt from completely unenclosed storage of road salt.
 - B. The proposed structure is designed to accommodate access by a front-end loader at all times and will be enclosed on three sides but open on the remaining side.
2. That the granting of the variance is necessary for the preservation and enjoyment of substantial property rights.
 - A. The proposed structure will be used to contain road salt and will eliminate existing surface water runoff of concentrated salt from completely unenclosed storage of road salt. Prevention of surface water runoff containing concentrated salt content will benefit the parcel in question and the related environment substantially.
3. That the granting of the variance will not materially affect adversely the health or safety of persons residing or working in the neighborhood of the property and that the granting of the variance will not be materially detrimental to the public welfare or injurious to property or improvements in the neighborhood.
 - A. The proposed structure will be used to contain road salt which will not be a suitable environment for harboring of rodents.
 - B. The proposed structure while not placed on concrete will be placed on a bituminous surface which provides similar impervious protection.

Councilmember Vrklan introduced the following resolution and moved for its adoption:

RESOLUTION NO. 29-2007

RESOLUTION APPROVING A VARIANCE TO FOUNDATION REQUIREMENTS FOR ACCESSORY STRUCTURES AT 518 FREEDOM DRIVE (SIBLEY COUNTY PUBLIC WORKS FACILITY)

WHEREAS, Sibley County Public Works Department has submitted a request for a variance to Section 13, Subd. 4(2) Zoning Ordinance to allow construction of an unenclosed accessory building without a permanent foundation; and

WHEREAS, notice of a public hearing to accept input on the variance request was published in the official newspaper on November 18, 2007 and sent to property owners within 350 feet of the property; and

WHEREAS, the Planning Commission conducted a public hearing on the variance request on November 1, 2007 and accepted input on the variance request; and

WHEREAS, the Planning Commission has reviewed the variance request and has made the following findings:

1. That there are special circumstances or conditions affecting the land, building or use referred to on the application.

- A. *The proposed structure will be used to contain road salt and will eliminate existing surface water runoff of concentrated salt from completely unenclosed storage of road salt.*
- B. *The proposed structure is designed to accommodate access by a front-end loader at all times and will be enclosed on three sides but open on the remaining side.*
- 2. That the granting of the variance is necessary for the preservation and enjoyment of substantial property rights.
 - A. *The proposed structure will be used to contain road salt and will eliminate existing surface water runoff of concentrated salt from completely unenclosed storage of road salt. Prevention of surface water runoff containing concentrated salt content will benefit the parcel in question and the related environment substantially.*
- 3. That the granting of the variance will not materially affect adversely the health or safety of persons residing or working in the neighborhood of the property and that the granting of the variance will not be materially detrimental to the public welfare or injurious to property or improvements in the neighborhood.
 - A. *The proposed structure will be used to contain road salt which will not be a suitable environment for harboring of rodents.*
 - B. *The proposed structure while not placed on concrete will be placed on a bituminous surface which provides similar impervious protection.*

WHEREAS, the Planning Commission on November 1, 2007 approved Planning Commission Resolution 07-2007 recommending the City Council approve the variance request; and,

WHEREAS, the City Council discussed the request and findings of fact.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON THAT: The City Council of the City of Arlington hereby approves a request for variance Section 13, Subd. 4(2) Zoning Ordinance to allow construction of an unenclosed accessory building without a permanent foundation at 518 Freedom Drive.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Borchert and upon role call taken thereon the following voted in favor thereof: Borchert, Griep, Reetz, Vrklan, Wills; and the following vote against or abstained: None; and the following were absent: None.

Whereupon the motion was declared duly passed and executed.

Passed and adopted by the City Council this 5th day of November, 2007.

Attest: /s/ James R. Kreft
Mayor James R. Kreft

/s/ Matthew Jaunich
City Administrator Matthew Jaunich

Councilmember Reetz introduced the following resolution and moved for its adoption:

RESOLUTION NO. 30-2007

A RESOLUTION AUTHORIZING SUMMARY PUBLICATION OF ORDINANCE 213 ENTITLED “AN ORDINANCE FOR THE PURPOSE OF PROTECTING THE PLANNING PROCESS AND DEVELOPING STANDARDS FOR DETACHED ACCESSORY STRUCTURES IN THE R-1 SINGLE-TWO FAMILY RESIDENTIAL DISTRICT AND THE R-2 MULTIPLE FAMILY RESIDENTIAL DISTRICT”

WHEREAS, the City of Arlington Zoning Ordinance was placed into effect several years ago; and

WHEREAS, the Arlington Planning Commission routinely reviews portions of the Zoning Ordinance to ensure it is up to date; and

WHEREAS, the Planning Commission recommended the City Council approve an interim ordinance on the development of accessory structures in certain residential zoning classifications as a means of protection the planning process and determining whether existing standards adequately protect the integrity of residential zones with regard to the construction of accessory structures; and

WHEREAS, a public hearing is not required to approve the proposed interim ordinance; and

WHEREAS, The City Council of the City of Arlington held a first reading of Ordinance 213 at its regular meeting on October 15, 2007; and,

WHEREAS, The City Council of the City of Arlington approved the second reading and adoption of Ordinance 213 at its regular meeting on November 5, 2007; and,

WHEREAS, The City Council of the City of Arlington has determined the publication of the title and a summary of Ordinance 213 entitled “An Ordinance for the purpose of protecting the planning process and developing standards for detached accessory structures in the R-1 Single-Two Family Residential District and the R-2 Multiple Family Residential District” would clearly inform the public of the intent and effect of Ordinance 213; and,

WHEREAS, Prior to the publication of the title and summary, the Council has read and approved the text of the summary and determined that it clearly informs the public of the intent and effect of the Ordinance.

NOW, THEREFORE, BE IT RESOLVED, that the City Administrator shall cause a summary of Ordinance No. 213 to be published in the City’s official newspaper at the earliest practicable date.

BE IT FURTHER RESOLVED, the summary publication shall read as follows:

“On November 5th 2007 the City Council of the City of Arlington approved Ordinance 213 entitled “An Ordinance for the purpose of protecting the planning process and developing standards for detached accessory structures in the R-1 Single-Two Family Residential District and the R-2 Multiple Family Residential District.’ The Ordinance in its entirety is available for review and/or photocopying during regular office hours at the City of Arlington, 204 Shamrock Lane, Arlington, Minnesota 55307. The Ordinance places a six month moratorium on the development of accessory structures within the R-1 and R-2 Residential Districts.”

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Griep and upon poll being taken thereon the following voted in favor thereof: Borchert, Griep, Reetz, Vrklan, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Adopted by the City Council of the City of Arlington this 5th day of November, 2007.

Signed: /s/ James R. Kreft
Mayor

Attested: /s/ Matthew Jaunich
City Administrator/Treasurer/Clerk

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Councilmember Griep introduced the following resolution and moved for its adoption:

RESOLUTION NO. 31-2007

**A RESOLUTION AUTHORIZING SUMMARY PUBLICATION OF ORDINANCE 214 ENTITLED
“AN ORDINANCE ESTABLISHING A POLICY FOR PUBLIC IMPROVEMENTS, TRUNK AREAS,
MAINTENANCE COSTS AND SPECIAL ASSESSMENTS”**

WHEREAS, the City Council of Arlington routinely passes ordinances to promote the public safety, health and welfare of the residents of Arlington; and

WHEREAS, the City Council initiated an ordinance (214) to establish policies regarding public improvements, trunk areas, maintenance costs and special assessments; and

WHEREAS, the City Council held a first reading of Ordinance 214 at its regular meeting on October 15, 2007; and

WHEREAS, the City Council approved the second reading and adoption of Ordinance 214 at its regular meeting on November 5, 2007; and

WHEREAS, the City Council of the City of Arlington has determined the publication of the title and a summary of Ordinance 214 entitled "An Ordinance establishing a policy for public improvements, trunk areas, maintenance costs and special assessments" would clearly inform the public of the intent and effect of Ordinance 214; and

WHEREAS, prior to the publication of the title and summary, the Council has read and approved the text of the summary and determined that it clearly informs the public of the intent and effect of the Ordinance.

NOW, THEREFORE, BE IT RESOLVED, that the City Administrator shall cause a summary of Ordinance No. 214 to be published in the City's official newspaper at the earliest practicable date.

BE IT FURTHER RESOLVED, the summary publication shall read as follows:

"On November 5th 2007, the City Council of the City of Arlington approved Ordinance 214 entitled 'An Ordinance establishing a policy for public improvements, trunk areas, maintenance costs and special assessments.' The Ordinance in its entirety is available for review and/or photocopying during regular office hours at the City of Arlington, 204 Shamrock Drive, Arlington, Minnesota 55307. The purpose of the Ordinance is to establish a fair and equitable manner of assessing the increase in special benefit associated with public improvements. The procedures used by the City of Arlington will be those specified by Minnesota Statutes, Chapter 429 which provides that all or a part of the cost of improvements may be assessed against benefiting properties."

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Vrklan and upon poll being taken thereon the following voted in favor thereof: Borchert, Griep, Reetz, Vrklan, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Adopted by the City Council of the City of Arlington this 5th day of November, 2007.

Signed: /s/ James R. Kreft
Mayor

Attested: /s/ Matthew Jaunich
City Administrator/Treasurer/Clerk

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Councilmember Griep introduced the following resolution and moved for its adoption:

RESOLUTION NO. 32-2007

A RESOLUTION APPROVIING THE ADDITIONAL LOCATION FOR A LAWFUL GAMBLING LICENSE FOR THE ARLINGTON BASEBALL ASSOCIATION

WHEREAS, on January 23, 2006, the Arlington City Council approved the Application for a Lawful Gambling License for the Arlington Baseball Association to be located at Neisen's Bar, 310 West Main Street.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Arlington hereby approves the Arlington Baseball Association to have a second location under their Lawful Gambling License to be held at the Arlington Haus, 147 West Main Street, Arlington, MN 55307.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Wills and upon poll being taken thereon the following voted in favor thereof: Borchert, Griep, Reetz, Vrklan, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Adopted by the City Council of the City of Arlington this 5th day of November, 2007.

Signed: /s/ James R. Kreft
Mayor

Attested: /s/ Matthew Jaunich
City Administrator/Treasurer/Clerk

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Mayor Kreft commented that the Comprehensive Plan Task Force had met recently to discuss sending out a Request for Qualifications (RFQ) for putting a Comprehensive Plan together for the city. The Task Force decided at that meeting to ask only Municipal Development Group (MDG) for a proposal, since they were already familiar with their work as its Planning & Zoning Consultant. Mayor Kreft stated that Cynthia Smith-Strack of MDG had put a proposal together and presented it to both the Task Force and the Planning & Zoning Committee, who were recommending to the Council to approve it. Smith-Strack reviewed the proposal in detail, along with a proposed compensation schedule. Mayor Kreft commented that the cost (\$26,183) for the Comp Plan has been figured into the preliminary 2008 budget already. He added that Bolton & Menk gave a demonstration to the Task Force of how the Geographic Information System (GIS-mapping) worked and would be happy to give the demonstration again as needed.

Motion by Vrklan, seconded by Griep, and passed by unanimous vote to hire Municipal Development Group to be the City's consultant for a Comprehensive Plan in the amount of \$26,183 (Mayor Kreft noted that this would come out of the 2008 Budget).

Discussion was held on having a joint Council-Planning & Zoning-EDA meeting to get the Comprehensive Planning process rolling. Mayor Kreft commented that Bolton & Menk would be willing to come up and give another demonstration to show how the GIS program works. He noted that the meeting would be strictly informational in nature; no action would be taken. It was the consensus of the Council to hold the joint meeting on Thursday, November 8th at 6:00 p.m. at the Technology Center.

P&Z Administrator Smith-Strack reviewed the details of the proposed Golden Hearts expansion project and the parking regulations for said expansion. She stated that Golden Hearts is proposing a parking lot (4 regular stalls and 1 handicap stall) on the east side of the addition, which would be accessed off Shamrock Drive. It was noted that they currently do not have a parking area other than the circular driveway and on the street. Smith-Strack commented that the Building Code dictates the number of handicap spaces needed, but felt comfortable with what was being proposed and was recommending Council approval of same.

Motion by Reetz, seconded by Borchert, and passed by unanimous vote to approve the parking area for Golden Hearts as presented on the site plan with the understanding that the number of handicap stalls and size will be dictated by the Building Code.

The Council reviewed information from Bolton & Menk regarding the proposed drainage option request from Golden Hearts, which would allow their rain garden to be drained/piped to the existing storm sewer manhole in the TH 5 ditch.

Motion by Griep, seconded by Wills, and passed by unanimous vote to approve the request from Golden Hearts to connect their rain garden to the city storm sewer system.

Smith-Strack gave an update on the proposed cell tower location at the fairgrounds. She stated that the temporary tower is in place, and various specialists have been out and are in the process of evaluating the situation (determining arrival/departure paths, clearance, etc.). Upon initial review of the proposed tower site, it does not appear that the tower will be in the arrival/departure path and there appears to be a 10 foot clearance, which does meet the guidelines with regards to elevation and rise/run allotment. MnDOT was recommending that the City require a red light on the top of the tower versus the flashing white light. Vrklan questioned if anyone had spoken with the pilots about the proposed tower. Smith-Strack stated that the former Hospital Administrator had and they had expressed concern that the tower was not going to be lit.

Attorney Arneson commented that both he and Adm. Jaunich had attended the auction for the G.E.I.S. building on Main Street. He stated that there were a few interested parties and/or bidders, but Connie Klitzke was the

high bidder at \$70,000, which was the amount Adm. Jaunich was authorized to accept. Arneson stated that both the Arlington State Bank (first mortgage holder) and the City of Arlington (second mortgage holder) accepted the bid. He stated that the closing is anticipated to be in November, but there was a greater process to go through because of the bankruptcy. Arneson informed the Council that the sale price will cover the first mortgage completely, the closing costs and most of the second mortgage, excluding approximately \$6,000-\$7,000. He stated that the remaining balance will activate the personal guaranty clause that was put in the second mortgage, which Connie Klitzke is aware of and intends to pay. Arneson spoke on the remaining property and equipment within the G.E.I.S. bankruptcy and how it was being handled.

Adm. Jaunich presented some preliminary assessments that had been put together by Bolton & Menk for the Highland View utility improvements, which included the costs for a lift station. The various options included assessing by acreage and/or by lot frontage. Adm. Jaunich stated that the 3 options were all within the guidelines of the newly adopted Assessment Policy. He explained that he was bringing this to the Council now so that he would have some direction when/if the residents in the Highland View Subdivision petition the City for annexation. Reetz commented that option 3 should include water where it says "sanitary sewer cost based on per acre cost along Co Rd 69, and by front foot for properties fronting on the loop". There was considerable discussion on which option would be the most fair to everyone. Mayor Kreft recapped the discussion as:

- 1) Propose to use option 3, but treat the water and sanitary sewer the same (per acre for residents 15-19 and front footage for the residents in the loop{ 1-14});
- 2) Lift station to be assessed by lot size; and
- 3) Storm sewer would be assessed 100% to the benefiting properties.

Adm. Jaunich will take the changes back to the engineer to have the assessments reformulated and present them at the next regular meeting. He will then be able to send letters out the residents in order to give them a better idea of what costs they will be looking at.

Discussion resumed on the Fire Relief Association's requests to hire their own Auditor and increase the city contribution per member. Adm. Jaunich stated that he was informed by Mark Babcock (current auditor for both the City and Fire Relief) that the fee charged to the city would stay the same regardless if he did the Fire Relief or not. Mayor Kreft expressed his feelings that the concerns the Fire Relief Association has should be brought to Babcock and if they are not addressed the City should look for a new auditor all together.

Motion by Vrklan, seconded by Borchert, and passed by unanimous vote to deny the Fire Relief Association's request to hire a new auditor with the condition that Babcock & Langbein will be given one more year to address the issues/concerns of the Fire Relief Association, otherwise a new auditor will be sought for 2009.

Motion by Reetz, seconded by Griep, and rescinded to increase the City's contribution to the Fire Relief Association (per member) in accordance with the State Fire Aid (inflation or cost of living increase) each year as the Council decided that more information was needed before taking any action.

The Council reviewed the letter from the Sibley East Junior High School requesting free use of the Community Center for their annual Courage Retreat for 7th grade students. Councilmember Wills expressed concern about setting precedence for other non-profit organizations.

Motion by Vrklan, seconded by Griep, and carried (Wills opposed) to waive all fees for the Community Center for the SE Junior High School Courage Retreat for 7th grade students on December 18, 2007.

Borchert talked about the caraways in the cemetery (original section). He stated that the Cemetery Committee had made a motion to have the caraways platted so they could become sellable lots, which said motion was rescinded at their next meeting. He stated the reason for the change was for historical reasons (preserve the original section as it was originally platted), plus the high cost associated with the platting process. He added that there have been instances where an individual is interested in a single lot that is adjacent to the cart way and has a spouse that would like a companion lot next to it within the cart way. He stated that caraways are not really used for anything at this time and the Committee did not foresee issues with monuments/stones. Reetz questioned how the lot would be identified for recording purposes. Borchert commented that a legal description

could be created based on the description from the single lot by adding a specified number of feet within the cart way.

Motion by Griep, seconded Wills, and passed by unanimous vote to give the Cemetery Committee the authority to create companion lots within the caraways in the original section of the Cemetery, as deemed necessary.

Borchert commented that the Cemetery Committee would like to reduce the lot price for all lots north of Roadway 3 in the cemetery, excluding the area of the new entrance (not open to burials at this time) to \$200, which all lots are currently \$250. He stated the reason for this reduced price is the Committee is aware that there are still many sellable single lots available and are hoping that a price reduction would make the lots more attractive to the public. Borchert reiterated that the current rules for the Cemetery allow 1 traditional burial, 1 traditional burial with 1 cremation at the foot, or 2 cremations per lot.

Motion by Reetz, seconded by Griep, and passed by unanimous vote to approve the Cemetery Committee's recommendation to reduce the sale price for all lots north of Roadway 3 in the cemetery to \$200.

Griep commented that at the most recent Employee Relations Committee meeting they reviewed the Employee Policy Handbook. Adm. Jaunich stated that there are a few steps to go through yet.

Reetz commented that the Hiring Committee within the Fire Department recently reviewed the applications for Chief, 1st and 2nd Chief and Safety/Training Officer. He stated that only 1 individual had applied for the Chief's position, 4 individuals had applied for the 1st and 2nd Chief positions and only 1 applied for Safety/Training Officer. He stated that some changes may have to be made to the minimum qualifications for the Safety/Training Officer job description and explained why.

Adm. Jaunich commented on the MMPA meeting that he had attended recently. He stated that they are still pursuing the wind towers for each member city. The proposed towers are approximately 260-280 feet from the base to the hub with the blades being an additional 180-200 feet in length. Adm. Jaunich stated that the Planning & Zoning Committee has been discussing the proposed tower (setbacks, location, etc.).

Griep gave an update on the Hospital Board. He stated that the meetings will now be held at the Community Center so they can be recorded, which said meetings will be aired on the public access channel. He stated that Board is looking for 2 new members as former Chairperson Eleanor Trocke has resigned and Tom Noack's term is ending. He stated that Board is also looking for a new Administrator and still pursuing options with Ridgeview Medical Center.

Wills and Vrklan gave a brief update on the Police Committee.

Mayor Kreft commented that 16 names had been suggested for the new Charter Commission, but only 15 are allowed. He stated that Lowell Nagel has volunteered to be an alternate and the remaining names will be submitted to a District Judge for approval.

Mayor Kreft thanked Adm. Jaunich for all his hard work on the Assessment Policy and the end product is a good one. Wills also commented that Adm. Jaunich is doing an excellent job.

Motion by Reetz, seconded by Vrklan, and passed by unanimous vote to adjourn the meeting at 9:09 p.m.

/s/ Matthew Jaunich
Administrator Matthew Jaunich

/s/ James R. Kreft
Mayor James R. Kreft