

PUBLIC HEARING
CITY OF CROSSLAKE
SANITARY SEWER EXTENSION TO CSAH 16
PRELIMINARY ASSESSMENT HEARING
FRIDAY, DECEMBER 13, 2019
2:00 P.M. - CITY HALL

The Council for the City of Crosslake met in a Special Session on Friday, December 13, 2019 at City Hall. The following Council Members were present: Mayor Dave Nevin, John Andrews, Dave Schrupp, Aaron Herzog and Gary Heacox. Also present were City Administrator Mike Lyonais, City Clerk Char Nelson, Public Works Director Ted Strand, City Attorney Brad Person, and City Engineer Phil Martin. There were approximately forty-three people in the audience.

Mayor Nevin called the meeting to order at 2:00 P.M. and the Pledge of Allegiance was recited. The meeting was then turned over to Phil Martin, who presented the scope of the project, project cost summary, timing of project, and proposed assessments. The initial sanitary sewer project was completed in 2004. The purpose of extending sanitary sewer is to keep the lake waters clean. The project extends sanitary sewer approximately 4000 feet, from City Hall along CSAH 66 to the intersection of CSAH 16. The project was initiated by Moonlite Bay, wanting to expand the restaurant and needing a larger septic or city sewer in order to meet the requirements. The total project cost is approximately \$1.3M. The City hired an appraiser to supply the City with a value of benefit to the affected properties along the project route.

Shawn Peterson of 61 Marine stated that he is not against the project, only against the cost. Mr. Peterson noted that no assessments were charged against the property owners in Phase 1 and that the proposed cost for him to hookup is ridiculous. Phil Martin explained the method used to calculate the costs: 61 Marine sits on 1.66 acres of land. The appraiser suggested charging commercial properties by square foot. The Council chose the mid-range cost that the appraiser supplied at \$0.35 which makes the proposed assessment \$25,308.36. The assessment plus the flat commercial connection of \$6,500 plus the cost that the property owner needs to pay to have the line connected from the road to the building, brings the total to approximately \$40,000.

Pastor Mark Holmen of the Log Church stated that he has great respect for the Council and the decisions they have to make, however, there is no need for the church to hookup to City sewer. Their septic is three years old. The estimated assessment and hookup fees for the church are \$70,000 plus the cost to bring the line to the building. The church is a non-profit and provides many programs to the community free of charge. This assessment would cause a major hardship for the church. Pastor Mark asked why everyone needs to hookup.

Lee Fischer of 13733 County Road 66 asked why the connection charges are higher for lakeside properties. Mr. Fischer asked the audience how many were in favor of the project. One person raised his hand. Mr. Fischer noted that none of the Council lives in the affected area and stated that the cost was too much.

Jamie Boller of 37221 County Road 66 stated that he was frustrated with the process and does not think there is a need for sanitary sewer now. Mr. Boller suggested that Moonlite Bay look at alternatives for hooking up to sewer.

Steve Faith of 14130 Tall Timbers Trail represented the Old Log Homeowners Association and stated that this project would be too big of an expense for its members.

Richard Hobbs of Simonson Lumber stated that he was in favor of the project and would write a check to the City today. Mr. Hobbs stated that the sewer would add value to the lumber yard.

Tom Hagen of 37225 County Road 66 stated that water quality is important to Crosslake but he is opposed to the residents paying for the entire cost of the project.

Phil Martin explained that the total cost of the project is \$1.3M and that the amount of proposed assessments is \$594,681.80. The City is paying the rest of the cost.

Lee Fischer of 13733 County Road 66 addressed the Council again and stated that he does not think his property value would increase if he hooked up to City sewer.

Jim Schultz, elder at the Log Church, stated that the church does not fit into the commercial or residential classifications and that the City should treat all churches the same.

Jess Eide of Moonlite Bay stated that the whole community benefits from water quality and that the City should pay for the project rather than just the affected property owners.

Mayor Nevin stated that he sees many holes in the proposed assessments and doubts that it would be defensible in court. Mayor Nevin presented a payment schedule. The proposal estimates \$357,875 paid by property owners, \$357,875 paid by City funds and \$384,250 to be paid by local option sales tax. The estimated cost for residential properties would be \$7,000 and \$9,625 for commercial properties. The Mayor stated that this would be a one-time fee and it could be called a hookup fee or assessment. The Mayor thought this was a fairer way to split the cost of the project and asked the Council to consider this alternative. MOTION 12SP2-01-19 WAS MADE BY DAVE NEVIN AND SECONDED BY AARON HERZOG TO HAVE THE COUNCIL CONSIDER THE PROPOSED ALTERNATIVE ASSESSMENT PLAN. Mayor Nevin stated that this is a little town and that the City cannot force that kind of charge on the property owners.

Dave Gahn of 37148 County Road 66 asked if there was an alternative to the big sewer pipe and stated that there is no benefit to his property to hookup to sewer. Mr. Gahn added that he is in favor of a sales tax to alleviate the cost of sewer expansion.

Richard Eide of Moonlite Bay stated that the Mayor's proposal is closer to the costs that property owners paid in 2004 for the initial sewer project. The audience seemed to be in favor of the proposal.

Mayor Nevin cautioned that the approval of sales tax is unknown and that the City could use reserves to pay for the project if sales tax was denied. Lee Fischer of 13733 County Road suggested that the Council ask for 1% sales tax rather than ½%.

Steve Baker of 37441 County Road 66 agreed that the Council should consider requesting a 1% sales tax and suggested that the Council delay the project until the City knows whether or not the sales tax is approved by the State and the voters.

Pastor Mark stated that he loves the proposal from the Mayor and that the church would be in favor of the project at that cost.

Attorney Person stated that he would not recommend initiating the proposal because the City has an assessment policy and it should be followed. The City already implemented the assessment policy to the property owners on the Daggett Bay Road project. Attorney Person cautioned that construction costs increase approximately 12% per year and that the City would have to increase the levy by \$800,000 to support the proposal.

John Andrews stated that he is concerned of doing a project that the citizens are against and questioned how and when to fund the project.

Gary Heacox stated that this is the reason the sewer has not been expanded. The cost is prohibitive for both the City and the residents.

John Gleason of 37471 County Road 66 stated that the sewer will eventually be needed on this stretch of town but that the cost is too high.

Attorney Person suggested that if the Council plans to move forward with the project and needs time to consider the assessments, the engineer could still move forward with the plans. Dave Schrump agreed and stated that the specs are needed to determine costs.

Mike Lyonais noted that two letters were received from property owners against the project.

MOTION CARRIED WITH ALL AYES.

MOTION 12SP2-02-17 WAS MADE BY AARON HERZOG AND SECONDED BY DAVE SCHRUPP TO AUTHORIZE BOLTON & MENK TO CONTINUE WITH PLANS AND SPECS FOR SANITARY SEWER EXTENSION TO CSAH 16. MOTION CARRIED WITH ALL AYES.

There being no further discussion, the Mayor adjourned the meeting at 3:40 P.M.

Respectfully submitted by,



Charlene Nelson
City Clerk

PUBLIC HEARING
CSAH 66 SANITARY SEWER ASSESSMENT HEARING
CITY OF CROSSLAKE
FRIDAY, DECEMBER 13, 2019
2:00 P.M. - CITY HALL

SIGN-IN SHEET

NAME	ADDRESS	PHONE
Tom Higin	57225 Cty Rd 66	612-747-2921
Mark Heimer	37483 Deer Ridge Dr	805-207-0425
Jim Schultz	9686 KIMBLE ACROSS (Talked Church)	218-432-0988
Stephen Genevieve	37742 Co Rd 66	218-831-1287
EVA M. KREITZ	P.O. Box 840 - Poplar	218-692-3669 218-355-673-3669 218-692-3669
DALE MARBERG	12444 Anahar Pl. Rd	218-692-4448
Jessica Eide	38083 CR 66 N	612-309-0380
Richard Eide	38083 CR 66	612-598-5354
Tim Berg	12038 Harbor Ln	612-968-2422
Shawn Peterson	13751 Daggett Ave RD	218-692-6161
Patrick Se	13751 Daggett Ave Rd	218-692-6161
Jeff Halverson	13751 Daggett Pine Rd	651-238-2622
Carol Anderson	2670 Kelley Pkwy Longlake	612-578-9093
Jan Fischer	Cty Rd 66	612-418-6428
KEID PRICE	12081 WHITEFISH AVE	218-831-8088
Doug Venzke	13306 CR 103	218-692-5979
Justin Wallin	Moon Lake Square	218-692-2998
Michael Wallin	" "	" "
William Ho Fraser	57670 Co Rd 66	692-4056
Daniel Kreitz		692-3669
KEID PRICE	7656 Ski Chalet Dr	83-5745

