CITY OF MAYER
CITY COUNCIL WORKSHOP MEETING
CITY COUNCIL CHAMBERS
MONDAY, JUNE 8, 2020
AFTER REGULARLY SCHEDULED CITY COUNCIL MEETING

1. Call Meeting to Order
2. IT System Upgrades
2. 2021 Street Project
3. Adjournment

MAYER

Workshop - Memorandum
Item: Network Updates – City of Mayer
Workshop Meeting Date: June 8, 2020
Presented By: Margaret McCallum, City Administrator

Details:
**Jimmy Brand, Brand Networking, IT Consultant, will be at the meeting to go over this project in more detail with the City Council.*

Beginning in fall of 2019, staff has been working with Brand Networking for professional IT services to review the city's current IT set up and identify areas that need improvement and upgrades.

Brand Networking has been in business since 1989 providing networking services to various law enforcement agencies, fire departments, municipalities, and other small businesses.

Assessment:
The City if currently faced with outdated and an inefficient network of hardware, including wireless.

Goals:
The goal of this project is to provide a unified network scenario encompassing all departments (Public Works, Administration, and Fire Department), including a fiber ring for phones, network connectivity and high-speed wireless across all city buildings.

In addition, the long-term solution would be for increased speed, data security and protection in a changing world with respect to high speed internet.

Collaborations and Cancellations:
The City would work with Carver County and Jaguar Communications to connect all departments in the fiber ring.

The City would eliminate all services currently on Frontier Communications and would transfer phones to Jaquar, Office 365 email services to Belay Host [Brand Networking approved vendor]

and network software to Brand Networking. This will eliminate the need for Techstar IT Solutions.

What's Included:

The project would reduce redundancies and increase efficiencies. It would increase network security and gaps in the system.

It would clean up and remove all old, outdated infrastructure in city offices and put it in the locked and secured storage room.

Furthermore, the project would be done at a reduced cost, as we would have the public works department assist in removal and cabling where possible.

2020 Cost Investment (Hardware, Software, Engineering):

**See Network Upgrades Document in Attachment for more detailed information.*

The City budgeted $20,000.00 in Capital Outlay for the project at City Hall and the Fire Department. The cost for the City Hall portion is $16,899.44.

For the Water Treatment Plant and Waste Water Treatment Plant, staff is proposing using money from capital reserve funds to pay for the $4,852.77 for each facility.

	Hardware	Software	Engineering	TOTAL
City Hall/Public Works	$8,654.00	$562.00	$1,812.50	$11,919.40
Fire Department	$2,351.00	$562.00	$1,812.50	$4,980.04
WTP	$2,351.00	$562.00	$1,812.50	$4,852.77
WWTP	$2,351.00	$562.00	$1,812.50	$4,852.77
				$26,604.98

Cost Analysis – Current vs Future

**Please see Cost Analysis of Phones, Internet and Email in Attachment for more detailed information.*

In comparing the current internet, phone, and Office 365 costs with future, the cost analysis shows a $59.22 difference per month (or $710.64 annually).

While there is an increase in some areas, the City is also benefitting in a more reliable, connected, efficient, protected system.

Adding Internet at Old School House Park

Staff is proposing that the Council consider adding internet at the ball fields at Old School House Park. It would be an additional $75/month or $900/year.

2020 Phase II

Phase II would be a 2021 project that the City would potentially budget for. This would include the installation of security cameras at all public buildings.

Attachments.

Network Upgrades Document – Detailed Explanation of Work.
Network Upgrades – By Line Item and Cost Quote.
Cost Analysis.

City of Mayer

Network Upgrade Notes [April 24, 2020]

Brand Networking has been in business since 1989 providing networking services to various law enforcement agencies, fire departments, municipalities and other small businesses.

The following points are relating to topics surrounding this project:

- Mission of upgrade project
    - To provide a unified network scenario encompassing all departments, including a fiber ring for network connectivity and high-speed wireless across the campus
- File Server
    - HP ProLiant series file server with redundant disks, redundant power supplies and global hot spare disks
    - Virtualization of servers using Microsoft Hyper-V
    - Centralized data storage for all departments
    - Rack mounted in locked data room for security
    - Replaces older Lacie NAS storage by Janelle's desk
- Switches
    - Managed gigabit switches with fiber transceivers
    - Quality of service [QOS] for IP phone voice quality
    - Rack mounted switches in all locations
    - Eliminate unmanaged switches in various locations that do not have fiber capability
- Fiber Ring
    - Connecting all departments on a fiber ring through Carver County
    - Eliminate the need for independent firewalls at each location
    - Consolidate internet traffic via one firewall at City Hall
- Firewall
    - Fortinet firewall to manage all network and internet traffic
    - Intrusion detection and protection on internet usage
    - High speed interfaces to take advantage of fiber internet
    - Upgrade to outdated WatchGuard firewall
    - Eliminates all outdated department routers and access points

- Solid State Technology
    - Upgrade several workstations to solid state disks
    - Current Windows 10 workstations are adequate for network
- Battery Backup
    - Rack mounted UPS in server room
    - Provides battery backup for all devices in rack
    - Departments have wall or floor rack mounted UPS for all equipment
- Cabling
    - Public Works employees to assist in pulling Cat5e cable to server room
    - Installation of patch panel in server room
    - Remove existing cables that terminates in Maggie's office
    - Remove old Avaya phone system in Maggie's office
- Wireless
    - Install high-speed access points in all departments
    - Campus wide SSID's for unified Wi-Fi solution at each location
    - Guest Wi-Fi and Council Wi-Fi independent of network access
    - Firewall protection for all Wi-Fi users
- Software
    - Microsoft Server 2016 operating system for host server and all virtualized servers
- Virus Protection
    - Trend Micro virus protection for all servers and workstations across the network
    - Automatic virus updates on daily basis
- Backups
    - Veeam virtual server for server backups
    - iDrive cloud backup for data server and workstations
- Remote Access
    - Screen Connect remote access for city employees using dual factor authentication
    - Remote support from Brand Networking for cost savings
- IP Phones
    - Connection of current 3CX IP phones to QOS switches
    - Management of phones on separate VLAN

- Email
    - Continued use of Office 365 for all users
    - Move Office 365 to Belay Host [Brand Networking partner] with dual authentication for security
- Rack Mounting
    - Wall and floor rack mounts for various departments depending on location
    - Switch, battery backup and surge protector all rack mounted for security purposes and to keep areas clean and dust free
- Printing/Scanning
    - Setup network wide shared printers for convenience

The big picture is to provide the City of Mayer with a professionally managed network solution for all data needs, and to secure all corporate data in event of disaster.

Currently the City is faced with outdated and inefficient network hardware, including wireless. Our proposal is a long-term solution for speed, data security and protection in a changing world with respect to high speed internet.

We look forward to providing the City of Mayer with a custom-tailored solution that addresses all facets of the network infrastructure on a long-term planning basis.

City of Mayer
Network Upgrades
4/24/20 Rev. I

Product Description	Qty	Unit Cost	Ext. Cost
Hardware-City Hall			
HP DL380p Gen8 Xeon 10-core E5-2670v2 2.5Ghz; 25SFF Bays; P420i 2Gb Flash; 128Gb Memory; Redundant 750W Power; Dual CPU's; 2U; Qty 10 1.2Tb SAS 10K Hard Disks [RAID 1 and 5 for Hyper-V virtual servers] 1Gb Ethernet 4-port Gen8	1	3,750.00	3,750.00
3 Year Parts Warranty; Refurbished HP Server parts			
FortiSwitch Layer 2 24-port PoE Gigabit Switch	1	880.00	880.00
FortiSwitch Forticare 24x7 1 Yr. 24-port	1	90.00	90.00
Fortigate Firewall 60F 24x7 3 Yr. with Forticare and UTM Bundle	1	1,430.00	1,430.00
Fortinet Rack Mount Kit for Firewall	1	142.00	142.00
Fortinet SFP Transceiver Module [Fiber link to Jaquar for all switches]	2	39.00	78.00
500Gb 2.5" Solid State Drive [for upgrading Janelle's workstation to solid state disk]	1	99.00	99.00
APC Smart-UPS 2200Va Rack Mount [Battery Backup]	1	1,150.00	1,150.00
2U Rack Mount Kit for Server and UPS Battery Backup [to fit existing 19" rack]	2	190.00	380.00
24-port Patch Panel [for rack mounting in server room]	1	165.00	165.00
FortiAP 221e Access Point	1	365.00	365.00
Seagate 5Tb Backup Plus 2.5" Portable Hard Disk	1	125.00	125.00
Hardware Subtotal for City Hall			**8,654.00**
Hardware-Public Works, Fire Dept, Water Treatment, Wastewater			
FortiSwitch 8-port PoE Gigabit Switch [Fire, Public Works, Wastewater, Water]	4	360.00	1,440.00
FortiSwitch Forticare 24x7 1 Yr. 8-port [Departments]	4	40.00	160.00
Fortinet Rack Mount Kit for Switches	4	109.00	436.00
Fortinet SFP Transceiver Module [Fiber link to Jaquar for all switches]	4	39.00	156.00
500Gb 2.5" Solid State Drive [for upgrading older workstations to solid state disks]	2	99.00	198.00
APC UPS 500Va Lithium Ion Short Depth 1U Rack Mount	4	345.00	1,380.00
APC SurgeArrest Rack Mount 1U	4	97.00	388.00
Wall/Floor Mount Rack Enclosure Cabinet [Qty 2 Wall; Qty 2 Floor]	4	230.00	920.00
Rolling Caster Kit for Rack Enclosure Cabinet	2	75.00	150.00
FortiAP 221e Access Point [Qty 2 for Fire Dept]	5	365.00	1,825.00
Hardware Subtotal for Departments			**7,053.00**
Software			
Windows Server 2019 Standard-Government; 16-cores; Volume Licensing; Downgradable to Server 2016; Licensed for Qty 4 Hyper-V virtual servers	2	760.00	1,520.00
Trend Micro Worry Free Advanced 2-25 1 Yr. Virus Protection	13	56.00	728.00
Subtotal Software			**2,248.00**
Engineering			
Prepaid Engineering Contract [Discounted from Std. Rate of $175.00/Hr.]	50	145.00	**7,250.00**
Total Hardware/Software/Engineering			**25,205.00**

Engineering Notes:

Install HP Proliant Server with Updates
Install Qty 4 Hyper-V virtual servers [Active Directory, Backup Controller; Data; Backup]
Install 24-port FortiSwitch at City; Install 4 Switches in other buildings
Install Fortigate Firewall
Stream existing Lacie data to external disk and take off-site
Stream data to new file server off-site
Add users for City, Fire Department and Public Works
Configure data mapping and security
Deliver and install equipment to City Hall
Public Works to run new Cat5e cable; Brand Networking to punch patch panel
Configure profiles for all user workstations
Upgrade older workstations to solid state disks for performance reasons
Configure backup system to local disk and cloud
Configure printers and scanners
Work with vendors on software apps
Install iDrive on workstations and servers for cloud backup

City of Mayer
Cost Analysis of Phones, Internet & Email

Vendor	Place	Description	Qty	Unit Cost	Current/Mo.	Proposed/Mo.	Diff./Mo.
Internet							
Carverlink	City Hall	Jaguar Fiber			40.00	40.00	0.00
Carverlink	Waste Water	Jaguar Fiber			40.00	75.00	35.00
Carverlink	Water Treatment	Jaguar Fiber			40.00	75.00	35.00
Carverlink	Fire Dept	Jaguar Fiber			40.00	75.00	35.00
Frontier	Public Works	DSL Internet			113.98	0.00	(113.98)
Carverlink	Public Works	Jaguar Fiber			0.00	75.00	75.00
Carverlink	City Hall	Fiber Ring Hub			0.00	225.00	225.00
	Total Internet				**273.98**	**565.00**	**291.02**
Phones							
Carverlink	Waste Water	Alarm-Jaquar			44.10	44.10	0.00
Carverlink	Public Works	Alarm-Jaquar			44.10	44.10	0.00
Techstar	City Hall	IP Phone System			265.80	0.00	(265.80)
Jaquar	Jaquar Cloud Host	Cloud Hosted Access				50.00	50.00
Jaquar	Jaquar Cloud Host	Auto Attendant				10.00	10.00
Jaquar	Jaquar Cloud Host	Hunt Group				3.00	3.00
Jaquar	Jaquar Cloud Host	DID Numbers [Qty 20]				10.00	10.00
	Total Phones				**354.00**	**161.20**	**(192.80)**
Office 365							
Techstar	All Employees	Exchange Online	4	5.00	20.00	0.00	(20.00)
Techstar	All Employees	Office 365 Premium	7	15.00	105.00	0.00	(105.00)
Belay Host	All Employees	Office 365 Business Essential	11	6.00	0.00	66.00	66.00
Belay Host	All Employees	Office 2016 [10 licenses]	2	10.00		20.00	20.00
	Total Office 365				**125.00**	**86.00**	**(39.00)**

Phone Rent vs. Own					
Polycom	All Sites	VVX411 IP Phone	9	119.00	1,071.00
Polycom	City Hall	Attendant Module	2	188.00	376.00
		Total Cost to Own Phones			**1,447.00**
Jaquar	All Sites	VVX411 IP Phone Rent	9	4.20	37.80
Jaquar	City Hall	Attendant Module Rent	2	6.00	12.00
		Total Rent per Month			**49.80**
		Cost to Rent for 60 Month	49.80	60	2,988.00
		Cost to Rent for 120 Month	49.80	120	5,976.00

Switch Rent vs. Own					
Fortinet	City Hall	24-port PoE Switch			0.00
		Note: City owns new switch [$880.00] for network workstations and phones			
Jaquar	City Hall	PoE Switch Rental	1	15.00	15.00
		Total Rent over 60 Month Contract			**900.00**
		Note: Deemed uncessary to rent a 2nd switch			

Summary	Current	Prosposed	Difference
Internet	273.98	565.00	291.02
Phones	354.00	161.20	(192.80)
Office 365	125.00	86.00	(39.00)
	Difference per Month		**59.22**
	Difference per Year		**710.64**

MAYER

Workshop Memorandum
Item: Pavement Management Plan - 2021 Project Planning
Meeting Date: June 8, 2020
Presented By: Margaret McCallum, City Administrator

Recommendations/Council Action/Motion Requested:
To review the Pavement Management Plan and start planning for the 2021 project.

Details:
In 2018, the City of Mayer worked with the City Engineer to draft a 10 year Pavement Management Plan for the city streets in Mayer (See Plan in Attachments).

In 2020, the first phase of the schedule will start with a section of the Coldwater Crossing Development with a Mill and Overlay Project. The City Administrator and financial advisors believe and recommend the 2020 project be financed with cash out of the Streets Capital Fund.

Nonetheless, the City will need an additional method to finance future projects in which it is not able to finance with cash.

Minnesota Statute allows cities to issue bonds to finance capital expenditures under a Street Reconstruction Plan over a period of five years (the "Plan") without an election provided that, among other things, prior to issuing the bonds the City adopts the Plan after a public hearing in which the public is invited to comment on the matter.

As part of planning for the 2021 project, the City will have to start the Street Reconstruction Plan document and follow the steps necessary to put that Plan into place.
In 2021, the second phase of the schedule would be to do a full reconstruction of 5th Street NE and NW and 3rd Street NW. This would include the removal of the entire existing pavement section and the construction of new pavement structure, including bituminous, aggregate base. Geotextile fabric, soil correction, etc.

With a full reconstruction project, the City Council would need to discuss Special Assessments.

Attachments.
Pavement Management Plan.

Special Assessment Policy.

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August 15, 2018

City of Mayer
Attn: Margaret McCallum, City Administrator
413 Bluejay Ave.
Mayer, MN 55360

RE: Pavement Management Plan

Dear Maggie:

As requested, we have reviewed the condition of the City Streets and have developed a plan and schedule for proposed improvements.

Overview

The age and current condition of the City's roads varies along with the cross-section of the pavement structure. The actual life of a road depends on several factors including the quality of construction, the amount and type of traffic, soil conditions, drainage, and the materials that are used for construction. For a well-constructed bituminous road, a typical life cycle includes seal coating the surface of the roadway every 5 to 7 years, a mill and overlay at year 15 to 20, and reconstruction at year 35-40.

Pavement Rehabilitation Methods

The following are typical pavement rehabilitation methods that are consistent with past City practice:

Seal Coat – A seal coat consists of the application of emulsified asphalt and loose aggregate to the existing surface. After a specified "curing" time, the excess aggregate is swept up and removed.

This rehabilitation method is typically used several times throughout the life of a pavement. Seal coats are most effective when used on pavements in relatively good condition. This method is used to provide a new driving surface and to re-seal the pavement surface to provide some protection from weathering. The useful life of a seal coat is generally 5 to 7 years depending on the type of materials that are used and the condition of the pavement to which it is applied.

The advantages of seal coating are as follows:

- Relatively low initial capital expense
- Provides improved skid resistance
- Provides some moisture protection to the pavement
- Minimal disruption to traffic
- Provides an aesthetically uniform surface

The disadvantages of seal coating include the following:

- Does not improve the structural integrity of the pavement
- Shore useful life
- Requires patching and sealing of major cracks prior to application
- Limited effectiveness on pavements in poor condition

In order to maximize the life of the City's pavements, it is recommended that the City apply at least one seal coat to all streets.

Mill and Overlay – A mill and overlay consists of removing all or a portion of the inplace bituminous surface and placing new bituminous over the milled surface. This rehabilitation method is typically used 1-2 times throughout the life of a pavement. Mill and overlays are most effective on pavements that are in moderate condition with a stable subgrade. This method is used to replace the pavement surface and to increase or restore the pavement's structural integrity. The useful life of a mill and overlay is generally 7 to 12 years depending on the condition of the pavement to which it is applied.

The advantages of a mill and overlay are as follows:

- Moderate initial capital expense
- Provides new pavement surface
- Increases or restores structural integrity of the pavement
- Minimal disruption to traffic
- Does not raise the elevation of the road

The disadvantages of a mill and overlay include the following:

- Requires patching and repair of weak subgrade areas prior to application
- Increased cost compared to an overlay with no milling
- Limited effectiveness on pavements in poor condition
- Useful life is variable depending on the condition of the existing pavement
- Ineffective on pavements with structurally limited subgrades

Reclamation – Pavement reclamation is a process by which the existing bituminous surface is ground and mixed with a portion of the underlying aggregate base. The reclaimed material is compacted and a new bituminous surface is placed over the top. The effectiveness of this methods relies on having enough existing bituminous and aggregate base to form a new aggregate base for the road. This method is not recommended on roads with limited aggregate base or when the profile of the road cannot be raised due to concerns related to drainage or matching into adjacent topography.

The advantages of reclamation are as follows:

- Provides a new pavement structure
- Longer term useful life compared to a mill and overlay
- Lower initial costs compared to full depth reconstruction

The disadvantages of reclamation are as follows:

- Allows for limited subgrade corrections
- Use can be limited on roads where the elevation of the surface cannot be raised
- Higher costs compared to mill and overlay

Reconstruction – Reconstruction consists of removal of the entire existing pavement section and the construction of a new pavement structure, including bituminous, aggregate based, geotextile fabric, soil correction, etc. This method is used when the existing pavement has deteriorated to such an extent that other rehabilitation methods are ineffective or utility construction is necessary. The useful life of a reconstructed pavement can be 25 to 30 years with proper maintenance and use of other rehabilitation methods throughout the pavement's life.

The advantages of reconstruction are as follows:

- Provides a new pavement structure
- Allows for soil corrections below the street where necessary
- Long term useful life
- Allows for the opportunity for utility improvements

The disadvantages of reconstruction include the following:

- High initial expense
- Moderate to high disruption to traffic

Recommended Improvements

Based on the current age and condition of the City's roads, it is recommended that a mill and overlay be planned for each street when the pavement is approximately 20-years old. In addition, there are a few streets in town that should be considered for reconstruction during the planning period. It is recommended that new pavements be seal coated within 5 to 6 years of construction and crack filling should be performed as needed.

Figure 1, shows the recommended schedule for a mill and overlay and street reconstruction between 2019 and 2028. Figure 2, shows the recommended schedule for seal coating between 2024 and 2034.

It is recommended that streets under consideration for improvements be inspected the year prior to construction to determine the exact scope of the project and verify that the timing of the project is appropriate given the current condition of the road.

Project Costs

The planning level cost estimates for the recommended improvements, which include contingencies and soft costs, are as follows:

- Mill and overlay projects: $3,536,000
- Street Reconstruction - $1,100,000 (includes curb and gutter and storm sewer)
- Seal Coating - $479,430

Based on these estimates, the City will need to budget, on average, $392,900 a year to fund a mill and overlay program between 2019 and 2027. An additional $47,900 per year will be needed to fund a seal coating program between 2024 and 2034.

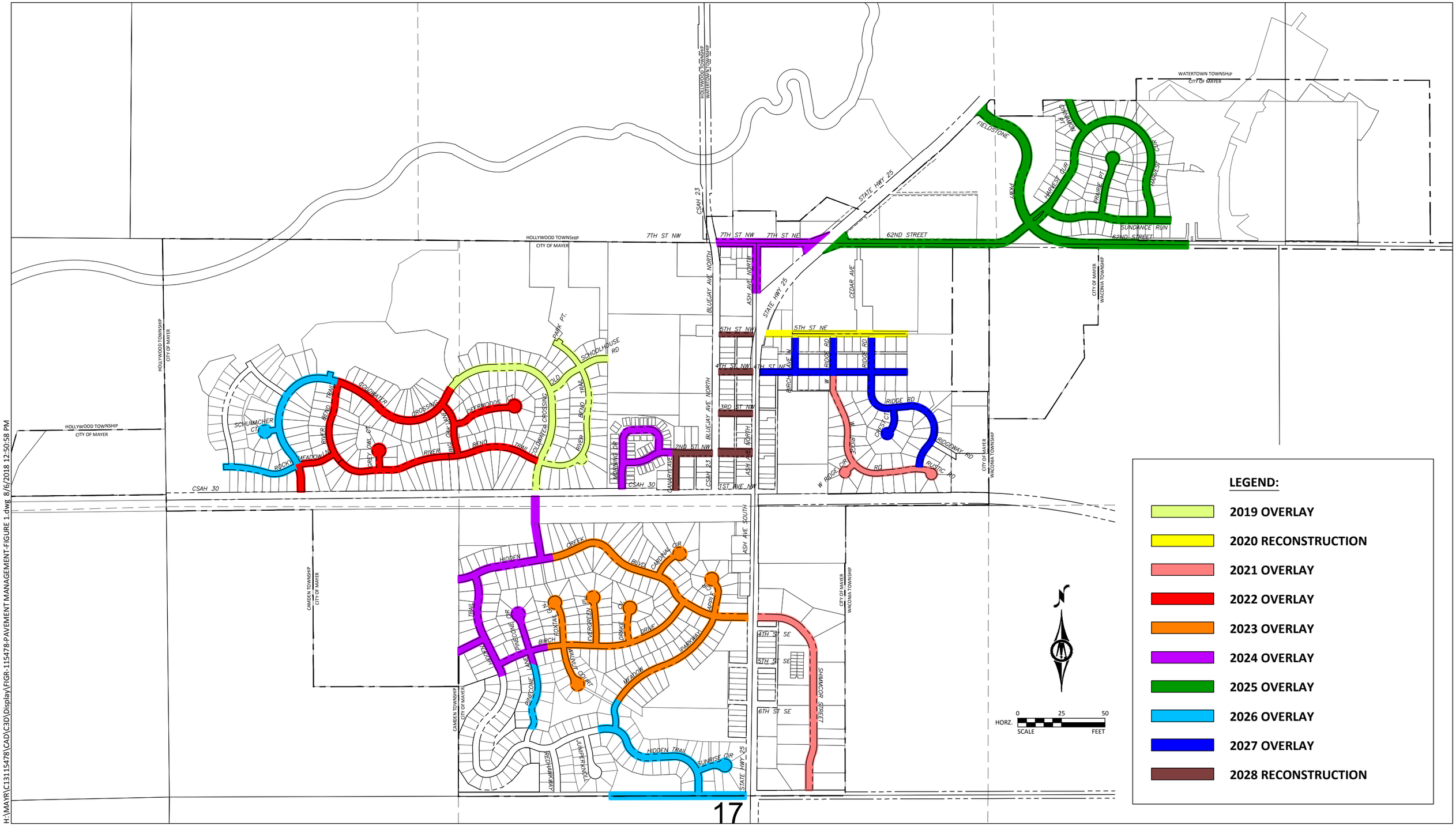
The City will also need to consider funding for the streets to be reconstructed. In the past, the City has followed its assessment policy for reconstructed roads, which assesses a portion of the costs to the adjacent benefiting property owners. As indicated above, the cost estimates for streets to be reconstructed includes curb and gutter and storm sewer. The cost of the projects can be reduced if the scope of work is scaled back.

I will be at the Council Meeting on August 27th to discuss this report with the City Council. Please let me know if you have questions or need additional information before then.

Sincerely,

Bolton & Menk, Inc.

David P. Martini
Principal Engineer



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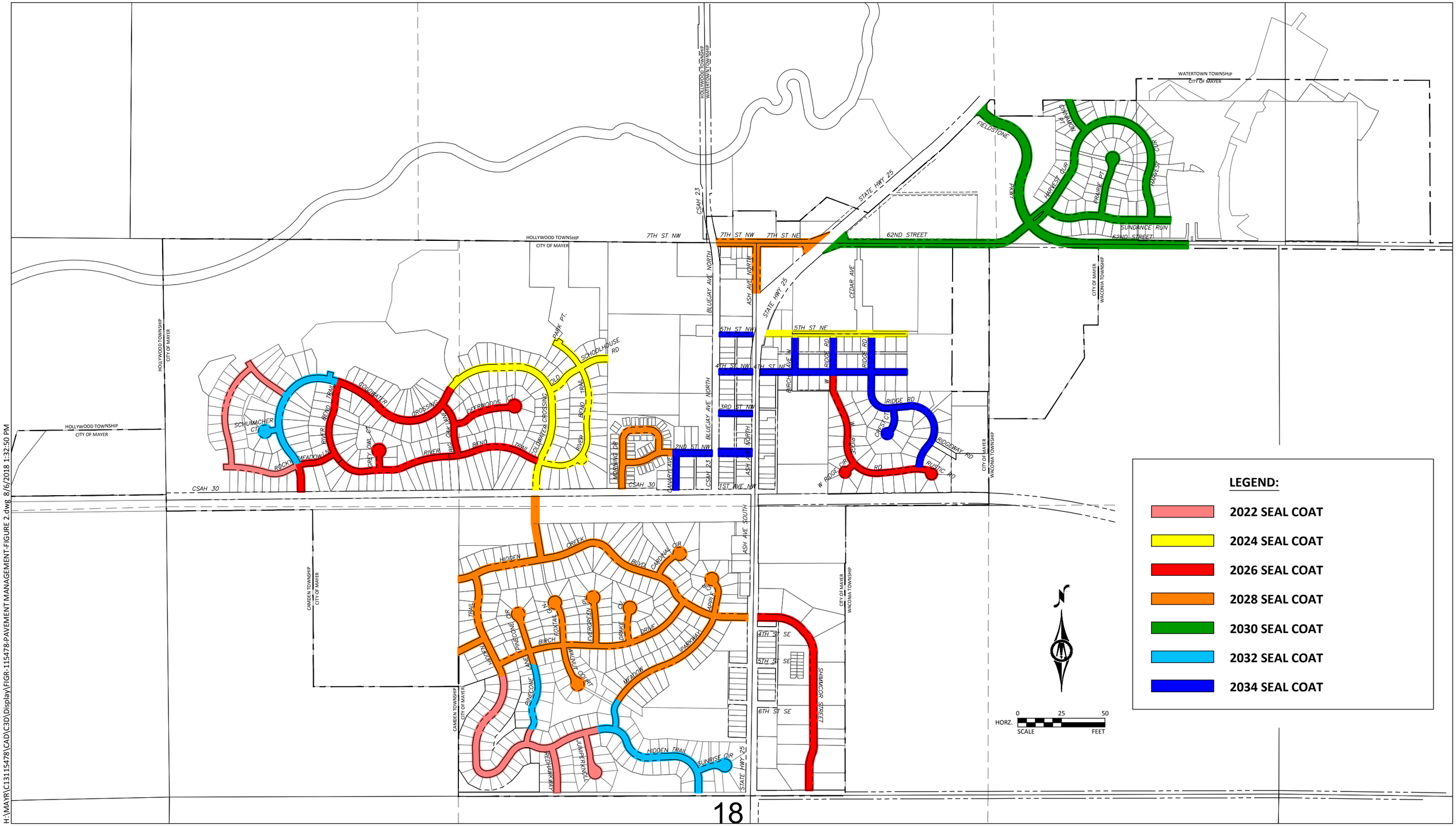

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POLICY – SPECIAL ASSESSMENT AND TRUNK AREA POLICIES AND PROCEDURES FOR PUBLIC IMPROVEMENTS AND MAINTENANCE COSTS

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 Mayer ("City") for levying special assessments are 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 muse 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 the 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.

Subd. 1. 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. Street, 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 means.
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 419.031, subdivision.
13. Underground pedestrian concourses.
14. Public malls, plazas or courtyards.
15. District heating systems.
16. Fire protection systems in existing building upon a petition to section 429.031, subdivision 3.
17. Highway sound barriers.
18. Gas and electric distribution facilities.

Subd. 2. The City is also authorized by ordinance adopted pursuant Minnesota Statutes Section 429.021to recover, through special assessment, the following maintenance 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.

SECTION 3. INITATION 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 35% 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 35% 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 35% of abutting property owners requires a majority vote of all members of the Council. A resolution ordering any improvements by all of abutting property, and assessing the entire project 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 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 have

signed. If the petition or request is accepted, Council orders preparation of feasibility report.

3. Staff prepares feasibility report. The report shall preliminary 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. 419.031(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, 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 issues at any time after the improvements are ordered.
8. Council reviews proposed assessment roll and orders assessment hearing.
9. Staff publishes hearing notice, mails notice of hearing date and proposed assessments to the affected property owners as provided in Minn. Stat. 429.061.
10. Council conducts assessment hearing 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.
11. Council awards contract based on the bids received.
12. Staff certifies the assessment roll to the County Auditor.
13. Staff supervises construction and prepares payments.

SECTION 5. FINANCING OF PUBLIC IMPROVEMENTS.

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. Developers are required to provide the needed improvements and services before development occurs, thereby avoiding unexpected hardships on the property owners purchasing such property and the general public. 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.

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 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.

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 resolute. Also, the City Council may elect to defer assessments on undeveloped land for a specified length of time or until the lands are developed. Terms and conditions of any such deferral will be established in the resolution adopting the assessments.

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 the 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.
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 resolute 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. If bonds were sold to finance the improvement project, the interest rate shall be two percent (2%) more than the average

interest rate of the bonds, rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate shall be set at the same rate.

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 dur in the following year. Prior to certification of principal and interest of the first installment thereof, to the Council Auditor, the property owner may make a partial prepayment of the principal to the City. Such partial prepayment must be at least $100.00. If the partial prepayment is made after the 30-day "interest free" period allowed by state law, interest will be charges 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 interested and must be made prior to November 15 of any year. If the 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 projects costs due to such provisions for future service extensions. The City will levy assessments to cover this costs 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 and other arterial streets are deemed to be of benefit to commercial or industrial properties, the entire costs of any improvements on such frontage roads shall be assessable to the benefited properties, even if only those properties one side of such frontage roads are benefited.
8. Project Assistance. If the City received 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.

9. 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 owner. Private right-of-way shall be assessable.
10. 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.
11. 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. As a general rule, benefit appraisals may be ordered when the proposed assessment exceeds $5,000 for a standard City reconstruction on a residential lot or $20,000 per acre for commercial or industrial property.
12. 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.

Subd. 1. 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 are to be assessed. The City Council will select the preferred method of calculating the assessments at the time the project is ordered.

Subd. 2. 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 utilizes 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 plate and section maps and will be rounded down to the nearest foot dimension with nay 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 lot” method shall be used.
2. Odd Shaped Lots. For odd shaped lots such as those that exist on cul-de-sacs and curved streets where there is more than a 2.0 feet of difference between the front and rear lot lines, and where the lots frontage is greater than its depth, the “odd shaped lot” method of determining the adjusted front footage shall be used. The adjusted front footage shall be computed by dividing the area of the lot by 12,000 square feet to determine the equivalent number of front footage units in the parcel. The number of units multiplied by 65 feet will give the adjusted front footage.
3. Corner Lot Adjustment. For street and trail assessments, she short side will be assessed the actual front footage. The long side will be assessed one-half the actual side footage or seventy-five (75) feet, whichever is greater. Sanitary sewer and watermain will only be assessed on the short side of a corner lot.
4. Zonal assessment. When the street along the long side of a corner lot is improved, the cost shall be assessed equally to all lots within ½ block in each direction of the street improved. This method may be selected rather than the corner lot adjusted.

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 are, including other government 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 of City. The

City Engineer will make a recommendation on the boundaries or parameters of the benefited area in the feasibility report.

C. 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.

A. 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 accessary improvements such as drainage ponds and facilities, parking lots, parks and playgrounds.
Policy Statement. Prior to construction of 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 applicable, 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.

B. 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 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 national 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 building shall be installed in conjunction with the construction of the mains.

SECTION 9. POLICIES OF REASSESSMENT.

The City shall design public improvements to last for a definite period. The life expectancy or service like shall be stated in the policy statement of this section, or if different, shall be stated in the resolution ordering improvement and preparation of plans.

A. Policy Statement. The following are the "life expectancies" or "service lives" of public improvements except as may be otherwise stated in the resolution ordering improvement and preparation of plans.
    1. Sidewalks – 20 years
    2. Street Improvements, including surfacing and curb and gutter – 20 years
    3. Ornamental street lighting – 20 years.
    4. Water Mains – 20 years.
    5. Sanitary Sewers – 30 years.
    6. Storm sewers – 30 years.

SECTION 10. ASSESSMENT COMPUTATIONS.

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

A. Street and Curb and Gutter Improvements.
    1. New Construction. New streets are assessed 100% to the abutting benefited properties. Street and curb and gutter improvements will 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 and Overlays. Street reconstruction and overlays are assessed 30% to the abutting benefited properties. New curb and gutter are 100% assessed.
    3. Gravel Streets. Upgrading of existing gravel street by adding pavement, curb and gutter is considered new construction and all costs are assessed 100%.
    4. Seal Coats. Sealcoats are not being assessed.

5. Alleys. Upgrading existing gravel alleys by adding pavement is assessed 100% to all lots abutting on the alley in the block being improved. Reconstructing existing paved alleys are 100% assessed also.

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 trials are not assessed, but rather funded by the City. New subdivisions are assessed 100% for bituminous walkways/bicycle trails.

C. Storm Sewer Improvements. Storm sewers are assessed on a project-by-project basis. Storm sewer in new subdivisions are considered an assessable improvement on an area basis.

   Oversizing costs due to larger mains and larger appurtenances are paid for by a combination of availability charges, user charges and/or trunk are 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 changes when the land was originally platted, and to re-plats that ben 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 in charged). The charges will be set in the annual fee schedule during the first City Council meeting in January or 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 may be utilized at the City Council's discretion.

   The replacement of existing storm sewers is assessed 30% with the remaining costs paid for by other funding sources identified by the City Council.

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 leave 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 inceptors is assessed to the properties benefited by the sewer. Any oversizing cost is assessed as described above.

The replacement of existing sewers is assessed 30% 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 to 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 services lines.

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

E. Watermain Assessments. Assessments for watermains in residential areas are based upon the 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 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 30%.

Lateral benefit from major trunk water mains is assessed to properties benefited by the water main. Lateral water main assessments are based on costs for the 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 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 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.

Subd. 1. 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 Clerk 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 their 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.

Subd. 2. 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 Clerk of any change to their status that would affect eligibility for deferment.

Subd. 3. 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 Clerk 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 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.

Subd. 4. 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.