

# City of Oronoco Special City Council Meeting Agenda February 1, 2012 7:00PM

**I. CALL TO ORDER**

The meeting was called to order at 7:03 pm.

**II. ROLL CALL**

Members Present: Mayor Kevin McDermott, Councilor Doug Gillard, Councilor Scott Keigley, Councilor Nathan Hartung, and Councilor Nathan Hartung, Clerk Sandy Jessen. Absent: Councilor Skyler Breitenstein.

**III. APPROVAL OF AGENDA**

Councilor Doug Gillard motioned to approve the agenda, Mayor Kevin McDermott second; all in favor, motion carried.

**IV. City Shop: financing options**

Discussion: At the last Special City Council Meeting Mike Bubany with Drown Associates presented funding options. He presented project and cost analysis for GO Bonds with calculations for a building for \$250,000, \$350,000, \$650,000. The financing numbers for the shop was based on the monthly tax increases for a \$225,000 home. The CIP was based on cash, but the cost of a shop is more than expected. Each year money is put into the CIP: next year \$68,000 was to be put into the CIP it could be reduced to shave off the top of the tax impact. It needs to be decided where it would be built. City land? or the other option out there is the Metro bldg. the city could put in an offer and it is an existing building; it would need to be insulated and some updates. If they come back with a counter offer that was high the city could move on with building of a new shop. Metro has a reception area and two offices there is one garage that is a heated and the back is not heated or insulated. If the city can get a good deal it may be cheaper than building new. Buildings are going up cheaper than new but cities have strict guidelines for loan projects that will increase those costs. There will be engineering costs involved as well. In today's market it may be worth \$315,000. Hamilton is listing agent and have it listed for what the owner's are requesting. The tax sheet is based on today numbers but if there is growth that will lower that number. The Zumbro Hills addition will be completely on the tax base in a few years. The assessed value is approx \$301,000 and the city can't pay more than appraised value; it would need to be appraised. There would be tax revenue loss, it is a decent location, the old location could be sold, and it leaves the public space at city hall open. Could use other, engineers to go the process for a new building but bids would be required for that as well. Build over buy: the existing City Hall is out of code. The costs to update would be very expensive. Should the city just build the whole new building; Shop and city hall? The costs of a sewer system back when it was first looked at compared to now and how the prices have increased. As with the building the cost to remodel will never go down. We don't want to burden tax payers but the city needs to update with population being over 1000. The building could be

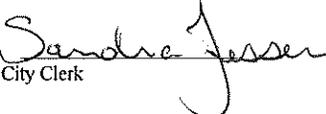
partially unfinished; and finished later. It would cost a homeowner \$1600 roughly per household over 10 years and it may be a much larger burden in 7 years for updates. There is asbestos in the building and to remodel would cost a lot. There is value in everything and could be sold or rented out to the public. \$650,000 is too much at this time. \$ 350,000 is a number to look at. The city could offer \$295,000 with the contingency of appraising out and the need for a public hearing and financing approval. Once we hear back can make a final decision. Councilor Nathan Hartung motioned to offer \$295,000 for the Metro building with the contingencies that it appraises at that amount, financing is obtained, and to allow the time to hold a public hearing for comments and the thirty day waiting period, Councilor Scott Keigley second; all in favor, motion carried.

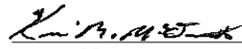
**V. Water Connections**

- A. Illegal connections / water theft: Any one connecting illegally will be ticketed with a \$1000 fine. Send to Attorney Fred Suhler for the ordinance change this will include illegal connections and water theft by meter tampering. The city needs to account for use of water to the state and can be fined if more than 10% is not accounted for.
- B. Final connection date: penalty for non compliance: S&W recommend \$25 first month, \$50 the second, and \$75 the third as with the other subdivisions. Councilor Nathan Hartung motioned to have the \$25, \$ 50, and \$75 fee set and assessed at the end of the year if not paid with a final connection date of August 1, 2014, Councilor Doug Gillard second; all in favor, motion carried.
- C. Curb stops: access / damage; there are curb stops that are damaged and are buried and can't be located. Many cities have a policy that requires residents be responsible for their curb stops. Staff will prepare and send letter to residents to locate and mark the curb stop in the spring and for those that can't be found the yard would need to be dug up and then billed to the resident. It is necessary to know where they are located if there is an issue with a home leak, the city doesn't want to turn off the entire system. Staff will prepare letter bring to the City Council for approval allow 30 day response. A second letter will be sent to those that don't comply and the city will locate and a fee will be imposed for non compliance that may be assessed to your taxes and will have a set date.

**VI. ADJOURNMENT**

Mayor Kevin McDermott motioned to adjourn at 8:00pm, Councilor Scott Keigley second; all in favor, motion carried.

  
City Clerk

  
Mayor