Special City Council Meeting
September 11, 2006

Mayor Bertsinger called the meeting to order at 6:50 pm
Roll Call: Mayor Bertsinger, Councilor Scott Keigley, Councilor Kevin McDermott, Councilor Jackie Hall, Absent; Councilor Tom Novak

The City's tax capacity remains at 36%.

Councilor Tom Novak arrived at 6:52PM.

2007 BUDGET

Mayor Joy Bertsinger motioned to approve Resolution 06-18 approving the 2006 Tax Levy, Collectible in 2007 at $344,073.00; Councilor Jackie Hall second; DISCUSSION: Broken out as follows: General Fund Levy: $255,449.00; Street Improvement Bond Levy: $44,155.13; Local Road Improvement Loan Program $35,000.00; Overpass Tax Abatement Project: $9,468.87. **Voice Vote: AYES: Councilor Kevin McDermott, Councilor Jackie Hall, Councilor Scott Keigley, Councilor Tom Novak, Mayor Joy Bertsinger; NAYES: None, motion carried.**

3rd Avenue SW ~ Tom Novak

Novak stated that 3rd Avenue SW needs to be addressed. Palen responded in a phone call to City Hall who spoke to Dan Fitzpatrick and Neil Stolp and Township. Township has a sum of money set aside from Fitzpatrick for situations like this. There is a sight distance problem with the hump on 3rd Avenue, which has already been shaved off some. Structure of road could also be upgraded (initial estimates are $20,000-$40,000). Money is not in the budget to do it this year. City should find out where money is going in the Township from Fitzpatrick. Put on agenda for next week, and Mike Sheehan should also be involved. Novak will ask Mike what the specs are on it. It technically is still Township road and speed limit can be 50mph on that road.

Meeting with Zumbro Hills Residents

Bertsinger thanked everyone that came, and gave a brief overview of the history. The meeting was opened up to the Zumbro Hills Residents for their questions and comments.

- Jan Vrchoda asked what would changes be as residents in the City vs. Township
  Taxes would increase, parks, road maintenance, community center options
- Mary Theuer asked if the city was considering annexing Zumbro Hills.
  Some discussions, but no decisions have been made. Overpass and interchange costs are being used by township residents as well as City residents.
- Is there interest from the city to use the annexation to broaden tax base?
  Yes, interest in road improvements of Zumbro Hills Road. It is important to keep in mind that City taxes have remained consistent over the past few years. City has a lot of potential to offer future things.
- Where is the City at with Sewer business?
  Initially in 2002 talked about large plant. SEH thought Zumbro Hills was part of the city and it was taken out of the whole plan. Then last year a committee has been gathering information, but Zumbro Hills has not been involved in those studies. The City currently has 2 wells that could accommodate the City (one on the west and one on the east side of the City). Looking at alternatives as well.

- Jan Vrchoda voiced concern that they will have to subsidize those systems that need improvement.
  They would not have to pay for it; and would not have to pay for it they did not benefit from it. A new Ordinance states that all systems need to be pumped every 3 years, and then the pumper checks the sludge to see if the system is doing its' job. There are 20 acres in the subdivision that is owned holding the drainfields, septic system, and outlots. If annexed, the city doesn't own the property; just receive the taxes for now. If in the future they are required to hook up to a city wide system, then that acreage would go back to the homeowner association. They don't pay taxes on this land now, and wouldn't have to in the future if annexed.
- How much more can Fitzpatrick do in RWH before another road goes down to County 12, because there are problems with big trucks coming through the residential area.
  There is no plan from Dan and it is unclear as to when Dan will put it in. The City can look at this during the plat process
- Are you planning on annexing Zumbro Hills?
  There have been strong discussions with Meilander, the developer, when the Subdivision was new, but no formal motions; also had some discussions with the Township.
- Currently 3rd Avenue is ½ City ½ Township.
  Yes it is. Any improvements to it, according to the orderly annexation agreement, the City will make the improvements to this road.
- What is the process?
  Annexation is done through a resolution. The City wants to be open and honest about it.
- What now?
  There has been no formal motion, but it is a real strong possibility. City will go back to Township and have discussions with them on the annexation, as well as discussions about 3rd Avenue. How can you upgrade it when there is traffic on it every day, and it's the only way out? The City has applied for a grant for $500,000 for the new frontage road straight south of Tilly's, costs probably $750,000 to put the frontage road in. So, the frontage road is still on the table. Suggested that it be gravel short term. Bertsinger; bond once and get road done. Discussion on how MnDOT pulled out the frontage road from the final construction plans.
- Will there be Noise walls along Hwy. 52.
  No there will not be any noise walls to help absorb the sound.
- Why does the City want Zumbro Hills?
  It is currently totally surrounded by city and it is an option the city can exercise.
  Residents are now driving through a City subdivision.
  Zumbro Hills Residents will be using 3rd Avenue and frontage road and not participating in the cost. < PLOWING>STREET MAINTENANCE>FIRE PROTECTION WOULD BE FROM THE CITY (CURRENTLY FIRE PROTECTION IS FROM PINE ISLAND)
  Scott Steffens asked for clarification on city roads and township roads, everybody drives on city and township roads and don't pay for it. Township owns Zumbro Hills Road and getting road beat up, and the city should be paying for it.
  So, instead of annexing Zumbro Hills, why not push Dan Fitzpatrick to put his road in instead of coming up the Zumbro Hills road. Ready to put up speed bumps because the big rigs fly on that road. Because that road is substandard is anyway.
- Neil Stolp, Township Supervisor; suggested to come to a Township meeting and request speed limit sign (could get a 30mph sign). Township government is different than city. Orderly annexation agreement between the Township and City have come together well with this. When a development is close to the

City, automatically assume that the city is going to be around. Once the City surrounds the development, they can just take it. The frontage road could be assessed to the new developments.

- Zumbro Hills resident suggested doing the frontage road, and not 3rd Avenue. Would Township put in the frontage road? If it the road would stay in the Township, it would, but if there is growth it would eventually become a City street. Everybody pay for it, and leave them in the Township where they want to be.
- The question was asked to Township why they are afraid of coming into the City.
  Costs of city sewer and water, no benefits to residents.
  Being part of the City means being a part of parks system, road maintenance issues, fire department, and EOC, among many other things that can be offered in the future.
- The residents spoke of the bottom line, and their taxes being raised. The benefits will be low and taxes will increase. *Neil Stolp, what will you see if annexed into the City, urban service district set up to maintain the city's identity. Somewhere the growth will make us pay the way. When City & Township worked together with orderly annexation agreement, there will have to be input for Oronoco to maintain it's identity. He stated that he is not promoting annexation one way or the other, but telling them how and why it was set up this way. It isn't efficient for Township to come through the city to take care of roads.*
- Zumbro Hills residents are sour on way it was handled from the beginning of the development.
  That's why the City wanted to have this meeting and clear up any misconceptions. The new comp plan does not have city wide sewer or water services in it (no municipal systems).
  Township learned a lot about this tonight. Build trust to move forward from here. Everyone needs to understand this.
  Councilor Kevin McDermott wanted this meeting to dispel any rumors and come in to a good place and bring everyone together and start building that trust.
  Councilor Scott Keigley would like to see them petition the City for annexation, instead of the City taking them in. Neil Stolp, Scott Keigley has a good point; and when you have things that people would like to do, not everyone will not be happy with. So, set a percentage (70%) of those wanting it, then you could still move forward.
  Clerk Nymann will gather figures on the taxes, township or city rates and send it to Mary Theuer.
  Zumbro Hills will have their meetings. The more communication and information the better. Don't drag it out any longer. Schedule a meeting in November.

Bertsinger motioned to adjourn at 8:35 pm, McDermott second; all in favor/motion carried.

Respectfully Submitted:

Joy Bertsinger, Mayor

Cheryl Nymann, City Clerk / Treasurer