

**MINUTES OF THE MEETING OF THE CITY COUNCIL
OF THE CITY OF MOORHEAD, MINNESOTA
September 21, 2009**

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Moorhead, Clay County, Minnesota, was duly held in the Council Chambers, City Hall, September 21, 2009, at 5:30 PM.

The following were present for roll call:

Mayor:	Mark Voxland	Present
1st Ward Council Member:	Nancy Otto	Present
2nd Ward Council Member:	Diane Wray Williams	Present
3rd Ward Council Member:	Dan Hunt	Present
2nd Ward Council Member:	John Rowell	Present
4th Ward Council Member:	Greg Lemke	Present
3rd Ward Council Member:	Lauri Winterfeldt	Present
4th Ward Council Member:	Mark Hintermeyer	Present
1st Ward Council Member:	Dan Bohmer	Present

Committee of the Whole Meeting

Minutes: Council Member Bohmer participated via video conferencing. 5:28 PM

1. [Discussion Concerning Proposed Bond Sale \(Proposed Assessments for the Comprehensive Flood Risk Reduction and Property Acquisition Project\)](#)

Minutes: City Manager Redlinger reported the project hearing was held by the Mayor and Council on August 24th, at which time discussion took place regarding the Comprehensive Flood Risk Reduction and Property Acquisition Project ('flood risk reduction project') assessments. It is anticipated the Mayor and Council will be requested to call for the sale of the bonds associated with the 'flood risk reduction project' on September 28th. To facilitate actions necessary for the General Obligation Improvement Bond sale, Council guidance is required on the following issues: 5:52 PM

- 1) the total amount of funding to be dedicated to bond debt service from special assessments; and
- 2) the number of years over which special assessments will be collected.

The City will finance its share of the flood risk reduction project (\$8,155,000) using a General Obligation Improvement Bond, which requires the use of special assessments for at least 20% of the amount of the bond. Debt service on the bond amount will be paid through a combination of general property tax levy, special assessments,

and stormwater service charges. The general property tax levy will be in the amount to cover the home buyout portion of the project, the assessment amount will be as determined by the Mayor and Council, and the balance will be from stormwater service charges.

Two alternative financing plans were presented on August 24th.

- Alternative #1 is consistent with the public hearing notice provided to affected property owners, and therefore, establishes the maximum (approximately \$450 per residence) special assessment revenue that may be levied for the project without a new notice and hearing.
- Alternative #2 minimizes the use of special assessments (\$162 per residence) and maximizes the use of stormwater service charges. Redlinger conveyed in order to issue a General Obligation Improvement Bond, the special assessment revenue with this alternative represents the legal minimum.

Discussion ensued. Council Member Hintermeyer indicated he is aware of a church that has six parcel numbers and requested that such be handled similarly to property owners with separate parcel numbers for multiple-unit complexes. City Engineer Zimmerman contemplated a possible way to address this is to establish a per acre assessment. He pointed out these parcels could be sold in the future for other uses, which, in this particular case, would be appropriate to assess the congruent contiguous property.

Again, questions were asked about the assessments for multiple-unit complexes constructed on several parcels compared to a multiple-unit facility built on one parcel. Zimmerman suggested, as a possible way to address this, the Council consider assessments on a per acreage basis. Council Member Wray Williams encouraged flexibility with this.

Minutes: Discussion continued regarding the development of some 'fair way' of determining the assessments for this project. Council Member Rowell contemplated possible remedies, such as a system based on use. Questions were asked as to what the impact would be if assessments were combined to address 'use'. Zimmerman surmised if Council was comfortable setting the rates for

6:18 PM

residential, commercial, and institutional, the remaining amount could be assessed to the higher density residential complexes on a per acre basis.

Zimmerman emphasized the critical information needed tonight is the total dollar amount to be assessed and the period for the assessment. He stressed it is not necessary to determine the assessment structure as this will be decided at a future assessment hearing, anticipated to be sometime next year.

In response to Mayor Voxland's inquiry, the general consensus of the Council was to select alternative #2 with a five-year repayment schedule.

2. [Discussion Regarding 2010 Street Construction Projects](#)

Minutes: City Engineer Zimmerman reported time had been set aside for the Mayor and Council to review and discuss projects for the 2010 construction season, which will be included in the 2010-2014 Pavement Management and Transportation Improvement Plan. He noted staff is seeking input from the Mayor and Council on candidate projects for the 2010 construction season as well as scheduling of projects for future years. Zimmerman reviewed the following: **6:56 PM**

Table 1: Draft 2010-2014 Transportation Capital Improvement Plan
Table 2: Draft Local Street Improvement Plan
Table 3: Draft Project Priority Ranking
Table 4: Revised 1st Ave N Project Scope; and
Figure 24: Concept Plan for 28th Avenue South (20th to 26th Street)

He pointed out, staff is seeking guidance from the Mayor and Council concerning the following:

1) What projects should be a priority for the 2010 construction season?

2) What is an appropriate level of annual City investment (specifically, City cost-share) in transportation improvement projects, particularly those involving maintenance of existing infrastructure?

3) What is the appropriate schedule for future projects?

4) Are there project-specific issues than need further evaluation and discussion prior to the Council taking formal action to initiate the project?

Discussion took place regarding specific projects. The following is a summary of this discussion and/or issues raised:

- The estimated costs for the 1st Avenue North project have been reduced approximately \$750,000, as a number of enhancements have been removed. Should it be the desire of the Council to proceed with the project, staff recommended consideration of this particular alternative.
- Questions were asked as to whether the 20th Street / 28th Avenue South re-alignment project should be undertaken as a 2011 project, or if said project should be delayed to some future date.
- Council Member Lemke expressed support for a 28th Avenue South reconstruction project; and, in particular, moving the project up on the schedule. Zimmerman replied work will be done on 28th Avenue in 2011. However, he reiterated the question is whether or not the City should consider re-alignment. Staff does not recommend this aspect of the project until sometime in the future.
- Council Member Hintermeyer suggested looking at the extension 20th Street South from 34th Avenue to 41st Avenue. Perhaps this project could be “switched” with the 28th Avenue project. Zimmerman indicated several issues exist concerning this project, one of which is the need to work with the developer regarding right-of-way.
- Recognizing the current roadway condition of Southeast Main Avenue, Council Member Otto encouraged some sort of interim repairs be made.

Staff reported bond debt service for these projects would be paid for with special assessments and property taxes. For every \$100,000 increase in the tax levy, property taxes would increase approximately \$6. The table below illustrates the estimated property tax increase on a single family residence valued at \$137,800 using various bonding amounts.

All 2010 Projects:

Bonded Project Cost	\$10,554,000.00
Tax Levy Increase	\$360,000.00
Property Tax Increase	\$21.60

Projects Ranked 1 – 5:

Bonded Project Cost	\$7,746,000.00
Tax Levy Increase	\$200,000.00
Property Tax Increase	\$12.00

Projects Ranked 6 – 11:	
Bonded Project Cost	\$2,808,000.00
Tax Levy Increase	\$160,000.00
Property Tax Increase	\$9.60

Zimmerman summarized his understanding of tonight's discussion as:

- the Council has a level of comfort with the entire list for 2010;
- leave the current alignment of the 20th Street / 28th Avenue South; and
- possibly move Southeast Main Avenue up on the schedule.

3. [City Manager Reports](#)

- Minutes:** City Manager Redlinger provided the following updates/reports: **7:01 PM**
- The 2010 legislative contracts will be forwarded to the Mayor and Council for consideration on September 28th.
 - Announced the Moorhead City Charter Commission met recently. They recommended the City continue with the odd-year election cycle.
 - The Charter Commission also discussed redistricting issues regarding the annexation of Oakport in 2015. Currently there is no authority regarding this; however, it was noted a possible remedy may be sought legislatively.
 - Distributed a brochure regarding the Immigrant Development Center. He noted this group will be attending a future meeting to request a contribution from the City for the International Market Plaza project in Fargo. This facility will serve as a small business incubator for the immigrant population.

4. [Executive Session to Discuss Labor Negotiation Strategies](#)

- Minutes:** Meeting adjourned. **7:02 PM**

The proceedings of this meeting are digitally recorded and said electronic file is available for public review.

APPROVED:

ATTEST:

MARK VOXLAND, Mayor

KAYE BUCHHOLZ, City Clerk