

**Credit River Township
Resident Annual Meeting Notes
March 9, 2010**

Call to Order:

Deputy Clerk Tim Bendel called the meeting to order with the Pledge of Allegiance at 8:30 pm.

Call for Moderator:

Deputy Clerk Bendel called for nominations for moderator.

Brent Lawrence nominated Chris Kostik to be moderator. Jay Saterbak offered a second.

Deputy Clerk Bendel called twice for additional nominations. There were none.

Deputy Clerk Bendel called for a vote on the position of moderator. Chris Kostik was elected moderator by voice vote.

Announce Agenda for rest of the Meeting:

Moderator Kostik reviewed the published agenda for the meeting.

Minutes of the previous Meeting:

Moderator Kostik called upon Deputy Clerk Bendel to review the minutes from last year's annual meeting.

Deputy Clerk Bendel noted that printed copies were available for review and suggested that, because of the length of the minutes, he will highlight the minutes and if the resident's choose, they can review the printed copies and suggest changes or consider a motion to approve towards the end of the meeting.

Moderator Kostik called for changes and there were none.

A Motion to approve the March 10, 2009 Annual Meeting Minutes was made by Robert Davis and seconded by Alden Starkey. Minutes were approved by voice vote.

Board of Audit Report:

Deputy Clerk Bendel commented on the report of held on March 1, 2010 and briefly explained what the Board of Audit is. He indicated copies of the report were available in the meeting handouts. He stated that everything checked out well. Deputy Clerk Bendel asked for any questions regarding the Board of Audit Report and there were none.

Road Report:

Moderator Kostik called upon Supervisor Tom Kraft to provide the road report. He presented a PowerPoint presentation called Road Reality. He reported that the township has approximately 70 miles of road (20 miles of gravel and 50 miles of paved). Supervisor Kraft explained that information from our engineer indicates that an average life expectancy for a paved road is 20 years. With 50 miles of paved roads we will need to reconstruct about 2.5 miles of roads each year. If we can get the roads to last 30 years, it would be 1.7 miles of road to reconstruct each year. He explained the average cost for one mile of road

reconstruction is between \$650,000 to 1 million dollars. The Township's contribution to this cost is 25% and the remainder is assessed to the benefiting property owners.

Supervisor Kraft further explained that if we have a 20 year lifespan on a road, with reconstructing 2.5 miles on an average of \$800,000 a mile, we will spend 2 million a year on road improvements. That would be \$500,000 just for the Township's portion of the cost. If we were on a 30 year road lifespan and had 1.7 miles of road to reconstruct per year, it would cost the Township \$340,000. He said this does not include maintenance such as crack filling, seal coating, etc.

Supervisor Kraft talked about the 75% that is assessed to the property owners for road reconstruction. He said he looked at large acreage parcels and small acreage parcels. He estimated 21 houses per mile at \$600,000 per mile. He averaged \$600,000 because large acreage parcels cost a little less to build because there are fewer culverts, less ditch work, more room to work, etc. 75% of \$600,000 is \$450,000. Based on 21 households, this would come out to \$21,400 per household that would be assessed over several years.

In the example of small acreage parcels with 40 houses per mile at \$800,000 per mile to reconstruct the road, it comes out to \$600,000 assessed amongst 40 households per mile. That comes out to an assessment of \$15,000 per household that would be assessed over several years.

Supervisor Kraft continued that the Board is currently looking at implementing an aggressive road maintenance schedule so that we can be closer to a 30 year life expectancy on paved roads. He explained the board is working on a capital improvement plan with regard to this. This schedule would include crack filling every two years. He said this is very expensive and last year the Township spent nearly \$80,000 on crack filling alone but it is very important maintenance.

Another maintenance step to get a road to last 30 years is to do an overlay at the right time. An overlay costs \$3,000 to \$5,000 per mile and would also be an assessment of 75% to the benefiting residents. Supervisor Kraft did point out that there is a certain timeframe that overlays need to be completed or it is too late and a reconstruct will need to take place in 5-7 years from the time an overlay is needed.

Supervisor Kraft stated that all of these figures are estimates and the board would like to have a plan in place to meet with residents at least a year before they may be affected by road maintenance or reconstruction. The board is currently working with the engineer on this plan.

Supervisor Kraft also outlined some of the road maintenance items and costs the Township incurred in 2009 as well as what was budgeted for 2010. Budget information is available upon request. He indicated he is looking at timelines to work with the county to keep cost down.

Chairman Leroy Schommer pointed out that the township tries to do crack filling one year and then sealcoat the road the next year. The reason for this is because the crack filling material needs to set for a year.

A resident questioned the reasons why the Township paid more than 25% on a recent reconstruct project that was challenged legally by the residents. Supervisor Kraft indicated that the board, under the advisement of Minnesota Association of Township legal counsel, made the decision that the township would pay higher than 25% in this case.

Election Report

Moderator Kostik read the results of the election. The totals were as follows:

Supervisor

Bruce Nilsen: 273 votes

Write In: 53 votes

Total Votes: 326

Clerk

Cathy Haugh: 228 votes

Jerry Maas: 95 votes

Write In: 3 votes

Total Votes: 326

SnowPlowing / NPDES / Culvert Reports / CSTS Awards

Moderator Kostik called upon Chairman Leroy Schommer for additional reporting. With regard to snowplowing, Chairman Schommer explained the mailbox damage policy. He said that there is \$50 reimbursement if there is actual damage to the mailbox caused by the snowplow. With regard to pushing snow across the road, He explained that there is a state ordinance against this that can result in up to a \$400 fine to the offender. Scott County issued approximately 140 warnings and 10 tickets.

Chairman Schommer reported that Supervisor Aspengren inspected 40 infiltration bases this year in our storm water management and cleaned out about 8 to 10 culverts. He stated that we did not have any culverts freeze up this year.

He explained that all 3 of our CSTS developments are up for awards this year. Contact Supervisor Aspengren for more information regarding these awards.

A resident commented on the excellent job the snowplowers did this year. Chairman Schommer explained that Art Johnson Trucking is handling the Northern areas and Gallaghers are handling the Southern areas for snowplowing. Splitting up the township between the two contractors is really working out well.

Form of Government Update

Moderator Kostik called upon Supervisor Brent Lawrence for an update on incorporation. Supervisor Lawrence indicated that last Fall the board decided they really needed more information before making any further decisions with regard to incorporation. The board interviewed 3 consultants. He announced that the board hired consultant Dean Johnson.

Dean Johnson introduced himself and explained that he spent 15 years in local government as a city planner. Twenty years ago he started a consulting business and has spent 15 years consulting townships. He has been involved in a number of contested annexation proceedings, orderly annexations, etc. He highlighted some of the findings on his handout.

He said there is the potential for sewer and water and the county has adopted a comprehensive plan that is in effect in the township and identifies an area mainly north of county road 21 as a future service area. He further explained that seeing this on a map does not mean it happens overnight. He explained that whether you are a township or a city, you can own and operate public utility systems. Therefore, this should not drag down the

decision about whether or not to become a city. He said there are currently two townships that operate their own public utility systems. White Bear Township and Empire Township.

He explained that we are unique in that we are deemed rural residential in areas and there are only 3 others like this which are all cities. This is given to communities with average rural density that is higher than what the Met Council would like to see.

He emphasized that incorporation into a city does not stop annexation. He also reported that he has not found any imminent threat of annexation at this time. He mentioned that Scott County currently does all of Credit River's planning and zoning but in Dakota County, the townships do their own planning and zoning.

Mr. Johnson explained that Municipal State Aid Funding is a program that is available only to cities and cities that are over 5,000 in population. He said this funding could be as much as \$300,000 in additional income. The only other thing cities can do that townships cannot is tax increment financing. These are two things available to cities but he indicated again that becoming a city does not open up a box of all kinds of new things that we couldn't do as a township.

One of the first decisions that will be looked at is whether or not this community wants to own and operate public utility systems. He also commented on the formula that was provided in the Fiscal Impact Study a year ago. If you have a defined area of the community that will stay rural, than he would like to ask the board to ask the people in those areas to share in the cost of public utilities. He indicated this policy decision needs to be debated before an incorporation decision is considered. He also spoke about the best strategy for long term orderly annexation and joint powers agreements.

He explained that he and the Board will be having a series of workshops in the next few months and a public information and outreach process will be planned for the public.

Status of Fire Department

Moderator Kostik called upon Supervisor Brent Lawrence to introduce our new Prior Lake Fire Chief Doug Hartman. Supervisor Lawrence indicated we renewed our contract with the Prior Lake Fire Department and as part of that contract renewal; Credit River meets bi-annually with representatives from the City and Fire Department to have more input with regarding to fire service in our township. He explained that Credit River was involved in the interview process to appoint Chief Hartman permanently to the position.

Chief Hartman congratulated Bruce Nilsen on his re-election.

He stated he has been on the fire department for 20 years. He is the first full time Chief in Prior Lake. One of his immediate goals is to improve communications between the Town Board and the fire department by involving the Board in their budget and contract process and is currently meeting with the Board twice a year for these discussions.

He explained they are a volunteer on-call department and he is the only full time person at the fire station. He provided a brief summary of the process involved when the department receives a fire call. He explained that when a confirmed fire is reported, they immediately call mutual aid/backup which is typically Savage, Lakeville, Shakopee, and New Market. He said they have used them for years and it has worked for years. They use mutual aid for primarily additional water.

He reported the majority of fire and CO2 calls are false alarms and he asked that residents please frequently check their alarms, detectors, batteries and get CO2 readings often to avoid

false alarm calls. He also explained the process that is involved for the fire department with accidents and other miscellaneous medical calls.

He briefly explained the process for burn permits in the township. They issue burn permits through Alice at the Front Desk at the Prior Lake City Hall. Residents may call the City of Prior Lake and have the permit mailed to them. A recreational fire is considered 3 ft x 3 ft x 3 ft and anything larger requires a permit. The permit fee is \$25. The reason for this is a debris pile fire generates a lot of 911 calls and they would like to document where people are burning for this purpose.

Chief Hartman briefly talked about concern regarding high insurance rates and said he will be checking in to the possibility of lower insurance rates now that they have two stations.

Financial Report / Budget Review – Treasurer Holly Batton

Moderator Kostik called upon Township Treasurer Holly Batton to provide a financial report and budget review. Treasurer Batton offered her handout to the audience and showed a powerpoint of the handout. She explained that at the September 2009 continuation of the Annual Meeting, she provided a handout that illustrated what the projected 2009 budget numbers were so that we could better ascertain what the Levy should be for 2010 and she now has the actual 2009 budget numbers. She explained that there are four primary funds that we actual Levy for, 1) General, 2) Fire, 3) Road & Bridge and 4) Bond but has several other funds. She further explained that those are the four funds we actually Levy for and the two primary ones that are focused on are the General fund and the Road & Bridge fund.

She outlined that the powerpoint showed the actual 2008 numbers and 2009 budget and actual numbers and explained expenditures were less than budget in all categories. She further explained some of the reasons for the General fund was that the fire contract came in less, there were fewer consultant costs and decreased wages. In the Road & Bridge fund, some of the reasons for fewer expenditures were that we did not spend as much on gravel and paved road maintenance and there was not a Capital Improvement for 2009.

At the end of 2009 we currently have a General fund balance of \$650,000 and a Road & Bridge fund balance of \$442,000. Treasurer Batton explained that the board has adopted a goal of trying to end the year having 50% of the budgeted expenses for next on hand because we do not receive our property tax settlement from the County until June so we have to have enough operating funds on hand to get us through the first half of the year.

Motion to Approve General Levy and to Affirm the Total Levy

Moderator Kostik said in view of the fact that we will have more complete information with respect to the budget for 2011, he is asking for a motion to continue this discussion until the September meeting. Resident Jay Saterbak made a motion to continue the discussion with regard to the Levy until the September 7, 2010 meeting. Robert Davis offered a second, motion carried by a voice vote.

Open Forum (General Discussion of Items of Concern)

Moderator Kostik announced there are a few items that need to be determined and voted on beginning with:

a) Depository – Anchor Bank

Resident Brent Lawrence made a motion to retain Anchor Bank as our Town Depository for funds. Resident Alden Starkey offered a second, motion passed by voice vote.

b) Publisher

Resident Rob Casey made a motion to continue to use the Prior Lake American and the Lakeville newspapers as our official publishing agent. Resident Carol Michels offered a second, motion passed by voice vote.

c) Posting Place

Resident Jay Saterbak made a motion to continue to use the posting board at the Town Hall that his son built as the official site for posting notices. Resident Bruce Nilsen offered a second, motion passed by voice vote.

Resident Dave Cuthill made a motion that all Public Notice postings be posted on the Township website. Resident Jay Saterbak offered a second. The motion was amended to add distributing the postings to the email recipients and post on the website when feasible, motion carried by voice vote.

Resident Tim Bendel reminded everyone about the upcoming Census forms and to please complete them.

Supervisor Nilsen thanked the residents for voting for him.

Resident Mike Whitt asked that the Board to please make the discussions and meetings regarding Incorporation as transparent as possible to the residents.

Supervisor Nilsen also thanked former Clerk Jerry Maas for his past service to the Township.

Moderator Kostik asked if County Commissioner Tom Wolf had anything he would like to say. Commissioner Wolf expressed that the Town Board is doing a great job.

Motion to set the location of the next Annual Meeting

Resident Brent Lawrence made a motion to hold the 2011 Annual Meeting at the Legends Club. Resident Paul Hall offered a second, motion passed by voice vote.

Motion to set the time to convene the next Annual Meeting

Resident Bruce Nilsen made a motion to convene the 2011 Annual Meeting at 8:30 pm on March 8, 2011. Resident Holly Batton offered a second, motion passed by voice vote.

Resident Bruce Nilsen made a motion to continue this Annual Meeting to September 7, 2010, at the Credit River Town Hall at 7:00 pm. Resident Robert Davis offered a second, motion passed by voice vote.

Moderator Kostik announced the meeting concluded at 10:25 pm.

Submitted By: (s/) Jerald R. Maas
Township Clerk
Credit River Township

Approved By: Chris Kostik
Annual Meeting Moderator
Credit River Township