

CITY OF PIERZ
Official Minutes of the Pierz City Council
Public Hearing
Called November 12, 2024
Resumed November 25, 2024

MEMBERS PRESENT: Mayor John Perleberg, Council Member Don Bujalski, Council Member Gary Berg, Council Member Jacque Johnson, City Clerk Sarah Fyten, City Treasurer Kaye Stangl

NOT PRESENT:

STAFF PRESENT: City Administrator Laura Wacker, Park Complex Superintendent Zach Baert, and Chief of Police Eric Hanneken

PUBLIC HEARING FOR FINAL ASSESSMENTS:

SEH Engineer Jarod Griffith, states that as of this evening there was a discrepancy discovered with the calculation with the assessment rates. It is asked that the council keep the public hearing open to continue it at the next meeting, November 25,2024. We will not be taking testimony on the assessments until the following meeting where it will be resumed. Mayor Perleberg does state that residents will receive an updated assessment letter this week. Griffith does state that this will align with the 429 process that must be met with the next council meeting.

Resident that lives on Peter Ave. shared that during the road project a worker in a bobcat drove on his driveway and caved in a portion of his driveway. They have not fixed this nor have they discussed it with him. Griffith will have the field representative, Shawn, investigate this and add it to the punch list to fix in spring. The other concern he has is that the tree in his yard seems to have died since the root cutting that was complete for the project. If this tree does not revive in spring the resident would like to know if the city will then take care of it, such as costs to cut it down. Griffith states that it will need to be discussed in spring with the city.

Resident that lives on 1st Ave. asked to speak on the project as well. Mayor Perleberg stated that we would be going back into our regular council meeting, and we could address the resident at the public hearing on November 25.

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November 25, resuming the public hearing from November 12. SEH Engineer Jarod Griffith starts the meeting by sharing how the rates for the assessment were determined. The 2024 Street Utility Project consists of reconstruction of Peter Avenue, First Avenue Northeast and Southwest, Summer Street and Cassie Alley. The preliminary numbers for a grand total of the project were \$1,342,008.28, the grand total for the final cost of the project were \$2,745,834.00. Breaking that out there is a city cost of \$2,053,594.00, RPSWD \$692,240.00. The city policy for assessments is to assess 100% for new curb. Final assessments were based on final front footage to the benefiting properties. Based off recommendations from the public works committee we landed on assessing 20.43% of the assessable costs for street and storm. 100% cost for the new curb areas and then the city is paying the remainder and additional costs for the additional width on 2 of the streets. The assessment payment term that was determined at the October meeting is a 20-year term, the interest rate for the city is 4.86 interest. Interest free prepayments and partial payments may be made up to 30 days after tonight. The remaining balance will be put onto the resident's property taxes and collected annually. The assessment rate is determined by dividing the assessable cost of the project divided by the total number of assessable units (the front footage of the properties that benefited of the improvement). They were broken out into Peter Avenue and First Avenue Northeast, wider than 36, rate \$61.73 per linear foot. First Avenue Southwest rate was \$68.00 per front foot. Summer street was \$53.59 per front foot and Cassie Alley was \$31.81 per front foot. New curb rate was \$18.87. Breaking out the total cost, \$1,654,865.43, for each section of the project specifically for the street and storm. Total city assessment was \$311,542.80, there was water main costs of \$87,185.77. Bringing altogether the total city cost was \$1,742,051.20 leaving the total assessment is \$311,542.80 the city is assessing 15.17% of the total city cost.

Mayor Perleberg asks for comments or questions, reiterating to please state your full name and property address to the council, each individual will have 5-minutes to speak.

Resident Todd Preimesberger, lives on Park Ave, property to discuss is his rental at 306 Peter Avenue. There is a Minnesota statute that the city cannot assess more than the increasing value of his property. He asks how the city is increasing his property value by \$6,100. Griffith responds with the assessments that were given is based off the city's policy. Past president shows that the city assessed 16% of the assessable costs. Preimesberger asks if 16% is being assessed as well for this project. Griffith states that this project is 20.43% of the assessable costs which equates to 15.1%. Preimesberger requests the policy name. The policy is General Policy 01 "Assessments". Council Member Don Bujalski shares that the policy states that the city can assess up to 60%. It is past practice that the city tries not to go above 16%. The reason we had to go to 20.43% is due to the bond the city had to acquire for the project. When we went to bon Jason Murray stated that is what the city had to do. Preimesberger feels that the bond does not state that the property owners do not need to pay the 20.43%. The bond states that the city needs to pay the 20.43%. How the city gets that number could be the property owners pay 16% and the city could contribute 4%. Griffith knows that for the bonds that the city took out the city needed to assess 20% of whatever the total dollar amount was. Preimesberger would like the city to

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investigate if the city needs to have the residents to pay that 20.43% or if the city can cover 4%. Preimesberger asks again how the city is increasing his property value \$6,100. Everything that was completed were repairs to the road, nothing done was new to the road. He does not feel that the city can assess him for maintenance. He would like the city to show him where his value improved by \$6,100, it would be appreciated. Mayor Perleberg states that the 5-minutes is up.

Resident Bob Virnig on 308 Peter Avenue, states that on the 20.43%, on the statute it states that if the city is getting bonded the city needs to put down 20% it does not say that it needs to be done as an assessment. If part of that is from the assessment and part from the cities funds that would be perfectly fine. He reiterates that residents are being asked specifically for this street project to pay more than what the city has been doing in the past, 16%, which is 20.43%. What was stated by Preimesberger regarding not being able to assess over the appraised value of what would increase the property value. Virnig reads a paragraph that is an overview of special assessments from the state house. Virnig asks where the improving value is coming from for his property. Nothing was new to Peter Avenue; how did it improve. Griffith states directly for Peter Avenue, the drainage was improved by increasing the profile allowing things to drain further away, improved the surface and drainage of the entire area into the catch basins. Storm sewer and two catch basin structures were added to the east side. The existing profile of Peter Avenue was flat. There is now a crown in the road to drain to the catch basins that are now installed on each side. Council Member Jacque Johnson asks when Peter Avenue was supposed to be completed. Griffith and Bujalski state that it was originally in the CIP for 2013.

Resident Bob Otremba, 305 Peter Avenue, thanks the council for doing the project. The road was in poor condition. Otremba states that he received two different records of assessments with a difference of \$700, he is looking for an explanation for the records. Griffith states that the original received had a discrepancy with the calculation. The total project cost were not included for portions of the project in the original ROA. Had to pause the public hearing on the 12th to make the correction and resend the ROA to residents. Otremba asks what the miscalculation was. Griffith states that street costs on first avenue that were not included in the total assessable costs of that rate that was included. Johnson asks why Peter and First Avenue are not being assessed separately. Griffith states that they were included together because both of those are larger than 36-foot roadways. The rate that Peter and First received are different. Otremba's request is that the city honors the 16% that has been done in the past rather than increasing it. If David Drown Associates were to state that the city could come up with the 4% cash. Again, Otremba would just ask that the city remain consistent along with was residents Preimesberger and Virnig stated earlier.

Mayor Perleberg states that he has learned a couple things and asks if it does need to be voted on tonight. Bujalski states that it does, or the city cannot collect assessments until 2026. Griffith states that the dollar amount that is being assessed is the amount that came from the city's financial advisor. Mayor Perleberg states that he supports the public works committee, since we have followed the process to this point, and Murray is very good at his job. Griffith states that the

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total dollar amount needed to stay the same for the bond. Johnson states that she understands why the streets are being lumped together but doesn't understand the why. Bujalski states that if they were separated that would increase Peter Avenues assessments. Griffith states that the policy to assess has always been 60% but since we had to bond, we are not able to be consistent with the past practice of 16%. Johnson points out that the city has not always done 16%. City Clerk Sarah Fyten reiterates what the residents are saying which is how is the property value being improved by the amount they are being assessed.

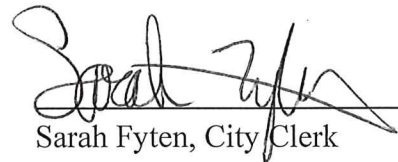
Griffith reiterates that the dollar amount of what the city is collecting in assessments at 20.43% is the recommendation of the city's financial advisor. If the city moves to 16%, they will not be collecting the correct amount this year, nor will they be meeting the requirements of the bond which could potentially lose the bond. End of November the city must have their assessments certified and into the county by the end of November. Mayor Perleberg states that he does not want to take the responsibility to jeopardize the other residents in the community. City Administrator Laura Wacker did confirm with Murray that 20% needs to be assessed to the benefiting properties for the bonding.

Mayor Perleberg does a second call for any new comments or questions. None. Final call for comments or questions. None. Wacker states that there were no written comments to present.

A motion was made by Council Member Bon Bujalski and seconded by Council Member Gary Berg to close the public hearing meeting at 7:43 pm. Motion carried unanimously.



John Perleberg, Mayor



Sarah Fyten, City Clerk