

**CITY OF BERTHA
PUBLIC HEARINGS MINUTES
HELD AT THE BERTHA COMMUNITY CENTER
THURSDAY, OCTOBER 4, 2012**

A special meeting of the City Council was called to order by Mayor Klebs on Thursday, October 4, 2012 at 5:30 p.m. at the Bertha Community Center to conduct two public hearings.

Pledge of Allegiance was recited.

Mayor Klebs opened the public hearing at 5:36 p.m. for Small Cities Development Program Grants.

Council members present were Zimmerman, Klebs, Shamp, Hoemberg and Valley. Other present were Janet Umland, City Clerk; Joeb Oyster and Hugh Veit (representing Moore Engineering, Inc.); Kathy Sletto, Stan and Una Mae Thurlow (administrator of the Small Cities Grant).

Guest: a copy of the list is attached to the original minutes.

The purpose of this public hearing was to provide an opportunity for citizens input on the Small Cities Development Program grant funds that were obtained for a housing rehabilitation program in the City of Bertha and Hewitt and the Bertha Authority Project which included the improvements to the wastewater system including pipes, mains and ponds. Mr. Thurlow administered the grant money for the Bertha Authority Project. Mr. Thurlow appeared before the Council to inform the public that the total amount of funds provided to the project by Minnesota Department of Employment and Economic Development (DEED) was \$600,000. The closing date was intended to be December 31, 2012 but since the pond system will not be operational by the end of the year he had to apply for an extension. An extension was granted so we have until June 13, 2013 to close the grant and submit the final report. In 2008, Council approved the City's participation in a joint application for SCDP grant funding in cooperation with the City of Hewitt. Kathy Sletto of Alexandria acted as the program administrator on behalf of both cities. As part of the final application process for grant funding, each city must conduct its own public hearing regarding the program. The public hearing is provided to obtain views, input, questions, review regarding the Bertha-Hewitt Housing Rehabilitation SCDP Program. Kathy Sletto reviewed the two grants that were completed in 2008-2012 as follows:

35 Homes Rehabilitated in Bertha and 9 in Hewitt

\$832,555 total construction

Average job \$18,922.

Total grant-funded housing rehab in Bertha and Hewitt totaled \$1,212,625.

A total of 64 repayment agreements are in effect in Bertha and Hewitt. Any repayments received will be used to rehabilitate additional homes. Grants are forgivable if the property is not sold, transferred or conveyed within 10 years of signing the Repayment Agreement.

There being no further comments, the public hearing was closed at 5:55 p.m.

Mayor Klebs opened the public hearing at 6:00 p.m. regarding assessments for the 2012 Bertha Authority Project.

The purpose of the final hearing was to discuss the 2012 Bertha Authority Improvement Project, to deliver an update of the progress on the project and discuss the proposed assessments. Hugh Veit began with a presentation on an overview of the project. Mr. Veit stated the public hearing is a requirement of Minnesota Statute 429. The statute allows the city to apply special assessments for an improvement. The hearing gives us an opportunity to inform property owners of the final project costs, how the assessments were calculated, to discuss the final assessments, and take public comments. Following the hearing the city could adopt the assessment roll. This project has been in the works the last several years. This project is a capital improvement plan due to aging infrastructure both

underground and on the driving surface. The majority of the construction took place this summer. Next year there will be some minor cleanup work, painting of the water tower as well as completing the bituminous wear course.

Veit stated we installed underground utilities, including storm sewer, sanitary sewer, and watermain. The sanitary sewer was the driving force behind the project. The watermain was the older type pipe which required replacement. The existing rural streets were replaced and upgraded to include handicap accessible curbs. The City of Bertha can only assess the water side of the project according to the grant we will receive and property owners will also be assessed on street improvements. The portion of the cost of such improvement to be paid by the city through a grant from USDA, Rural Development is hereby declared to be \$1,000,000.00 and the portion of the cost to be assessed against benefited property owners is declared to be \$1,851,200.00. Assessments shall be payable in equal installments extending over a period of 30 years and shall bear interest of 2.64 percent per annum from the date of adoption of the assessment resolution. The city clerk, with the assistance of the city engineer shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land within the area affected, without regard to cash valuation. Mr. Veit stated each residential property, if it has street improvements adjacent to it, are assessed a front footage assessment (21.50 per foot), short side of property only. Commercial property is assessed for actual frontage and on both sides if on a corner. This is done because commercial property takes a bigger advantage of side streets in theory. For the water assessment each resident owner was assessed as one EDU unit except for parcels that had two service lines that counted them as 2 EDU units. If a residential property has a rental unit included with it, the rental unit counts as ½ EDU. A notice was mailed out to everyone that is impacted by this project with the findings of that recommendation.

Veit stated there are two options for payment of the assessments. Payment can be made in part or in full to the city clerk prior to 2013. That's more uncommon. Most people choose to take option two, which is financing through the property tax. Repayment terms are 30 years at 2.64% interest. The first payment will appear on the 2013 tax rolls.

Public Comments: Mr. Veit answered several questions and complaints about the main construction contractor. Some residents were concerned that they have less pressure now than before. Mayor Klebs stated that the reason for less pressure is because city is currently on temporary 2 inch service lines until completion of the rest of services are completed on County Road 24. Once pressure and bacteria testing have passed the pressure and flow will be restored on all city water mains. Mr. Wallner informed Mr. Veit that the contractor lied and did not replace a shut-off valve as was proposed. Moore Engineering will check into all the complaints from the citizens about the contractor that was received and will get the problems resolved. Mayor Klebs and the council expressed their feeling about the assessments cost and stated the importance this project is to the community. None of them like the cost associated with the project but they felt it could not be delayed any longer. Mr. Wallner expressed that the city was not friendly oriented to the businesses and would drive them out of town.

Clerk Umland stated that the county would like the approved and adopted assessment roll by October 15th if possible.

No written comments or objections were received by City Clerk.

Mayor Klebs reported that the final draft of the special assessment policy will be presented at the regular October meeting and the council should review the document and be prepared to vote at the next meeting. There were a few residents that thanked the council for proceeding with the project.

Mayor Klebs asked for a motion to close the public hearing since there were no more comments from the residents. A motion was made by Zimmerman, seconded by Shamp, and unanimously carried to close the public hearing at 7:50 p.m.