

Mayor Hafften called the **April 8, 2014** Regular Meeting of the Rockford City Council to order at 7:02 p.m. The meeting was held in the Council Chambers of City Hall at 6031 Main Street, Rockford, MN.

### **Roll Call**

Roll call was taken. The following council members were present: Hafften, Graner, Kesanen, Martinson and Wenz. Also in attendance were: Engineer Ward, Financial Consultant Sweeney, Attorney Couri, Administrator/Special Counsel Madsen, Public Works Supervisor Peterson and Deputy Clerk Etzel.

The Pledge of Allegiance to the Flag was given.

### **Public Hearing/Board of Appeals and Equalization**

Staff published the notice in the official newspaper and posted notices of the hearing at City Hall as required.

Mayor Hafften opened the hearing for the Board of Appeals and Equalization for Hennepin and Wright County in Rockford at 7:04 p.m.

Wright County Assistant Assessor Conrad Anderson and Lori Thingvold of Wright County presented the 2014 Assessments for the Wright County Portion of Rockford. The values are based on the sales from October 1, 2012 to September 30, 2013 and there were 36 qualified sales during the time frame. The median sales ratio was 79.50% and the median sale price of \$194,950. There were 15 unqualified sales which are foreclosures/bank sales. The median sales ratio of the unqualified sales were 103.18%, and median sales price of \$158,444.

After reviewing the sales the final sales ratio was brought to 93.41%. The State of Minnesota requires this ratio (estimated market value) to be between 90-105%.

There are currently 17 qualified sales to be used for 2015 valuations. Those sales have a median ratio of 98.54% and a median sale price of \$193,000. There are 3 bank/foreclosure sales with a sales ratio of 87.26% and a median sale price of \$170,657.

Connor Rausch, Appraiser from the Hennepin County Assessor's office was present to review the market values in the Hennepin County portion of the city which includes 91 taxable parcels with a total market value of approximately \$21,257,800. This value includes \$21,000 in new construction improvements. The area reviewed for 2014 include some of the properties located along County Road 10 and were shown on a map. The overall value increase for all property types in the Hennepin County portion is +3.6%.

Mayor Hafften asked for any comments from the public regarding the Hennepin County portion of where there was none, the hearing was closed at 7:27 p.m.

Conrad Anderson presented two requests of appeal to have property values lowered:

Matthew Doherty of A&E Holdings, LLC sent an email to the City today, April 8<sup>th</sup> at 3:52pm to request his assessed value be lowered on: 113-014-000073, 113-014-000071, 113-014-000050 and 113-014-000075. The parcels were the former location of Cowboyz Bar & Grill site, currently vacant land. The parcels were

purchased through his entity A&E Holdings, LLC on November 4, 2013 for \$15,000.00. There was a delay in recording the deed that has since been remedied. The projected 2014 assessed value for the 4 lots is \$69,400.00 for taxes payable in 2015. The vacant land has been listed for sale at \$49,900.00 for the last five months with no interest. Mr. Doherty feels the assessed value of the land should be lowered.

Conrad Anderson stated the property was listed for sale in 2012 for \$99,900.00 and lowered to \$49,900 in December of 2013. The 2013 assessment value was \$75,700 and was lowered to the \$69,400's for 2014, this is a decrease of eight percent from the 2013 value. There are no comparable similar properties. Council discussed comparing the property to the Hubbs property value next door. There are no market conditions comparable within the City of Rockford.

The Council choose not to lower the property values and recommends leaving the value as assessed by Wright County.

**MOTION** was made by Martinson, seconded by Graner to leave the 2014 values/payable 2015 unchanged at \$69,400.00 for A&E Holdings, LLC properties: 113-014-000073, 113-014-000071, 113-014-000050 and 113-014-000075.

**MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, KESANEN, MARTINSON AND WENZ.**

Lonnie Nobel the owner of Store It Here, LLC located at 8740 State Highway 55 / PID #113-500-292105. Mr. Nobel spoke with the Wright County Assessor Greg Kramber regarding the assessed value. The 2013 value/payable 2014 was \$185,000 and the 2012 value/payable 2013 was \$243,000 Mr. Nobel paid \$140,000 for the property in 2012, a decrease of \$35,000. This was a qualified sale. Using the income approach Wright County recommends lowering the 2014 assessment value/payable 2015 to \$150,000.00 and reevaluate in the future.

**MOTION** was made by Martinson, seconded by Wenz to accept Wright County's recommendation and lower the property owned by Store It Here, LLC for the 2014 value/payable 2015 property valuation for PID113-500-292105 to \$150,000.00.

**MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, KESANEN, MARTINSON AND WENZ.**  
**OPPOSED: GRANER.**

The City Council accept the Hennepin County and Wright County Assessor's 2014/payable 2015 assessments as presented.

**Approve Consent Agenda/Set Agenda**

**MOTION** was made by Graner, seconded by Kesanen to approve all items on the consent agenda 3.A to 3.C and set agenda.

**MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, MARTINSON AND WENZ.**

**\*Approve Regular Council Minutes/March 25, 2014**

**MOTION** was made by Graner, seconded by Kesanen to approve the minutes of the March 25, 2014, Regular Council Meeting.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, MARTINSON AND WENZ.

**\*Approve Payment of Claims**

**MOTION** was made by Graner, seconded by Kesanen to approve the payment of claims #23060 to #23110 in the amount of \$178,224.47.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, MARTINSON AND WENZ.

**\*Approve Building Permits**

**MOTION** was made by Graner, seconded by Kesanen to approve the March Building Permits #14-15 to #14-18.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, MARTINSON AND WENZ.

**Wright County Sheriff's Deputy – Adam Fournier**

Reminded the residents to watch their speed with the nice weather and wear your seatbelt & restrain children. Noted there are more people hanging out at Riverside Park – pick up your liter. Calls are picking up with the nice weather.

**Public Works/Hire Summer Intern for 2014 Projects**

Due to the amount of infrastructure work taking place this summer, Wenck has budgeted for a three month intern to assist in the construction oversight of the 2014 Utility Improvement Project. Dennis Peterson is proposing the City hire the intern as a part-time employee for a cost savings of \$10,000 to \$15,000. The intern would take direction from Jared Ward and Adam Noreen of Wenck for all project related work, training and efforts, but would ultimately report back to Dennis. When there is not projected related work to conduct, the intern would be utilized by Public Works to complete the various tasks.

**MOTION** was made by Martinson, seconded by Graner to hire an intern for a three month period this summer to assist with the infrastructure and waste water projects at a cost not to exceed \$7,200.00

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, MARTINSON AND WENZ.

Wenck has some students to interview for the intern position.

**Establish Rockford Mall Negotiation Subcommittee**

Administrator Madsen is recommending the Council form a Mall Subcommittee as a reference to gain perspective throughout any lease negotiation opportunities.

**MOTION** was made by Hafften, seconded by Martinson to establish a Mall Negotiation Subcommittee, and to appoint Hafften and Graner as Council representatives with Martinson and Wenz as alternates to serve on the Mall Negotiation Subcommittee.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, MARTINSON AND WENZ.

**Resolution #14-22/2014A G.O. Tax Abatement Bond (Taxable)**

Shannon Sweeney of David Drown Associates presented a draft of the award resolution providing for the award of the sale of the bond issue. Mr. Sweeney presented the bids received and the low bidder is Robert W. Baird & Co., Inc. with a purchase price of \$1,930,500.00 / net interest cost \$1,070,237.50 / net interest rate 4.1896%.

The city's credit score with Standard & Poor's rating improved from an AA- to AA.

Sweeney is recommending Robert W. Baird & Co., Inc. be awarded the sale of the bond.

**MOTION** was made by Martinson, seconded by Wenz to adopt Resolution #14-22 providing for the issuance and sale of \$1,950,000 general obligation taxable tax abatement bonds, series 2014A and pledging for the security thereof tax abatements and levying taxes for the payment thereof with Robert W. Baird & Company, Inc. with a purchase price of \$1,930,500.00 / net interest cost \$1,070,237.50 / net interest rate 4.1896%.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, MARTINSON AND WENZ.

The funds will be available on April 22<sup>nd</sup>. The closing on the Rockford Mall properties is scheduled for April 24<sup>th</sup>.

**Attorney's Report**

Council will have a closed session following the items on the agenda regarding Rockford Mall objections and negotiations.

**Administrator's Report**

Administrator Madsen's report included: Rockford Mall exterior and maintenance, Stork House contract and lateral agreements from residents.

**Engineers Report**

The engineer's report included updates on the following items: wastewater treatment bids, 2014 Street & Utility Improvement Project, industrial park site, wellhead protection plan and assisting with lot survey reviews.

**Fire Report**

A Fire Board meeting is scheduled for Thursday, April 10<sup>th</sup> at 7pm at the Fire Station. Martinson and Graner will represent the city at the meeting.

**Council Reports**

Martinson – Lions Dinner this Saturday – April 12th

Hafften – Thousand Hearts Day of Service is scheduled for Sunday, May 18th

Wenz – nothing to report

Graner – Clean-Up Day May 3<sup>rd</sup> and Fire Dept. pancake breakfast May 4<sup>th</sup> tickets are on sale.

Kesanen – nothing to report

**OPEN FORUM**

Kurt Pennuto of Metropolitan Mosquito Control District (MMCD) and a Rockford resident presented the Council with information regarding LaCrosse Encephalitis. Mr. Pennuto informed the City that there was a Rockford resident with a confirmed case of LaCrosse Encephalitis and that MMCD will be in Rockford starting April 21<sup>st</sup> through the summer inspecting properties within one-fourth mile of the resident's property looking for containers holding water. When in doubt, dump it out. MMCD will visit with residents and leave a door hanger if they are not home.

**CLOSED SESSION**

Council held a closed session to discuss mall objections and negotiations with staff and the attorney.

**MOTION** was made by Wenz, seconded by Graner to close the meeting at 8:22 to discuss the Rockford Mall objections and negotiations.

**MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, MARTINSON AND WENZ.**

Mayor Hafften opened the closed meeting at 8:25 p.m.

**ADJOURNMENT**

**MOTION** was made by Wenz, seconded by Graner to adjourn the meeting.

**MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, MARTINSON AND WENZ.**

Mayor Hafften adjourned the meeting at 8:25 p.m.

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Renee Hafften, Mayor

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Audra Etzel, Deputy Clerk