

**SALEM TOWNSHIP  
SPECIAL MEETING**

**www.salemmn.org**

**APRIL 14, 2014**

**The meeting was called to order at 7:02 p.m. by Mike Coats.**

**Mike Coats thanked the residents for their attendance at this meeting. He announced that they are here to answer questions, but the decisions about this project all rest with the town board.**

**Mike Coats introduced John Johnson from Haverhill Township who serves as a supervisor. He explained that Mr. Johnson's township has some blacktop roads in their township that they have had overlays completed on.**

**He also introduced Lenny Laures, who is a supervisor for Cascade Township and also serves as maintenance supervisor for Rochester Township and Cascade Township. All the roads in Cascade Township are blacktop.**

**Mike Coats stated the purpose of this meeting was to answer questions about the motion that was passed at the April 2, 2014 town board meeting about subdivision roads. The motion as passed was read and is listed below:**

**The Township Board will contribute the sum of not more than \$56,000.00 or \$4.21 per square yard to the proposed bituminous surfacing for 63<sup>rd</sup> Ave, and Willow Run Sub Division described in the December 7, 2012 feasibility study by Olmsted County Engineer, Michael Sheehan. The owners would need a legal petition drawn and signed to ask for a Subordinate Service District, deadline for this petition would be the May 7, 2014 township board meeting. After that date this contribution by the township board will be null and void.**

**If the Township Board receives a petition, estimates will be updated and current prices will be re-calculated to determine assessments. Any additional cost will increase assessments to the residents. The amount contributed by the township board will not change. If there is no petition the township board will move ahead with affordable repairs.**

**Jim Evans proposed this motion and has a breakdown on the cost that will be assessed the owners based on the estimate we have at this time. The town board needs to have a legal petition from the residents. The town board has offered the services of their township attorney to prepare a legal petition. The petition has to be in a specific form and has to follow specific guidelines. You will need to contact the township clerk for this service. The purpose for the meeting tonight will be to answer questions. If the subdivisions decide to proceed each subdivision will have to have a representative who will be working with the town board to move this project forward, if that is their decision.**

The Subordinate Service District was chosen as the method they board will use for this project. There has been information given out at previous board meetings about what a Subordinate Service District is and how this district addresses assessments and time frames for the repayment of the improvement. The deadline for the petition has to be in hand by May 7 town board meeting. If you elect not to go forward, or have other options that you want to pursue, the board has stated in their motion that their contribution would no longer be in place and that their offer will be null and void. They have stated that they will proceed with making some improvements to the roads. They have not stated what work will be done, or how much money will be spent.

The residents can consult their own legal counsel, or the township has made available the services of the township attorney to prepare a petition.

John Johnson stated that in Haverhill Township they have set up taxing districts. Our town board will not do anything until we have the petition. After a petition has been received we will have an engineer analyze it and put it out for bids. We will develop a work plan for the project, hold a public hearing informing the residents what the assessment per lot would be at that time.

Lenny Laures stated that he has a different process in the townships he serves. One of the township has very few gravel roads and the other one has none. The residents of the township he works for pay much more per year for their roads up front, so the maintenance is paid for as they go.

John Johnson stated that in Haverhill Township, they have five subdivisions that are blacktop. He believes that each one has had an overlay done. Some of the original requests for an overlay were gravel. We were petitioned to have them blacktopped and the owners were assessed equally by every parcel for the cost.

John Walter asked when the roads were originally done.

John Johnson stated that he did not know the original date some of their roads were done. All subdivisions are different. Some were blacktopped originally by the developer. The overlay would be done about twenty years later. In one instance, one of them was overlaid in the early 90's. Some were developed as gravel roads, the homes were purchased on a gravel road and at some point the owners petitioned the township to have them blacktopped. Some overlays were done from roads done in 70's in the late 90's. The assessments were closed out in about 2005.

A question was asked about how long the roads have lasted.

John Johnson replied that the roads last from 20 to 25 years. He doubted that any of them lasted thirty years.

Jay Phillips asked if they used the Subordinate Service District and if they used it, does it have an end date.

**John Johnson stated that they use the Subordinate Service District and they assess for five years. It is paid in full within five years from the start at whatever interest they get from the bank.**

**Reno Cerri asked what the township did to maintain their blacktop roads.**

**John Johnson replied that they do crack sealing as needed and chip seal every five to seven years. He commented that their road has only been chip sealed one time and that was the only maintenance done on his road.**

**John Potter asked about the alternate of a chip seal for these roads and was wondering if that was still an option being considered.**

**Mike Coats gave an explanation about the Chip seal process that was put forward at one time for these roads. This was an oil overlay that had been used in other counties. The town board had a presentation on this process.**

**Lenny Laures responded that he has seen this process in various other places. It is called a mirco seal or micro thin overlay process where you use a mastic material along with it. He also stated that he did not feel that it would be an appropriate repair for these roads. The roads have reached the end of their life cycle. A road like his has a life cycle of 20 to 25 years and then they need to be rebuilt again. He stated that his observations are that there is settling and warping of the surface that does not allow for good drainage. He did not know if that would be an appropriate repair of the roads. He looked at these roads about two weeks ago or so. At that time, there was water coming through to the surface. It was about the time that the thaw was beginning. There was definitely a lot of water that is trapped in the underlying base. When that happens you have the hard surface of the asphalt on the top and frozen ground underneath. When you drive over it the water is forced out of those cracks. You have some serious saturation going on. He also stated that the ditches are not draining as adequately as they could. If you look at the bigger distortions that are in the road, or near the allegation areas, usually the ditch on the higher side you have ponding going on that will allow saturation to get into these areas and soften the road bed. At this time of the year, that is a bad sign for these roads. With the frost underneath and the hard pavement on the top, you have an oreo cookie that pushes out the base.**

**Lenny Laures expressed his opinion that the road should be reclaimed, and the drainage corrected before he would recommend putting down more asphalt on these roads. You could probably go ahead and patch these things that will last ten to twelve years. What does happen is that every crack that is on the surface of that road will transfer back thru. If you are trying to keep up with crack filling, you can't. Within five to six years it will look just like it did before. What we have found now, is that when you go through and grind these things up, and that you integrate the sub base back up you interrupt all that cracking. When you overlay it after that you get a fresh road again. You get that honeymoon period of that eight or ten years, where you don't have a lot of cracking going on so you have a 40 to 50 percent increase in longevity. If you don't reclaim it, you will**

spend as much in crack fill than it would have cost to reclaim the surface. During that time you adjust all your driveways back in and eliminate all the dips. Everything will be neat and even again.

Lenny Laures stated that his recommendation to fix these roads would be:

1. Correct the Drainage
2. Correct the Culverts to make sure they are adequate size so they are not freezing up. There were a couple that were small enough that during the freeze-thaw cycle in January that they did not run at all.
3. Reclaim the Road Surface
4. Let the Reclaimed surface stand for one year and see if there are any additional spots that need attention before you do an overlay.

If you do this, I think you will have a road that will last for the twenty year life cycle again. The township would have to do some crack filling and sealing during this time.

John Potter asked if the alternate chip seal was still be considered. Mike Coats stated that option is not being considered. The motion was for the recommendation of what Mike Sheehan had recommended.

Jay Phillips asked if his township contributes to the cost of an overlay.

John Johnson stated they do not contribute to the cost of the overlay. The only time they contributed to a project was when the road was slated to have 2" of gravel put on the road and the township decided to donate that amount to the project. Other than that, we do not contribute to the overlay cost. The entire cost is paid for by the residents.

Bill Ford asked again if they contribute to the cost of overlaying an existing blacktop

John Johnson stated that the residents would have to petition for the additional blacktop overlay and they would be assessed for the cost again.

Darwin Bang asked about the maintenance on the road between the original blacktop and the additional overlay.

John Johnson stated that the township pays for crack sealing and chip sealing on these roads.

Darwin Bang stated they did not have the expense of putting gravel on these roads.

John Johnson stated that they did have the expense of chip sealing and crack sealing.

Mike Coats asked if there was anything in the SSD that required the township to do crack sealing and chip sealing.

**John Johnson stated that is just something that we do, there was no requirement for the township to do this.**

**Irv Nehring asked if the SSD in his township is used strictly for the payment of the blacktop and when it is paid the SSD is closed out.**

**John Johnson stated that is how they handle it.**

**Darwin Bang noted that there are chunks of asphalt that have been breaking up and it has not been repaired by the township. He asked if they do repairing of blacktop.**

**John Johnson stated that he can't say they have had that situation in their township. He also stated that they had a situation in one of their subdivisions where there was a big boil in the middle of the road where water was oozing up through. They are going to be going into that section of road and cut out a large portion of that road and repair it and that will probably be assessed back to the residents, as it is a bigger job than normal routine maintenance.**

**Darwin Bang stated that if this had been repaired six or eight years ago we would not continue to have that break off.**

**John Johnson offered no comment about this.**

**Lenny Laures stated that as asphalt ages it gets more brittle. The more brittle it becomes it also becomes more prone to cracking. He also stated that he was at a class this spring where they want to start seal coating in the same year that you pave because the sun degradation begins from the day you lay it down. Blacktop has a finite life.**

**Irv Nehring asked why the board set a 30 day deadline for the petition for this road when it has been discussed for two or three years.**

**Mike Coats stated that he asked the board that same question before it was voted on at the April 2 meeting. It was stated by the board that they wanted to get this thing going. It was a way to get the petition going. It was suggested that the residents might want some exit issues, or relief valves for increased cost that they might want included in this. If the petition is circulated it takes at least 50% to get this process started.**

**Irv Nehring stated it doesn't seem like adequate time to understand the issues and talk to our neighbors about this.**

**Mike Coats stated that was the motion as passed and it would be up to the board to amend or rescind the motion before any change of time frame would be allowed.**

**Jay Phillips stated that he felt that the time was too short and the motion should be amended. He stated that he has been reading about this for three days and it is a mind boggling thing to go through. He stated that it is too much to ask for the two housing**

developments to get this done by May 7, 2014. He felt there should be a couple more months to consider this issue.

Mike Coats noted that there is only a short season to work on these roads. The sooner the petition is received, the sooner things like bids, can be sought.

Jay Phillips stated that if they go with the suggestion of Mr. Laures, he would recommend that it be ground up and let it lay.

Mike Coats stated that would be a board decision, while he feels the board members know Lenny and value his opinion, the board would also ask Mike Sheehan for his ideas and opinions also. All that would be considered, but the time frame in the motion is for the petition to start the process.

Ron Tiede asked about the county doing an assessment of a chip seal process on County 9 and also one by Douglas is another site that is being evaluated at this time. He felt those were sites that could be looked at for applying this treatment to their roads also.

Lenny Laures stated that the roads mentioned were in far better shape than the roads in your subdivision. He stated that he had mentioned these processes, but he did not feel this is an applicable process for these roads. He also stated they can ask Mr. Sheehan and have him give them an evaluation about this process for their road.

Darwin Bang asked if residents on gravel roads are assessed for some of the expenses for frost boils, etc. He asked if the people on the gravel road should not also be assessed for extra expenses.

John Johnson stated that they are not. Their program in Haverhill Township is to lay 2" of gravel on one-third of our roads each year. We may have to replace a culvert, or repair a wash out, but we do not assess for filling a pot hole or something like that.

John Johnson stated that they do take care of culverts on the township road.

A question was asked if the projects would be two separate entities or would they be one project.

Mike Coats stated that it was suggested to the board by our attorney that the projects be considered separately. If one or the other project does not go forward, it will not impact the other project. If the project are run together there might be some savings in mobilization.

Linda Phillips stated that she doesn't feel that many of the residents don't know what a Subordinate Service District is and was wondering if the residents can have input in how it is written.

Mike Coats stated that the residents may have input into the Subordinate Service District.

**Linda Philips stated that even if they signed the petition tomorrow, the hearings that are required would not be completed by the May 7 deadline.**

**Mike Coats corrected her that the motion was about getting the petition. All the other steps would be after the board receives the petition. There is a list of the steps that have to be taken to actually getting the work done.**

**Tom Anderson asked if the need is for 100% agreement for this project, or is it just a majority. He knows that there are people on these roads who do not want to pay assessments for a new road.**

**Mike Coats suggested that they contact the attorney about this. Sharon Petersen stated that in the memo sent by our attorney recommended a 75% on the petition. John Johnson stated that they require 70 to 75 percent for petitions in Haverhill Township.**

**John Walter felt that if they approve a Subordinate Service District, they will be isolated and charged for anything that happens in the Subordinate Service District. There will be no other income from the township for our road. He expressed that in the last eighteen years, with the lack of maintenance, our taxes have subsidized the rest of the gravel road repair in our township.**

**Mike Coats suggested that would be a question that needs to be addressed with their attorney.**

**Darwin Bang asked about petitions and the Subordinate Service District, and how do they compare, and what is the cost of a Subordinate Service District.**

**John Johnson stated is the cost of a Subordinate Service District is the cost our attorney charges for the work. He asked about what the petition cost. John Johnson stated that they don't draw up a Subordinate Service District until the petition is received.**

**Irv Nehring asked if the petition and the Subordinate Service District are separate things.**

**John Johnson stated that the petition is just asking for the Subordinate Service District to be set up to establish the district. The petition is asking the board to set up the district.**

**Irv Nehring asked if Haverhill Township just used the Subordinate Service District to do the overlay and did not include the maintenance issues.**

**John Johnson replied that is how they do it in Haverhill.**

**Jay Phillips asked if Mr. Johnson had an idea of how many residents would pay for the assessment up front for the work.**

**Mr. Johnson stated that in one small subdivision, the residents paid for the whole project up front. In others he is not sure how many paid up front in the larger subdivisions. The assessment is done in a five year term in Haverhill Township.**

**Sharon Petersen stated that the attorney had told them it could be ten years. Mike Coats suggested that they ask the attorney about this also.**

**Irv Nehring suggested that what was done in 1992. The township paid for the work up front and some people paid for it up front while others paid for the work over a period of years.**

**Mike Coats stated that in this case, the township would have to secure a bond for the project as the sum of money is larger.**

**The question was asked again if it was the petition that is required by May 7 or the Subordinate Service District.**

**Mike Coats answered the petition is what is being requested. Mike Coats suggested that the residents would have to organize themselves and their neighborhoods if that is the direction they want to go. If they do not want to go forward, the board would withdraw their offer of support and patch the roads that you have.**

**Ron Tiede asked about what repairs would be done.**

**Mike Coats stated that wasn't discussed, but the intent was to get this to go forward. That will probably be discussed at the next board meeting.**

**Irv Nehring question was asked if they have the model language for the petition.**

**Mike Coats stated that will be available from the township attorney if they want to use him for this.**

**Sharon Petersen stated that at the meeting we held with our attorney, he stated that this he could be set up the petition. It can deal with just the overlay work being covered, or it could be set up with costs of maintenance that the residents want added to cost for the district.**

**Mike Coats suggested that if they want this to go forward, they should call Sharon Petersen and let her know that you are going forward, and she can contact the township attorney about this. He suggested that the residents be given the number to call him about this.**

**A question about culverts was asked and how it determined if they should be replaced.**

**Lenny Laures recommended that all centerline culverts be replaced if they have been down over thirty years. Private culverts may need to be replaced also.**



**Patti Ford asked about small culverts that are in place.**

**Lenny Laures stated that in their township all culverts have to be put in to township specifications, and if they are not, the township does not maintain them. If they do need replacement, the residents are charged for them. Each township is different.**

**Ron Murray asked about the figures on the blackboard.**

**Mike Coats explained that the figures are the numbers for the individual costs each subdivision. He has some breakdowns on how the cost would break down to individual cost. The numbers are over a year old and would have to be updated.**

**There will have to be sealed bids for this project.**

**Ron Tiede stated that the 429 project could be done.**

**Mike Coats stated that the town board looked at the Subordinate Service District.**

**Sharon Petersen stated that 429 project would require a 100% board approval.**

**Matt Lahring asked if the assessment was set up would the township still have to plow, etc.**

**Mike Coats stated that the assessment works to pay for the bonded debt.**

**A question was asked about what the role of the township is for this project.**

**Mike Coats stated that the township wants to address this issue and not leave that as an open issue. These questions need to be addressed by the residents for the attorney.**

**The board will look to the attorney for that analysis.**

**There were questions about what the board will do for maintenance once it is paid for by the residents again.**

**Mike Coats stated that he feels that the board wants to get this done, and these roads have a maximum life. You have reached the life of your roads in years, regardless of the maintenance that has been done.**

**All decisions about this project are up to the town board. We are here to help you understand what is required to move this project forward.**

**Roxanne Stewart asked if a Subordinate Service District is set up and if we decide we don't want it after the district is set up, what are our options.**

**If you decide not to sign the petition, that is an individual decision of each resident.**

**A question was asked about who authorizes the work to be done.**

**John Johnson stated the work is authorized by the town board.**

**Questions were asked about what would happen if the bids came in 20 to 30 percent higher than anticipated, is there a way to stop the process if the residents feel the cost has gotten too high.**

**John Johnson stated that before the work is authorized, they would hold a public hearing the board would detail what the assessments will be based on the bids received. Once the contracts are signed, the project will go forward with assessments as discussed in the public hearing.**

**A question was asked if the public hearing is standard procedure.**

**John Johnson stated that he believed that it is required, and that there is no way around it.**

**Linda Phillips asked if when you set up the Subordinate Service District and it is for the overlay only, what compels the board to do the maintenance and insure that this work will be done on a routine basis.**

**John Johnson suggested that they need to talk to the board about that.**

**Jim Evans asked that the first paragraph about Subordinate Service Districts be read.**

**Sharon Petersen read the following:**

**Subordinate Service Districts may exist in township pursuant to Minn. Stat. §365A. The districts are portions of a township that receive one or more services that are not provided in the remainder of the township, or which receive an increased level of service already provided to the entire township. The additional or increased level of service may be financed by a property tax levy imposed on the users of the service within the subordinate service district, by a service charge imposed on users of the service within the subordinate service district, or by a combination of property tax and service charge within the subordinate service district.**

**Linda Phillips commented that what that says to her is that it gives the board the authority to levy about anything they want on the residents of these roads. The additional cost could be levied against the residents.**

**John Walter read an excerpt from a memo from the township attorney that is detailed as follows:**

**“These are town roads and the town board is required to keep them maintained. Short of a road vacation process within everyone in the development agreeing to grant each other private easements, walking away from these roads is not an option for the town”.**

**This is an excerpt from “Troy Gilchrist” May 14, 2012 memo to town board members. The whole memo is attached to the minutes of this meeting.**

**The problem he feels is that we have not had the maintenance on these roads. Can this be construed to mean that we can be charged for something that we have paid for and have not received?**

**Mike Coats thanked everyone for attending. It is now up to you to bring this project forward.**

**Respectfully submitted,**

**Sharon Petersen  
Salem Township Clerk**

ORIGINAL

**SALEM TOWNSHIP  
BOARD OF APPEAL AND EQUALIZATION  
APRIL 22, 2014  
MEETING TIME: 6:00 P.M.**

**Members Present:** Jim Evans  
Brian Connelly  
Rick Lutzi  
Sharon Petersen

**Olmsted Co. Staff Present:** Ryan Kraft  
Julie Hackman

**Others Present:** Harry Meyer  
Lowell Meyer  
Kevin Connelly

The meeting was called to order at 6:00 p.m. by Jim Evans, Chairman.

Lowell Meyer  
Parcel 65.14.24.054733

Lowell Meyer was questioning the value on his house. Ryan Kraft explained that the house values generally decreased, but the overall value of farmland increased. When the paperwork was reviewed, the value of the house for 2015 will decrease by \$2,000. No changes were made to his assessed values.

Harry Meyer  
Parcels 65.12.33.077106, 65.01.33.043765, 65.11.44.043893, 65.12.33.076922,  
65.03.34.043802

It was explained that the top valuation for farm land is \$8,165 per acre. There is not much land valued like that in Salem Township. He was concerned that the taxes on his farm land increased by \$4,600. He was questioning the tax increase. It was explained that he is over the limit for the homestead credit, which is what caused the increase. It was explained that last year the number where the taxes increase was 1.2 million. For 2014 it is 1.5 million. Next year it will be 1.9 million. It was explained that the big increase is because the valuation put him above these limits and that causes the big increase because once you go over the limit, the tax increases from .5% to 1%. That one parcel will increase greatly because of that. On the home parcel it was explained that part of the increase was the pole shed and the increase in the value of the farm land. One parcel increased because you were over the limit for value, so part of the value increased .5 to 1%.

After discussion, he requested that his options to appeal this be approved by the town board. A motion was made by Rick Lutzi and seconded by Brian Connelly to not change the assessed value. The motion passed unanimously.

**Kevin Connelly**

**Parcel No.'s: 65.03.34.043802, 65.03.31.08.0344, 65.03.32.043799**

**Kevin Connelly was asking about a parcel that was not homesteaded. After review, they found a mistake in the billing and they will send a new bill for 2014. He was also questioning the value on one of the parcels because it is valued higher than the he paid for the property. It was explained that they had it valued below the purchase price, but the increase is due to the change in the market since October 2012.**

**In October, 2012 he paid \$259,000.00 and for 2015 his valuation will increase to \$270,300.00. A motion was made by Rick Lutzi and seconded by Jim Evans to make no change to the valuation of the parcel. The motion passed. Brian Connelly did not vote on the motion because he is a relative.**

**A copy of the record from the assessor's office and the certification form are attached to the original copy of the minutes of the meeting.**

**There was discussion with staff about valuations, green acres, agriculture homestead, and how homestead can be claimed even when the acres are not contiguous.**

**A motion was made by Rick Lutzi and seconded by Brian Connelly to adjourn the meeting at 6:45 p.m.**

**Respectfully submitted,**

**Jim Evans  
Chairman**

**Sharon Petersen  
Clerk**