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MEMO

TO:	**Sunfish Lake Mayor and Councilmembers** **Ann Lanoue, Jeff Sandberg, Cathy Iago, Jessica Cook, Steve Apfelbacher**
FROM:	**Timothy J. Kuntz, City Attorney**
DATE:	**August 1, 2019**
RE:	**Special Assessments for Projects 2018-01 (Charlton Road) and 2018-02 (Sunfish Lake Outlet); August 6, 2019 Council Meeting Agenda Item 8(c)**

Section 1. **Background**. This memo relates to the special assessments for Project 2018-01 (Charlton Road) and Project 2018-02 (Sunfish Lake Outlet). In April 2019, the Council issued $995,000 of bonds to fund the Projects. Part of the funding includes special assessments against benefitted properties. The bond structure calls for the City to levy the special assessments in 2019 and to spread the assessment payments over 10 years based on equal principal amounts with the first payment to begin in 2020. This memo addresses the assessment procedure and identifies the issues that the Council will consider.

Section 2. **Schedule**. The schedule for the process is as follows:

- August 6, 2019 – Preliminary consideration of resolutions declaring costs to be assessed and calling for hearings
- September 3, 2019 – Approve resolutions declaring costs to be assessed and calling for hearings
- September 5, 2019 – Mail notices of assessment hearings to landowners
- September 8, 2019 – Publish notices of assessment hearings in official newspaper
- September 15, 2019 – Publish notices of assessment hearings in official newspaper
- October 1, 2019 – Public hearing for Project 2018-01 (Charlton Road)
- October 1, 2019 – Public hearing for Project 2018-02 (Sunfish Lake Outlet)
- October 1, 2019 – Approve resolution adopting and levying special assessments for Project 2018-01 (Charlton Road)
- October 1, 2019 – Approve resolution adopting and levying special assessments for Project 2018-02 (Sunfish Lake Outlet)

- October 2, 2019 – Invoices for special assessments sent to landowners
- October 2, 2019 to November 15, 2019 – 30 day period to prepay principal assessments without interest
- November 30, 2019 – Certify unpaid assessment to Dakota County for collection with real estate taxes

Section 3. Cost of Projects. The cost of the Projects as computed by the City Engineer and Fiscal Advisor are as follows:

- $964,491.85 – Charlton Road
- $85,733.60 – Sunfish Lake Outlet
- $40,532.90 – Stormwater/Wetland Improvement (this relates to Charlton Road but is not being specially assessed; it will be paid for out of the tax levy)

The costs are shown on two sheets attached to this memo, one sheet is labeled "As-Bid Costs" the other sheet is labeled "Total Issue Uses and Sources".

Section 4. Assessment Policy. The assessment policy for Charlton Road is to assess 40% of the cost. The total cost is $964,491.85 and 40% of the total cost is $385,796.74. There are 31 assessable units (the Church is proposed to be assessed 2 units and the Dobranz property is proposed to be assessed 2 units; all other landowners are proposed to be assessed 1 unit). The per unit assessment is $12,445.06 (say $12,445).

The assessment policy for the Sunfish Lake Outlet is to assess 100% of the cost. The total cost is $85,733.60 and 100% of the total cost is $85,733.60. There are 33 assessable units. The per unit assessment is $2,597.99 (say $2,598).

The cost for the Wetland/Stormwater Improvements are related to the Charlton Road project, but these costs were separately calculated because they are not being assessed. Rather, they will be paid for out of the tax levy. The total cost for the Wetland/Stormwater Improvements is $40,532.90.

Section 5. Amortization of the Assessments. The structure of the assessments is as follows for both Projects:

- The assessments will be levied on October 1, 2019.
- If the special assessments are not pre-paid prior to certification to the county for collection, the principal amount of the assessments will be evenly spread over 10 years together with interest on the declining balance.
- Interest will begin to accrue from and after January 1, 2020.
- The first installment payment is due with taxes in 2020.
- To the first installment there is added interest through calendar year 2020.

Section 6. Interest Rate. The suggestion is to set the interest rate at 1.5% above the bond rate. The bond rate is 2.7202. The suggested interest rate for the assessments is 4.2%.

Section 7. Increased Cost. The improvement hearings and the ordering of the Projects occurred in June 2018. At that time, the Charlton Project was estimated to cost $841,000. The 40% assessment amount was estimated to be $336,400 and the per unit assessment for the 31 units was estimated to be $10,851.61 per unit. The cost increased. The actual cost for Charlton Road is $964,491.85. The 40% assessable amount is $385,796.74. The per unit assessable amount for the 31 units is $12,445.06 (say $12,445).

At the time of the improvement hearing in June 2018, the Sunfish Lake Outlet was estimated to cost $41,000. The per unit assessable amount for the 33 units was estimated to be $1,242.42. The actual cost for the Sunfish Lake Outlet is $85,733.60. The per unit assessment is $2,597.99 (say $2,598).

Section 8. Declaring Costs to Be Assessed and Calling for Hearing. Minn. Stat. § 429.061 provides that a public hearing has to be held for each project in order to levy the assessments. Both mailed and published notice have to precede the public hearings. The hearings are being scheduled for October 1, 2019. Under the statute, the Council, prior to the hearings has to pass a resolution declaring the costs to be assessed and calling for the public hearings. The notice has to state the specific amounts that are proposed to be assessed.

At the hearings, the Council can reduce the proposed assessments or adopt the assessments as proposed. For purposes of noticing the public hearing, I suggest that we notice the assessments at $12,445.06 (say $12,445) for Charlton Road for the 31 assessable units and at $2,597.99 (say $2,598) for the Outlet for the 33 assessable units.

It is anticipated that at the August 6, 2019 Council meeting, the Council will give preliminary consideration to the resolutions declaring the costs to be assessed and at the September 3, 2019 Council meeting, the Council will give final consideration to the resolutions declaring the costs to be assessed. This will give the Council at least up to September to identify and determine whether any unexpected out of the ordinary costs have been incurred with respect to the Projects.

If the assessments are reduced, the bond tax levy will have to be increased to generate enough funds to pay the bonds. I have provided other e-mails to the Council that address the impact of lowering the assessments and increasing the tax levy; those three (3) e-mails and accompanying attachments are enclosed with this memo for reference and are dated July 22, 2019, July 23, 2019 and July 25, 2019.

Section 9. Preliminary Consideration. At the August 6, 2019 Council meeting, the Council is asked to preliminarily consider the following:

- Resolution Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessments for Sunfish Lake City Project No. 2018-01 (Charlton Road Improvements)

- Resolution Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessments for Sunfish Lake City Project No. 2018-02 (Sunfish Lake Outlet Improvements)

- Resolution Calling for an Assessment Hearing for Project 2018-01 (Charlton Road Improvements) together with attached Notice of Hearing on Proposed Special Assessments for Project 2018-01

- Resolution Calling for an Assessment Hearing for Project 2018-02 (Sunfish Lake Outlet Improvements) together with attached Notice of Hearing on Proposed Special Assessments for Project 2018-02

The four resolutions are attached for reference.

Attachments

Attachment #1
As-Bid Costs

City of Sunfish Lake
2019 Improvement Project
* As-Bid Costs
3/6/2019

EHL
LEADERS IN PI

	Charlton Road	Sunfish Lake Outlet	Wetland	Total
Design	$ 120,650.00	$ 6,350.00	$ 5,000.00	$ 132,000.00
MNDOT, Permitting	$ 5,500.00	$ -	$ 2,000.00	$ 7,500.00
Construction	$ 717,111.11	$ 73,404.71	$ 26,129.84	$ 816,645.66
Inspection	$ 33,000.00	$ 1,000.00	$ 500.00	$ 34,500.00
Survey	$ 8,800.00	$ 500.00	$ 250.00	$ 9,550.00
Testing	$ 6,000.00	$ -	$ -	$ 6,000.00
Admin	$ 7,500.00	$ 500.00	$ 300.00	$ 8,300.00
Total Project Costs	$ 898,561.11	$ 81,754.71	$ 34,179.84	$ 1,014,495.66
Financing Costs	$ 61,438.89	$ 3,245.29	$ 820.16	$ 65,504.34
Total	**$ 960,000.00**	**$ 85,000.00**	**$ 35,000.00**	**$ 1,080,000.00**
Per Lot Assessment	**$ 12,387.10**	**$ 2,575.76**	$ -	
Initial Est. Assessment	$ 10,851.61	$ 1,242.42		
Difference	$ 1,535.49	$ 1,333.34		

Attachment #2

Total Issue Sources and Uses

City of Sunfish Lake, Minnesota

$995,000 General Obligation Bonds, Series 2019A

Issue Summary

* **Total Issue Sources And Uses**

Dated 04/25/2019 | Delivered 04/25/2019

	Charlton Road	Sunfish Lake Outlet	Wetland Stormwater Imp	Issue Summary
Sources Of Funds				
Par Amount of Bonds	$875,000.00	$80,000.00	$40,000.00	$995,000.00
Reoffering Premium	9,491.85	733.60	532.90	10,758.35
Planned Issuer Equity contribution	-	5,000.00	-	5,000.00
Other contributions	80,000.00	-	-	80,000.00
Total Sources	**$964,491.85**	**$85,733.60**	**$40,532.90**	**$1,090,758.35**
Uses Of Funds				
Total Underwriter's Discount (1.000%)	8,750.00	800.00	400.00	9,950.00
Costs of Issuance	39,558.62	1,647.47	1,725.91	42,932.00
Deposit to Capitalized Interest (CIF) Fund	17,401.42	1,531.42	829.92	19,762.76
Deposit to Project Construction Fund	898,781.81	81,754.71	37,577.07	1,018,113.59
Total Uses	**$964,491.85**	**$85,733.60**	**$40,532.90**	**$1,090,758.35**

Attachment #3
E-mail dated
7/22/19

Leah Rose

From:	Leah Rose
Sent:	Monday, July 22, 2019 3:12 PM
To:	'Ann Lanoue'; 'Dan O'Leary (olearytriallaw@yahoo.com)'; 'mhovey@hmcc.com'; 'Steve Bulach'; 'joannewahlstrom@comcast.net'; Shari Hansen (sharihansen@yahoo.com)
Cc:	Jeff Sandberg; 'Steve Apfelbacher'; 'Jessica Cook'
Subject:	SFL - Tax Levy for Bonds Relating to Project 2018-01 (Charlton Road) and Project 2018-02 (Sunfish Lake Outlet)

This e-mail correspondence is from Timothy J. Kuntz, City Attorney for the City of Sunfish Lake.

This e-mail relates to the tax levy that has to be made in December 2019 for collection in calendar year 2020 relating to the bond issue for Project 2018-01 (Charlton Road) and 2018-02 (Sunfish Lake Outlet). The bonds for the Projects were issued in April 2019. The repayment of the bonds is structured as follows:

1. On February 1, 2020, the City owes $19,762.76 in interest; no principal is due at this time. The interest owed of $19,762.76 was identified as capitalized interest and the money will come out of the bond proceeds.
2. On February 1, 2021, the City owes an installment payment of both principal and interest. This money has to be collected in 2020 so that it is available for the February 2021 payment. This money has to be levied in December 2019 for collection in 2020. The money is a combination of both tax levy and special assessments.
3. The bonds were structured to reflect the following assessments:
   a. Special assessments would be levied in 2019 and the principal amount thereof would be evenly spread over 10 years with the first year of collection in 2020. Interest would begin to accrue from and after January 1, 2020. The interest rate would be 1.5% above the bond rate.
   b. With regard to Charlton Road, 40% of project costs would be specially assessed. The project costs are $964,491.85. There are 31 assessable units. The total assessable amount is $385,799.14 (say $385,800). The per unit assessment is $12,445.13 (say $12,445).
   c. With regard to the Outlet, 100% of project costs would be assessed. The project costs for the Outlet are $85,733.60. There are 33 assessable units. The per unit assessment is $2,597.99 (say $2,598).
   d. With regard to the Wetland/Stormwater Improvement (Norton) there is no special assessment. The cost will be paid out of the tax levy only.
4. Based on the special assessment structure, Ehlers (Steve Apfelbacher and Jessica Cook) have calculated what the tax levy needs to be in December 2019 for collection in 2020 with regard to the bond repayment installment. This amount will be a part of the line item on the levy resolution that is identified as "Improvement Bond Debt Retirement". The other components of this line item are the other outstanding bond repayments that have to be collected in 2020.
5. The issue at hand is that although the Council does not make the final tax levy until December 2019, a "not-to-exceed" tax levy has to be set in September 2019. The assessment hearing is scheduled for October 2019. If at the October special assessment hearing the Council lowers the special assessments, then the tax levy number has to be recalculated and increased to generate enough funds to pay the debt service installment in February 2021 which has to be collected in 2020. The recalculation of the tax levy number can be done prior to the December 2019 levy. But the Council needs the flexibility in the not-to-exceed number in September in order to make the recalculation in December.
6. The lowest assessment numbers would probably be the Project estimates which were used for the improvement hearing held in June 2018. At that time the assessments for Charlton were estimated at $10,851.61 per unit for 31 units for a total assessment of $336,400, which was 40% of the estimated Charlton cost of $841,000. At that time the assessments for the Outlet were estimated at $1,242.42 per unit for 33 units for a total assessment of $41,000, which was 100% of the estimated Outlet cost of $41,000.

7. Since the not-to-exceed meeting is one month prior to the assessment hearing, I suggest that for the not-to-exceed number we use a bond tax levy amount for Projects 2018-01 and 2018-02 (including the wetland) that reflects the lower assessments of $336,400 for Charlton and $41,000 for the Outlet.
8. I will obtain this number from Ehlers in advance of the August 6, 2019 work session on the budget.
9. For the assessment hearing, I suggest that we notice the assessments at $12,445.13 (say $12,445) per unit for the 31 assessable units for Charlton Road.
10. For the assessment hearing, I suggest that we notice the assessments at $2,597.99 (say $2,598) per unit for the 33 assessable units for the Outlet.

Thank you.

Tim Kuntz

TJK/lmr

LeVander, Gillen & Miller, P.A.
633 S. Concord Street, Suite 400 | South St. Paul, MN 55075
(P) 651.451.1831 | (F) 651.450.7384

Attachment #4
E-mail dated
7/23/19

Leah Rose

From:	Leah Rose
Sent:	Tuesday, July 23, 2019 4:14 PM
To:	'Ann Lanoue'; 'Dan O'Leary (olearytriallaw@yahoo.com)'; 'mhovey@hmcc.com'; 'Steve Bulach'; 'joannewahlstrom@comcast.net'; 'Shari Hansen (sharihansen@yahoo.com)'
Cc:	'Jeff Sandberg'; 'Steve Apfelbacher'; 'Jessica Cook'
Subject:	RE: SFL - Tax Levy for Bonds Relating to Project 2018-01 (Charlton Road) and Project 2018-02 (Sunfish Lake Outlet)
Attachments:	Levy with 40% of Charlton Road and 100% of Outlet Improvements Assessed.pdf; Levy with Initial Assessment Estimate.pdf; Tax Impact.pdf

This e-mail correspondence is from Timothy J. Kuntz, City Attorney for the City of Sunfish Lake.

This is a follow-up to the e-mail below.

I asked Ehlers (Jessica Cook) what the tax levy number would be in 2019 for collection in 2020 if the special assessments were $12,445.13 (say $12,445) for the 31 units along Charlton Road and were $2,597.99 (say $2,598) for the 33 units for the Outlet. The answer is that the tax levy number would be $71,969.44.

I asked Ehlers (Jessica Cook) what the tax levy number would be in 2019 for collection in 2020 if the special assessments were $10,851.61 for the 31 units along Charlton Road and were $1,242.42 for the 33 units for the Outlet. The answer is that the tax levy number would be $85,313.58.

The difference in the tax levy numbers is $13,344.14.

Ehlers has prepared two sheets which show the levy numbers over the 10 year period. The two sheets are attached. One sheet shows the higher assessment/lower tax levy scenario. The other sheet shows the lower assessment/higher tax levy scenario.

The total levy amount for the higher assessment/lower tax levy over the 10 year period is $729,367.45. The total levy amount for the lower assessment/higher tax levy over the 10 year period is $845,118.87. The difference over the 10 year period is $115,751.42.

At the time the bonds were sold, Ehlers also provided a property tax impact statement which showed that for a home with an estimated market value of $750,000, the annual tax increase attributable to the higher tax levy would be about $254.26. Ehlers also provided a property tax impact statement which showed that for a home with an estimated market value of $1,000,000, the annual tax increase attributable to the higher tax levy would be about $352.06. The tax impact statement is attached.

Thank you.

Tim Kuntz

TJK/lmr

LeVander, Gillen & Miller, P.A.
633 S. Concord Street, Suite 400 | South St. Paul, MN 55075
(p) 651.451.1831 | (f) 651.450.7384

From: Leah Rose
Sent: Monday, July 22, 2019 3:12 PM
To: 'Ann Lanoue' <alanoue@comcast.net>; 'Dan O'Leary (olearytriallaw@yahoo.com)' <olearytriallaw@yahoo.com>; 'mhovey@hmcc.com' <mhovey@hmcc.com>; 'Steve Bulach' <sbulach@bulachcustomrock.com>; 'joannewahlstrom@comcast.net' <joannewahlstrom@comcast.net>; Shari Hansen (sharihansen@yahoo.com) <sharihansen@yahoo.com>
Cc: Jeff Sandberg <JSandberg@wsbeng.com>; 'Steve Apfelbacher' <sapfelbacher@ehlers-inc.com>; 'Jessica Cook' <jcook@ehlers-inc.com>
Subject: SFL - Tax Levy for Bonds Relating to Project 2018-01 (Charlton Road) and Project 2018-02 (Sunfish Lake Outlet)

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2. On February 1, 2021, the City owes an installment payment of both principal and interest. This money has to be collected in 2020 so that it is available for the February 2021 payment. This money has to be levied in December 2019 for collection in 2020. The money is a combination of both tax levy and special assessments.
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10. For the assessment hearing, I suggest that we notice the assessments at \$2,597.99 (say \$2,598) per unit for the 33 assessable units for the Outlet.

Thank you.

Tim Kuntz

TJK/lmr

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City of Sunfish Lake, Minnesota

$995,000 General Obligation Bonds, Series 2019A Issue Summary with 40% of Charlton Road and 100% of Outlet Improvements Assessed

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total	Assessments	Levy/(Surplus)
02/01/2020	-	-	19,762.76	19,762.76	(19,762.76)	-	-	-	-
02/01/2021	95,000.00	2.100%	25,777.50	120,777.50	-	120,777.50	126,816.38	54,846.94	71,969.44
02/01/2022	95,000.00	2.100%	23,782.50	118,782.50	-	118,782.50	124,721.63	53,227.56	71,494.07
02/01/2023	100,000.00	2.200%	21,787.50	121,787.50	-	121,787.50	127,876.88	51,608.16	76,268.72
02/01/2024	100,000.00	2.200%	19,587.50	119,587.50	-	119,587.50	125,566.88	49,988.78	75,578.10
02/01/2025	100,000.00	2.750%	17,387.50	117,387.50	-	117,387.50	123,256.88	48,369.37	74,887.51
02/01/2026	105,000.00	2.750%	14,637.50	119,637.50	-	119,637.50	125,619.38	46,749.99	78,869.39
02/01/2027	100,000.00	2.875%	11,750.00	111,750.00	-	111,750.00	117,337.50	45,130.59	72,206.91
02/01/2028	100,000.00	2.875%	8,875.02	108,875.02	-	108,875.02	114,318.77	43,511.21	70,807.56
02/01/2029	100,000.00	3.000%	6,000.00	106,000.00	-	106,000.00	111,300.00	41,891.81	69,408.19
02/01/2030	100,000.00	3.000%	3,000.00	103,000.00	-	103,000.00	108,150.00	40,272.41	67,877.59
Total	**$995,000.00**	-	**$172,347.78**	**$1,167,347.78**	**(19,762.76)**	**$1,147,585.02**	**$1,204,964.27**	**$475,596.82**	**$729,367.45**

Significant Dates

Dated	4/25/2019
First Coupon Date	2/01/2020

Yield Statistics

Bond Year Dollars	$6,277.83
Average Life	6.309 Years
Average Coupon	2.7453386%
Net Interest Cost (NIC)	2.7324623%
True Interest Cost (TIC)	2.7202039%
Bond Yield for Arbitrage Purposes	2.4372351%
All Inclusive Cost (AIC)	3.5005376%

City of Sunfish Lake, Minnesota

$995,000 General Obligation Bonds, Series 2019A
Issue Summary - With Initial Assessment Estimates

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total	Assessments	Levy/(Surplus)
02/01/2020	-	-	19,762.76	19,762.76	(19,762.76)	-	-	-	-
02/01/2021	95,000.00	2.100%	25,777.50	120,777.50	-	120,777.50	126,816.38	41,502.80	85,313.58
02/01/2022	95,000.00	2.100%	23,782.50	118,782.50	-	118,782.50	124,721.63	40,276.52	84,445.11
02/01/2023	100,000.00	2.200%	21,787.50	121,787.50	-	121,787.50	127,876.88	39,050.24	88,826.64
02/01/2024	100,000.00	2.200%	19,587.50	119,587.50	-	119,587.50	125,566.88	37,823.96	87,742.92
02/01/2025	100,000.00	2.750%	17,387.50	117,387.50	-	117,387.50	123,256.88	36,597.68	86,659.19
02/01/2026	105,000.00	2.750%	14,637.50	119,637.50	-	119,637.50	125,619.38	35,371.40	90,247.98
02/01/2027	100,000.00	2.875%	11,750.00	111,750.00	-	111,750.00	117,337.50	34,145.12	83,192.38
02/01/2028	100,000.00	2.875%	8,875.02	108,875.02	-	108,875.02	114,318.77	32,918.84	81,399.93
02/01/2029	100,000.00	3.000%	6,000.00	106,000.00	-	106,000.00	111,300.00	31,692.56	79,607.44
02/01/2030	100,000.00	3.000%	3,000.00	103,000.00	-	103,000.00	108,150.00	30,466.28	77,683.72
Total	**$995,000.00**	-	**$172,347.78**	**$1,167,347.78**	**(19,762.76)**	**$1,147,585.02**	**$1,204,964.27**	**$359,845.40**	**$845,118.87**

Significant Dates

Dated	4/25/2019
First Coupon Date	2/01/2020

Yield Statistics

Bond Year Dollars	$6,277.83
Average Life	6.309 Years
Average Coupon	2.7453386%
Net Interest Cost (NIC)	2.7324623%
True Interest Cost (TIC)	2.7202039%
Bond Yield for Arbitrage Purposes	2.4372351%
All Inclusive Cost (AIC)	3.5005376%

City of Sunfish Lake, Minnesota

Estimated Tax Impact

April 1, 2019

Assessments: $336,500 for Charlton Road & $41,000 for Outlet

BOND ISSUANCE INFORMATION	
Bond Issue Amount	$995,000
Number of Years	10
Average Interest Rate	2.76%
Estimated Bond Rating	Not Rated
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2019	$2,378,364
Debt Levy @ 105% - Average	74,429
Estimated Tax Capacity Rate:	
Payable - 2019 Without Proposed Bonds	26.206%
Payable - 2019 With Proposed Bonds	29.335%
Estimated Tax Rate Increase	3.129%

TAX IMPACT ANALYSIS

Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Net Tax Capacity	Current City Tax	Proposed Tax Increase*	Proposed City Tax
Residential Homestead	$ 250,000	$ 14,740	$ 235,260	$ 2,353	$ 616.52	$ **73.62**	$ 690.14
	500,000	-	500,000	5,000	1,310.30	**156.47**	1,466.77
	750,000	-	750,000	8,125	2,129.24	**254.26**	2,383.50
	1,000,000	-	1,000,000	11,250	2,948.18	**352.06**	3,300.23

Tax Increase is for Debt Service Only*		
Annual	Monthly	Daily
$73.62	$6.14	$0.20
156.47	13.04	0.43
254.26	21.19	0.70
352.06	29.34	0.96

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

EHLERS

Attachment #5
E-mail dated
7/25/19

Leah Rose

From: Leah Rose
Sent: Thursday, July 25, 2019 12:54 PM
To: 'Ann Lanoue'; 'Dan O'Leary (olearytriallaw@yahoo.com)'; 'mhovey@hmcc.com'; 'Steve Bulach'; 'joannewahlstrom@comcast.net'; Shari Hansen (sharihansen@yahoo.com)
Cc: 'Jeff Sandberg'; 'Steve Apfelbacher'; 'Jessica Cook'
Subject: SFL - Tax Levy for Bonds Relating to Project 2018-01 (Charlton Road) and Project 2018-02 (Sunfish Lake Outlet)
Attachments: Sheets A-C.pdf

This e-mail correspondence is from Timothy J. Kuntz, City Attorney for the City of Sunfish Lake.

This is a follow-up to the e-mail below.

On Tuesday, July 23, 2019, I sent you the below e-mail that dealt with the tax levy numbers for a scenario of the higher assessment/lower tax levy versus a scenario of a lower assessment/higher tax levy.

Except for the last paragraph of the e-mail below, the information is correct. The last paragraph dealing with the property tax impact statement is wrong and needs to be disregarded. I misunderstood what that tax impact statement was purporting to show. I said in the last paragraph that it represented the difference or the increase in levy between the two scenarios. Instead, it represents the impact of the higher assessment/lower tax levy scenario as calculated in April 2019 standing alone. I am sorry for the misstatement.

To achieve clarity and correctness, I asked Ehlers (Jessica Cook) to prepare three tax impact statements. Those three sheets are attached to this e-mail as Sheet A, Sheet B and Sheet C.

Each of the sheets shows the annual tax attributable to the bond tax levy for a variety of valued homes.

Sheet A portrays the scenario of higher assessment/lower tax levy. Under this scenario, the annual tax impact on a $1,000,000 home is $345.

Sheet B portrays the scenario of lower assessment/higher tax levy. Under this scenario, the annual tax impact on a $1,000,000 home is $399.75.

Sheet C shows that the difference between the two scenarios in the annual tax impact on a $1,000,000 home is $54.75 per year.

Thank you.

Tim Kuntz

TJK/lmr

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633 S. CONCORD STREET, SUITE 400 | SOUTH ST. PAUL, MN 55075
(P) 651.451.1831 | (F) 651.450.7384

From: Leah Rose
Sent: Tuesday, July 23, 2019 4:14 PM
To: 'Ann Lanoue' <alanoue@comcast.net>; 'Dan O'Leary (olearytriallaw@yahoo.com)' <olearytriallaw@yahoo.com>; 'mhovey@hmcc.com' <mhovey@hmcc.com>; 'Steve Bulach' <sbulach@bulachcustomrock.com>; 'joannewahlstrom@comcast.net' <joannewahlstrom@comcast.net>; 'Shari Hansen (sharihansen@yahoo.com)' <sharihansen@yahoo.com>
Cc: 'Jeff Sandberg' <JSandberg@wsbeng.com>; 'Steve Apfelbacher' <sapfelbacher@ehlers-inc.com>; 'Jessica Cook' <jcook@ehlers-inc.com>
Subject: RE: SFL - Tax Levy for Bonds Relating to Project 2018-01 (Charlton Road) and Project 2018-02 (Sunfish Lake Outlet)

This e-mail correspondence is from Timothy J. Kuntz, City Attorney for the City of Sunfish Lake.

This is a follow-up to the e-mail below.

I asked Ehlers (Jessica Cook) what the tax levy number would be in 2019 for collection in 2020 if the special assessments were $12,445.13 (say $12,445) for the 31 units along Charlton Road and were $2,597.99 (say $2,598) for the 33 units for the Outlet. The answer is that the tax levy number would be $71,969.44.

I asked Ehlers (Jessica Cook) what the tax levy number would be in 2019 for collection in 2020 if the special assessments were $10,851.61 for the 31 units along Charlton Road and were $1,242.42 for the 33 units for the Outlet. The answer is that the tax levy number would be $85,313.58.

The difference in the tax levy numbers is $13,344.14.

Ehlers has prepared two sheets which show the levy numbers over the 10 year period. The two sheets are attached. One sheet shows the higher assessment/lower tax levy scenario. The other sheet shows the lower assessment/higher tax levy scenario.

The total levy amount for the higher assessment/lower tax levy over the 10 year period is $729,367.45. The total levy amount for the lower assessment/higher tax levy over the 10 year period is $845,118.87. The difference over the 10 year period is $115,751.42.

At the time the bonds were sold, Ehlers also provided a property tax impact statement which showed that for a home with an estimated market value of $750,000, the annual tax increase attributable to the higher tax levy would be about $254.26. Ehlers also provided a property tax impact statement which showed that for a home with an estimated market value of $1,000,000, the annual tax increase attributable to the higher tax levy would be about $352.06. The tax impact statement is attached.

Thank you.

Tim Kuntz

TJK/lmr

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(P) 651.451.1831 | (F) 651.450.7384

From: Leah Rose
Sent: Monday, July 22, 2019 3:12 PM
To: 'Ann Lanoue' <alanoue@comcast.net>; 'Dan O'Leary (olearytriallaw@yahoo.com)' <olearytriallaw@yahoo.com>; 'mhovey@hmcc.com' <mhovey@hmcc.com>; 'Steve Bulach' <sbulach@bulachcustomrock.com>;

'joannewahlstrom@comcast.net' <joannewahlstrom@comcast.net>; Shari Hansen (sharihansen@yahoo.com) <sharihansen@yahoo.com>
Cc: Jeff Sandberg <JSandberg@wsbeng.com>; 'Steve Apfelbacher' <sapfelbacher@ehlers-inc.com>; 'Jessica Cook' <jcook@ehlers-inc.com>
Subject: SFL - Tax Levy for Bonds Relating to Project 2018-01 (Charlton Road) and Project 2018-02 (Sunfish Lake Outlet)

This e-mail correspondence is from Timothy J. Kuntz, City Attorney for the City of Sunfish Lake.

This e-mail relates to the tax levy that has to be made in December 2019 for collection in calendar year 2020 relating to the bond issue for Project 2018-01 (Charlton Road) and 2018-02 (Sunfish Lake Outlet). The bonds for the Projects were issued in April 2019. The repayment of the bonds is structured as follows:

1. On February 1, 2020, the City owes $19,762.76 in interest; no principal is due at this time. The interest owed of $19,762.76 was identified as capitalized interest and the money will come out of the bond proceeds.
2. On February 1, 2021, the City owes an installment payment of both principal and interest. This money has to be collected in 2020 so that it is available for the February 2021 payment. This money has to be levied in December 2019 for collection in 2020. The money is a combination of both tax levy and special assessments.
3. The bonds were structured to reflect the following assessments:
    a. Special assessments would be levied in 2019 and the principal amount thereof would be evenly spread over 10 years with the first year of collection in 2020. Interest would begin to accrue from and after January 1, 2020. The interest rate would be 1.5% above the bond rate.
    b. With regard to Charlton Road, 40% of project costs would be specially assessed. The project costs are $964,491.85. There are 31 assessable units. The total assessable amount is $385,799.14 (say $385,800). The per unit assessment is $12,445.13 (say $12,445).
    c. With regard to the Outlet, 100% of project costs would be assessed. The project costs for the Outlet are $85,733.60. There are 33 assessable units. The per unit assessment is $2,597.99 (say $2,598).
    d. With regard to the Wetland/Stormwater Improvement (Norton) there is no special assessment. The cost will be paid out of the tax levy only.
4. Based on the special assessment structure, Ehlers (Steve Apfelbacher and Jessica Cook) have calculated what the tax levy needs to be in December 2019 for collection in 2020 with regard to the bond repayment installment. This amount will be a part of the line item on the levy resolution that is identified as "Improvement Bond Debt Retirement". The other components of this line item are the other outstanding bond repayments that have to be collected in 2020.
5. The issue at hand is that although the Council does not make the final tax levy until December 2019, a "not-to-exceed" tax levy has to be set in September 2019. The assessment hearing is scheduled for October 2019. If at the October special assessment hearing the Council lowers the special assessments, then the tax levy number has to be recalculated and increased to generate enough funds to pay the debt service installment in February 2021 which has to be collected in 2020. The recalculation of the tax levy number can be done prior to the December 2019 levy. But the Council needs the flexibility in the not-to-exceed number in September in order to make the recalculation in December.
6. The lowest assessment numbers would probably be the Project estimates which were used for the improvement hearing held in June 2018. At that time the assessments for Charlton were estimated at $10,851.61 per unit for 31 units for a total assessment of $336,400, which was 40% of the estimated Charlton cost of $841,000. At that time the assessments for the Outlet were estimated at $1,242.42 per unit for 33 units for a total assessment of $41,000, which was 100% of the estimated Outlet cost of $41,000.
7. Since the not-to-exceed meeting is one month prior to the assessment hearing, I suggest that for the not-to-exceed number we use a bond tax levy amount for Projects 2018-01 and 2018-02 (including the wetland) that reflects the lower assessments of $336,400 for Charlton and $41,000 for the Outlet.
8. I will obtain this number from Ehlers in advance of the August 6, 2019 work session on the budget.
9. For the assessment hearing, I suggest that we notice the assessments at $12,445.13 (say $12,445) per unit for the 31 assessable units for Charlton Road.

10. For the assessment hearing, I suggest that we notice the assessments at $2,597.99 (say $2,598) per unit for the 33 assessable units for the Outlet.

Thank you.

Tim Kuntz

TJK/lmr

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City of Sunfish Lake, Minnesota

Estimated Tax Impact
July 24, 2019
Final Sale Results

BOND ISSUANCE INFORMATION	
Bond Issue Amount	$995,000
Number of Years	10
Average Interest Rate	2.75%
Estimated Bond Rating	Not Rated

PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2019	$2,378,364
Debt Levy @ 105% - Average	72,937
Estimated Tax Capacity Rate:	
Payable - 2019 Without Proposed Bonds	26.206%
Payable - 2019 With Proposed Bonds	29.273%
Estimated Tax Rate Increase	3.067%

TAX IMPACT ANALYSIS							
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Net Tax Capacity	Current City Tax	Proposed Tax Increase*	Proposed City Tax
	$ 250,000	$ 14,740	$ 235,260	$ 2,353	$ 616.52	$ **72.15**	$ 688.67
Residential	500,000	-	500,000	5,000	1,310.30	**153.33**	1,463.63
Homestead	750,000	-	750,000	8,125	2,129.24	**249.17**	2,378.41
	1,000,000	-	1,000,000	11,250	2,948.18	**345.00**	3,293.18

Tax Increase is for Debt Service Only*		
Annual	Monthly	Daily
$72.15	$6.01	$0.20
153.33	12.78	0.42
249.17	20.76	0.68
345.00	28.75	0.95

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

Sheet A

EHLERS
LEADERS IN PUBLIC FINANCE

City of Sunfish Lake, Minnesota

Estimated Tax Impact

July 24, 2019

Assessments: $336,500 for Charlton Road & $41,000 for Outlet

BOND ISSUANCE INFORMATION	
Bond Issue Amount	$995,000
Number of Years	10
Average Interest Rate	2.75%
Estimated Bond Rating	Not Rated

PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2019	$2,378,364
Debt Levy @ 105% - Average	84,512
Estimated Tax Capacity Rate:	
Payable - 2019 Without Proposed Bonds	26.206%
Payable - 2019 With Proposed Bonds	29.759%
Estimated Tax Rate Increase	3.553%

TAX IMPACT ANALYSIS

Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Net Tax Capacity	Current City Tax	Proposed Tax Increase*	Proposed City Tax
	$ 250,000	$ 14,740	$ 235,260	$ 2,353	$ 616.52	$ 83.60	$ 700.12
Residential	500,000	-	500,000	5,000	1,310.30	177.67	1,487.97
Homestead	750,000	-	750,000	8,125	2,129.24	288.71	2,417.95
	1,000,000	-	1,000,000	11,250	2,948.18	399.75	3,347.93

Tax Increase is for Debt Service Only*		
Annual	Monthly	Daily
$83.60	$6.97	$0.23
177.67	14.81	0.49
288.71	24.06	0.79
399.75	33.31	1.10

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

Sheet B

Prepared by Ehlers
7/24/2019

EHLERS

City of Sunfish Lake, Minnesota

Estimated Tax Impact

July 24, 2019

Difference Between Higher and Lower Assessment Amounts

BOND ISSUANCE INFORMATION	
Bond Issue Amount	$995,000
Number of Years	10
Average Interest Rate	2.76%
Estimated Bond Rating	Not Rated

PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2019	$2,378,364
Debt Levy @ 105% - Average	11,575
Estimated Tax Capacity Rate:	
Payable - 2019 Without Proposed Bonds	26.206%
Payable - 2019 With Incremental Increase	26.693%
Estimated Tax Rate Increase	0.487%

TAX IMPACT ANALYSIS									Tax Increase is for Debt Service Only*		
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Net Tax Capacity	Current City Tax	Proposed Tax Increase*	Proposed City Tax		Annual	Monthly	Daily
	$ 250,000	$ 14,740	$ 235,260	$ 2,353	$ 616.52	$ 11.45	$ 627.97		$11.45	$0.95	$0.03
Residential	500,000	-	500,000	5,000	1,310.30	24.33	1,334.63		24.33	2.03	0.07
Homestead	750,000	-	750,000	8,125	2,129.24	39.54	2,168.78		39.54	3.30	0.11
	1,000,000	-	1,000,000	11,250	2,948.18	54.75	3,002.93		54.75	4.56	0.15

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

Sheet C

CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. 19-______

A RESOLUTION DECLARING COSTS TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENTS FOR SUNFISH LAKE CITY PROJECT NO. 2018-01 (CHARLTON ROAD IMPROVEMENTS)

WHEREAS, pursuant to Minnesota Statute § 429.061 the costs and expense incurred and to be incurred in making City Project 2018-01 (Charlton Road Improvements) have been calculated and so determined.

WHEREAS, the cost and expense incurred and to be incurred in making improvement Project 2018-01 is the amount of $964,491.85.

WHEREAS, Minnesota Statute § 429.061 provides that the City Council shall determine by resolution the amount of the total expense the municipality will pay other than amount, if any, which it will pay as a property owner and the amount to be specially assessed.

NOW, THEREOFRE, BE IT RESOLVED BY THE CITY COUNCIL OF SUNFISH LAKE:

1.) The amount to be specially assessed for Project 2018-01 shall be approximately 40% of the total amount, namely the sum of $385,796.74 or $12,445.06 (say $12,445) per unit for the 31 assessable units.

2.) The other 60% of the total amount of the Project costs, namely the sum of $578,695.11 shall be financed by way of general tax levy and available City reserves as determined by the Council.

3.) The City Clerk, with the assistance of the City Engineer and City Attorney, shall forthwith calculate the proper amount to be specially assessed for such improvements against every assessable lot or parcel of land as provided by law. The Clerk shall thereupon file a copy of such proposed assessments with the City and the proposed assessments shall be available for public inspection.

4.) The City Clerk shall, upon completion of the proposed assessments, notify the City Council thereof.

Passed by the City Council of Sunfish Lake this 3rd day of September, 2019.

Dan O'Leary, Mayor

ATTEST:

Catherine Iago, City Clerk

CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. 19-_______

A RESOLUTION DECLARING COSTS TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENTS FOR SUNFISH LAKE CITY PROJECT NO. 2018-02 (SUNFISH LAKE OUTLET IMPROVEMENTS)

WHEREAS, pursuant to Minnesota Statute § 429.061 the costs and expense incurred and to be incurred in making City Project 2018-02 (Sunfish Lake Outlet Improvements) have been calculated and so determined.

WHEREAS, the cost and expense incurred and to be incurred in making improvement Project 2018-02 is the amount of $85,733.60 (say $85,734).

WHEREAS, Minnesota Statute § 429.061 provides that the City Council shall determine by resolution the amount of the total expense the municipality will pay other than amount, if any, which it will pay as a property owner and the amount to be specially assessed.

NOW, THEREOFRE, BE IT RESOLVED BY THE CITY COUNCIL OF SUNFISH LAKE:

1.) The amount to be specially assessed for Project 2018-02 shall be approximately 100% of the total amount, namely the sum of $85,733.60 (say $85,734) or $2,597.99 (say $2,598) per unit for the 33 assessable units.

2.) No amount of the Project costs is expected to be financed by way of general tax levy and available City reserves as determined by the Council.

3.) The City Clerk, with the assistance of the City Engineer and City Attorney, shall forthwith calculate the proper amount to be specially assessed for such improvements against every assessable lot or parcel of land as provided by law. The Clerk shall thereupon file a copy of such proposed assessments with the City and the proposed assessments shall be available for public inspection.

4.) The City Clerk shall, upon completion of the proposed assessments, notify the City Council thereof.

Passed by the City Council of Sunfish Lake this 3rd day of September, 2019.

____

Dan O'Leary, Mayor

ATTEST:

____

Catherine Iago, City Clerk

CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. 19-______

RESOLUTION CALLING FOR AN ASSESSMENT HEARING WITH RESPECT TO SUNFISH LAKE CITY PROJECT NO. 2018-01 (CHARLTON ROAD IMPROVEMENTS)

WHEREAS, the City Council directed the City Clerk to prepare a proposed assessment roll for Sunfish Lake City Project No. 2018-01 (Charlton Road Improvements).

WHEREAS, the Clerk has notified the Council that such proposed assessment roll has been completed and is on file for public inspection.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SUNFISH LAKE:

1. The attached Notice of Assessment Hearing is hereby approved and ratified.

2. A hearing shall be held on the 1st day of October, 2019, at St. Anne's Episcopal Church located at 2035 Charlton Road (Highway 62 and Charlton Road), Sunfish Lake, Minnesota at 7:00 p.m. to pass upon such proposed assessment at such time and place. All persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.

3. The action of the City Clerk to cause the attached Notice of Assessment Hearing to be published at least once in the official newspaper at least two weeks prior to the hearing and to mail the attached Notice to the owners of each parcel described in the assessment roll is hereby approved and ratified. The mailing will be not less than two weeks prior to the hearing.

Passed by the City Council of Sunfish Lake this 3rd day of September, 2019.

____
Dan O'Leary, Mayor

ATTEST:

____
Catherine Iago, City Clerk

CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA

NOTICE OF HEARING ON PROPOSED SPECIAL ASSESSMENTS FOR SUNFISH LAKE CITY PROJECT NO. 2018-01 (CHARLTON ROAD IMPROVEMENTS)

TO WHOM IT MAY CONCERN:

NOTICE is hereby given that the City Council of Sunfish Lake, Minnesota, will hold a public hearing at St. Anne's Episcopal Church located at 2035 Charlton Road (Highway 62 and Charlton Road), Sunfish Lake, Minnesota, at **7:00 p.m. on Tuesday, October 1, 2019**, to consider, pass upon, adopt and levy the proposed special assessments for the project improvements as hereafter described. At the hearing the City Council may adopt the proposed assessments.

SUNFISH LAKE CITY PROJECT NO. 2018-01 (CHARLTON ROAD IMPROVEMENTS)

GENERAL NATURE OF IMPROVEMENTS:

City Project No. 2018-01 (the Project) involves the reconstruction and surfacing of the entire length of Charlton Road from CSAH 63 (Delaware Avenue) to Highway 62 and softening the 90-degree curve.

City Project No. 2018-01 includes:

- Subgrade reconstruction
- Street reconstruction
- Bituminous surfacing
- Drainage, ditch and stormwater improvements
- Segments of concrete curb and gutter
- Installation of Geotech style fabric
- Right-of-way and drainage and utility easement acquisition
- Grading, excavation and erosion control
- Partial realignment of traveled portion of roadway
- Wetland Enhancements

AREAS PROPOSED TO BE ASSESSED:

The areas proposed to be assessed for Project 2018-01 are the tax parcels listed below. The proposed assessments are listed below:

Project Parcel No.	Name and Address of Record Owner	Tax Parcel Identification Number	Proposed Assessment Amount
1	Saint Anne's Episcopal Church 2035 Charlton Road Sunfish Lake, MN 55118	38-03000-50-030	$24,890.12 (say $24,890) 2 units
2	Michael A. Hovey and Margaret M. Hovey 2030 Charlton Road Sunfish Lake, MN 55118	38-03000-51-010	$12,445.06 (say $12,445)
3	Mary J. Malachway 2040 Charlton Road Sunfish Lake, MN 55118	38-03000-51-020	$12,445.06 (say $12,445)
4	Andrew John Ralston and Kristina Renae Ralston 2058 Charlton Road Sunfish Lake, MN 55118	38-03000-51-030	$12,445.06 (say $12,445)
5	Violet Dobrantz, Elroy R.E. Dobrantz, Donna Dobrantz, Gladys Dobrantz and Raymond Dobrantz Property Address: 2078 Charlton Road Sunfish Lake, MN 55118 Mailing Address: 9240 Arnold Avenue Inver Grove Heights, MN 55077	38-03000-52-013	$24,890.12 (say $24,890) 2 units
6	Aydin Moradian and Rebecca Lynn Reich Moradian 2120 Charlton Road Sunfish Lake, MN 55118	38-03000-52-020	$12,445.06 (say $12,445)
7	Calvin S. Noble and Claire E. Noble 2130 Charlton Road Sunfish Lake, MN 55118	38-13300-01-010	$12,445.06 (say $12,445)

8	Catharine Ubel Nye and and Hoyt William Nye, Trustees of the Revocable Trust created by the Catharine Ubel Nye Revocable Trust Agreement effective February 26, 2001 2140 Charlton Road Sunfish Lake, MN 55118	38-13300-01-020	$12,445.06 (say $12,445)
9	Karin J. Klarer and John P. Prange 2144 Charlton Road Sunfish Lake, MN 55118	38-13300-01-030	$12,445.06 (say $12,445)
10	Charlton Road, L.L.C. Property Address: 2150 Charlton Road Sunfish Lake, MN 55118 Mailing Address: 7645 Lyndale Avenue S. Minneapolis, MN 55423	38-13300-01-040	$12,445.06 (say $12,445)
11	Dennis J. Tursso and Jacqueline M. Tursso Property Address: 2152 Charlton Road Sunfish Lake, MN 55118 Mailing Address: 223 Plato Blvd. E. St. Paul, MN 55107	38-84200-01-020	$12,445.06 (say $12,445)
12	Shannon M. Nelson and John J. Nelson, Jr., as Trustees of the Shannon M. Nelson Revocable Trust 2154 Charlton Road Sunfish Lake, MN 55118	38-84200-01-030	$12,445.06 (say $12,445)
13	Stephen Ettinger and Jennifer Ettinger 2158 Charlton Road Sunfish Lake, MN 55118	38-03000-54-031	$12,445.06 (say $12,445)

14	William D. Degnan and Ann H. Degnan 2156 Charlton Road Sunfish Lake, MN 55118	38-84200-01-010	$12,445.06 (say $12,445)
15	David L. Smith and Wendy Smith 2162 Charlton Road Sunfish Lake, MN 55118	38-03000-54-021	$12,445.06 (say $12,445)
16	Makoto Ishii and Akiko Ishii 2099 Charlton Road Sunfish Lake, MN 55118	38-57650-01-010	$12,445.06 (say $12,445)
17	Duane J. Crandall and Anita Y. Crandall 2157 Charlton Road Sunfish Lake, MN 55118-4738	38-57600-01-010	$12,445.06 (say $12,445)
18	Joel Williams 2159 Charlton Road Sunfish Lake, MN 55118	38-57600-01-020	$12,445.06 (say $12,445)
19	Jerrol M. Tostrud and Alleen C. Tostrud 2161 Charlton Road Sunfish Lake, MN 55118-4738	38-57600-01-030	$12,445.06 (say $12,445)
20	Gary E. Macmanus 2163 Charlton Road Sunfish Lake, MN 55118-4738	38-57600-01-060	$12,445.06 (say $12,445)
21	Shannon Michael Werb and Margaret Ann Gehrig, as Trustees of the Shannon Michael Werb Revocable Trust U/A June 28, 2017 Margaret Ann Gehrig and Shannon Michael Werb, as Trustees of the Margaret Ann Gehrig Revocable Trust U/A June 28, 2017 2165 Charlton Road Sunfish Lake, MN 55118	38-03000-53-022	$12,445.06 (say $12,445)

22	Martha H. Norton Property Address: 2148 Delaware Avenue Sunfish Lake, MN 55118 Mailing Address: c/o Cynthia Tocho 2130 Delaware Avenue Sunfish Lake, MN 55118	38-03000-53-021	$12,445.06 (say $12,445)
23	Elizabeth Ann Hammett and Katherine Carol Ginkel Property Address: 2198 Delaware Avenue Sunfish Lake, MN 55118 Mailing Address: 5306 Forest Breeze Court Saint Cloud, FL 34771-7743	38-03100-27-010	$12,445.06 (say $12,445)
24	John Hutchinson and Sharon Hutchinson 2194 Charlton Road Sunfish Lake, MN 55118	38-03100-27-020	$12,445.06 (say $12,445)
25	William Hammett and Elizabeth Hammett 2196 Charlton Road Sunfish Lake, MN 55118-4737	38-03100-27-080	$12,445.06 (say $12,445)
26	Bryan Robert Harper 2190 Charlton Road Sunfish Lake, MN 55118	38-03100-27-060	$12,445.06 (say $12,445)
27	Michael S. MacDonald and Suzanne MacDonald 2184 Charlton Road Sunfish Lake, MN 55118-4737	38-03100-27-075	$12,445.06 (say $12,445)

28	Joel A. Barker and Susan K. Barker Property Address: 2180 Charlton Road Sunfish Lake, MN 55118 Mailing Address: P.O. Box 7037 St. Paul, MN 55107	38-03100-27-040	$12,445.06 (say $12,445)
29	Rebecca Ann Debertin 2166 Charlton Road Sunfish Lake, MN 55118	38-03000-54-011	$12,445.06 (say $12,445)
TOTAL			**$385,796.74**

TOTAL AMOUNT OF PROPOSED ASSESSMENT:

The total project cost for Project 2018-01 is $964,491.85, without the cost of the Wetland Enhancement. The total amount of the proposed assessments is about 40% thereof, namely, the sum of $385,796.74. The Project is proposed to be specially assessed against buildable tax parcels either abutting or served by said improvements. The areas and parcels, as specifically described herein, are subject to said special assessments. The buildable tax parcels abutting or served by the improvements are proposed to be assessed $12,445.06 (say $12,445) per buildable tax parcel for those tax parcels abutting or served by Charlton Road.

The cost of the Wetland Enhancement is $40,532.90. The cost of $40,532.90 is not proposed to be assessed; rather, it is proposed that this be paid out of the general tax levy.

ASSESSMENT ROLL AVAILABLE FOR INSPECTION:

The proposed assessment roll is now on file with the City Clerk and City Treasurer and is open for public inspection at St. Anne's Episcopal Church at 2035 Charlton Road (Highway 62 and Charlton Road), Sunfish Lake, Minnesota. The assessment roll is open for public inspection and is being mailed to all the above identified record owners of the parcels proposed to be assessed. The assessment roll will also be available for examination at the hearing.

OBJECTIONS AND APPEALS:

Written and oral objections will be considered at the hearing. Minnesota Statutes § 429.061 states that no appeal may be taken as to the amount of the assessment unless a written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing.

An owner may appeal an assessment to the District Court pursuant to Minnesota Statutes § 429.081 by serving notice of appeal upon the Mayor or the City Clerk of the City within thirty (30) days after the adoption of the assessment and filing such notice with the District Court within ten (10) days after service upon the Mayor or the City Clerk.

SENIOR CITIZENS DEFERMENT:

Under Minnesota Statutes § 435.193 to 435.195, the Sunfish Lake City Council may, in its discretion, defer the payment of these special assessments (a) for any homestead property owned by a person 65 years of age or older for whom it would be a hardship to make the payments, (b) for any homestead property owned by a person who is retired by virtue of a total and permanent disability for whom it would be a hardship to make the payments, or (c) for any homestead property owned by a person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service [as defined in Minnesota Statutes Section 190.05, subdivision 5(b) or 5(c)], as stated in the person's military order's, for whom it would be a hardship to make the payments. When deferment of the special assessments has been granted and is terminated for any reason provided by law, all amounts accumulated, plus applicable interest, become due. Any assessed property owner meeting the requirements of this law may apply to the City Clerk on the prescribed form for such deferral or payments of these special assessments. If you qualify and wish a deferment, contact the City Clerk.

AUTHORITY TO SPECIALLY ASSESS:

The proposed assessments are to be levied pursuant to Minnesota Statutes, Chapter 429. The improvements are proposed to be assessed against the buildable unit tax parcels abutting or served by the improvements. The areas, parcels, lots and pieces or property, as specifically described herein, are subject to said assessments. The amounts set forth in this Notice are the proposed assessments. The City Council may levy and adopt special assessments that are the same or different than the proposed amounts.

PAYMENT OF SPECIAL ASSESSMENTS:

Once the special assessments are levied and adopted, the special assessments will be certified to the Dakota County Auditor to be extended on the property tax lists for collection with real estate taxes. Prior to this certification, however, the property owner may prepay the entire amount of the assessments without any interest thereon provided the prepayment is received by November 15, 2019. If the property owner wishes to prepay the special assessments without any interest, then such payment must be made to the City of Sunfish Lake at the City Treasurer's Office, Attention: Ann Lanoue, 8010 Corey Path, Inver Grove Heights, Minnesota 55076. Partial pre-payment of the special assessment is not presently allowed under the City ordinances; the prepayment, without interest, must be for the entire amount of the special assessments.

If prepayment is not received by November 15, 2019, then:

a.) the total principal amount of the special assessments will be divided into an equal number of annual installments. The proposed number of annual installments is ten (10). The number of annual installments will be decided by the City Council when the special assessments are levied.

b.) The principal amount of the special assessments shall bear interest at the rate determined by the City Council when the special assessments are levied. The proposed interest rate is 4.2%.

c.) Interest is proposed to begin to accrue from and after January 1, 2020, the date of the levy of the assessments.

d.) The annual principal installments, together with interest accrued on the unpaid balance, are due and payable together with real estate taxes.

e.) Interest on the entire special assessments, from January 1, 2020, to December 31, 2020 (the year in which the first installment is payable), is added to the first principal installment. The first installment will be due and payable in 2020.

f.) If in the future the property owner wishes to pay off the remaining balance of the assessments, then Minnesota Statutes § 429.061, subd. 3 provides that such payment be made to the City Treasurer or to the Dakota County Auditor Treasurer, together with interest accrued to December 31 of the year in which payment is made as long as payment is made prior to November 15th; if the payoff occurs after November 15th, then interest for the next year is also added.

If the adopted special assessments differ from the proposed assessments as to any particular lot, piece or parcel of land, then the City will mail to the owner a notice stating the amount of the adopted assessments. Owners will also be notified, by mail, if the City Council adopts any changes in the interest rate or prepayment requirements from those contained in this NOTICE OF HEARING.

PUBLISH: September 8, 2019 and
September 15, 2019 in *South-West Review*
(Official Newspaper)

MAIL: September 5, 2019

CITY OF SUNFISH LAKE

/s/____________________
Catherine Iago, City Clerk

CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. 19-______

RESOLUTION CALLING FOR AN ASSESSMENT HEARING WITH RESPECT TO SUNFISH LAKE CITY PROJECT NO. 2018-02 (SUNFISH LAKE OUTLET IMPROVEMENTS)

WHEREAS, the City Council directed the City Clerk to prepare a proposed assessment roll for Sunfish Lake City Project No. 2018-02 (Sunfish Lake Outlet Improvements).

WHEREAS, the Clerk has notified the Council that such proposed assessment roll has been completed and is on file for public inspection.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SUNFISH LAKE:

1. The attached Notice of Assessment Hearing is hereby approved and ratified.

2. A hearing shall be held on the 1st day of October, 2019, at St. Anne's Episcopal Church located at 2035 Charlton Road (Highway 62 and Charlton Road), Sunfish Lake, Minnesota at 7:00 p.m. to pass upon such proposed assessment at such time and place. All persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.

3. The action of the City Clerk to cause the attached Notice of Assessment Hearing to be published at least once in the official newspaper at least two weeks prior to the hearing and to mail the attached Notice to the owners of each parcel described in the assessment roll is hereby approved and ratified. The mailing will be not less than two weeks prior to the hearing.

Passed by the City Council of Sunfish Lake this 3rd day of September, 2019.

____
Dan O'Leary, Mayor

ATTEST:

____
Catherine Iago, City Clerk

CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA

NOTICE OF HEARING ON PROPOSED SPECIAL ASSESSMENTS
FOR SUNFISH LAKE CITY PROJECT NO. 2018-02
(SUNFISH LAKE OUTLET IMPROVEMENTS)

TO WHOM IT MAY CONCERN:

NOTICE is hereby given that the City Council of Sunfish Lake, Minnesota, will hold a public hearing at St. Anne's Episcopal Church located at 2035 Charlton Road (Highway 62 and Charlton Road), Sunfish Lake, Minnesota, at **7:00 p.m. on Tuesday, October 1, 2019**, to consider, pass upon, adopt and levy the proposed special assessments for the project improvements as hereafter described. At the hearing the City Council may adopt the proposed assessments.

SUNFISH LAKE CITY PROJECT NO. 2018-02
(SUNFISH LAKE OUTLET IMPROVEMENTS)

GENERAL NATURE OF IMPROVEMENTS:

City Project No. 2018-02 relates to improvements to the existing outlet control pipe from Sunfish Lake and installation of a new storm sewer pipe along Charlton Road. The Sunfish Lake Outlet Improvements needed under City Project No. 2018-02 arise from high maintenance costs and to improve the outlet capacity of the system to better regulate the lake levels and improve the drawdown efficiencies. City Project No. 2018-02 includes:

- Removal of the existing outlet control pipe
- Replacement and realignment of the outlet control pipe and appurtenances
- Stormwater control improvements
- Grading and drainage
- Outlet discharge improvements and appurtenances

AREAS PROPOSED TO BE ASSESSED:

The areas proposed to be assessed for Project 2018-02 are the tax parcels listed below. The proposed assessments are listed below:

Project Parcel No.	Name and Address of Record Owner	Tax Parcel Identification Number	Proposed Assessment Amount
100	Dennis J. Tursso and Jacqueline M. Tursso Property Address: 2152 Charlton Road Sunfish Lake, MN 55118 Mailing Address: 223 Plato Blvd. E. St. Paul, MN 55107	38-84200-01-020	\$2,597.99 (say \$2,598)
101	Charlton Road, L.L.C. Property Address: 2150 Charlton Road Sunfish Lake, MN 55118-4737 Mailing Address: 7645 Lyndale Ave. S. Minneapolis, MN 55423	38-13300-01-040	\$2,597.99 (say \$2,598)
102	Karin J. Klarer and John P. Prange 2144 Charlton Road Sunfish Lake, MN 55118	38-13300-01-030	\$2,597.99 (say \$2,598)
103	John Johannson 1 Sunfish Lane Sunfish Lake, MN 55118-4722	38-11850-01-020	\$2,597.99 (say \$2,598)
104	Linval Joseph 2 Sunfish Lane Sunfish Lake, MN 55118-4721	38-03000-83-020	\$2,597.99 (say \$2,598)

105	Eric C. Tostrud and Laurie L. Tostrud Property Address: 3 Sunfish Lane Sunfish Lake, MN 55118 Mailing Address: 1490 Somerset Court Mendota Heights, MN 55118-2826	38-42600-01-021	$2,597.99 (say $2,598)
106	H. William Park and Mary J. Park 15 Sunnyside Lane Sunfish Lake, MN 55118-4723	38-42600-01-031	$2,597.99 (say $2,598)
107	Michael F. McFadden and Mary Kate McFadden 25 Sunnyside Lane Sunfish Lake, MN 55118-4723	38-42600-01-060	$2,597.99 (say $2,598)
108	Thomas P. Hurley and Julie K. Hurley 27 Sunnyside Lane Sunfish Lake, MN 55118	38-42600-01-070	$2,597.99 (say $2,598)
109	Daniel K. Halvorsen II and Kay O. Halvorsen 37 Sunnyside Lane Sunfish Lake, MN 55118-4723	38-42600-01-080	$2,597.99 (say $2,598)
110	Kurt L. Larson and Katherine Larson 11 Salem Lane Sunfish Lake, MN 55118	38-73202-01-010	$2,597.99 (say $2,598)
111	James H. O'Hagan and Ann H. O'Hagan 35 Windy Hill Road Inver Grove Heights, MN 55077-1424	38-72302-01-020	$2,597.99 (say $2,598)
112	James H. O'Hagan and Ann H. O'Hagan 35 Windy Hill Road Inver Grove Heights, MN 55077-1424	38-73202-01-030	$2,597.99 (say $2,598)
113	John D. Lamey Jr. and Frances Lamey 55 Windy Hill Road Sunfish Lake, MN 55077-1424	38-84300-01-010	$2,597.99 (say $2,598)

114	Janet C. Riley, Trustee of Janet C. Riley Revocable Trust U/A dated October 24, 2012 75 Windy Hill Road Sunfish Lake, MN 55118	38-03100-03-012	$2,597.99 (say $2,598)
115	Deborah B. Bancroft 100 Windy Hill Road Sunfish Lake, MN 55077-1425	38-03100-01-010	$2,597.99 (say $2,598)
116	Deborah B. Bancroft 100 Windy Hill Road Sunfish Lake, MN 55077-1425	38-03800-06-013	$2,597.99 (say $2,598)
117	Thomas Schlehuber and Michelle Schlehuber 325 Salem Church Road Sunfish Lake, MN 55118	38-45400-01-030	$2,597.99 (say $2,598)
118	Sena A. Kihtir 331 Salem Church Road Sunfish Lake, MN 55118	38-03100-26-015	$2,597.99 (say $2,598)
119	Sarah Pennie Thompson 335 Salem Church Road Sunfish Lake, MN 55118-4720	38-03700-02-014	$2,597.99 (say $2,598)
120	Robert J. Riesberg 343 Salem Church Road West St. Paul, MN 55118	38-32000-01-020	$2,597.99 (say $2,598)
121	Joseph M. Schaefer and Linda A. Schaefer 345 Salem Church Road Sunfish Lake, MN 55118	38-32000-01-010	$2,597.99 (say $2,598)
122	Shannon M. Nelson, Trustee of the Shannon M. Nelson Revocable Trust dated January 3, 2013 357 Salem Church Road Sunfish Lake, MN 55118	38-03700-05-051	$2,597.99 (say $2,598)

123	James K. Adams and Sharon A. Adams Property Address: 369 Salem Church Road West St. Paul, MN 55118 Mailing Address: 607 Watersedge Terrace Mendota Heights, MN 55120	38-03700-05-010	$2,597.99 (say $2,598)
124	James C. Stowell and Stephanie M. McDaniel 389 Salem Church Road Sunfish Lake, MN 55118	38-03700-05-020	$2,597.99 (say $2,598)
125	2250 Delaware LLC 2250 Delaware Avenue Sunfish Lake, MN 55118	38-11750-01-011	$2,597.99 (say $2,598)
126	Bryan Robert Harper 2190 Charlton Road Sunfish Lake, MN 55118	38-03100-27-060	$2,597.99 (say $2,598)
127	Michael S. MacDonald and Suzanne MacDonald 2184 Charlton Road Sunfish Lake, MN 55118	38-03100-27-075	$2,597.99 (say $2,598)
128	Joel A. Barker and Susan K. Barker Property Address: 2180 Charlton Road Sunfish Lake, MN 55118 Mailing Address: P.O. Box 7037 St. Paul, MN 55107	38-03100-27-040	$2,597.99 (say $2,598)
129	Rebecca Ann Debertin 2166 Charlton Road Sunfish Lake, MN 55118	38-03000-54-011	$2,597.99 (say $2,598)

130	David L. Smith and Wendy Smith 2162 Charlton Road Sunfish Lake, MN 55118-4737	38-03000-54-021	$2,597.99 (say $2,598)
131	Stephen Ettinger and Jennifer Ettinger 2158 Charlton Road Sunfish Lake, MN 55118	38-03000-54-031	$2,597.99 (say $2,598)
132	Shannon M. Nelson and John J. Nelson, Jr., as Trustees of the Shannon M. Nelson Revocable Trust 2154 Charlton Road Sunfish Lake, MN 55118	38-84200-01-030	$2,597.99 (say $2,598)
TOTAL			**$85,733.60**

TOTAL AMOUNT OF PROPOSED ASSESSMENT:

The total project cost for Project 2018-02 is $85,733.60. The total amount of the proposed assessments is 100% thereof, namely, the sum of $85,733.60. The Project is proposed to be specially assessed against buildable tax parcels either abutting or served by said improvements. The areas and parcels, as specifically described herein, are subject to said special assessments. The buildable tax parcels abutting or served by the improvements are proposed to be assessed $2,597.99 (say $2,598) per buildable tax parcel for those tax parcels abutting or served by the Project.

ASSESSMENT ROLL AVAILABLE FOR INSPECTION:

The proposed assessment roll is now on file with the City Clerk and City Treasurer and is open for public inspection at St. Anne's Episcopal Church at 2035 Charlton Road (Highway 62 and Charlton Road), Sunfish Lake, Minnesota. The assessment roll is open for public inspection and is being mailed to all the above identified record owners of the parcels proposed to be assessed. The assessment roll will also be available for examination at the hearing.

OBJECTIONS AND APPEALS:

Written and oral objections will be considered at the hearing. Minnesota Statutes § 429.061 states that no appeal may be taken as to the amount of the assessment unless a written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing.

An owner may appeal an assessment to the District Court pursuant to Minnesota Statutes § 429.081 by serving notice of appeal upon the Mayor or the City Clerk of the City within thirty (30) days after the adoption of the assessment and filing such notice with the District Court within ten (10) days after service upon the Mayor or the City Clerk.

SENIOR CITIZENS DEFERMENT:

Under Minnesota Statutes § 435.193 to 435.195, the Sunfish Lake City Council may, in its discretion, defer the payment of these special assessments (a) for any homestead property owned by a person 65 years of age or older for whom it would be a hardship to make the payments, (b) for any homestead property owned by a person who is retired by virtue of a total and permanent disability for whom it would be a hardship to make the payments, or (c) for any homestead property owned by a person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service [as defined in Minnesota Statutes Section 190.05, subdivision 5(b) or 5(c)], as stated in the person's military order's, for whom it would be a hardship to make the payments. When deferment of the special assessments has been granted and is terminated for any reason provided by law, all amounts accumulated, plus applicable interest, become due. Any assessed property owner meeting the requirements of this law may apply to the City Clerk on the prescribed form for such deferral or payments of these special assessments. If you qualify and wish a deferment, contact the City Clerk.

AUTHORITY TO SPECIALLY ASSESS:

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c.) Interest is proposed to begin to accrue from and after January 1, 2020, the date of the levy of the assessments.

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f.) If in the future the property owner wishes to pay off the remaining balance of the assessments, then Minnesota Statutes § 429.061, subd. 3 provides that such payment be made to the City Treasurer or to the Dakota County Auditor Treasurer, together with interest accrued to December 31 of the year in which payment is made as long as payment is made prior to November 15^{th}; if the payoff occurs after November 15^{th}, then interest for the next year is also added.

If the adopted special assessments differ from the proposed assessments as to any particular lot, piece or parcel of land, then the City will mail to the owner a notice stating the amount of the adopted assessments. Owners will also be notified, by mail, if the City Council adopts any changes in the interest rate or prepayment requirements from those contained in this NOTICE OF HEARING.

PUBLISH: **September 8, 2019 and**
September 15, 2019 in *South-West Review*
(Official Newspaper)

MAIL: **September 5, 2019**

CITY OF SUNFISH LAKE

/s/____________________
Catherine Iago, City Clerk