
**LEVANDER,
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RETIRED

MEMO

*ALSO ADMITTED IN WISCONSIN
◊ALSO ADMITTED IN NORTH DAKOTA
◊ALSO ADMITTED IN MASSACHUSETTS
◻ALSO ADMITTED IN OKLAHOMA

TO: Sunfish Lake Mayor and Councilmembers
FROM: Timothy J. Kuntz, City Attorney
DATE: December 30, 2020
RE: SFL Improvement Project No. 2021-02 (Zehnder Road Mill & Overlay);
January 5, 2021 City Council Meeting; Agenda Items 7(b)(1 - 4)

Section 1. Background. At the December 3, 2020 Council meeting, the Council received and preliminarily approved the feasibility report prepared by City Engineer Jeff Sandberg for Improvement Project No. 2021-02 – Zehnder Road Mill & Overlay (Project No. 2021-02).

At the Council meeting on January 5, 2021, the Council will consider the following four resolutions:

1. Resolution Receiving The Feasibility Report Of The Consulting Engineer And Calling For A Public Improvement Hearing Concerning Project No. 2021-02;
2. Resolution Appointing Jeff Sandberg And WSB & Associates, Inc., Jessica Cook And Ehlers And Associates, Inc. And Jenny Boulton And Kennedy & Graven To Assist The City With Project No. 2021-02;
3. Resolution Approving a Preliminary Financing Plan For Project No. 2021-02;
4. Resolution Approving the Project Schedule For Project No. 2021-02.

The four separate resolutions are attached to this memo.

Section 2. Resolution Receiving Feasibility Report. The final feasibility report dated December 30, 2020 was provided to you by Jeff Sandberg as part of his agenda materials for the January 5, 2021 Council meeting. The attached resolution receives the feasibility report and calls for a public hearing on February 2, 2021 to consider ordering Project No. 2021-02.

Section 3. Resolution Appointing Engineer, Fiscal Advisor and Bond Attorney. The City needs the assistance of consultants in three areas: engineering, fiscal advisor and bond counsel. Enclosed is a resolution that appoints Jeff Sandberg and WSB & Associates as the engineer for the Project. The Resolution also appoints Jessica Cook and Ehlers and Associates as fiscal advisor and Jenny Boulton and Kennedy & Graven as bond counsel.

Section 4. Resolution Approving Preliminary Financing Plan. The proposed funding for the improvements is a combination of City financing and special assessments to benefitting properties. The City Assessment Policy identifies Zehnder Road as a Local Street to be assessed 80% of the street improvement costs.

The proposed assessment amount and City financing amount are:

Zehnder Road:	\$29,900 (80% assessed to 5 parcels)
City Financing:	<u>\$7,480 (20% City financing)</u>
TOTAL:	\$37,380

The buildable tax parcels abutting or served by the improvements on Zehnder Road are proposed to be assessed \$5,980 per buildable tax parcel. Project No. 2021-02 is estimated to cost \$37,380 with 80% of the estimated cost assessed to 5 landowners on or served by Zehnder Road in the amount of \$5,980 per parcel totaling \$29,900 in assessments for Project No. 2021-02.

Section 5. Resolution Approving Project Schedule. The project schedule calls for a public hearing on Tuesday, February 2, 2021, to consider whether to order Project No. 2021-02; an award of the bid on June 1, 2021; construction in the summer of 2021; and a special assessment hearing on September 7, 2021 to levy the special assessments. A detailed project schedule is attached to the resolution approving the project schedule.

Section 6. Summary. At the January 5, 2021 Council meeting the Council will consider the attached four Resolutions related to Project No. 2021-02.

Attachments

**CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 21- _____

**A RESOLUTION RECEIVING AND APPROVING THE FINAL FEASIBILITY
REPORT OF THE CONSULTING ENGINEER AND CALLING FOR A PUBLIC
IMPROVEMENT HEARING CONCERNING CITY PROJECT NO. 2021-02
(ZEHNDER ROAD MILL AND OVERLAY PROJECT)**

WHEREAS, the City Council of Sunfish Lake directed WSB & Associates, Inc., the City's consulting engineer, to prepare a feasibility study for the consideration of mill and overlay rehabilitative measures on Zehnder Road pursuant to Minnesota Statutes, Chapter 429.

WHEREAS, the City had previously accepted a feasibility report for three separate Mill and Overlay Projects (City Project No. 2020-01) on September 3, 2019, which feasibility report included a two-inch mill and overlay on Zehnder Road. During final design of Project 2020-01 it was determined the final design cost estimate was too high for the City to move forward with Project 2020-01 in the calendar year 2020. As a result, Project 2020-01 was tabled until 2021 and the City instructed that Project No. 2020-01 be split into individual feasibility reports for each of the projects originally contained in Project 2020-01. Accordingly, the City assigned the Zehnder Road Mill and Overlay Project as Project No. 2021-02.

WHEREAS, a feasibility report for City Project No. 2021-02 dated December 1, 2020 was submitted to the City Council of Sunfish Lake at the December 1, 2020 regular City Council meeting and was reviewed and discussed by the City Council at the December 1, 2020 regular City Council meeting.

WHEREAS, the December 1, 2020 feasibility report studies City Project No. 2021-02 including roadway surface improvements on Zehnder Road from 60th Street West to the end of Zehnder Road. The roadway surface improvements consist of a two-inch mill and overlay. Milling and overlaying involves grinding off the top two inches of asphalt and then repaving the milled two inches with new asphalt. Additionally, existing storm culverts in the project area were reviewed for maintenance such as jetting out sediment and debris. Culverts will be considered for replacement at the time of full street reconstruction.

WHEREAS, at the January 5, 2021 Council meeting, the Council will call for a public hearing to consider approval of City Project No. 2021-02 (Zehnder Road Mill and Overlay) with an estimated cost of \$37,380.

WHEREAS, the proposed funding for the improvements is a combination of City financing and special assessments to benefitting properties. The City Assessment Policy identifies Zehnder Road as a Local Street to be assessed 80% of the street improvement costs.

WHEREAS, the proposed assessment amount and City financing amount are:

- Zehnder Road: \$29,900 (80% assessed to landowners)
- City Financing: \$7,480
- TOTAL: \$37,380

NOW, THEREFORE, THE CITY COUNCIL OF SUNFISH LAKE DOES HEREBY RESOLVE AS FOLLOWS:

1. The feasibility report dated December 30, 2020 is hereby received and approved by the City Council of Sunfish Lake. The City Council authorizes the preparation of plans and specifications in accord with the feasibility report. The plans and specifications shall be prepared by WSB & Associates, Inc.

WSB & Associates, Inc. is hereby designated the engineer for this improvement project.

2. The City Council will consider the improvements under City Project No. 2021-02 in accordance with the report and consider the financial feasibility of the Project and the feasibility of specially assessing the subject properties pursuant to Chapter 429 of the Minnesota Statutes. A list of the subject properties affected by City Project No. 2021-02 is attached hereto as **Exhibit A**.
3. A public hearing to consider the Mill and Overlay Improvements under City Project No. 2021-02 shall be held at 7:00 p.m. on February 2, 2021 at First Calvary Baptist Church located at 5495 South Robert Trail in the City of Sunfish Lake.
4. The City Attorney's office shall give mailed and published notice of the public hearing to consider the improvements under City Project No. 2021-02 as required by law. Notice of the hearing shall be published in the City's official newspaper on January 17, 2021 and on January 24, 2021 and mailed notice shall be sent to the affected landowners on or about January 15, 2021, or as soon thereafter as is practicable.

Adopted by the City Council of Sunfish Lake this 5th day of January, 2021.

Dan O'Leary, Mayor

ATTEST:

Catherine Iago, City Clerk

EXHIBIT A
LIST OF SUBJECT PROPERTIES AFFECTED BY
CITY PROJECT NO. 2021-02

Project Parcel Number	Tax Parcel Identification No.	Landowner Name and Property Address
Parcel 1	38-33500-01-060	John A. Metcalf 10 Hamen Court Sunfish Lake, MN 55077
Parcel 2	38-33500-02-050	James B. Naves and Jeannine M. Naves 5900 Zehnder Road Sunfish Lake, MN 55077
Parcel 3	38-33500-02-060	Lai-Ping Tam and Yue-Him Tam 5940 Zehnder Road Sunfish Lake, MN 55077
Parcel 4	38-33500-02-070	Gary D. Sommerland and Judith L. Sommerland 5960 Zehnder Road Sunfish Lake, MN 55077
Parcel 5	38-33500-02-080	Mary Jo L. Meuleners and Raymond F. Lacroix 5980 Zehnder Road Sunfish Lake, MN 55077

**CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 21-_____

**A RESOLUTION APPOINTING JEFF SANDBERG AND WSB & ASSOCIATES, INC.,
JESSICA COOK AND EHLERS AND ASSOCIATES, INC. AND JENNY BOULTON AND
KENNEDY & GRAVEN TO ASSIST THE CITY WITH CITY
PROJECT NO. 2021-02 (ZEHNDER ROAD MILL AND OVERLAY)**

WHEREAS, the City Council is considering whether to order and construct City Project No. 2021-02 – Zehnder Road Mill & Overlay (the “Project”).

WHEREAS, City Project No. 2021-02 includes roadway surface improvements on Zehnder Road from 60th Street West to the end of the Zehnder Road. The roadway surface improvements consist of a two-inch mill and overlay. Milling and overlaying involves grinding off the top two inches of asphalt and then repaving the milled two inches with new asphalt. Additionally, existing storm culverts in the project area will receive maintenance such as jetting out sediment and debris.

WHEREAS, the City needs advice and services in the following three (3) areas:

- Engineering
- Fiscal Advisor
- Bond Counsel

WHEREAS, the Council has designated Jeff Sandberg of WSB & Associates, Inc. as the engineer for this Project.

WHEREAS, Jessica Cook of Ehlers & Associates, Inc. is well qualified to provide fiscal advice.

WHEREAS, Jenny Boulton of Kennedy & Graven is well qualified to provide bond counsel services.

NOW, THEREFORE, THE CITY COUNCIL OF SUNFISH LAKE DOES HEREBY RESOLVE AS FOLLOWS:

1. The Council hereby appoints Jeff Sandberg and WSB & Associates, Inc. to be the Project engineer.
2. The Council hereby appoints Jessica Cook and Ehlers & Associates, Inc. to provide the City with fiscal advisory services in connection with the Project.
3. The Council hereby appoints Jenny Boulton and Kennedy & Graven to provide bond counsel services to the City in connection with the Project.

Passed this 5th day of January, 2021.

Dan O'Leary, Mayor

Attest:

Catherine Iago, City Clerk

**CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 21-_____

**RESOLUTION APPROVING A PRELIMINARY FINANCING PLAN
FOR CITY PROJECT NO. 2021-02
(ZEHNDER ROAD MILL AND OVERLAY)**

WHEREAS, the City Council has accepted the Feasibility Report for City Project No. 2021-02 (Zehnder Road Mill and Overlay).

WHEREAS, on January 5, 2021, the City Council authorized the preparation of plans and specifications for City Project No. 2021-02 (Zehnder Road Mill and Overlay) (hereafter the "Project").

WHEREAS, the City Council has approved a schedule for the consideration of the Project.

WHEREAS, the City Council has called for a public hearing for consideration of ordering the Project. This public improvement hearing is being held on February 2, 2021, at 7:00 p.m.

WHEREAS, the City Attorney has prepared a notice of the public hearing.

WHEREAS, it is appropriate for the City Council to consider the outline of proposed financing for the Project.

NOW, THEREFORE, THE CITY COUNCIL OF SUNFISH LAKE DOES HEREBY RESOLVE AS FOLLOWS:

1. The City Council hereby approves the preliminary financing plan and preliminary assessment policy for the Project as shown on the attached Exhibit A.
2. Final consideration of the special assessment amounts and the terms of the special assessments shall be made by the City Council at the special assessment hearing.

Passed this 5th day of January, 2021.

Dan O'Leary, Mayor

Catherine Iago, City Clerk

EXHIBIT A
PRELIMINARY FINANCING PLAN AND
PRELIMINARY ASSESSMENT POLICY
FOR CITY PROJECT NO. 2021-02
(ZEHNDER ROAD MILL AND OVERLAY)

NO.	ITEM	POLICY AND PLAN
1.	Project No.	City Project No. 2021-02 – Zehnder Road Mill and Overlay
2.	Project Costs	Project Costs include construction costs and the time spent by the City Attorney, Consulting Engineer, City Treasurer, City Forester, City Clerk and City Planner relating to the Project and the costs of publishing and mailing the notices of public hearings. Project Costs also include an appropriate contingency amount for construction.
3.	Estimate of Costs	The estimated cost of Project 2021-02 is \$37,380.
4.	Allocation of Project Costs	The proposed funding for the improvements is a combination of City financing and special assessments to benefitting properties. The City Assessment Policy identifies Zehnder Road as a Local Street to be assessed 80% of the street improvement costs. The proposed assessment amount and City financing amount are: Zehnder Road: \$29,900 (80% assessed to 5 parcels) City Financing: <u>\$7,480 (20% City financing)</u> TOTAL: \$37,380
5.	City Participation	The City participation would be in the amount of \$7,480. The City participation will come from reserves and bond tax levy.
6.	Properties Subject To Special Assessment	The properties subject to the special assessment are the parcels identified by the City consulting engineer in the feasibility report.
7.	Assessment Methodology	City Project No. 2021-02 is proposed to be specially assessed against buildable tax parcels either abutting or served by the improvements. The areas and parcels are

		subject to the special assessments. Zehnder Road is a Local Street and 80% of the estimated cost is proposed to be assessed. The buildable tax parcels abutting or served by the improvements on Zehnder Road are proposed to be assessed \$5,980 per buildable tax parcel. The Project is estimated to cost \$37,380 with 80% of the estimated cost assessed to 5 landowners on or served by Zehnder Road in the amount of \$5,980 per parcel totaling \$29,900 in assessments for the Project.
8.	Special Assessment Installments	The special assessments will be payable in ten (10) yearly installments. The yearly installment of principal will be the same fixed amount each year; there will be an equal amortization of principal over the term. The interest amount will decline as the principal balance declines.
9.	Interest on Special Assessments	The interest on the special assessments will begin to accrue either from and after the date of levy or from January 1, 2022 as determined by the Council at the assessment hearing. It is anticipated that the assessments will be levied in September 2021. The interest rate will be not more than 2% above the bond rate.
10.	Pre-payment of Special Assessments	Landowners will have thirty (30) days after levy of the special assessments to pre-pay the special assessments without any interest.
11.	Initial Installment	The initial installment of special assessments will be due and payable in calendar year 2022 together with real estate taxes.
12.	Payoff of Special Assessments	In any calendar year, landowners will be able to payoff the special assessments in full by making a payment equal to the principal balance owed together with interest through December 31 of the year of payoff.
13.	Partial Payments	Partial payments of principal outstanding will not be allowed.

**CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 21-_____

**A RESOLUTION APPROVING THE PROJECT SCHEDULE FOR
CITY IMPROVEMENT PROJECT NO. 2021-02
(ZEHNDER ROAD MILL AND OVERLAY)**

WHEREAS, the City Council is considering whether to order and construct City Project No. 2021-02 (Zehnder Road Mill and Overlay). City Project No. 2021-02 involves mill and overlay rehabilitative measures on Zehnder Road including two-inch mill and overlay of the street and maintenance and improvement of existing storm culverts.

WHEREAS, to assist the Council in its consideration, it is appropriate to outline a general schedule of events related to City Project No. 2021-02.

WHEREAS, the Council acknowledges that the attached schedule is a preliminary schedule and that there may be deviations from the schedule.

WHEREAS, the purpose of the schedule is to assist the Engineer, Treasurer, Clerk and City Attorney in planning their various activities to bring forth the issue of whether the Council should proceed to order and construct the Project.

NOW, THEREFORE, THE CITY COUNCIL OF SUNFISH LAKE DOES HEREBY RESOLVE AS FOLLOWS:

- a. The attached schedule is hereby approved.
- b. The Council acknowledges that there may be deviations from the schedule.

Passed this 5th day of January, 2021.

Dan O'Leary, Mayor

Attest:

Catherine Iago, City Clerk

PROJECT SCHEDULE FOR
SUNFISH LAKE IMPROVEMENT PROJECT NO. 2021-02
(ZEHNDER ROAD MILL AND OVERLAY)

Tuesday, January 5, 2021	• City Engineer submits final feasibility report to Council • Council, at its regular January 5, 2021 Council meeting approves the following: ➤ Resolution approving feasibility report and calling for a public hearing on February 2, 2021 ➤ Resolution approving preliminary financing plan ➤ Resolution approving preliminary project schedule ➤ Resolution appointing engineer, bond counsel and fiscal advisor
Thursday, January 14, 2021	Send Notice of Public Improvement Hearing to official newspaper (Pioneer Press) for publication on January 17, 2021 and January 24, 2021
Friday, January 15, 2021	Mail the Notice of Public Improvement Hearing to affected landowners
Sunday, January 17, 2021	Publish the Notice of Public Improvement Hearing in the official newspaper
Sunday, January 24, 2021	Publish the Notice of Public Improvement Hearing in the official newspaper
Tuesday, February 2, 2021	Council holds public hearing to consider ordering the Project Council, at its regular February 2, 2021 Council meeting approves the following: ➤ Resolution ordering the Project ➤ Resolution ordering preparation of plans and specifications

Tuesday, April 6, 2021	Council approves final plans and specifications for bidding purposes and by resolution, authorizes advertisement for bids
April ____, 2021	Advertisement for bids published in official newspaper (<i>Pioneer Press</i>)
April ____, 2021	Advertisement for bids published in trade paper (<i>Finance & Commerce</i>)
April ____, 2021	Second advertisement for bids published in official newspaper (<i>Pioneer Press</i>)
April ____, 2021	Second advertisement for bids published in trade paper (<i>Finance & Commerce</i>)
May ____, 2021	• Last day for submission of bids. • Opening and tabulation of bids.
Tuesday, June 1, 2021	Council, at its regular Council meeting on June 1, 2021, considers bids and awards construction contract
June 2021 – September 2021	Construction of Project
Tuesday, August 2, 2021	Council, at its regular Council meeting on August 2, 2021 declares costs to be assessed and calls for public hearing for special assessments to be held on September 7, 2021
August 13, 2021	Mail Notice of public hearing for proposed special assessments to affected landowners

August 11, 2021	Send Notice of public hearing to official newspaper for publication on Sunday, August 15, 2021 and Sunday, August 22, 2021
August 15, 2021	Publish Notice of public hearing for proposed special assessments
August 22, 2021	Publish Notice of public hearing for proposed special assessments
Tuesday, September 7, 2021	Special Assessment hearing Council, at its regular Council meeting on September 7, 2021, approves and levies special assessments
_____, 2021	End of 30 day period to pay special assessments without interest End of period to appeal assessments
_____, 2021	City certifies special assessments to County for collection of real estate taxes in year 2022 and thereafter