

**City of Ada**  
**Meeting of the City Council**  
**Tuesday, January 7, at 6:00 P.M. – Council Chambers**

**Agenda**

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Roll Call**
- IV. Citizen Forum** – *Individuals may address the council about any item of concern. A maximum of 15 minutes is allotted for the forum. If the full 15 minutes are not needed for the forum, the City Council will continue with the agenda. The City Council will take no official action on items discussed at the forum, with the exception of referral to staff or commission for future report.*
  
- V. Consent Agenda** – *These items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event the item will be removed from the Consent Agenda and placed elsewhere on the agenda.*
  - A.** December 3, 2019 Council Meeting minutes
  - B.** December 17, 2019 Special Session minutes
  - C.** City Pre-paid checks in the amount of \$
  - D.** City Accounts payables in the amount of \$
  - E.** Set date, time and location of council meetings.
  - F.** Designate official depositories
  - G.** Designate official newspaper
  
- VI. Approve Agenda** – *No item of business shall be considered unless it appears on the agenda for the meeting. Council Members may add items to the agenda by a majority vote of the council.*
  
- VII. Presentations with possible discussion and decision.**
  - A.** Solveig Kitchell- Historical Society
  - B.** Moore Engineering Update
  
- VIII. Reports of Department Heads and Committees**
  - A.** Mayors Report
    - 1) Committee Appointments
    - 2)
  
  - B.** Administrator / Clerk / Treasurer Report.

- 1) Department Updates
- 2) Grant Received from Northwest Minnesota Foundation (ABCF) - \$10,731.11 for Baseball Field Reimbursement (\$9828.89 remaining)
- 3) Moore Engineering final donation installment.
- 4) Union Negotiations update
- 5) CFP Update
- 6) Special Assessment Policy Manual
- 7) Snow Ordinance

**IX. Old Business**

- A. Public Works- Street Sweeper Bids
- B. Event Center Pricing Schedule
- C. 2<sup>nd</sup> Reading Ordinance 478 Amending Ordinance 383 granting Peoples Natural Gas a natural gas franchise for a period of 20 years within the City of Ada.

**XII. New Business**

- A. Kaleidoscope Guests, January-Tom/Shawn, February – Mike/Josh, March – Crystal/Casey
- B. Resolution 2020-01-01 Declaring Vacancy
- C. 1<sup>st</sup> Reading Ordinance 479 Eliminating Wards
- D. Rage Lot Purchase Discussion
- E. Closed Session – Administrator Larson’s review.
- F.

**XIII. Adjournment**

**City of Ada**  
**Meeting of the City Council**  
**Monday, December 3, 2019 6:00 P.M. – Council Chambers**

**Council Minutes**

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Roll Call**

Member Nelson was absent. Also present: Administrator Larson, Mayor Hintz, local media and members of the community.

- IV. Citizen Forum** – *Individuals may address the council about any item of concern. A maximum of 15 minutes is allotted for the forum. If the full 15 minutes are not needed for the forum, the City Council will continue with the agenda. The City Council will take no official action on items discussed at the forum, with the exception of referral to staff or commission for future report.*

Connie Rucinski came before the board to complain about the landlord utility responsibility for delinquent bills. The bills are being assessed to the properties on the 2020 property taxes. Landlords/Owners are being given the opportunity to pay the bills before December 15<sup>th</sup>, 2019.

- V. Consent Agenda** – *These items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event the item will be removed from the Consent Agenda and placed elsewhere on the agenda.*
  - A.** November 4, 2019 Council Meeting minutes
  - B.** City Pre-paid checks in the amount of \$124,007.43
  - C.** City Accounts payables in the amount of \$60,961.95

**Motion by Member Opheim seconded by Member Mathsen to approve the Consent Agenda as amended. Voting for: Opheim, Mathsen, Kroshus, Stene and Krieger. Against: None Motion Passed**

- VI. Approve Agenda** – *No item of business shall be considered unless it appears on the agenda for the meeting. Council Members may add items to the agenda by a majority vote of the council.*

**Motion by Member Stene, seconded by Member Opheim to approve the Agenda as amended. Voting for: Opheim, Mathsen, Kroshus, Stene and Krieger. Against: None Motion Passed**

## **VII. Presentations with possible discussion and decision.**

### **A. Moore Engineering Update**

Dan Hanson of Moore Engineering updated council regarding a future project. He stated that a new pump is being looked at to move water from an oxbow on the south side of town. A submersible electric pump is being considered to move water without constant manpower to operate a tractor and pump, presently being used. Mr. Hanson stated he will return next month with contractor quotes. A motion was made and seconded to approve a task order.

**Motion by Member Kroshus, seconded by Member Krieger to approve the task order of the electric sump pump system to move water from an oxbow on the south side of town. Voting for: Opheim, Mathsen, Kroshus, Stene and Krieger. Against: None Motion Passed**

### **B. Lori Braaten – new Pub 21 owner**

Lori Braaten was present to request licensing for her business. Licenses for her business were discussed and voted on. Member Opheim made comment to the fact that the motion would carry after all legal documents have been approved.

**Motion by Member Mathsen, seconded by Member Stene to approve the Food License, Liquor License, Sunday Open License, and a 2AM license to Twisted Sisters dba Pub 21 LLC. Voting for: Opheim, Mathsen, Stene and Krieger. Abstain: Kroshus Against: None Motion Passed**

## **VIII. Reports of Department Heads and Committees**

### **A. Mayor's Report**

#### **1) Dedication Award to former Mayor Todd Sawrey.**

A plaque was presented to Former Mayor Todd Sawrey to commemorate his years of service to the City of Ada in the many positions he served.

#### **2) Appointment of Vice Mayor**

Mayor Hintz sought nominations for Vice Mayor, a position vacated due to the change in the Mayor position. Member Opheim nominated Josh Mathsen to fill the position.

**Motion by Member Opheim, seconded by Member Krieger to nominate Member Josh Mathsen to fill the Vice Mayor position within the City of Ada. Voting for: Opheim, Mathsen, Kroshus, Stene and Krieger. Against: None Motion Passed**

3) Appointment of the Open Council Seat

Mayor Hintz proceeded to have nominations for the vacated council seat that Mayor Hintz once filled. Member Opheim nominated Kim Lewis. Member Kroshus nominated Shawn Roux, and Dean Knutson, who volunteered himself to run for the open seat. Mr. Lewis and Mr. Roux both spoke to give some background on their experience with the City of Ada. Member Roux was chosen by a 3-2 vote. Member Roux was then sworn in.

**By roll call vote, Mayor Hintz opened up the panel to vote for the candidates. Voting for Kim Lewis – Member Opheim and Member Krieger: Voting for Shawn Roux – Member Mathsen, Member Kroshus and Member Stene. No vote for Dean Knutson.**

4) Committees

Mayor Hintz addressed council regarding committees that need to be changed due to his capacity of Mayor. He wanted council to review the committees and reach out to him regarding any interest in the committees. He will appoint members to committees at the January regular meeting.

5) City Administrator reviews

Mayor Hintz addressed council regarding interview packets that will be sent out and to review and return to Mayor Hintz and set a closed session to review Administrator Larson.

6) Kaleidoscope

Mayor Hintz stated he would be rearranging the partnering of council members who represent the City on the local radio's kaleidoscope program.

**B. Administrator / Clerk / Treasurer Report.**

1) Department Updates

Administrator Larson gave updates regarding the departments of the city. An update of the Dekko Center's group membership program was presented to council. Director Eggen is presenting to different organizations to gain interest in group memberships. Hopefully this will make up for lost revenue in the silver fit program. Public Works had their first snow event and the snow removal process went well, with a few minor breakdowns and delays. The Liquor store is progressing in its efforts to increase business through social media, etc.

2) Approval of Minnesota Teamsters Public and Law Enforcement Employee's Union Contract Local #320

Administrator Larson had given council a copy of the Union Contract between the City of Ada and the two full time police officers in the City of Ada. Council was asked for a motion to approve.

**Motion by Member Opheim, seconded by Member Mathsen to approve the three-year contract with the Minnesota Teamsters Public and Law Enforcement Employee's Union Contract #320. Voting for: Opheim, Mathsen, Kroshus, Roux, Stene and Krieger. Against: NONE Motion Passed**

3) Minnesota Pay Equity Compliance Report

Administrator Larson brought before council the Minnesota Pay Equity Compliance Report. This is a report the City is required to file every three years. Administrator Larson was looking for a motion to approve completing the report.

**Motion by Member Opheim, seconded by Member Krieger to have Administrator Larson complete the Pay Equity Compliance Report to the State of MN. Voting for: Opheim, Mathsen, Kroshus, Roux, Stene and Krieger. Against: NONE Motion Passed**

4) Loss Control and Property Inspection Report

Administrator Larson updated council with regards to the League of MN Cities Loss Control and Property Inspection. This inspection was complete and the City was given a list of recommendations and is something that each department will review to keep compliant with the LMCIT.

**NO ACTION TAKEN**

**IX. Old Business**

A. Public Works- Street Sweeper

Mayor Hintz updated council regarding bids requested for a new street sweeper. Not all bids have been submitted. The topic was tabled.

**NO ACTION TAKEN**

## **XII. New Business**

- A.** Kaleidoscope Guests: December – Hintz/Roux
- B.** Truth and Taxation Hearing

The 2020 Truth and Taxation Hearing was opened to the public at 6:15pm

Resident Timothy Wagner addressed council regarding property values and how they have increased over the past five years. This has increased his taxes over the same five years. His concern is that the increases will gravely affect fixed income residents of the City. He questioned the amount of money that is being raised and what it's being used for. Mayor Hintz addressed Mr. Wagner and explained that past councils have failed to raise taxes and to keep up with future costs of improving the City's infrastructure and other areas that funding is needed for. Resident Jeraline Swenson addressed council and suggested to council to look at new ways to raise revenue and ways to cut costs. Mayor Hintz addressed Ms. Swenson and stated that Administrative turnover has been an issue and is hopeful that Administrator Larson will begin to look at areas where the City can save money and make improvements. Member Opheim referenced Mr. Wagner's concerns and made comment to the process as to how assessments are calculated. He commented that valuations are accurate in the City and that in the end, these numbers are what drives the tax burden.

- C.** Reading of Ordinance 383 granting Peoples Natural Gas, a natural gas franchise for a period of 20 years within the City of Ada.

**Motion by Member Opheim, seconded by Member Stene to approve the first reading of Ordinance 383 an ordinance granting Peoples Natural Gas a natural gas franchise for a period of 20 years within the City of Ada. By roll call vote For: Opheim, Roux, Mathsen, Kroshus, Stene and Krieger. Against: None Motion Passed**

- D.** Approve agreement for the Pine to Prairie Drug and Violent Crime Task Force

Mayor Hintz brought to council an agreement between the PTP Drug and Violent Crime Task Force and the City of Ada. \$10,000.00 is the City's financial commitment to the task force.

**Motion by Member Stene, seconded by Member Kroshus to approve the agreement between the City of Ada and the PTP Drug and Violent Crime Task Force. Voting for: Opheim, Mathsen, Kroshus, Roux, Stene and Krieger. Against: NONE Motion Passed**

- E.** Approve Annual Cigarette Retail License Holders

**Motion by Member Mathsen, seconded by Member Opheim to approve cigarette licenses to the four retailers who sell within the City of Ada. Voting For: Opheim, Roux, Mathsen, Kroshus, Stene and Krieger. Against: None Motion Passed**

**F. Resolution 2019-12-01 A Resolution setting the final tax levy for 2020.**

**Motion by Member Opheim, seconded by Member Mathsen to approve Resolution 2019-12-01, a resolution setting the tax levy for 2020 at the rate of 5%. By roll call vote For: Opheim, Roux, Mathsen, Kroshus, Stene and Krieger. Against: None Motion Passed**

**G. Resolution 2019-12-02 A resolution to authorize bank account signature and official banking business.**

**Motion by Member Opheim, seconded by Member Stene to approve bank account signature authorization and official City of Ada banking transactions. By roll call vote For: Opheim, Roux, Mathsen, Kroshus, Stene and Krieger. Against: None Motion Passed**

**H. Resolution 2019-12-03 a resolution to approve the final 2020 Budget for the City of Ada.**

**Motion by Member Krieger, seconded by Member Mathsen to approve the final budget for the City of Ada for the year 2020. By roll call vote For: Opheim, Roux, Mathsen, Kroshus, Stene and Krieger. Against: None Motion Passed**

**XIII. Adjournment**

**Motion by Member Mathsen, seconded by Member Stene to adjourn the meeting at 6:54PM. Voting for: Opheim, Mathsen, Roux, Kroshus, Stene and Krieger. Against: None Motion Passed**



City of Ada  
Meeting of the City Council Minutes  
Tuesday, December 17, 2019 at 6:00pm  
Council Chambers

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call

Members present: Tom Opheim, Josh Mathsen, Mike Nelson, Casey Krieger, Jake Kroshus, Absent: Shawn Roux, Crystal Stene.

Other present: Mayor John Hintz, Administrator Ashley Larson, Pat Pfund, and Amber Kroshus.

IV. Resolution 2019-12-04 Gambling Request

Councilmember Kroshus read a prepared statement to the Council which included his recommendation that the City not grant the gambling permit to the new Pub 21 owners. In his statement, Kroshus read, that having the only pull tabs in town was a major factor in the new owner leasing the bar in the Event Center and it would be hard for the new tenant since a second gambling permit would cause loss of business.

Councilmember Opheim stated that he felt the City should treat all businesses equally and the Council had no legal right to turn down a new business applying for a gambling permit. No further comments were made and a vote was taken.

**Motion by Member Mathsen and second by member Krieger to approve Resolution 2019-12-04 Gambling Permit to the Borup Community Club for the location of Pub 21 at 107 4<sup>th</sup> ave W. Ada, MN 56510. Voting for: Nelson, Mathsen, Opheim, Krieger. Against: NONE, Abstains: Kroshus. Resolution 2019-12-04 Passed.**

V. Adjournment

**Motion by member Krieger and Member Opheim to adjourn at 6:05pm. Voting for: Nelson, Mathsen, Opheim, Kroshus, Krieger, Against: NONE. Motion passed.**

Member Tom Opheim appearing by video. He will be at 1004 Valley Dr. Duluth MN.

## **CITY OF ADA**

### **2020 OFFICIAL DEPOSITORIES**

Frandsen Bank and Trust

Bank of the West – Ada

American Federal Bank

Bancwest Investment Services (Bank of the West)

### **2020 OFFICIAL CITY NEWSPAPER**

Norman County Index

### **2020 CITY ATTORNEY**

Joshua Heggem, Pemberton Law

### **DATE, TIME AND LOCATION OF MEETINGS FOR 2020**

The regular meeting of the Ada City Council will be held on the first Tuesday after the first Monday at 6:00 p.m. at City Hall.

**Nov-19 Interim Combined Statement of Cash and Investments**

Fund	Cash Balance 10/31/2019	Investment Balance 10/31/2019	NOVEMBER Cash Debits	NOVEMBER Cash Credits	NOVEMBER Invest Debits	NOVEMBER Invest Credits	Balance 11/30/2019
General Fund	(840,260.92)	375,497.67	49,749.46	152,828.00	32.94		(567,808.85)
Special Revenue Funds:	0.00						0.00
TIF District 2-1 Redevelopment	0.00						0.00
TIF District 2-2 Housing	141,202.16						141,202.16
TIF District 2-3 Housing	39,950.63						39,950.63
Demolition\Blight Fund	(17,155.34)	12,145.45					(5,009.89)
(207) 2015 Revolving Loan Account	37,460.33		2,698.44				40,158.77
(208) Ada Economic Development Revolving Loan	6,033.77	3,832.97	792.81				10,659.55
Library	(36,231.14)	40,566.63	193.21	751.37			3,777.33
Community Center Maintenance Fund	(538,585.87)	701,043.79		2,859.98	2,218.08		161,816.02
Recreation Development Fund	34,635.83	40,000.00					74,635.83
Long Term Designated Capital	38,665.01	501,218.71	3,445.24	49,633.02			493,695.94
Public Works	(8,364.30)	4,690.92					(3,673.38)
Capital Project - Emergency Services Building	324.29						324.29
Capital Project - Lift Station / Force Main Project	(165,169.92)			320.00			(165,489.92)
Capital Project - New Well	0.00						0.00
Ada Event Center	163,975.53		1,775.00	1,239.06			164,511.47
Community Development Fund	(305,407.30)						(305,407.30)
Downtown Development District	36,872.43						36,872.43
Debt Service Funds:							0.00
2008 Lease Purchase Fire Hall	33,063.35						33,063.35
2003 G. O. Improvement Bonds (Street Project)	37,371.09	3,539.73					40,910.82
1999 G. O. Water / Sewer Rev Bonds							0.00
2000 G. O. Improvement Bonds	0.00						0.00
Enterprise Funds:	0.00						0.00
Water and Sewer Fund	56,185.74	82,914.83	59,720.64	23,114.05			175,707.16
Electric Utility	1,135,427.93	10,179.15	149,567.70	61,249.65			1,233,925.13
Long Term Designated Capital II	145,690.81	626,801.45		116.99			772,375.27
Liquor	126,165.15	1,237.75	49,476.43	43,418.02			133,461.31
<b>Total - All Funds</b>	<b>121,849.26</b>	<b>2,403,669.05</b>	<b>317,418.93</b>	<b>335,530.14</b>	<b>2,251.02</b>	<b>0.00</b>	<b>2,509,658.12</b>
	2,525,518.31						
							<b>104,033.40</b>
Frandsen Bank - Savings							1,070.51
Frandsen Bank - Money Market - General							-
Frandsen Bank - Money Market - LT Desig							-
Frandsen Bank - Fire Insurance Proceeds							-
Frandsen Bank - CD's							528,469.81
							-
American Federal Bank CD (LT Desig Cap II)							<b>185,576.81</b>
BancWest Investment Services (LT Desig Cap II)	G607-10400						631,150.69
BancWest Investment Services (Maintenance Funds)	G225-10400						632,230.15
BancWest Investment Services (General)	G101-10400						293,230.12
BancWest Investment Services (LT Des Cap)	G400-10400						133,896.63
<b>Total Balances 11-30-19</b>							<b>2,509,658.12</b>

# 2020

CALENDAR YEAR

# JANUARY

CALENDAR MONTH

SUNDAY

FIRST DAY OF WEEK

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	01	02	03	04
05	06	07 6:00pm Regular City Council Meeting - City Hall	08	09	10	11
12	13	14	15 5:00pm Beautification Committee Meeting - Dekko Center	16	17	18
19	20	21 5:30pm Public Safety Committee Meeting - Ada PD	22	23	24 7:00am EDA Meeting - Ada Event Center	25
26	27	28 5:30pm Public Works Committee Meeting -PW Building	29	30	31	01
02	03	04	05	06	07	08



925 10th Avenue East  
West Fargo, ND 58078  
P: 701.282.4692  
F: 701.282.4530



December 27, 2019

Ashley Larson  
City Administrator  
City of Ada  
15 4<sup>th</sup> Ave E  
Ada, MN 56510

Dear Mrs. Larson,

At Moore Engineering, we are dedicated to improving lives by building strong communities. We also have a passion for giving back to the communities we serve. That's why, when asked, we didn't hesitate to provide a \$10,000 donation toward the development of the new Ada Event Center.

We are proud to present the City with our final \$2,500 installment of our donation. We hope that this new Event Center will bring the community together and the City of Ada will continue to be Alive and Thriving!

Sincerely,

Dan Hanson, PE  
Senior Project Manager

**ADA**  
**Special Assessment Manual**  
**City of Ada, Minnesota**  
**2020**

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## I. Special Assessment Policy Goals

The goals of the City's special assessment policies and procedures are as follows:

1. In combination with federal, state, county, and other local financial resources available to the City, provide a ***stable and continuing source of funding within the financial capacity of the City*** to accommodate infrastructure needs for new development, redevelopment, and maintenance within the existing community in the most cost-effective manner.
2. ***Balance needs and costs for new and existing infrastructure*** to support and promote economic development and growth as well as maintenance within the existing community by providing for the equitable distribution of infrastructure costs to ensure that specific developments are financially self-supporting to the extent warranted.
3. To provide a comprehensive, well-constructed and well-maintained infrastructure system that provides service to individual properties and takes advantage of ***economies on a regional scale and flexibility in the timing of infrastructure development***.
4. To be ***responsive to community needs and desires*** for health, safety, welfare, accessibility, and mobility provided by new infrastructure and the maintenance of existing infrastructure.
5. To ***function in harmony with the City's comprehensive plan and growth area plans*** by providing the infrastructure and amenities associated with those plans thereby promoting orderly growth in areas where services are available or can be provided at the most reasonable cost.
6. Provide the City Council and staff with ***guidelines and methods to efficiently distribute infrastructure costs to benefiting properties*** in an equitable and consistent manner thereby enhancing the value of property by assigning a proportionate value of the improvements to the properties deriving benefit from the improvement.
7. To provide an effective tool for the management of municipal resources to support a ***highly functional and well-maintained system of infrastructure*** which promotes economic development and growth, fosters a sense of pride throughout the community, and facilitates the development and adoption of ***short- and long-range capital improvement plans*** by identifying the magnitude and sources of funding available.

**The special assessment policy is intended to be a working document designed to guide the actions of the City Council and program activities of City staff. Although the special assessment policies and procedures are intended to provide for the equitable distribution of costs proportionate to the benefits accruing to**



**each improved property, the methods, in and of themselves, do not guarantee against challenges, successful or not, to the special assessments derived from them. The true measure of benefits resulting from public improvements is the increase in market value of land as a result of the improvement.**

**This special assessment policy is intended to guide the city in assessing project/improvement costs, which have been determined by the City Council to be specially assessed to benefiting property owners. To the extent permitted by the City's financial condition, the City will first apply any financial assistance received from the Federal Government, State of Minnesota or County or any cash contributions from city sources that the City Council determines to be available for the project to reduce the total cost of the project/improvement. The remaining cost of the project/improvement shall then be specially assessed in accordance with this special assessment policy and Chapter 429 of the Minnesota Statutes.**

## **I. GENERAL**

### **PURPOSE**

A special assessment is a levy on a property to defray the cost of public improvements. Chapter 429 of the Minnesota Statutes Annotated (MSA 429) grants cities the authority to use special assessments as a mechanism to finance a broad range of public improvements including: 1) Street and sidewalk improvements; 2) Storm and sanitary sewer systems, 3) Street lighting systems; 4) waterworks systems; 5) parks, playgrounds and recreational facilities; 6) boulevard trees; 7) nuisance abatement; dikes and other flood control works and parking lots.

**The primary purpose of special assessments is to have the properties that benefit from public improvements pay as much of the cost of the improvements as is reasonable, thereby reducing a city's reliance on general property taxes.** MSA 429 limits the amount that may be assessed to the amount that a property actually benefits from the improvement. In practice, cities base assessments on a percentage of the cost of the actual improvements, and attempt to apportion the cost equitably to each of the benefiting properties. This can be a complex and contentious process. Public improvements may be constructed without using special assessments, however, cities have limited funding options, and it is generally not economically feasible under current statutes to avoid special assessments altogether.

The need for specific projects shall be determined based on engineering standards (e.g. – the existing condition represents a physical or structural hazard, or is no longer cost-effective to maintain, etc.) as determined by the City Engineer and approved by the City Council.

Projects having an uneven distribution of benefits may be subdivided into separate improvements using multiple assessment methods and rates to more equitably apportion the assessments.

## **SCOPE AND LIMITS**

These assessment policies are designed to serve as a guide for the City Council in allocating special benefits to properties for the purpose of defraying the cost of installing public facilities.

**The Council reserves the right to vary from these policies if the policies act to create obvious inequities, or where the assignment of special benefit to a particular property is difficult because of an extreme and unusual situation, or if such variance is deemed to be in the best interests of the City of Ada.**

The Council may deviate from these policies if there is a written developer's agreement between the developer and the City that specifies how public improvements are to be paid and provided that the developer meets all the requirements of the subdivision ordinances of the City. The terms and conditions of the developer's agreement shall be determined by the City Council.

## **METHODS AND STANDARDS OF ASSESSMENT**

Management of special assessment projects is a complex process and includes extensive work in engineering, design, construction, and administration of public improvements. Because of the importance of consistency with comprehensive planning and equity in assessing benefited properties, coordination is necessary among City agencies in various phases of development. In many instances, the City Engineer is engaged in the planning and design of the system and is mandated to supervise construction to assure conformity with the plans and specifications approved by the City Council. The assessment process not only addresses the feasibility of physical construction but must also deal with affordability of the improvements.

The assessment process addresses:

1. Determination of the assessable share of the cost based on the type of improvements; and
2. Equitable apportionment of the assessable cost among the benefited property owners.

## **CLASSIFICATION OF IMPROVEMENTS**

In meeting these responsibilities, the City of Ada has established a classification system for public improvement projects based on the design capacity and the level of use. Cost apportionment is based on the extent of use of the improvement by the benefiting property

owners. City policies for street paving, curb, gutter, and sidewalk construction are a basic guide. The classification system groups improvements into the three categories listed below.

**Type I improvements** consist of projects that are mostly of benefit to the abutting properties, while **Type II improvements** consist of projects that benefit a larger, yet definable, area. Curb, gutter, water & sewer services and driveway improvements are always Type I improvements. Street construction, sidewalk, paving, storm sewer, sanitary sewer, and water mains may be Type I if solely designed to serve the abutting properties, but may also be Type II if the improvement benefits a larger area. For example, a local residential street is a Type I improvement, and therefore, the assessable cost should be wholly supported by the adjoining property owners. Major or minor collector or arterial streets, which are likely to be used by a broader segment of the public, should be proportionately assessed to a larger area.

**Type III improvements** consist of large-scale projects of benefit to the entire City regardless of location. The criteria for designation of any improvement as Type III is that such facilities serve areas larger than a definable neighborhood or those areas separated by major identifiable barriers, such as the river, railroad tracks, or arterial streets. Typically, Type III Improvements are financed through a combination of Federal and State appropriations with a local match from available City funds, however, special assessments may be needed to fully fund the project.

If financial assistance is received by the City from the Federal Government, from the State of Minnesota, the County, or any cash contributions from city sources that the City Council determines to be available for the project to reduce a portion of the costs of a given improvement, such aid will be used first to reduce the total cost of the project/improvement. The remaining cost of the project/improvement shall then be specially assessed in accordance with this special assessment policy and Chapter 429 of the Minnesota Statutes.

The assessment classifications are listed in Table 1 below. The City Council may from time to time adjust the classification of improvements to maintain the equitability of the assessment cost.

**Table 1. Assessment Classification**

Type I Improvements	Type II Improvements	Type III Improvements
Curb & Gutter	Trunk Sanitary Sewers (greater than 8" diameter)	Bridges
Sidewalks, 5 feet or less	Trunk Water Main (greater than 6" diameter) and Looped Water Main	Community Facilities Library Law Enforcement Fire Station
Sanitary Sewer Laterals (less than or equal to 8" diameter)	Collector/Arterial Streets	
Water Main (less than or equal to 6" diameter)	Sidewalks, greater than 5 feet	Collector Streets

Sewer & Water Services	Storm Drainage Improvements	Community Parks
Residential Streets/Alleys	Pumping Stations	Wastewater Treatment Facilities
Storm Drainage Improvements		Water Tower
		Water Treatment Plant
Other improvements mandated or authorized by law		

### III. Definitions

1. Abutting Property: A property directly adjacent to public improvements.
2. Access: Properties shall be considered to have access to public street improvements when they may enter onto the improvement from their own private driveway, or when the street classification would allow the property to be granted driveway access. Properties shall be considered to have access to underground utility improvements when they directly abut and are within 150 feet of the utility.
3. Adjusted Area: An area of a benefiting property that has been modified by an adjustment factor to more accurately represent the true benefit that property receives from an improvement in comparison to other properties in the assessment area. The adjustment will be based on the improvement design parameters that are applicable to that parcel, as approved by the City Council. Design parameters that may be used to determine the adjustment factor include, but are not limited to, trip generation, stormwater runoff coefficients, water use and needed fire flow.
4. Assessable Cost: Those costs of public improvements that have been determined to benefit specific properties. The assessable cost will be equal to the project cost minus the City cost. Project costs eligible for assessment include all costs associated with the improvements, including, but not limited to, land acquisition, demolition, construction, administration, engineering, legal, financing and other costs as determined by the City Council. The financing charges include all costs of financing the project. These costs include, but are not limited to, financial consultant's fees, bond attorney's fees, and capitalized interest.
5. Assessable Footage: The assessable footage is the total front footage of all of the benefiting properties, calculated by using the front footage method .
6. Assessment Rate: The assessment rate is determined by dividing the assessable cost of an improvement by the total number of assessment units such as the total adjusted front footage or square footage, acreage, number of lots, or number of parcels.

7. Assessment Unit: Adjusted front foot, square foot, acre, lot, unit or a parcel of land.
8. Benefit: The increase in property value as a result of a public improvement such as a street, sidewalk, curb and gutter, water main, sewer, park, or street landscaping.
9. Deferment: A process of postponing the collection of the cost of public improvements and funding them as a system cost with the intention of assessing the cost at a later date.
10. Driveway Approach: That area which lies between the to the right-of-way line; curb cut to curb cut.
11. Front Footage: The distance measured along the right-of-way line that directly abuts an improvement, not counting Side-Lot Footage.
12. Green Acres: Owners of agricultural parcels meeting specific conditions established by State Statute may apply for "Green Acres" status. Parcels that have been determined to qualify as Green Acres are exempted from paying special assessments until they no longer qualify for Green Acres. Project costs that benefit Green Acres parcels may be determined to be assessable costs, and the City may defer those costs and assess them or otherwise charge them to the property after the Green Acres status no longer applies.
13. Limited Access Street: A street, such as a major or minor collector street, which because of its high volume of traffic has been designated by the City for controlled access, meaning the number of access points to the street will be limited.
14. Lot Definitions:
  - a. Corner Lot: A lot located at a street intersection having both front and side-lot footage.
  - b. Double frontage Lot: A lot with access to two separate non-intersecting or intersecting streets but not a corner lot.
  - c. Irregularly Shaped Lot: Those lots abutting curved streets, cul-de-sacs, or other lots where there is more than five feet of difference in length between the front and back lot lines.
  - d. Rectangular Lot: A lot with less than five feet of difference in length between the front and back lot lines.
16. Public Improvement: Capital improvements providing a special benefit to properties, including but not limited to streets, sidewalks, curb, gutter, sanitary sewer systems, storm sewer systems, water treatment and distribution systems, and other municipal facilities including offices, shops, athletic facilities, and meeting places for cultural and sport events.

17. Side-Lot Footage: Regardless of the address or the direction that the house faces, or the driveway location, for rectangular corner lots, the “frontage” shall be equal to the dimension of the smaller of the two sides of the lot abutting the improvement plus one-half of the dimension of the larger of said two sides. Provided that where the “long side” of a corner lot exceeds 150 feet, the entire excess over 150 feet shall be regarded as frontage.
18. Special Assessment: A legal process whereby the benefited property is charged for all or a portion of the cost of public improvements.
19. Standards for Surface Improvements: In all streets, prior to street construction, surfacing or resurfacing, utilities and utility service lines shall be installed to serve each known or assumed building location to the extent possible. Concrete curbing or curb and gutter, along with storm sewer as appropriate, shall be installed at the same time as street surfacing.
  - a. Major or Minor Collector streets – shall be of 7-ton design or 9-ton design and 36 to 44 feet in width for anticipated usage.
  - b. Residential streets – shall be of 5 ton design and 36 to 40 feet in width, measured between faces of curbs.
  - c. Commercial streets – shall be of 7-ton design or 9-ton design and 40 to 44 feet in width, measured between faces of curbs.
  - d. Alleys, in residential areas – shall be of 5-ton design. In commercial or industrial service areas, alleys shall be constructed to a 7-ton or a 9-ton design, based on the anticipated usage of the alley in question
20. Street: All public ways designed as means of access to the adjoining properties.
21. System Cost: That portion of the assessable cost that benefits properties whose assessments are deferred because they qualify for green acres status, are located outside of the City limits, or are unable to make full use of the improvements due to factors beyond their control. The City may reimburse itself for such system costs from the benefiting properties when the basis for the deferral is no longer valid.

#### **IV. Methods of Assessment**

The City of Ada has adopted the following three methods for assessment of public improvements:

1. **Front Footage Method** This method computes the assessable frontage for the project and for each property. The assessment rate is obtained by dividing the total

assessable cost by the assessable footage in an assessment district. The assessment for each parcel is then obtained by multiplying the assessment rate times the front footage for each property. Front footage is determined as follows:

- a. For rectangular lots, the front footage shall be the same as the front footage at the right-of-way.
- b. For irregularly shaped lots, the front footage will typically be calculated as the width of the lot at a 25-foot setback from the right-of-way line, although other methods may be used at the City's discretion (such as average lot width) if they are determined to be more equitable.
- c. For a rectangular corner lot, street assessments, regardless of the orientation of the house, the "frontage" shall be equal to half of the entire distance of the short and long sides of the lot that abut the street.
- d. For a rectangular corner lot, water and sewer assessments, regardless of the orientation of the house, half of the entire distance of the short and long sides of the lot that abut the street shall be considered to be the "frontage".
- e. For irregularly shaped corner lots, the front footage shall be the shorter of the two abutting dimensions calculated in accordance with the policy for irregularly shaped lots.
- f. Double frontage lots may be assessed for any street improvement that it has direct access to, if the lot is of such size that it could be split into two buildable lots. The front footage for each improvement will be determined in accordance with the above-described policies, whichever is appropriate.

## **2. Area Method**

This method computes cost on a square foot or acreage basis. The assessment rate is determined by dividing the total assessable cost by the total benefiting area. A parcel's assessment is then determined by multiplying the assessment rate times the benefiting area of the parcel. When the benefiting area includes both platted and unplatted properties, the gross benefiting area will be used to apportion the benefit among the properties. An adjustment factor reflecting land use may be applied to a parcel's benefiting area in some cases. For example, for storm sewer design, the assumed rate of runoff per acre from a commercial lot is greater than the runoff rate from a residential lot. If all uses are the same in a project area (single family, multi-family, commercial, or industrial), the assessment rate is the same for all. Where there is variation in residential density or uses, the assessment rate may be adjusted to reflect the corresponding differences in benefit.

For the purpose of defining assessable areas, all properties included in the benefited area, including other governmental areas, churches, etc. shall be included in the assessable areas. The following items may not be included in area calculations: public right-of-ways, natural waterways, swamps and lakes or other wetlands designated by the MN/DNR.

### **3. “Unit” Method**

This method computes the costs on the basis of individual assessment units. For example, sewer and water services, sidewalks, and driveway approaches are typically considered independent units. The total project cost is divided by the total number of assessment units to calculate the fixed cost. Assessment units could be determined on a per lot or per unit basis, or any combination thereof. For lots that may be further subdivided, the City may determine the number of assessable units based on the number of equivalent lots that could be created from a particular parcel.



## V. Determination of Assessable Cost, Rate and Term

### WATER SYSTEM

1. Water System: The assessable cost for installing new watermain improvements shall be based on the level of service required by the property. **In residential areas, 100% of the cost of installing watermain that is 6-inches in diameter or less shall be assessed to the benefiting properties and In commercial areas, 100% of the cost of installing new watermain,** based on current design standards.

The cost of oversizing or looping the watermain for general distribution purposes shall not be assessed. Where larger diameter watermains are required to serve commercial, industrial or institutional properties, the increased cost of watermain installation shall be assessed to those properties. Where improvements are designed to serve an area beyond that of direct benefit, the City may defer the assessment and fund the increased project cost as a system cost. The system cost shall be assessed to the newly developing area as a system charge together with direct benefits for other services.

Years After First Assessment Levied <sup>1</sup>	City Share <sup>2</sup>	Assessed Share <sup>2</sup>
0-20 years	100%	0%
20-40 years	80%	20%
Over 40 years	70%	30%

<sup>1</sup>First assessment refers to the original assessment for properties developed or platted at or before the time the improvement is constructed or to the deferred assessment for properties developed or platted some time after the improvement is constructed.

<sup>2</sup>Percentage based on project construction cost. The assessed share of the project cost, as listed in the above table, will be apportioned against the benefiting properties. The City Engineer will use standard procedures to determine the benefiting property for each specific project.

2. Water Services: The assessable cost for the construction or replacement of water services shall be 100% of the project cost.

## SANITARY SEWER

1. Sanitary Sewer: Assessments shall be based on engineering design standards. The assessable cost for installing sanitary sewer improvements shall be based on the type of service required by the property. **In residential areas, 100% of the cost of installing new sanitary sewer that is 8-inches in diameter; and up to 30% for reconstruction, shall be assessed to the abutting properties.** The assessable cost for the construction or replacement of sewer and water services shall be 100% of the project cost.

The cost of pumping stations, lift stations, force mains, and oversizing the sanitary sewer to provide service to properties that do not directly abut the improvements shall be proportionally assessed to the entire design service area. Where larger diameter sanitary sewers are required to serve commercial, industrial or institutional properties, the increased cost of installation shall be assessed to those properties. Where improvements are designed to serve an area beyond that of direct benefit, the City may defer that portion of the assessment and fund it as a system cost. The system cost shall be assessed or otherwise charged to the newly developing area as a system charge together with direct benefits for other services.

2. Sanitary Sewer Assessment Formula:

Assessments to be levied against properties within the benefited area shall be distributed to those properties on the basis of the following provisions:

- a. Assessment Rate: The assessment rate shall be equal to the “assessable cost” of the improvement divided by the total number of assessable units benefited by the improvement. Projects having an uneven distribution of benefits may be subdivided into separate improvements using multiple assessment methods and rates to more equitably apportion the assessments.
- b. Assessable Units: The assessable units shall be determined as follows:
  - i. *Lateral Sewers*. The assessable unit shall be the “front footage” of the property, unless otherwise specified by the Council.
  - ii. *Trunk Sewer and Lift Station*. The assessable unit shall be the area (square foot or acre) of the benefited property, both present and future, as determined in the project design, unless otherwise specified by the Council.
  - iii. *Sewer Services*. The assessable cost for the construction or replacement of sewer service lines shall be 100% of the project cost. The assessment shall be based on the number of sewer services installed for each individual property. This is the unit cost method of assessment.

- c. Assessment Formula for Replacement: The following table shows the cost split for replacement of sanitary sewers (trunk sewers, lateral sewers, and lift stations), if they are to be assessed.

<b>Years After First Assessment Levied<sup>1</sup></b>	<b>City Share<sup>2</sup></b>	<b>Assessed Share<sup>2</sup></b>
0-20 years	100%	0%
20-40 years	80%	20%
Over 40 years	70%	30%

<sup>1</sup>First assessment refers to the original assessment for properties developed or platted at or before the time the improvement is constructed or to the deferred assessment for properties developed or platted some time after the improvement is constructed.

<sup>2</sup>Percentage based on project construction cost. The assessed share of the project cost, as listed in the above table, will be apportioned against the benefiting properties. The City Engineer will use standard procedures to determine the benefiting property for each specific project.

- d. Length of Assessment: The assessment period for sanitary sewer improvements, including new construction and replacement projects, is a maximum of twenty years.

## **STORM SEWER**

1. Storm Sewer: Storm sewer improvements shall be classified to include all storm sewer, storm sewer pumping stations, culverts, ditches, street grading and any other improvement, which will facilitate drainage. The assessment for the construction of storm drainage improvements shall be based on the level of service required by the property.
2. Storm Sewer Assessment Formula: Assessments to be levied against properties within the benefited area shall be distributed to those properties on the basis of the following provisions:
  - a. Assessment Rate: The assessment rate shall be equal to the “assessable cost” of the improvement divided by the total number of assessable units benefited by the improvement. Projects having an uneven distribution of benefits may be subdivided into separate improvements using multiple assessment methods and rates to more equitably apportion the assessments.
  - b. Assessable Units: The assessable unit, unless otherwise specified by the Council, shall be the gross area (square foot or acre) of the benefited properties, both present and future, as determined in the project design.

c. Assessable Cost: The assessable cost shall be 100% of the total project cost for new or expanded storm drainage improvements, and up to ~~50%~~ 30% for reconstruction, based on the chart below.

<b>Years After First Assessment Levied<sup>1</sup></b>	<b>City Share<sup>2</sup></b>	<b>Assessed Share<sup>2</sup></b>
0-20 years	100%	0%
20-40 years	80%	20%
Over 40 years	70%	30%

<sup>1</sup>First assessment refers to the original assessment for properties developed or platted at or before the time the improvement is constructed or to the deferred assessment for properties developed or platted some time after the improvement is constructed.

<sup>2</sup>Percentage based on project construction cost. The assessed share of the project cost, as listed in the above table, will be apportioned against the benefiting properties. The City Engineer will use standard procedures to determine the benefiting property for each specific project.

d. Assessment Formula for Replacement: The cost split for replacement of storm sewers, lift stations, and miscellaneous drainage improvements, if they are to be assessed, will be assessed in the same manner as sanitary sewer replacement, as shown above.

e. Length of Assessment: The assessment period for storm sewers, lift stations, and miscellaneous drainage improvements is a maximum of twenty years

## **STREET CONSTRUCTION**

### 1. New Residential Street Construction:

The assessable cost of new street paving projects shall be 100% of the cost of constructing the street. The assessment rate for the construction of new residential streets shall be equal to the “assessable cost” of the improvement divided by the total front footage (both existing and future) benefited by the improvement, as determined in the project design. The paving of residential streets shall be assessed to the abutting properties on the basis of front footage, “unit” method, or as approved by the City Council.

### 2. New Collector & Arterial Street Construction:

The assessment rate for the construction of new arterial and collector streets shall be equal to the assessable cost of the improvement divided by the total gross benefiting area, as determined during design. New collector and arterial streets shall be assessed to a wider area on an adjusted front footage basis, with the benefiting area to be determined by the City and approved by the City Council. Parcels that have access to new collector and arterial streets may be assessed on the adjusted front footage basis for the cost of constructing a local street in addition to the area-wide assessment, as approved by the City Council.

Typically, the benefiting area will include all property within ¼ mile measured perpendicular to the street centerline. The assessment districts would be established so that no property would be included in the assessment area for more than one east-west and one north-south street. A portion of the assessable cost may be assessed by the front footage method to properties that have direct access from the arterial and collector streets in addition to the area-wide assessment.

## **STREET RECONSTRUCTION**

### 1. Residential Street Reconstruction

- a. The maximum assessable cost of residential street reconstruction or rehabilitation projects shall be 30% of the total project cost necessary to construct a street within the public right-of-way to the current Standards for Surface Improvements for residential streets. The remaining cost shall be a City cost.
- b. The assessable cost of frontage roads will be the same as for residential streets, and should be assessed against the abutting properties using the area or front footage method, or a combination of both.
- c. The assessable cost of reconstructing a paved alley shall be 30% of the total project cost.
- d. The assessable cost of converting a gravel alley or gravel street to a paved alley or street shall be 100% of the total project cost.

2. Commercial Street Reconstruction The maximum assessable cost of commercial street reconstruction or rehabilitation projects shall be 30% of the total project cost necessary to construct a street within the public right-of-way to the current Standards for Surface Improvements for commercial streets. The remaining cost shall be a City cost.

3. Residential and Commercial Street Assessment Rate: The rate for reconstruction or rehabilitation of residential and commercial streets shall be calculated using the front footage method. The following table shows the cost split rehabilitation of local streets, if they are to be assessed.

<b>STREETS, Curb &amp; Gutter</b>		
<b>Years After First Assessment Levied</b>	<b>City Share<sup>2</sup></b>	<b>Assessed Share</b>
0-10 years	100%	0%

10-20 years	80%	20%
Over 20 years	70%	30%
<b>STREET Overlays</b>		
0-5 years	100%	0%
5-10 years	80%	20%
Over 10 years	70%	30%

4. Collector & Arterial Street Reconstruction/Rehabilitation:

This section of the policy only applies to Front St. and 13th St. E.

The reconstruction or rehabilitation of collector and arterial streets may be assessed using the area-wide or front footage method, or a combination of both. The front footage method will only be used for those properties that both abut and have direct access to the limited access streets. The maximum assessable cost of collector and arterial street reconstruction or rehabilitation projects, under the front footage method shall be 30% of the total project cost necessary to construct a street within the public right-of-way to the current Standards for Surface Improvements for residential streets.

For the area-method, 30% of the total project cost, regardless of street width and typical section, may be assessed to all properties that are located within the benefiting area. The City Engineer will determine the limits of the benefiting area for each arterial and collector street and recommend it for the Council's approval. The remaining cost shall be a City cost.

The benefiting area for area-wide assessments shall be established by Council Resolution for each collector or arterial street on a project specific basis as determined during the project design. In cases where properties have direct access to arterial and collector streets, those properties will also be assessed using the front footage method for the cost of a residential street in addition to the area assessment for collectors and arterials. Typically, the benefiting area will include all property within ¼ mile measured perpendicular to the street centerline. The assessment districts would be established so that no property would be included in the assessment area for more than one north-south street.

5. Curb and Gutter

The assessable cost of curb and gutter installation shall be 100% for new construction, and up to 30% for reconstruction. The benefited property shall be assessed using front footage method.

6. Length of Assessment:

The assessment period for street improvements is a maximum of twenty years.

## **SIDEWALKS**

1. Sidewalk: The front footage or fixed cost method may be the basis for assessment. The assessable cost for sidewalk improvements shall be 100% for both new construction up to 5 feet, and reconstruction. Sidewalk reconstruction is the responsibility of the abutting property owner.

## **DRIVEWAY APPROACHES**

1. Driveway Approaches: The assessable cost for driveway approaches, both new and reconstructed, shall be 100%.

## **VI. Deferred Assessments**

1. Assessment Deferral Procedure for Green Acres Parcels: In cases where improvement projects are determined to benefit properties that have been certified to qualify for Green Acres exemption, the City will determine that portion of the project cost that benefits those properties, and finance that portion of the project cost as a system cost. During the period of deferral, the city Council can choose to handle the interest in one of the following ways: 1) The City can require that the interest be paid annually; 2) The City can add the accrued interest to the principal; or 3) The City can forgive the interest while the assessment is deferred. Once the benefiting properties no longer qualify for Green Acres status, the City may recover the system cost either through assessments (for utility projects) or connection charges (for street, curb, gutter and sidewalk improvements). The City Council may elect to continue deferral of assessments for underground utilities for properties that are not able to directly connect to the utilities. Connection charges for street, curb, gutter and sidewalk improvements would be applied immediately. These assessment procedures are subject to the stipulations contained in any Annexation Agreement or Developer's Agreement approved by the City. Assessments against Green Acres Parcels will be filed with the County Recorder.

2. Assessment Deferral Procedure for Property Located Outside City Limits: In cases where improvement projects are determined to benefit properties that are located outside City limits, the City will determine that portion of the project cost that benefits those properties, and finance that portion of the project cost as a system cost. During the period of deferral, the city Council can choose to handle the interest in one of the following ways: 1) The City can require that the interest be paid annually; 2) The City can add the accrued interest to the principal; or 3) The City can forgive the interest while the assessment is deferred. After the benefiting properties have been annexed, the City may recover the system cost either through assessments (for utility projects) or connection charges (for street, curb, gutter and sidewalk improvements), unless the property has been certified to qualify for the Green Acres exemption, in which case the Green Acres Deferral Procedure would apply. The City Council may elect to continue deferral of assessments for underground utilities for properties that are not able to directly connect to the utilities. Connection charges for street, curb, gutter and sidewalk improvements would be applied immediately. These assessment procedures are subject to the stipulations contained in any Annexation Agreement or Developer's Agreement approved by the City. Assessments against properties located outside the city limits will be filed with the County Recorder.

## **VII. Determination of Assessment Rate and Terms**

1. Interest Rate on Assessments: The City will charge interest on special assessments at a rate specified in the resolution approving the assessment roll. If bonds were sold to finance the improvement project, the interest rate shall be one and one-half percent (1.5%) more than the average rate of the bonds, rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate shall be set using the same formula based on the current bond market.
2. Length of Assessment: The assessment period for all improvements is subject to the requirements of the bond market at the time of project financing and thus may vary in length from the time periods proposed.

## **VIII. Undeveloped Property**

The City shall require the developer, owner or sub-divider of any property within the City's corporate limits desiring to install street, curb and gutter, sidewalk, sanitary sewer or watermain improvements to follow the City's Subdivision ordinance, in addition to the following:

1. Upon written request by a developer, the City Council shall give consideration to the preparation of a feasibility report to determine the feasibility of construction for the desired improvements. The developer



will prepare a plan and other such information, as the Council requires, to make a decision on the request.

2. The developer and/or the property owner are required to sign a Developer's Agreement and Consent to Assessment Agreement prior to awarding a contract. The Developer must provide the city with an irrevocable letter of credit equal to fifty percent of the cost of the proposed improvements, prior to the letting of the contracts for the proposed improvement. The letter of credit must be in a form approved by the city attorney. The developer is required to maintain the letter of credit until fifty percent of the area in a developed has been developed. If the project is not developed, the developer will be responsible for all costs incurred, including any engineering or legal costs.
3. At the completion of an improvement, all improvement costs will be recorded or certified to the County per the Developer's Agreement.

FARGO OFFICE  
 1402 41st St N. Fargo, ND 58102  
 Phone: 701.282.0296



SIOUX FALLS OFFICE  
 901 E 48th St N.  
 Phone: 605.332.24897

**Proposal**

Name: City of Ada Contact: Brian Phone: 218 784-8340  
 Street or P.O. Box 900 West Main Street City, State & Zip Ada, MN 56510  
 Shipping Instructions: FOB Ada MN

QTY.	MAKE	MODEL	SERIAL NO.	PRICE
1	Elgin	Pelican	TBD	\$203,392.00

Notes/Specs/Requirements

<b>FINANCIAL ARRANGEMENTS</b>
Payment upon Delivery
Acknowledgement by Purchaser:

Buyer warrants title to traded unit(s) and warrants that no one holds any lien or title relation instrument or on trade unit(s) except:

SUBTOTAL	\$203,392.00
FREIGHT	
TOTAL	\$203,392.00
F.E.T.	
LESS DOWN PAYMENT	
LESS TRADE ALLOWANCE	\$7,500
NET DIFFERENCE	
SALES TAX	
BALANCE	\$195,892.00

**TRADE INFORMATION\***

Year	Make	Model	Serial Number	PRICE
2004	Johnston	J300	1J9VM3H614C172034	\$7,500

\*Trade-in units are to be equipped and functional as surveyed Date: \_\_\_\_\_ Initials: \_\_\_\_\_

NO AGREEMENTS OTHER THAN THOSE EITHER PRINTED OR WRITTEN ON THIS ORDER ARE BINDING ON EITHER PARTY OF THIS CONTRACT

Buyer acknowledges he has read and received a copy of this entire order

<b>WARRANTY EXTENDED BY DEALER</b>
As is where is
<input type="checkbox"/> Standard
<input type="checkbox"/> Extended
Acknowledgment _____ <small>(Purchaser Signature)</small>

Buyer \_\_\_\_\_  
 Signature \_\_\_\_\_  
 Title \_\_\_\_\_  
 Salesman \_\_\_\_\_

This order is subject to the terms and conditions set forth, including the applicable manufacturer's warranty there appearing Date: 12/31/2019

## Brian Scheffler

---

**From:** David Suppes <[dsuppes@capfirstef.com](mailto:dsuppes@capfirstef.com)>  
**Sent:** Tuesday, December 31, 2019 9:56 AM  
**To:** Brian Scheffler  
**Subject:** RE: City Ada

Hello Brian,

Below are the updated numbers. Thanks!

### OPTION A

Equip Type	Street Sweeper
Equip Cost	\$195,892
Term	5-years
Frequency	Annual pays in advance
Payment	\$43,385.00
Buyout	\$1.00
Structure	Muni Lease

David Suppes | President  
CapFirst Equipment Finance, Inc.  
4165 30th Ave South Suite 100  
Fargo, ND 58104  
P (701) 639-7209  
C (701) 361-8016  
F (701) 639-7031  
[dsuppes@capfirstef.com](mailto:dsuppes@capfirstef.com)

-----Original Message-----

**From:** Brian Scheffler <[brian@spi-nd.com](mailto:brian@spi-nd.com)>  
**Sent:** Tuesday, December 31, 2019 9:44 AM  
**To:** David Suppes <[dsuppes@capfirstef.com](mailto:dsuppes@capfirstef.com)>  
**Subject:** FW: City Ada

5yr, \$1 buyout

Brian Scheffler  
Sanitation Products Inc  
1402 41st St NW  
Fargo, ND 58107  
Cell 701 318-5947  
Office 701 282-0296

-----Original Message-----

**From:** [office@spi-nd.com](mailto:office@spi-nd.com) [<mailto:office@spi-nd.com>]  
**Sent:** Tuesday, December 31, 2019 10:53 AM  
**To:** Brian Scheffler

January 3, 2020

Dear Honorable Mayor, Ada City Council, Ada City Clerk and Ada Event Center Manager:

I am writing to ask to City of Ada to consider revisiting the subject of the rental rate structure for the Ada Event Center. I am concerned that Ada is losing events because of the current rate structure. I have talked to a few people that indicated that they couldn't afford to hold their event in Ada because of the current rates. One was the organizer of the Red River Valley Saddle Club's Christmas party. She indicated that she was surprised by the new rates and said that their club could not afford to rent the Ada Event Center for their annual Christmas party. They wanted to have it in Ada like they did last year, but moved their event to the Borup Community Center because of pricing.

Please see attached the current rates of the Ada Event Center along with the rates of surrounding Community Centers.

I was a huge advocate of Ada having an Event center and donated money to make it a reality. I personally feel that this facility is important to the economics of our community. Every event that is held here brings people to our community and helps our businesses. I hope that you will consider revisiting the rate structure of the Ada Events Center.

Sincerely,



Lee Ann Hall  
610 3rd St. W.  
Ada, MN 56510  
218-784-8069 –cell

**Incubate, Celebrate and Recreate at the Ada Area Events Center**



- Weekends are defined as Friday – Sunday
- Weekdays are defined as Monday – Thursday
- Holidays are defined as New Year’s Eve – New Year’s Day – Memorial Day – 4<sup>th</sup> of July-- Labor Day – Thanksgiving – Christmas Eve – Christmas Day

**Pricing Structure**

	<u>Ballroom</u>		<u>Meeting Room</u>		<u>Meeting and Ballroom</u>	
	<u>Non Resident</u>	<u>Resident</u>	<u>Non Resident</u>	<u>Resident</u>	<u>Non Resident</u>	<u>Resident</u>
<b>Base 2 hours</b>	\$200.00	\$150.00	\$50.00	\$25.00	\$250.00	\$175.00
<b>Hourly Rate</b>	\$50.00	\$50.00	\$25.00	\$25.00	\$50.00	\$50.00
<b>Daily Rate</b>	\$400.00	\$300.00	\$200.00	\$150.00	\$500.00	\$400.00
<b>Cleaning Deposit- (Refundable)</b>	\$200.00	\$200.00	\$50.00	\$50.00	\$200.00	\$200.00
<b>Sun-Thurs</b>	\$50 off of ballroom and \$25 off of meeting room (3+ hours)					
<b>Non-Profit Organizations</b>	Free					
<b>Prior Day / Day After Setup/Take Down</b>	Free upon availability or \$50/hour between 7am-10pm					

1. Resident is defined as Ada-Borup School District boundary.
2. If a group would like to reserve the facility the day prior to an event for set up purposes, provided the facility is not already booked, renter will need to pay an additional \$50 fee.
3. If bar is open, BYOB is not permitted (using LRC in Halstad as a baseline, we cannot permit the sale of alcohol; for example the sale of a ticket that includes alcohol would require a one-day insurance policy unless arrangement is made with bar such as corking fee).
4. Events involving food will require verification of a catering or event license (unless food is brought in, cooked, in crock pots outside of kitchen).
5. THERE WILL BE NO UNDER AGE CONSUMPTION OF ALCOHOL ON THE

## **Ordinance No 478**

An Ordinance amending Ordinance No 383. Granting Minnesota Energy Resources, a subsidiary of WEC Energy Group,  
a Wisconsin corporation, its successors and assigns,  
a natural gas franchise  
and the authority to construct, operate, maintain, and extend  
a natural gas distribution plant and system,  
and granting the right to use the streets, alleys, and other public places  
within the present or future corporate limits  
of the City, of Ada, Minnesota

Be it ordained by the City Council of the City of Ada, Minnesota, amended to read as follows:

### **FRANCHISE GRANTED**

The City of Ada, Minnesota, (hereinafter referred to as "Grantor") hereby grants a non-exclusive franchise to Minnesota Energy Resources, a subsidiary of WEC Energy Group, a Wisconsin corporation, (hereinafter called "Grantee"), its lessees, successors and assigns. Grantee is hereby granted the right, privilege, franchise, permission and authority to lay, construct, install, maintain, operate and extend in, along, over or across the present and future streets, alleys, avenues, bridges, public rights-of-way and public places as are now within the present or future limits of said Grantor, a natural gas distribution system and all facilities necessary for the purpose of supplying natural gas or processed gas for all purposes to the inhabitants of said Grantor and consumers in the vicinity thereof, and for the distribution of natural gas from or through said Grantor to points beyond the limits thereof. Such facilities shall include, but not be limited to, all mains, services, pipes, conduits and appliances necessary or convenient for transmitting, transporting, distributing and supplying natural gas for all purposes for which it may be used, and to do all other things necessary and proper in providing natural gas service to the inhabitants of Grantor and in carrying on such business.

### **TERM**

The rights and privileges granted by this Ordinance shall remain in effect for a period of Twenty (20) years from the effective date of this Ordinance.

### **GOVERNING RULES AND REGULATIONS**

This Ordinance is granted subject to all conditions, limitations and immunities now provided for, or as hereafter amended, and applicable to the operations of a public utility, by State or Federal law. The rates to be charged by Grantee for service within the present or future corporate limits of Grantor and the rules and regulations regarding the character, quality and standards of service to be furnished by Grantee shall be under the jurisdiction and control of such regulatory body or bodies as may, from time to time, be vested by law with authority and jurisdiction over the rates, regulations and quality and standards of service to be supplied by Grantee. Provided however,

should any judicial, regulatory or legislative body, having proper jurisdiction, take any action that precludes Grantee from recovering from its customers any cost associated with services provided hereunder, then Grantee and Grantor shall renegotiate the terms of this Ordinance in accordance with the action taken, so as to allow Grantee to be made whole economically. In determining the rights and duties of the Grantee, the terms of this franchise Ordinance shall take precedence over any conflicting terms or requirements contained in any other Ordinance enacted by the Grantor.

If an energy supplier is unable to furnish an adequate supply of energy due to an emergency, an order or decision of a public regulatory body, or other acts beyond the control of the Grantee, then the Grantee shall have the right and authority to adopt reasonable rules and regulations limiting, curtailing or allocating extensions of service or supply of energy to any customers or prospective customers, and withholding the supply of energy to new customers, provided that such rules and regulations shall be uniform as applied to each class of customers or prospective customers, and shall be non-discriminatory as between communities receiving service from the Grantee.

#### **CONSTRUCTION AND MAINTENANCE OF COMPANY FACILITIES**

Any pavements, sidewalks or curbing taken up and any and all excavations made shall be done in such a manner as to cause only such inconvenience to the inhabitants of Grantor and to the general public as is reasonably necessary; and repairs and replacements shall be made promptly by Grantee, leaving such properties in as good as condition as existed immediately prior to excavation.

Grantee agrees that for the term of this grant, it will use its best efforts to maintain facilities and equipment sufficient to meet the current and future energy requirements of Grantor, its inhabitants and industries. While maintaining its facilities and equipment, Grantee shall obtain permits as required by ordinance, except that in emergency situations, Grantee shall take immediate unilateral actions as it determines are necessary to protect the public health, safety, and welfare; in which case, Grantee shall notify Grantor as soon as reasonably possible.

Grantor will give Grantee reasonable notice of plans for street improvements where paving or resurfacing of a permanent nature is involved that affect Grantee's facilities. The notice shall contain the nature and character of the improvements, the rights-of-way upon which the improvements are to be made, the extent of the improvements and the time when the Grantor will start the work, and, if more than one right-of-way is involved, the order in which this work is to proceed. The notice shall be given to the Grantee a sufficient length of time, considering seasonable working conditions, in advance of the actual commencement of the work to permit the Grantee to make any additions, alterations, or repairs to its facilities.

#### **EXTENSION OF COMPANY FACILITIES**

Upon receipt and acceptance of a valid application for service, Grantee shall, subject to its own economic feasibility criteria, make reasonable extensions of its distribution facilities to serve customers located within the current or future corporate limits of Grantor.

#### **RELOCATION OF COMPANY FACILITIES**

If Grantor elects to change the grade of or otherwise alter any street, alley, avenue, bridge, public right-of-way or public place for a public purpose, Grantee, upon reasonable notice from Grantor, shall remove and relocate its facilities or equipment situated in the public rights-of-way, if such removal is necessary to prevent interference and not merely for the convenience of the Grantor, at the cost and expense of Grantee. If Grantor orders or requests Grantee to relocate its facilities or equipment for the primary benefit of a commercial or private project, or as a result of the initial request of a commercial or private developer or other non-public entity, and such removal is necessary to prevent interference and not merely for the convenience of the Grantor or other right-of-way user, Grantee shall receive payment for the cost of such relocation as a precondition to relocating its facilities or equipment. Grantor shall consider reasonable alternatives in designing its public works projects so as not arbitrarily to cause Grantee unreasonable additional expense in exercising its authority under this section. Grantor shall also provide a reasonable alternative location for Grantee's facilities. Grantor shall give Grantee written notice of vacating of a public right-of-way. Vacating of a public right-of-way shall not deprive the Grantee of its right to operate and maintain existing facilities, until the reasonable cost of relocating the same are first paid to the Grantee.

Any person or corporation desiring to move a building or other structure along, or to make any unusual use of any street, alley, avenue, bridge, public right-of-way or public place which shall interfere with the facilities or equipment of the Grantee, shall first give notice to the Grantor and the Grantee and pay a sum sufficient to cover the expense and damage incident to the moving of Grantee's facilities and equipment.

### **CONFIDENTIAL INFORMATION**

Grantor acknowledges that certain information it might request pursuant to this franchise may be of a proprietary and confidential nature. If Grantee requests that any information provided by Grantee to Grantor be kept confidential due to such proprietary or commercial value, Grantor and its employees, agents, and representatives shall maintain the confidentiality of that information, to the extent allowed by law. If Grantor is requested or required by legal or administrative process to disclose any such confidential information, Grantor shall promptly notify Grantee of such request or requirement so that Grantee may seek an appropriate protective order or other relief. Grantor shall use all reasonable efforts to ensure that the confidentiality of Grantee's confidential information is maintained.

### **FORCE MAJEURE**

It shall not be a breach or default under this franchise if either party fails to perform its obligations hereunder due to Force Majeure. Force Majeure shall include, but not be limited to, the following: 1) physical events such as acts of God, landslides, lightning, earthquakes, fires, freezing, storms, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery, equipment or distribution or transmission lines; 2) acts of others such as strikes, work-force stoppages, riots, sabotage, insurrections or wars; 3) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, executive order, or regulation promulgated by a governmental authority having jurisdiction; and any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the affected party to prevent or overcome. Each party shall make reasonable efforts to avoid Force Majeure and to resolve such event as promptly as reasonably possible once it occurs in order to



resume performance; provided, however, that this provision shall not obligate a party to settle any labor strike.

### **HOLD HARMLESS**

Grantee, during the term of this Ordinance, agrees to save harmless Grantor from and against all claims, demands, losses and expenses arising directly out of the negligence of Grantee, its employees or agents, in the constructing, operating, and maintaining of distribution and transmission facilities or appliances of Grantee; provided, however, that Grantee need not save harmless Grantor from claims, demands, losses and expenses arising out of the negligence of Grantor, its employees or agents.

### **SEVERABILITY**

If any clause, sentence or section of this Ordinance is deemed invalid by any judicial, regulatory or legislative body having proper jurisdiction, the remaining provisions shall not be affected.

### **NON WAIVER**

Any waiver of any obligation or default under this franchise shall not be construed as a waiver of any future defaults, whether of like or different character.

### **REPEAL CONFLICTING ORDINANCES**

This ordinance, when accepted by Grantee as provided below, shall constitute the entire agreement between the Grantor and the Grantee relating to this franchise and the same shall supersede all prior ordinances pertaining to this franchise agreement, and any terms and conditions of such prior ordinances or parts of ordinances in conflict herewith are hereby repealed. Ordinance No. 383 of the City of Ada Minnesota, is hereby repealed as of the effective date hereof.

### **EFFECT AND INTERPRETATION OF ORDINANCE**

The captions which precede each section of this ordinance are for convenience in reference only and shall not be taken into consideration in the interpretation of any of the provisions of this ordinance.

### **EFFECTIVE DATE AND ACCEPTANCE**

This Ordinance shall become effective and be a binding contract between the Grantor and Grantee, upon its final passage and approval by Grantor, in accordance with applicable laws and regulations, and upon acceptance by Grantee by written instrument within sixty (60) days of passage by the governing body, and filed with the City Clerk of the City of Ada, Minnesota. The City Clerk shall sign and affix the community seal to acknowledge receipt of such acceptance, and return one copy to Grantee. If Grantee does not, within sixty (60) days following passage of this Ordinance express in writing its objections to any terms or provisions contained therein, or reject this ordinance in its entirety, Grantee shall be deemed to have accepted this ordinance and all of its terms and conditions.

Passed and approved by the City Council of the City of Ada, Minnesota, on this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor

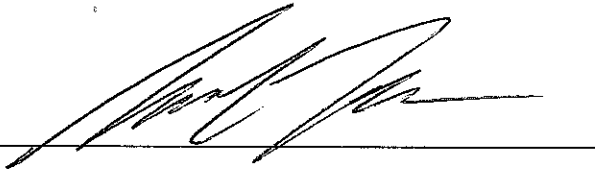
ATTEST:

\_\_\_\_\_  
City Clerk

Jake Kroshus letter of resignation

Ada city council. After the December 17<sup>th</sup> special session, I have decided that it is in the best interest of my family and myself that I resign from my seat on council.

Signed

A handwritten signature in black ink, appearing to read "Jake Kroshus", is written over a horizontal line. The signature is stylized and cursive.

**CITY OF ADA#**

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**RESOLUTION NO. 2020-01-01**

**RESOLUTION DECLARING A VACANCY ON THE OFFICE OF COUNCIL MEMBER  
WARD 2 FOR THE CITY OF ADA**

**WHEREAS**, Section 2.05 of the Ada City Charter requires that an elective office vacancy shall be declared to exist by adoption of a resolution, and

**WHEREAS**, Jacob Kroshus, elected council member at large, effective January 1, 2016 whose term expires December 31, 2020, has resigned and therefore vacates his appointment effective January 7, 2020

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ADA THAT** a vacancy is hereby declared effective January 7, 2020 on the office of City Council.

**I CERTIFY THAT** the above resolution was passed and adopted by the City Council of the City of Ada at a council meeting of the City Council on January 7, 2020.

The motion for the adoption of the foregoing resolution was introduced by member \_\_\_\_\_ and duly seconded by member \_\_\_\_\_ and upon a vote being taken hereon, the following voted in favor thereof:

and the following voted against the same:

Members absent:

SIGNED:

WITNESSED:

\_\_\_\_\_  
John Hintz  
Mayor

Attest: \_\_\_\_\_  
Ashley Larson  
City Clerk

As signed this 7 day of January 2020.