HOW DID WE GET HERE?

HOW DO WE GO FORWARD?

"Make sure you're not just waiting for someone else to fix things, or hoping that things will improve...Figure out what's going on and make a plan to improve things." Kenneth W. Thomas

A number of people listed on this slide have volunteered many many hours in the past three years to figure things out, make a plan and fix things.

Tonight's presentation "How did we get here and how do we move forward" is a brief summary of that work.

Thanking your elected officials, commission members, committee members and disagreeing with their policy positions in a respectful manner, are not mutually exclusive, you can do both.

In fact one of the ways you can thank those currently serving is to volunteer to serve on a committee or the commission or run for office.

As you can see from a quick review of the list, several Township residents serve in more than one capacity and they would be appreciative of your willingness to share the responsibility.

Volunteer or run for office and take a turn serving the Township.

TOWNSHIP BOARD		STARTED
Frank Wergin	Chairperson & Supervisor	1991
Elizabeth Messner	Supervisor	1991
Larry Odegard	Supervisor	2015
Elizabeth Wheeler	Clerk	2014
Bridge Renland	Deputy Clerk	1991
Charlene Klemenhagen	Treasurer	2016
Jane Dilley	Deputy Treasurer	2017
PLANNING COMMISSION		STARTED
Bryan Nelson	Chairperson	2000
Doug Bakken	Member	2000
Andy Devney	Member	2016
Paul Little	Member	2017
Marie Struss	Member	2017
Elizabeth Wheeler	Board Liaison	2017
BUDGET COMMITTEE		STARTED
Marie Struss	Chairperson	2016
Larry Odegard	Board Liaison	2016
Charlene Klemenhagen	Member	2016
Jane Dilley	Member	2017
ROAD COMMITTEE		STARTED
Frank Gerdesmeier	Chairperson & Contractor	2016
Liz Messner	Board Liaison	2016
Mark Henry	Contractor	2016
Andy Devney	Member	2016
Steve Wheeler	Member	2018
PROPERTY COMMITTEE		STARTED
Elizabeth Wheeler	Chairperson	2017
Marie Struss	Member	2017
Charlene Klemenhagen	Member	2017
Jane Dilley	Member	2017
Steve Wheeler	Contractor Coordinator	2017

HOW DID WE GET HERE?

- Township government today is much different than the township government of the 1850s, the 1960s, or even the township government of a few decades ago.
- Significant social, economic, political and demographic changes since the 1850s have required townships to change how they meet their statutory and fiduciary responsibilities.
- Virtually every government institution, including schools, counties, townships and even state government, has undergone profound structural changes over time.
- Waterford has kept the nostalgic and neighborly method of governing of a bygone era as much as possible. However, the relentless march of time, government mandates and legal requirements dictate governing and how Waterford Township must conduct business. Change was and continues to be inevitable.
- Waterford has not raised the Township levy enough to keep up with the ever increasing statutory and fiduciary responsibilities of the Township; while at the same time experiencing the challenges associated with the following:
  - aging structures–Bridge & Town Hall on National Historic Register
  - loss of or variable revenue
  - limited revenue sources
  - lack of savings
  - interest expenses
  - never ending increase in the cost of living

HOW DID WE GET HERE?

ELECTED

TAX PAYER

PLANNING

BUDGETING

ACCOUNTING

TRANSPARENCY

FUNDING

AGING-HISTORIC STRUCTURES

DEFERRED MAINTENANCE

DEFERRED COMPLIANCE

HOW DID WE GET HERE?

HISTORICAL PERSPECTIVE 1885 - 2014

ELECTED - VOLUNTEER
- Township Board
- Planning Commission

TAX PAYER INVOLVEMENT
- No candidates
- No volunteers
- No committees
- One issue attendance

PLANNING
- Insufficient forecasting
- Insufficient asset management
- Insufficient infrastructure planning
- Insufficient cost analysis

BUDGETING
- Philosophy – Keep levy low
- Inadequate levy increases
- No cost of living increases
- Unpredictable revenue sources
- No line item budgeting
- Insufficient record keeping

ACCOUNTING
- Basic accounting practices
- Insufficient revenue
- Expense reconciliation
- Insufficient year end accounting

TRANSPARENCY
- No newsletter
- No website
- No motion or resolution numbers

FUNDING
- Tax reimbursements–6 month lag
- Loss of Annexation revenue
- Loss of LGA 2001- Replaced 2014
- No capital improvement
- Virtually no savings
- No reserves
- Line of credit (2010-2017)
  - $104,000 + interest
- Check overdrafts
- Loan - $60,000 + interest (2014)
- Delay bill payments (MN Statute)

AGING HISTORIC STRUCTURES
- 1909 Iron Bridge
  - Estimated - $1 million
- 1885 Town Hall - unknown

DEFERRED MAINTENANCE
- Roads
- Bridges - Bernard
- Ditches - Trees versus brush
- Town Hall maintenance
- Iron Bridge maintenance

DEFERRED COMPLIANCE
- STATE & FEDERAL MANDATES
  - Records Management
  - Electrical Codes
  - Handicap Accessibility
  - Reflective Road Signs
  - Insufficient technology

HOW DO WE GO FORWARD?

Taxpayer Participation

Discipline, Dedication & Determination

ELECTED

TAX PAYER

BUDGETING

FUNDING

AGING-HISTORIC STRUCTURES

ACCOUNTING

PLANNING

TRANSPARENCY

HOW DO WE GO FORWARD?

CHANGES SINCE 2014 & *EVOLVING*

ELECTED – VOLUNTEER

- Three Supervisors
- Clerk
- Treasurer
- Deputy Treasurer

TAXPAYER INVOLVEMENT

- Planning Commission
- Advisory Budget Committee
- Advisory Road Committee
- Advisory Property Committee

BUDGETING

- Line Item Budgeting
- Five Year Budget

PLANNING

- Five Year Planning
- Special project planning – memorial
- Asset Management
- Capital Improvement
- Cost Benefit Analysis
- Utilize consultant & attorney

FUNDING

- DISCIPLINED - POLICIES
- GOAL – Savings "one year levy"
- GOAL – Reserves – project savings
- GOAL – Cost of living policy
- GOAL – Non-Levy Revenue policy

AGING HISTORIC STRUCTURES

- Research
- Cost Benefit Analysis
- Capital Improvement Planning

ACCOUNTING

- Line Item Budgeting
- Revenue & Expense Reconciliation
- Government Accounting & Reporting Standards
- Government Auditing Standards

TRANSPARENCY

- Agendas – May 2015
- Speaking at meeting policy – 2015
- Website – 2015
- Meeting notices – 2015
- Numbered Motions & Resolutions – 2014
  - Spreadsheet & Search Minutes
- Monthly Committee Reports – 2016
- Fee Schedules – 2017
- Town Hall Rental Policy – 2017
- Compensation Policy – 2017
- Records Management
- Newsletter – 2014
- Post Card Notifications – 2015
- Chairperson rotation – 2017
- Future Surveys
- Informational meetings
  - Comprehensive Planning
  - Bridge Grant
- Goal – Set levy – March Annual Meeting
  - August Meeting if necessary

OVERVIEW OF FINANCIALS

YEAR	COLA INCREASES (data from Social Security Cost of Living increases)	LEVY CERTIFIED (data from Dakota County property tax dept.)	LEVY RECEIVED (data from Dakota County tax disbursement reports)	OTHER REVENUES (data from CTAS reports State & Dakota Cty)	LINE OF CREDIT 2010-2017 $104,000 (data from CTAS reports)	Annexation Revenue Lost (used last payment received as base for figures below)	Bridge Loan Payment $60,000 (data from CTAS reports)	Delinquent Taxes Disbursements (maybe deliquent or forfeiture dollars)
2010	0					$3,179****		
2011	3.6				$20,000***	$3,179****		
2012	1.7	$110,000			$20,000***	$3,179****		
2013	1.5	$110,000				$3,179*	$7,336**	
2014	1.7	$120,000			$40,000***	$3,179*	$7,336**	
2015	0	$110,000	$110,454	$8,121		$3,179*	$7,336**	$454
2016	0.3	$160,000	$156,887	$8,076 + $4,245		$3,179*	$7,336**	($3,113)
2017	2	$170,000	$164,483	$6,781		$3,179*	$7,336**	($5,517)
2018		$280,500				$3,179*	$7,336**	

FINANCIAL IMPACTS

- * & ****Loss of Revenue
  - Annexation Payments
    - 1980 - Joint Resolution for Orderly Annexation between Waterford & City of Northfield
    - **** 2009 - Last payment - $3,179 (Statute of Limitation limits recovery to last 6 years)
    - Formula calculation: Current tax capacity multiplied by 1.02 divided by $675
- **LOAN – 1909 Bridge Abutment Repair - Total Cost - $168,000
  - National Trust Grant - Township received $95,000
  - Township Matching Funds – Township borrowed $60,000 plus $13,000 interest
    - Loan - 2014 – 10 years – 3.95% interest rate
    - Payments - $611.33 per month totaling $7,336 per year
- ***LINE OF CREDIT – Lack of Project Reserves and Savings
  - Total principal $104,000 – (2010 – 2017) (does not include interest paid over 7 years)
    - Tax Levy Disbursement causes *lag time* – ½ disbursed in July & ½ disbursed in December
    - Unfunded road projects - $80,000
      - 2011 - $20,000 – Dudley Bridge (south of Cty Rd 47) (Township's share)
      - 2012 - $20,000 – Canada Bridge (north of Cty Rd 47) (Township's share)
      - 2014 - $40,000 – Dresden Avenue maintenance (Township's share)
    - Balance of principal - $24,000
      - Unfunded attorney fees – zoning issues & annexation
      - Unfunded ditch brush & tree removal
      - Unfunded election equipment, Township Hall Well repairs, Dudley Bridge railing repair, cable & post, etc.
      - Unfunded operating cost increase due to inflation on everything

REVENUE SOURCES

- **Local Government Aid (LGA) -** Money from the state provided to cities for property tax relief.
  - Last received by Township in **2001. *Replaced by Town Aid in 2014***
- **Levy -** The imposition of a tax, usually by a local unit of government. Set by Township.
- **Fiscal Disparity -** A seven-county metro area aid program in which 40 percent of the commercial/industrial tax base of communities forms a "pool" of aid to metro communities without that tax base. Program promotes better regional planning & improve equity in the distribution of fiscal resources. Varies from year to year calculated by the State.
- **Highway Aid -** The money the state distributes to counties, cities and townships for highways and bridges. Revenue mainly comes from a share of taxes on motor fuels, vehicle registration, vehicle sales, and vehicle leases. Township receives funds from County. Township must add matching funds for a road project. Example of aid plus reserves:
  - In 2019 Barnard Bridge will be replaced with a culvert utilizing Highway Aid of $8,076 (received from County) plus $15,000 reserves (Township designated savings of $5,000 per year (2017-2019)). **$15,000 + $8,076 = $23,076.**
- **Market Value Credits -** The Agricultural Homestead **Market Value Credit** was enacted in **2001**. The credit applies to property classified as an agricultural homestead – excluding the house, garage and first acre. This includes class 2a agricultural land that is homestead, along with any class 2b rural vacant land that is contiguous to class 2a land and under the same ownership. Varies from year to year based on a formula calculated by the State. Received directly from State.
- **Town Aid Certification** - Town Aid**,** **started in 2014 to replace the LGA** that was discontinue in 2001. Town Aid is a general purpose aid that can be used for any lawful expenditure and is intended to provide property tax relief. The amount of aid your town receives is based on its: ratio of adjusted net tax capacity of agricultural property to adjusted net tax capacity of all other property, total land and water acreage and population. Varies from year to year based on a formula calculated by the State

LEVY DISBURSEMENTS FROM DAKOTA COUNTY

TOWNSHIP	2015	2016	2017	2018	Percentage
				Lag Time First 1/2- July	
Sciota	$103,992	$76,761	$66,432	$100,000	42.86%
Randolph	$153,666	$142,723	$128,930	$159,528	32.94%
Waterford	$110,454	$156,887	$164,483	$280,500	65.00%
Nininger	$231,895	$230,389	$228,479	$235,000	0.00%
Douglas	$290,701	$250,999	$246,436	$359,000	38.61%
Hampton	$298,084	$267,413	$270,370	$282,000	0.00%
Greenvale	$285,772	$277,345	$288,997	$296,000	0.00%
Castle Rock	$310,212	$311,236	$307,765	$324,260	1.57%
Vermillion	$367,258	$388,327	$383,645	$397,000	0.00%
Marshan	$287,607	$287,666	$386,174	$400,000	-0.74%
Eureka	$432,424	$422,833	$439,991	$465,500	1.76%
Ravenna	$508,398	$553,959	$545,334	$510,372	1.54%
Empire	$1,001,203	$1,078,830	$1,150,565	$1,187,822	5.00%

CONSUMER PRICE INDEX (CPI)
& COST OF LIVING ADJUSTMENT (COLA)

CONSUMER PRICE INDEX

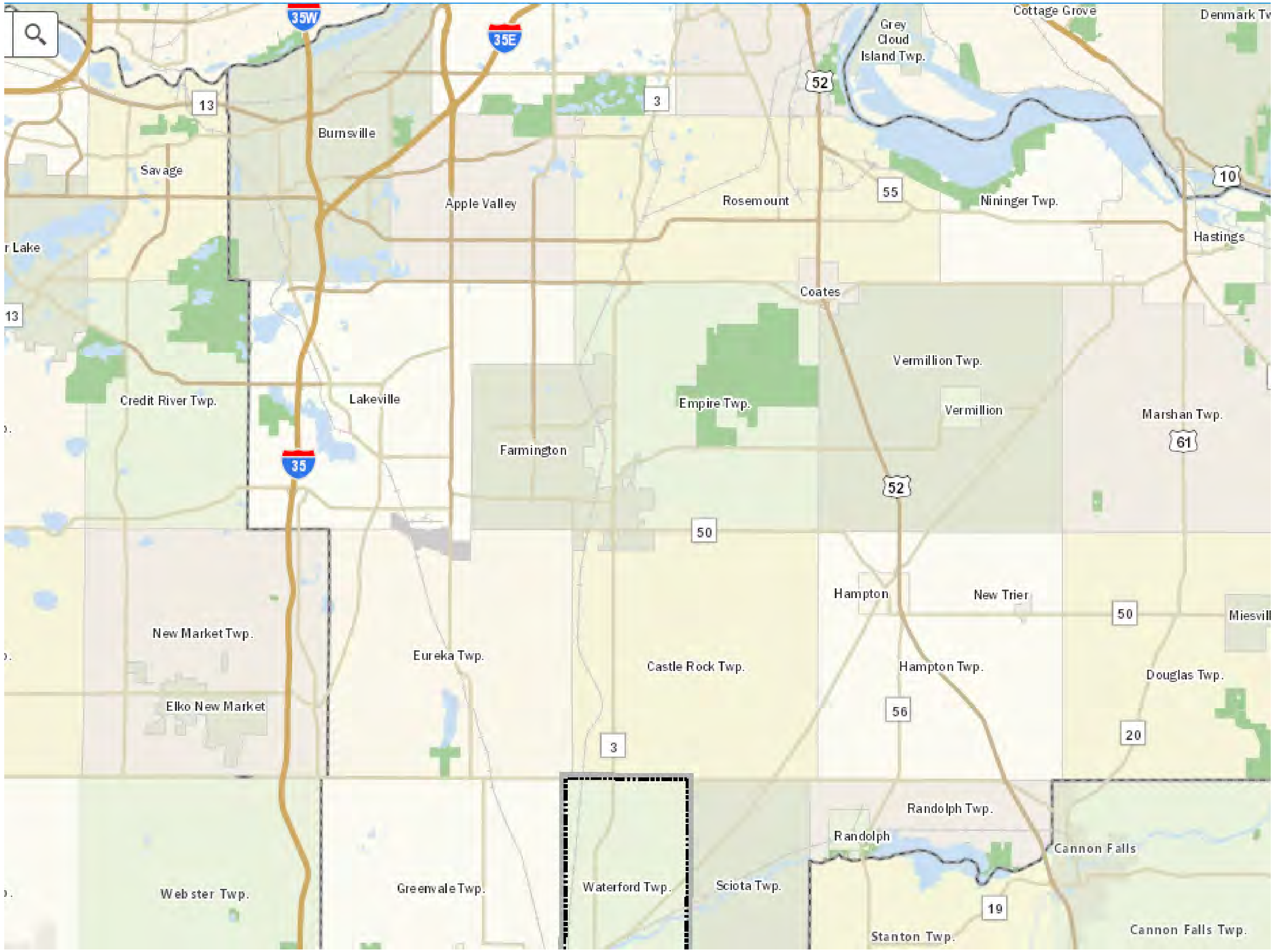
Living Expense	Jan 2000	March 2014	% Increase
Barrel Of Oil	$24.11	$100	314.80%
Fuel Oil (Per Gallon)	$1.19	$4.07	242.00%
Gallon of Gas	$1.27	$3.51	176.40%
One Dozen Eggs	$0.97	$2.00	106.20%
Annual Healthcare Spending (Per Capita)	$4,550	$9,300	104.40%
Ground Beef (Per lb)	$1.90	$3.73	96.30%
Movie Ticket	$5.25	$10.25	95.20%
Average Private College Tuition	$22,000	$37,000	68.20%
Electricity (Per Kwh)	$0.08	$0.13	59.50%
New Car	$20,300	$31,500	55.20%
Coffee (Per lb)	$3.40	$5.20	52.90%
Natural Gas (Per Therm)	$0.71	$1.08	51.40%
Avg. Home Price (Case Shiller)	$161,000	$242,000	50.30%
Postage Stamp	$0.33	$0.49	48.50%
Avg Monthly Rent (Case Shiller)	$635	$890	40.20%
CPI	$168.80	$234.78	39.09%
PCE Deflator (Fed's Preferred Measure)	$81.78	$107.66	31.65%

Source: David Stockman

COST OF LIVING ADJUSTMENT

YEAR	COLA	YEAR	COLA	YEAR	COLA
1975	8.00%	1990	5.40%	2005	4.10%
1976	6.40%	1991	3.70%	2006	3.30%
1977	5.90%	1992	3.00%	2007	2.30%
1978	6.50%	1993	2.60%	2008	5.80%
1979	9.90%	1994	2.80%	2009	0.00%
1980	14.30%	1995	2.60%	2010	0.00%
1981	11.20%	1996	2.90%	2011	3.60%
1982	7.40%	1997	2.10%	2012	1.70%
1983	3.50%	1998	1.30%	2013	1.50%
1984	3.50%	1999	2.50%	2014	1.70%
1985	3.10%	2000	3.50%	2015	0.00%
1986	1.30%	2001	2.60%	2016	0.30%
1987	4.20%	2002	1.40%	2017	2.00%
1988	4.00%	2003	2.10%	2018	2.00%
1989	4.70%	2004	2.70%	2019	?????

MAP OF DAKOTA COUNTY

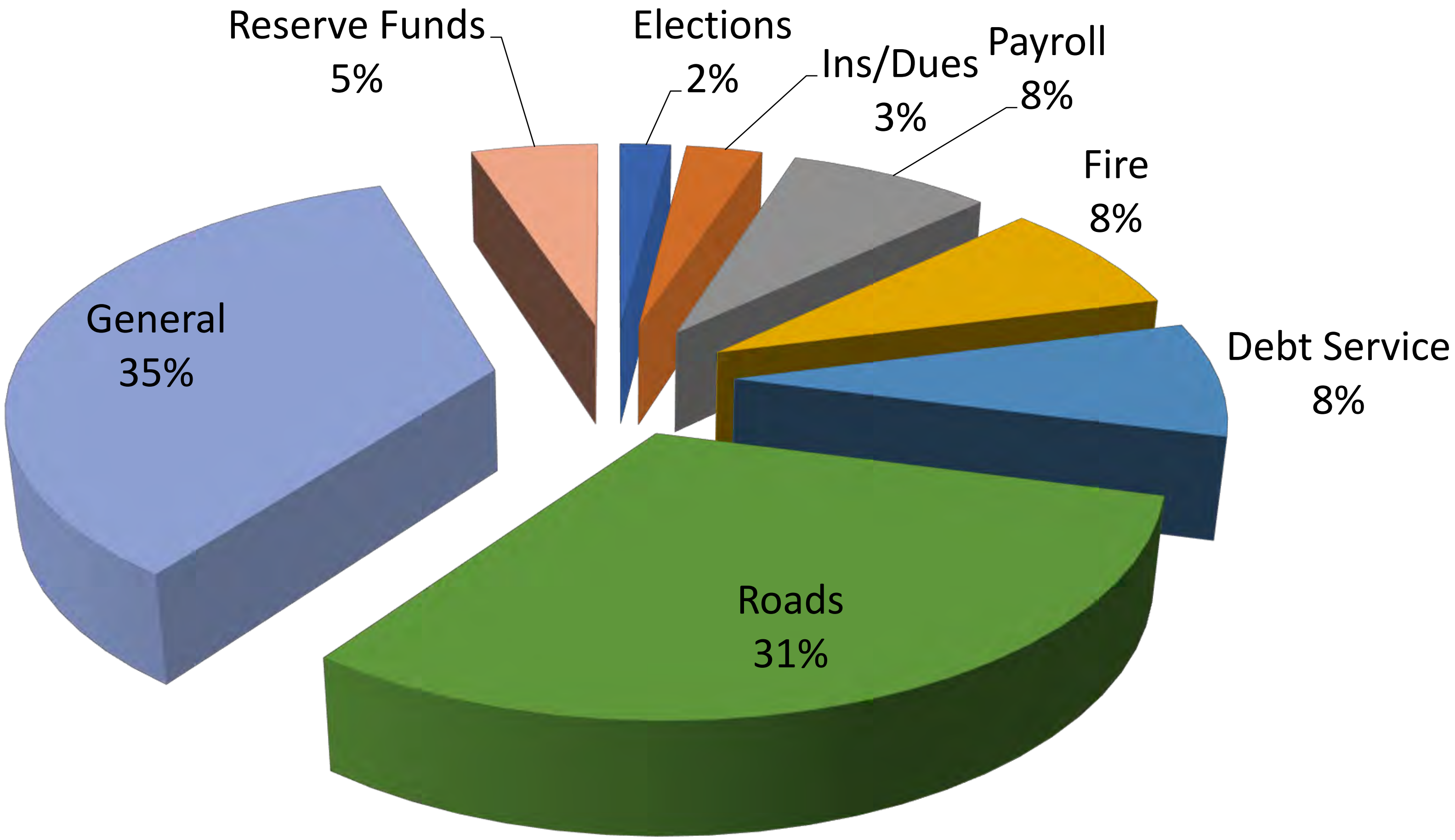


BUDGET ADVISORY COMMITTEE

- **Volunteers**:
  - Chairperson Marie Struss
  - Board Liaison Larry Odegard
  - Treasurer Charlene Klemenhagen
  - Deputy Treasurer Jane Dilley
  - Property owner – currently vacant
- **Meetings:**
  - Once per month or as necessary
- **Responsibilities:**
  - Prepare line item budget – basis for Levy
  - Monthly reconciliation–line item–budget/expense
  - Year end reconciliation & reporting at annual meeting
  - Annual audit – record keeping & reporting
  - Monthly Board Reporting – financial status
  - Recommend Levy based on line item documentation
  - Federal & State reporting
  - Research other townships for ideas & best practices
- **Goals 2018**
  - 2018 Monthly & Year End Reconciliation
  - 2018 Audit Process & Policy
  - 2019 Budget & Levy – AUGUST 13, 2018
  - 2020 Levy - Set March 2019
    - August re-convened – emergency only

- **Challenges Ahead**
  - Spring operating costs – funds not received till July
  - Legal – Annexation – estimate $30,000 District Court
  - Comprehensive Plan – funds for 2030 update
  - Savings – Emergencies-weather-unforeseen (detour)
  - Reserves–Increased Fire Protection- Fire Hall remodel
  - Canada Ave post & cable barrier-$2,000 (verbal) - 2018
  - Capital Improvement Fund–Roof – 2025
  - Capital Improvement Fund–Handicap Access-2019
  - Capital Improvement Fund–Barnard Repair-2019
  - Capital Improvement Fund–Dresden-$50,000-2025
  - Capital Improvement Fund – Voting Equip–planning phase
  - Bridge Abutment loan-remaining principle-$42,456
  - Chloride – Canada Ave, 300th St & home frontage
  - Non-levy revenue – calculated by other agencies-variable
  - Restoration funds – Town Hall & Waterford Bridge
  - Ditch Maintenance – Remove trees-16 miles of ditches
  - Vegetation Control – Wild Parsnip
  - Bridge Grounds keeping - $4,000 per year
  - Traffic Studies
  - Etc.

2017 ALLOCATION OF EXPENDITURES



ROAD ADVISORY COMMITTEE

VOLUNTEERS:

- **Contractor & Chairperson Frank Gerdesmeier**
  - **Village Road Contractor – 1 mile**
  - **Property owner**
- **Contractor Mark Henry – Henry Excavating**
  - **Rural Road – 15 miles**
  - **Not a property owner**
- **Board Liaison - Liz Messner**
- **Resident - Andy Devney**
- **Resident & Property Owner – Steve Wheeler**

MEETINGS:

- **Once per month or as necessary**

RESPONSIBILITIES:

- **Road & Bridge Inventory Database**
  - **16 miles of roads, signs, culverts, chloride, gravel, grading, snowplowing, ditches**
- **Five year work plan & budget**
- **Monitor & maintain & report expenses**
  - **Expenses by road & bridge**
  - **Report monthly & year end reconciliation**
- **Recommend levy based on line item budget**
- **Research-report-recommend best practices**

CHALLENGES AHEAD

- **Spring operating costs – short funds - levy lag**
- **Maintenance Plans–eventually all roads & bridges**
  - **Avoids deferred maintenance & budget shortfalls**
- **Capital Improvement Plans – use for all projects**
- **Chloride – Speed studies to determine traffic**
- **Inflation – contractor services & materials**
- **Deferred Maintenance (DM)**
  - **Project Planning – 5 year plan to resolve all DM**
  - **Tree removal – ¼ of ditches per year**
    - **Summer 2018 – 320TH St & Barnard Ave**
  - **Noxious/Invasive Weed Control**
    - **Eleven invasive weeds in Minnesota**
    - **MN State Statute 18.75-18.91**

GOALS 2018:

- **Complete Road & Bridge Inventory Database**
  - **Present detailed database – March 2019**
- **Complete Five Year Work Plan & Budget**
  - **First Preliminary 2019 – 2023 – subject to change**
  - **Present at annual meeting 3/12/19**
- **Traffic Counts-Township Roads–planning tool**

2018 ROADWORK PLAN & BUDGET

- **GENERAL WORK PLAN - not road specific**
  - **Maintenance**
    - **mowing, brush, graveling, grading, snowplowing, etc.**
  - **Chloride–resident frontage by request**
  - **Road Signs–Complete installation retro-reflectivity**
  - **Noxious/invasive Weed – MN State Statute 18.75**
- **PROJECT WORK PLAN – specific roads**
  - **¼ of Township – Remove trees from ditches**
    - **320th St. & Barnard – remove trees from ditches**
  - **300th St. – CR 53 to Hwy 3 – Gravel & chloride**
  - **297th & Danbury Ave Curve**
    - **Re-Shape + gravel +chloride**
  - **Canada Ave (South of Cty Rd 47) Curves**
    - **Re-Shape + gravel + chloride**
  - **Canada Ave (South of Cty Rd 47) & Carleton**
    - **Post & Cable barrier**
  - **Canada Ave (From Cty Rd 47 to Hwy 19)**
    - **Grading, gravel & chloride**
  - **Canada Ave (From Cty Rd 47 to Hwy 19)**
    - **Speed Study**
  - **Village Streets – gravel**

2018 BUDGET

Gravel	$ 25,000
Grading/Plowing/Sanding/Salt	$ 45,000
Chloride	$ 6,800
Chloride & Gravel & Grading - 300th St	$ 11,600
Ditch - Mowing/brush/tree removal	$ 10,000
Sign Replacement	$ -
Capital Improvement Reserve-Barnard - 2019	$ 5,000
Capital Improvement Reserve-Dresden - 2022	$ 10,000
Savings-weather related damages	$ 3,000
TOTAL	**$ 116,400**

PROPERTY ADVISORY COMMITTEE

VOLUNTEERS:

- Chairperson & Board Liaison Elizabeth Wheeler
- Treasurer Charlene Klemenhagen
- Deputy Treasurer Jane Dilley
- Property owner – Marie Struss
- Contractor Coordinator & Tech – Steve Wheeler

MEETINGS:

- Once per month – 2nd Monday of Month

RESPONSIBILITIES:

- Prioritized & Track Open Items
- Research – provide details & options to Board
- Cost Benefit Analysis – give Board info
- Capital Improvement Planning –give Board info
- Grant Funding – find - write & determine costs
- Monitor & Manage contractor work
- Monitor & Manage Property Maintenance
- Research, report, recommend best practices

CHALLENGES AHEAD:

- Technology – computers, software, internet, phone, etc.
- Electronic Records Management & Hosted Website
- Town Hall & Iron Bridge on National Register
- Capital Improvement Planning – Handicap assessible
- Dudley Bridge Railing Repair – cost $1,500 – 2018
- Iron Bridge Safety & Warning barricades – cost ?? - 2018
- Iron Bridge Area Maintenance–estimated - $4,000/year
- Iron Bridge Structure Maintenance - after restoration - ??
- Grants–free money but matching share required
    - 2014 Bridge Abutment Grant-Township matching share - 44%
- Friends of the Iron Bridge–Legacy contributions
- Friends of the Town Hall–Legacy contributions

GOALS 2018:

- Review Open and Tabled Items *monthly*
- Electrical Code & Safety Compliance – Town Hall
- Public Hearings for Zoning Ordinance Changes
- Public Hearings for IUP & CUP
- Standardize quote and bid forms
- Standardize service & maintenance agreements
- Contractor communication – follow up & sign off
- Township Memorial Garden – design & quotes
- Research & Policy development – Revenues

COST BENEFIT ANALYSIS (CBA)

As infrastructure ages & future projects/needs arise Township Boards and ultimately the Taxpayers must grapple with the issues of replacing capital assets, meeting new needs and deciding how to fund these projects.

Determine if a project is justifiable and feasible– verifying whether its benefits (tangible and intangible) outweigh the costs, and by how much;

Utilize result of CBA to educate and to make sound financial decisions for the Township.

EXAMPLES

1885 Town Hall

1909 Iron Bridge

Roads – 16 miles

Bridges & Culverts

Internet & Website

Computers Hardware & Software

CAPITAL IMPROVEMENT PLANNING (CIP)

PROPERTY TAXES - ASK THE EXPERTS

www.co.dakota.mn.us/HomeProperty/PropertyRecords

INFORMATION AVAILABLE

Pay Property Taxes
Property Tax Statements
Property Tax 101
Property Tax Program, Homestead & Credits
On Line Property Maps
On line Property Records

CONTACT INFORMATION

651-438-4576
1590 Highway 55 - Hastings, MN 55033

treasurer-auditor@co.dakota.mn.us
records@co.dakota.mn.us

Tax Estimator

This tax estimator tool is to provide customers with an ESTIMATED property tax on the market value provided by the customer in a location and school district specified by the customer. THIS IS AN ESTIMATE ONLY AND SHOULD NOT BE CONSIDERED A FINAL AMOUNT THAT MAY BE PAYABLE.

Note: This tool is an estimator only for certain types of property – estimates for agricultural and certain other property classifications are NOT available using this tax estimator. Special assessments, if any, are in addition to the estimated tax.

Please enter the Estimated Market Value – not the Taxable Market value after exclusions/exemptions. Parcel specific Estimated Market Value is found at http://gis2.co.dakota.mn.us/maps/property.htm

Taxes Payable In:
City/Township:
School District:
Property Type:
Market Value: 0

Calculate Clear

MARKET VALUE - ASK THE EXPERTS

www.co.dakota.mn.us/HomeProperty/Assessing

INFORMATION AVAILABLE

Determine Market Value

Notice of Valuation

Appeal Assessment

Open Book Meeting Schedule

Local Board of Appeal & Equalization

Average residential Values

Total Market Values

CONTACT INFORMATION

651-438-4200

1590 Highway 55 - Hastings, MN 55033

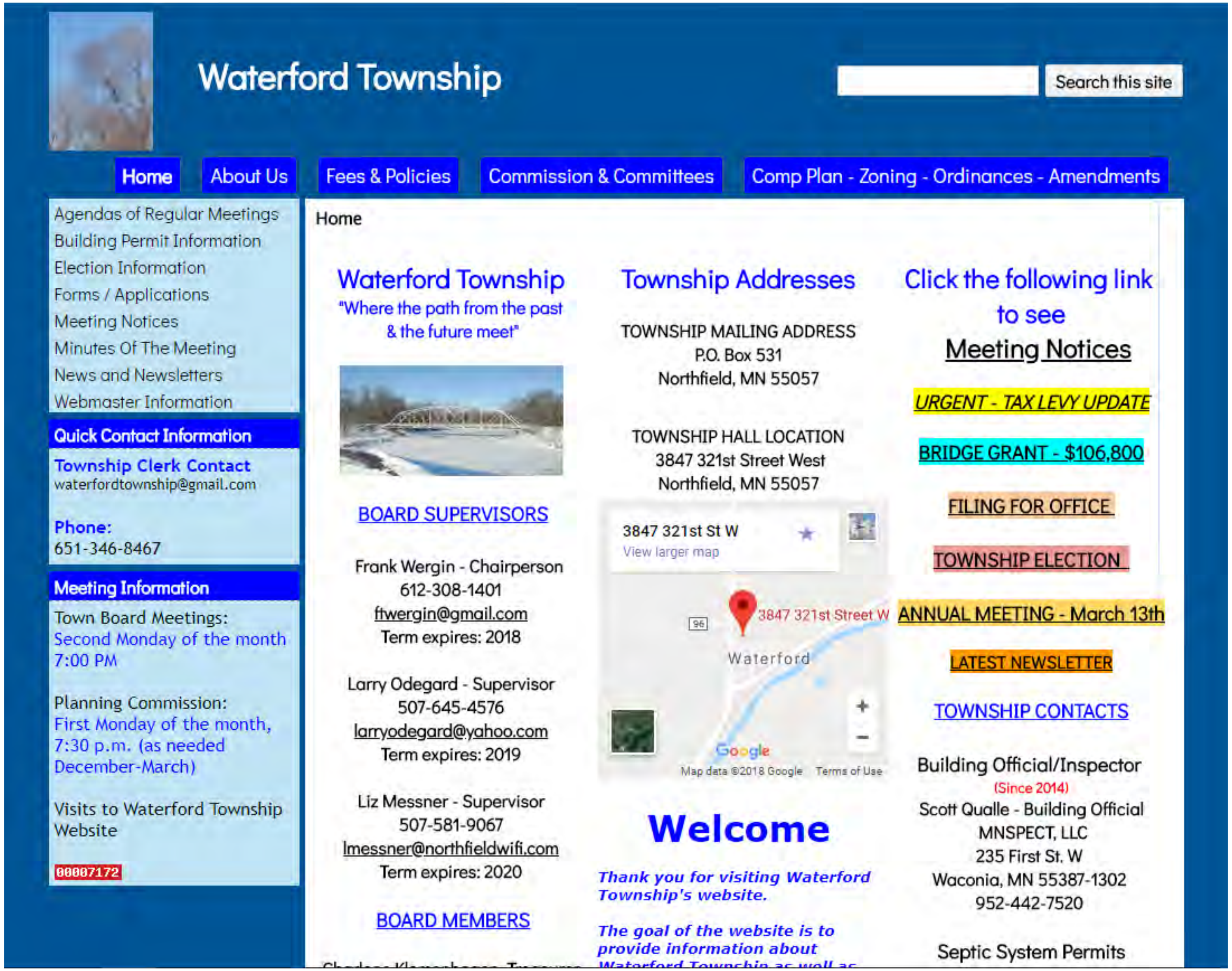
assessing.services@co.dakota.mn.us

ASSESSOR

- Dakota County Assessor's Office determines the value of all **157,000 parcels in the county.**
- Assessor's Office determines the classification, or use, of each parcel.
- Market values change constantly due to:
  - Sale of land and buildings
  - Draining and clearing land
  - Improvement - adjacent public streets & utilities
  - Adding to or remodeling buildings
- Each classification is taxed at a different percentage of market value.
  - Residential homestead (owner-occupied),
  - Residential non-homestead,
  - Agricultural or commercial.

WATERFORD TOWNSHIP WEBSITE

www.co.dakota.mn.us/Government/PublicEntities/CitiesTownships



Thank You!

SOURCES

WATERFORD TOWNSHIP WEBSITE
www.co.dakota.mn.us/Government/PublicEntities/CitiesTownships

COST OF LIVING ADJUSTMENTS
www.ssa.gov/oact/cola/colaseries

LEVY DATA
www.co.dakota.mn.us/HomeProperty/PropertyRecords

CONSUMER PRICE INDEX
www.eia.gov

COST OF LIVING ADJUSTMENT
www.eia.gov

CAPITAL IMPROVEMENT PLANNING
www.gfoa.org/capital-improvement-planning-budgeting-resource-center

Waterford Township – Dakota County – Minnesota

Annual Meeting

March 13, 2018 - Waterford Township Hall

1. **<u>"INFORMATION PACKET"</u>** by Clerk Elizabeth Wheeler
   - Packet distributed just prior to the Meeting – see attached
     - Comment Card – post card
     - Speaking at Township Meetings - purple
     - Agenda - ivory
     - Northfield Area Rural Fire & Rescue (NARFR) report - blue
     - Board of Audit – pink
     - Building Permit Reconciliation – orange
     - Presentation – How did we get here & how do we move forward? - white
     - Treasurer Report - Green

2. **<u>CALL TO ORDER</u>** by Clerk Elizabeth Wheeler at 8:15 p.m.
   - Attendance – Mike Fox (NARFS Representative), Kevin Estrem (NAFRS President), Richard Ozmun (Red Rose Cemetary Caretaker), Larry Odegard, Linda Blankenberg, Marie Struss, Andy Devney, Liz Messner, Jerry Wicklund, Elizabeth Wheeler, Steve Wheeler, Paul Wrolstad, JoEllen Wrolstad, Charlene Klemenhagen, Jane Dilley, Frank Wergin, Frank Gerdesmeier, Paul Little, Ed Terry, Erin Johnson, Julie Johnson, Tim Gallagher, Rein Lemke, Lorraine Lemke, Cindy Baumgartner, Randy Baumgartner, Teresa Gregory, Jerry Gregory, Mike Rutten, Jackie Swenson, Brent Johnson, Judy Grumdahl, Mike Stuben, Harold Veness, Kevin Estrem, Terry Brison, Andy Devney, Mike Dufour??, Mike Stuben????

3. **<u>WELCOME</u>** by Chairperson Frank Wergin
   - Wergin lead the Pledge of Allegiance
   - Wergin stated the Township is changing rapidly and doesn't look the same as it did five years ago. Wergin stated that tonight's presentation, "How did we get here and how do we go forward?" is the result of three years of hard work by a Township volunteers; the Board, Committee members & Commission members. Wergin encouraged Township residents to get involved in a committee, a commission or run for office.
   - Wergin stated he was proud to serve as Chairperson since the March 2017 Annual Meeting and would be ***<u>"passing the gavel"</u>*** to Supervisor Odegard at the end of the Annual Meeting based on a resolution (R2016-005) passed by the Township Board back in 2016 that the responsibilities of a Chairperson should be shared on an annual basis.

4. **<u>SPEAKING AT MEETINGS</u>** by Clerk Elizabeth Wheeler
   - Handout - Speaking at Meeting (purple) & Comment Card
   - Clerk Wheeler stated she had sent out post card reminders to all property owners and promised the meeting would start at 8:15 p.m. and end at 9:30 p.m. Wheeler referred the attendees to the packet they received when arriving and pointed out the times listed on the agenda.
   - Wheeler explained that Deputy-Treasurer Jane Dilley would be the time-keeper and Treasurer Charlene Klemenhagen would be the "roving microphone". Purpose to stay on time and to ensure everyone can hear.
   - Wheeler explained she would be referring (even reading) prepared notes to ensure she stayed focused and didn't get too detailed.

5. **MOTION REQUIRED: Elect Moderator** by Clerk Elizabeth Wheeler
   - **Motion to elect Ed Terry, Waterford Township resident as moderator.**
     - **Motion made by Jane Dilley, 2nd by __________________, all in favor – motion carried**

6. **MOTION REQUIRED: Approve the Agenda** by Ed Terry, Moderator
   - **Motion to approve the agenda.**
     - **Motion made by Liz Messner, 2nd by Frank Wergin, all in favor – motion carried**

7. **MOTION REQUIRED:** by ***Northfield Rural Fire Protection Distric***t Representative Mike Fox and President Kevin Estrem.
   - Handout - Mike Fox – Financial & Budget Statement (blue)
   - Waterford resident Mike Fox stated that retiring Waterford representative Ray Ozmun was enjoying his retirement in sunny Arizona.
   - Fox stated that President Kevin Estrem would present the RURAL report and highlight a few key facts.
   - Estrem reported that the NAFRS (Northfield Area Fire & Rescue Service) Joint Powers Board is replacing a 1987 pumper, with trade off amount of $600,000. The Northfield & Dundas share is $483,000 and the "***Rural"*** (Townships Bridgewater, Northfield, Webster, Forest, Waterford, Sciota & Greenvale) share is $117,000
   - Estrem reported that the NAFRS hired six (6) new firefighters from a pool of eighteen (18). New firefighters are currently completing their training including "driving" emergency vehicles.
   - Estrem reported the NAFRS Joint Powers Board consists of eight members comprised of five (5) representatives for Northfield, two representatives for Rural & one representative for Dundas.
   - Estrem reported the costs are determined by the fire & rescue calls: Northfield - 74.5%, Dundas - 6% and Rural - 19.5%.
   - Estrem reported that on February 2, 2018 "remodeling" bids for the 5th Street building were let. Twenty-three bid packets were requested. Eleven responses were received and rejected on March 12, 2018 mostly due to incomplete bids.
   - Project was estimated at $2.9 million four years ago – new bids are anticipated to be $4.2 million including a general contractor for the project.
   - Estrem reported the 2017 Northfield Rural Fire Protection District budget came in $64,000 under budget.
   - Waterford Township's annual bill will remain the same for the next 2 years.
   - Township's share of remodeling project is unknown until after the bids come in and the bond is secured.
   - **Motion to accept the retirement of Ray Ozmun as Waterford Township's representative on the Northfield Rural Fire Protection District Board of Directors and approve the appointment of Waterford resident Mike Fox to replace Ray Ozmun.**
     - **Motion made by Tim Gallagher, 2nd by Richard Ozmun, all in favor – motion carried**

8. **MOTION REQUIRED: Minutes of March 14, 2017 Annual Meeting** by Clerk Elizabeth Wheeler
   - Handout - Draft minutes – Ivory
   - March 14, 2017 minutes – recorded & transcribed by Elizabeth Wheeler
     - Clerk Wheeler requested the audience take five minutes to read the minutes.
     - Wheeler asked if there were any amendments to the meeting minutes.

- Waterford resident Paul Little inquired as to the August 14, 2017 Re-Convened Annual Meeting minutes. Little stated that the Re-Convened Annual Meeting Minutes should be part of the Annual Meeting minutes for approval as that is where the 2018 Levy was set.

- Wheeler stated she had not included the August re-convened meeting minutes with the March Annual Meeting minutes because she hadn't thought about putting the March Annual Meeting minutes & August Re-Convened meeting minutes together for tonight's meeting. Wheeler will make note of this request.

- ***POST ANNUAL MEETING NOTATION FOR PURPOSES OF CLARITY***: Refer to Budget Committee slide #14 – the Township Clerk & the Township Treasurer/Deputy Treasurer heard from several property owners following the "incorrect proposed property tax statements" mailed in early November 2017 that NOT setting the Levy during the March Annual Meeting needs to change. Taxpayers believe the March Annual meeting recommend the Levy and the August Re-Convened Annual Meeting should confirm the Levy for certifying to the County. More than one property owner stated that the March recommended Levy should be reported to all taxpayers in the June Newsletter so that property owners have an opportunity before the August Re-Convened Annual meeting to talk with the Budget Committee and the Township Supervisors.

  The Budget Committee heard the taxpayers and has set a goal for March 2019 (see slide #14) to set the Levy at the March Annual Meeting in 2019 for the 2020 Levy instead of re-convening the Annual Meeting in August to recommend the Levy and then certify the Levy at the same meeting which has been the practice of the Township for decades.

  The Budget Committee goal is to use the August re-convened Annual Meeting to "certify" the Tax Levy as recommended at the March Annual Meeting unless the Township experienced some sort of emergency or unforeseen event. The Budget Committee Chairperson believes the work of the past two years and the on-going vigilance of the Committee makes this goal obtainable.

- **Motion to approve 03/13/2017 Annual Township Meeting minutes.**
  - **Motion made by Larry Odegard – 2nd by Frank Wergin – all in favor – motion carried**

9. **MOTION REQUIRED: Red Rose Cemetery Report and Donation Request**

- No handout – (note: Clerk Wheeler will obtain the cemetery report prior to future annual meetings to include in handouts for taxpayer review.)
- Richard Ozmun, Cemetery Caretaker & Superintendent gave annual report
  - One cremation & one burial in 2017.
  - 2017 Ending Balance - $1,438
  - 2017 Expenses
    - Tree Removal - $900
    - Lawn mowing - $2,250
    - Insurance - $145
    - Caretaker wage - $300
    - Open/Close/Dig - $475
    - Northfield News Meeting Notice - $15

- 2017 Income
  - Township - $500
  - Sale of Lot - $500
  - Open/Close/Dig - $675
  - Donation/Memorials – $1,502
- Requested $500 from Waterford Township for the 2018 calendar year.
- Resident Steve Wheeler asked Ozmun what other avenues of income the Cemetery was entertaining to increase funds.
- Resident Charlene Klemenhagen stated she takes care of the Greenvale Cemetery and that she had a fun raiser. She raised $13,000. Klemenhagen stated the people that have family or friends at the Cemetery willingly donate for the care of the Cemetery. Klemenhagen offered to help Ozmun with a fund raiser.
- Ozmun said he wasn't inclined to do a fund raiser as it is a lot of work and the Cemetery can get by with the $500 donation from the Township.
- **Motion made to use Waterford Township general funds to donate $500 to the Red Rose Cemetery for operating expenses for calendar year 2018.**
  - **Motion made by Larry Odegard, 2nd by Frank Wergin – all in favor – motion carried**
- **Motion made to accept the Red Rose Cemetery Report**
  - **Motion made by Charlene Klemenhagen, 2nd by Frank Wergin – all in favor – motion carried**

10. <u>MOTION REQUIRED: Set location, & time of 2019 Annual Township Meeting</u> by Moderator Terry

- No handout
- **<u>Minn. Stat. § 365.54</u>** – a time must be set by the electors at the annual meeting
- **Motion was made to confirm the <u>8:15 p.m. start time for the March 12, 2019</u> Annual Township Meeting at the Waterford Township Hall at 3847 321st St. W., Northfield, MN 55057.**
  - **Motion made by Rein Lemke, 2nd by Harold Veness, all in favor – motion carried.**

11. **<u>REPORT - Board of Audit</u>** by Clerk Elizabeth Wheeler

- Handout - Board of Audit minutes - pink handout
- **<u>Minn. Stat. § 366.21</u>** – requires Board of Audit to randomly select claims to audit in detail to make sure everything is in order.
- **<u>Minn. Stat. § 366.22</u>** – Township clerk required to report detailed list of claims audited and provide such report at the Annual Township Meeting. Wheeler requested that the Annual Meeting attendees read over the three-page audit meeting minutes.
- **Motion to approve the minutes to the Board of Audit resulting in "no audit findings."**
  - **Motion made by Lorraine Lemke, 2nd by Richard Ozmun, all in favor – motion carried.**

12. **<u>REPORT – Planning Commission</u>** by Bryan Nelson – Planning Commission Chairperson

- Handout - 2017 Year End Audit of Building Permits – orange handout
- Nelson stated that 2017 Building Permit valuation totaled over $9,441,490. $9,190,000 of the $9,441,490 was due to two new Community Solar Gardens.
- Nelson stated Planning Commission is recruiting for a Commissioner due to the recent resignation of Doug Bakken.

- Nelson stated that the Planning Commission meets the first Monday of the month from March through October.

13. **REPORT – Bridge Grant** by Elizabeth Wheeler – Bridge Grant Director

- Wheeler reported she and her husband Steve had one meeting with Dakota County Planning & Engineering department on March 5, 2018 to
- Wheeler reported she is currently coordinating a meeting of stakeholders (State, County, DNR, Mill Towns Trail) to work together to write a RFP (Request for Proposal).
- Wheeler stated the process of writing a RFP and selecting a firm to do the engineering/rehabilitation scope will take four to six months.
- Wheeler stated the entire study must be complete by June 1, 2019.
- Wheeler stated she would be updating the progress in regular board meetings as well as on the website and newsletters.

14. **REPORT – Annexation Update -** by Elizabeth Wheeler, Township Clerk

- Wheeler read a statement that was edited and authorized by the Township's attorney, Michael Couri.
- During the March 2017 Annual Meeting, residents of the Township, by a unanimous show of hands (34), authorized the Board to spend the estimated $30,000 to move forward with a lawsuit against the City of Northfield over the 1980 Annexation Agreement that the City of Northfield stopped compensating the Township for in 2009. Based on the 2017 Annual Meeting show of hands, the Board hired Attorney Mike Couri who has experience in annexation litigation, including litigating an annexation agreement case involving issues like those arising from our 1980 Annexation Agreement.

  On the advice of Attorney Mike Couri however, the Board met with the City of Northfield one more time. This was advised in part because the City of Northfield had a new mayor. When those efforts failed however, the Board hired Attorney Couri to represent the Township in District Court. Attorney Couri recommended we consider "mediation" with a mediator that had experience in Annexation disputes before going to District Court. We continue to work with the City to try to agree on a mediator.

  However, to ensure a lawsuit can be filed without delay if necessary, the Board acted to authorize Attorney Couri to continue pursuing mediation until it appears that mediation will not be successful in resolving this issue. At that point the Board, authorized Attorney Mike Couri to file suit in District Court. While it is unlikely that a mediation outcome or a Court decision will happen before the June Newsletter, it is hoped that we will have a positive initial resolution of this issue in the December Newsletter.

  Attorney Couri has advised the Board not to comment publicly on the litigation process as such statements may complicate any mediation or Court proceedings. Thank you.

15. **Old Business** by Moderator Ed Terry

- Terry called for any old business, hearing none moved to Presentation

16. **PRESENTATION:** by Clerk Elizabeth Wheeler

- Power point presentation **<u>"How did we get here and how do we go forward?"</u>**
- Wheeler stated one rule she learned years ago when presenting via way of power point was to have a few bullet points and then verbalize the information. Wheeler announced she would be breaking that rule for this presentation because verbalizing the information would take to the wee hours of the morning.
- The slides are loaded with information for the attendees to read later at their convenience.
- Wheeler stated that more work is yet to be done and the Board, the Commission and the Committees are requesting help with the work ahead.
- Wheeler reported that the presentation was started three months ago with many hours of work to ensure transparency and accountability.
- Wheeler highlighted slides one through seven (see attached power point) while focusing on page seven and the accomplishments since 2014. Wheeler stated she was most proud of the work of the committees and all the transparency items implemented
- <u>Supervisor Odegard</u> highlighted slides seven through thirteen (see attached power point). Odegard stated he had been Treasurer from March 1997 through March 2016 when he was elected Supervisor.
- Odegard stated that during his tenure as Treasurer the philosophy was to keep the Levy as low as possible consequently the Township did not keep up with the cost of living nor adjusted for revenue losses or planned for expensive road and bridge projects.
- Odegard stated that since joining the Board as Treasurer, the Township has been unable to pay without short term borrowing between tax levy distribution payments (July & December). Many times, Board members went without any pay for work done and the meetings attended.
- Odegard announced that he will be retiring from the Board when his term expires March 2019. Odegard encouraged residents to consider running for Board Supervisor. Odegard also invited residents to join a Committee and or the Planning Commission. More residents need to get involved in Township governing.
- **<u>Budget Committee Chairperson Marie Struss</u>** commented on slides 14 and 15.
- Struss highlighted the Budget Committee accomplishments including financial spreadsheets that are a planning and resource tool for the Township allowing the committee to stay vigilant every month on the financial status of the Township.
- Struss briefly discussed the clean up of the Township Hall including old non-working appliances, interior and exterior paint, out-house building removal, mounds of records stored in mice proof tubs and expulsion of the mice population.
- Struss reported that the Budget Committee is unable to recommend the 2019 Levy tonight and will ask for a motion to re-convene the Annual Township Meeting to August 13, 2018 at 7:15 p.m.
- Struss stated the <u>Budget Committee goal for 2018</u> is to manage the finances of the Township such that the Committee can confidently "recommend" all future Levies at their March Annual meetings instead of delaying that recommendation until August. The August re-convened Annual Meeting will be used as a "confirmation" of the recommend Levy only.
- Struss briefly reviewed the many challenges ahead with aging historic structures, eliminating debt, savings & reserves, road/bridge projects, line item budgeting and a five-year budget.

- Struss stressed that the Township must set policy for handling the cost of living, savings, reserves and emergency funding. Operating without adequate planning, policies, reserves, savings and emergency funding is costing the Township money in deferred maintenance and interest payments.
- Struss requested that residents consider helping with the challenges by joining a committee, the Planning Commission or run for the Board.
- **Road Advisory Committee Chairperson Frank Gerdesmeier**, commented on slides 16 and 17.
- Gerdesmeier told the audience "give me the money and I will take care of the roads". Gerdesmeier stated, "I have the experience instead of hiring new kids and that saves the Township money."
- Gerdesmeier stated he hired a "good blade man" in Mark Henry. Henry blades the rural roads of the Township.
- Gerdesmeier summarized the road projects for 2018 including "rock" the village roads and remove trees from the ditches.
- Gerdesmeier stated he was unfamiliar with "noxious weeds" goal that has become a priority for all Townships.
- **Property Committee Chairperson Elizabeth Wheeler** commented on slides 18 through 25.
- Wheeler referred the audience to page 18 that summaries the Property Advisory Committee responsibilities and challenges and goals. Wheeler emphasized the need for a property committee as a resource for the Township Supervisors to enhance decision making.
- Wheeler stated that some of the tools the committee will use such as "Cost Benefit Analysis" (slide #19) and "Capital Improvement Planning" (slide #20) will provide the Supervisors with well researched and sound financial data to make educated financial decisions on all projects (see slide #19).
- Wheeler stated that in the interest of time she would not be able to discuss much on slide 18 but up coming newsletters will have articles on the work of the committee.
- Wheeler stated that in preparation for the Annual Meeting she and her husband had a meeting with five Dakota County property tax employees. Wheeler reported she found all the elements of property tax calculations was complicated. Dakota County employees stated that each person's taxes were individual to the properties and one size does not fit all. Wheeler recommend that anyone wanting to understand their property tax contact the Property Tax and Tax Assessor offices at Dakota County.
- Wheeler stated that since her election in 2014 she has found Dakota County personnel in all departments as most helpful. Wheeler stated she finds Dakota County personnel as willing to go above and beyond what would be expected to help the Township. Wheeler shared examples including the tax department, the election department, the planning department and the engineering department.

- Wheeler finished the presentation by encouraging residents to utilize the Township website. Wheeler stated her goal since her election in 2014 was Township government transparency and she is most proud of the multiple items on the website such as the "motion & resolution" numbering system allowing for an easy search of meeting minutes. Wheeler stated she uploads minutes, notices, agendas, announcements, policies, zoning updates, forms/applications and newsletters weekly. Minutes prior to 2014 are not electronic and thus are only available via way of a data request.

17. **<u>MOTION REQUIRED: Treasurer's Report</u>** by Treasurer Charlene Klemenhagen

- Handout – Annual Treasurer's Report – green handout
  - Includes reconciled bank balance, 2017 disbursements & 2017 receipts
- Treasurer's report as of 12/31/2017:
  - Beginning Balance: 01/01/2017 - $88,707.08
  - Receipts: $268,272.41
  - Disbursements: $274,248.64
  - Ending Balance: 12/31/2017 - $82,730.85
- Set Aside/Designated Funds, Reserves
  - Township Memorial Garden - $2,950.85
  - Roads/Bridges - $13,076.00
  - Building Permits - $6,309.89 – limited use per MN Statute 326B.145
  - Iron Bridge Grant - $5,000
- Klemenhagen reported that the actual money available for Township to use between January 1, 2018 and July 2018 tax disbursement receipt is $65,394.11
  - The ending balance ($82,730.85) minus the set aside/designated funds/reserves ($27,336.74) = $65,394.11. Klemenhagen reported that the Township does not have enough funds to pay its claims before it gets the first ½ of the 2018 Tax Levy distribution in July 2018.

- **Motion was made to accept the Treasurer's report.**
  - **Motion made by Julie Johnson, 2nd by Mike Fox – all in favor – motion carried**

18. **<u>CALL FOR COMMENTS/OPINIONS/REQUESTS FROM RESIDENTS</u>** by Clerk Elizabeth Wheeler

- No handout
- Lorraine Lemke thanked Elizabeth Wheeler for the newsletter.
- Jerry Wicklund thanked Marie Struss, Charlene Klemenhagen, Jane Dilley and Elizabeth Wheeler for all their dedication to the Township by volunteering an untold number of hours to clean up the Town Hall, analyze the financial status of the Township, prepare the Annual meeting materials, write the newsletter and the maintain the website. Communication with the taxpayers is very much appreciated and should be recognized.
- Andy Devney asked the Committees and the Board to begin looking into other sources of revenues to ease the burden on the property owners.
  - Jerry Wicklund suggested that the Township look at setting aside some parcel of land for commercial use to increase revenue sources. Wicklund stated other Township have various revenue sources, the Township needs to investigate it.

- Election Judge Erin Johnson read the following election results from the voting machine tabulation tape:
  - 37 Waterford residents voted

- 35 – Votes – Frank Wergin – Township Supervisor – Term expires: 2021 – 2 under votes - No write ins
- 36 – Votes – Elizabeth Wheeler – Township Clerk – Term expires: 2020 – 1 under vote - No write ins

- Clerk Wheeler announced "Canvas for Vote" meeting will convene as soon as the Annual Meeting is "recessed"
- Clerk Wheeler announced "Certificate of Election & Oath of Office" meeting scheduled for 03/22/2017 at 7:00 p.m. at the Township Hall.

19. **MOTION REQUIRED - Recess & Reconvene the Annual Meeting** by Moderator Ed Terry

- **Minn. Stat. § 13D.01** - Meeting may be continued to any other day to conduct any business allowed to be conducted at the annual meeting. Requires the date, time, place, and purpose of the meeting should be stated and recorded in the minutes before recessed.
- **Motion made to *recess* the 2018 Annual Township Meeting at 10:00 p.m. until August 13, 2017 at 7:15 p.m. to vote on the 2019 Tax Levy to ensure the tax levy increase to be reported to Dakota County by September 15, 2018 reflects all necessary budgetary items.**
  - **Motion made by Marie Struss, 2nd by Charlene Klemenhagen – all in favor – motion carried.**

Elizabeth Wheeler – Township Clerk

Ed Terry – Moderator