

**MINUTES – SPECIAL MEETING
ORONOCO TOWN BOARD
SEPTEMBER 20, 2018 7PM**

The **Pledge of Allegiance** was recited.

A Special Meeting of the Oronoco Town Board was called to order on September 20, 2018 by Chair Neil Stolp. Supervisors Ken Mergen and Charlie Lacy were present as well as Treasurer Kim Stanton and Clerk Lucy Shonyo. Sheila Craig, Community Sewage Treatment Facilitator, landowners Dennis Hornseth and Robert Sawinski, and Mark Fjelstad, Zumbro Town Board Chair were present.

The **posted purpose of the special meeting** was to discuss the land purchase for the Sunset Bay community septic project and Ryan’s Bay road work. There was no written agenda.

For the record, and referenced at the meeting, is this **history of land acquisition actions**:

- Wenck Associates initially estimated land acquisition cost for Alternative 4, LSTS (large system servicing Sunset Bay in Oronoco Township and Ryan’s Bay in Zumbro Township) at \$19,500.00 [Community Assessment Report, 4/17/2018, page 4]. Per Sheila Craig, this was determined based on the assessed property value of \$6,000.00/acre.
- The 11 acres +/- was appraised at \$110,000.00 [Blekre Appraisal, June 18, 2018].
- The Oronoco Town Board by motion agreed to extend an offer of \$7,000.00/acre to the landowners [July 2, 2018].
- It was subsequently learned federal regulations required Oronoco Township to pay the appraised value to landowners. [Email from Sarah J. Sonsalla, Kennedy & Graven, July 12, 2018].
- A letter was sent to the landowners from Oronoco Township offering them the appraised value of \$110,000.00 for the 11 acres +/- [letter from Neil Stolp on behalf of Oronoco Township, July 17, 2018].
- A letter was received from Mr. Sawinski and Mr. Hornseth indicating they would sell the 11 acres +/- to Oronoco Township for \$280,000.00 [letter to Neil Stolp, July 30, 2018].
- At this special meeting a motion was made by Ken Mergen to offer the landowners \$11,000/acre for surveyed property needed for the septic and road projects. Neil Stolp seconded, motion carried 3-0.
- At this special meeting the landowners counteroffered, agreeing to sell the property for \$225,000.00, “not to exceed approximately 10 acres”. This was a verbal statement, not received in writing.

Neil Stolp indicated the purpose of the meeting was to determine how, when and if Oronoco Township could come to a purchase price agreement with landowners Dennis Hornseth and Robert Sawinski. Additionally,

- The road bypass part of the project wasn't a big issue with residents or landowners. Taking down the hill remains the important piece of the road project.
- The asking price would be appropriate in a development with the road and some utilities already in place. It is too high for undeveloped property.
- Oronoco Township has never bought ROW for a road.
- It was the opinion of most of the Board that eminent domain is not a desirable option since it does not foster a good neighbor relationship.
- Operating community septic systems is not an income generating venture for the Township.

Mark Fjelstad indicated he told Diedrich Flesch, Ryan's Bay road project engineer, to "hold off" until further notice.

Treasurer Kim Stanton prepared financial information showing yearly Township income and monthly road expenses averaged over the last 3 years.

- Road repair and maintenance is the Township's largest expense. Snow removal is an unpredictable expense the Township needs reserves for.
- The Ryan's Bay project will necessitate other road projects be re-prioritized.
- Borrowing money is not an option for Townships. Bonds are an option but are expensive. It was agreed this type of debt is not desirable.

Sheila Craig reported PFA has rated the Sunset Bay project #187 out of 258, with 43 points. Ryan's Bay (Zumbro Township) is ranked #14, with 79 points, ranked higher because there are imminent threats to the lake. Because of this Ryan's Bay is eligible for more grant money than Sunset Bay. PFA will determine how to combine loan and grant funding for these two projects if they come together in a shared system.

- PFA will fund the septic project only, not the road project.
- Sheila Craig will find out if access roads to a septic system would be funded.
- Given its size and complexity, this will be a more expensive system to build and manage than the Township's existing community septic systems. It will be permitted by the MPCA instead of Olmsted County.

Mr. Sawinski and Mr. Hornseth are interested only in selling the parcel in one piece for one price (\$225,000.00), not per acre. If the shared septic project doesn't go forward, they are not interested in selling Oronoco Township only the land needed for the road project.

They believe the land adjacent to the proposed septic site has development value given its proximity to the lake and Rochester. They are concerned that there be an esthetically pleasing fence around the septic site so it is not a detriment to their remaining property. They believe the existing trees (a living fence) will be a cost savings for the Township.

Sheila Craig has confirmed that a living fence can be used around part of the septic site.

Who would pay for surveying the property remains an open question.

The Board believes the \$225,000.00 asking price is unreasonable. Board members agree that Oronoco Township cannot assume the debt this purchase would create. PFA will fund only those acres needed for the septic site, up to 10% over the per acre appraised value. The remaining amount would have to be carried by Oronoco Township. Also, Oronoco Township would own unneeded land because the parcel the owners want to sell is more land than is needed for the projects.

The Board discussed options, among them:

- A counteroffer,
- Another site for the septic system,
- Acquiring by eminent domain. The Board did not want to resort to this but it will now be considered. It is what is recommended by PFA and the Advisory Commission. Sheila Craig will research the Township's cost in pursuing this option.

Ken Mergen made a motion to adjourn at 9:35pm. Charlie Lacy seconded, motion carried 3-0.

Respectfully Submitted,

Lucy Shonyo, Clerk

Neil Stolp, Board Chair