

## **Watab Township Annual Meeting Minutes 2016**

The Watab Township Annual Meeting was called to order at 8:05 p.m. by Clerk Pat Spence. Those present were Ed Kacures, John Olson, Ray Thompson, Jerry Kostreba, Anna Saldana, John Brenny, Pat Spence, Brian Erdmann, Wendy Erdmann, Warren Ellingworth, Ashley Krueger, Jason Krueger, Kevin Reiter, Geno Beniek, Craig Gondeck, Lloyd Erdmann, Eileen Saldana, Donna Poganski, Lucy Palmer, Sandra Saldana, Maureen Graber, and Bob Raveling. Following the Pledge to the Flag, the Clerk called for nominations for Moderator. Ray Thompson nominated Sandy Saldana; Craig Gondeck nominated Jason Kruger. Sandy Saldana was elected as Moderator through a show of hands. Moderator Saldana called for any additions to the agenda; Craig Gondeck made a motion to accept the agenda as printed; John Olson seconded, and the motion passed. Motion was made by Ray Thompson, seconded by Maureen Graber, and passed to accept the 2015 Annual Meeting Minutes as printed.

Clerk Pat Spence gave a brief summary of the Board of Audit report for 2015. She said the board was pleased that income and expenses were very close to the budgeted amounts, except for the year-end balance in the Fire District 1 account. John Olson asked her to explain. Based on a vote of the township residents, the township started 2015 by dividing into two districts: one for the Rice service area and one for Sauk Rapids. The Fire Fund balance was distributed to the two new Fire District Funds based on the Net Tax Capacity of each fire district. Because tax receipts come to the township in July and late November, Clerk Spence explained that there should be a year-end balance in each fund to cover the bills and contract amounts that come due before July. She also explained that the town board has retained the services of a new collection agency to hopefully get more bills paid in the Rice service area, and the township also sent out a letter to the Fire District I residents letting them know that when they call 911 they should ask for only the ambulance if that is all they want. Otherwise, both the ambulance and Rice First Responders will come, and they will receive two bills. Clerk Spence also highlighted the Indebtedness Report. \$45,000 in principal was paid on the Road Projects and \$20,000 for the Town Hall. The town hall bonds will be paid in full in 2019; road bonds will be paid in 2027. Jerry Kostreba said that the Rice area residents are getting ripped off, and there shouldn't be a split into two districts.

Supervisor Lloyd Erdmann gave the Road Report by highlighting projects for 2016, 2017 and 2018 on a visual slide. He stated that township roads are not in good shape. The township has thirty-nine miles of black top roads that were installed back in the 60s and 70s. It is the supervisors' job to maintain the roads and keep them in shape. Some are beyond repair and must be re-built. The town board has selected several projects that it feels should be done. He explained that it wouldn't be advisable to do the Saldana Road/95<sup>th</sup> Street crossing in 2016, because BNSF will not replace the planks this year, and because there would be a cost savings to incorporate improvements to Saldana Road from Highway 10 to Plaziak Road at the same time that the crossing is done. There also aren't sufficient funds in 2016. The Township Engineer has indicated that a common road levy for similar townships is between \$ 450,000 and \$ 500,000. Watab's levy has been between \$150,000 and \$210,000, less than half the average amount of others our size. He referred to the spread sheet in the Power Point Presentation, which is attached to the minutes. He discussed all the proposed projects for the next three years. There were several questions: John Olson inquired about the cost differential for the Quiet Zones; there was a question from Jason Kruger about how funds would be used for frontage road planning. Lloyd explained that there may need to be some right of way legal work, sign moving, etc. The board wants to get the safety issues addressed on the road by centering it in the right of way, changing some elevations by the tracks and Highway 10, and minimizing the large curve. A show of hands indicated that those present were in favor of doing the safety improvements to the road at the same time that the Quiet Zone is done. Ed Kacures spoke about how the 105<sup>th</sup> St. RR crossing will be wider for agriculture equipment to cross when that project is done and will also include some road reconstruction along with the crossing. Ray Thompson questioned why that crossing would

be wider rather than Saldana Road/95<sup>th</sup> Street crossing since there is a lot of truck traffic on Saldana Road; he felt that it should be the wider crossing. Pat Spence explained that a board member contacted the farmers and that was their preference. Ray stated that the contractors live in the township; Prairie Farm owners do not. He also wants a decent, wider crossing for the contractors. Jerry Kostreba questioned if there are any plans to widen 105<sup>th</sup> street. He feels all the truck traffic is on that road. He heard there will be a lot of curb and gutter added on that road. Lloyd responded that curb and gutter would only be placed where required at the Quiet Zone. Jason Krueger suggested that if the township has \$6 or \$6.5 million in new construction this year and in 2015 it was \$ 5.4 million in new construction, the new construction would help offset the impact of the proposed additional levy. Sandy Saldana responded that with a low inventory of existing houses, there is likely to be more housing construction, and these increases in our tax base will ease the burden of the new levy. Pat Spence added that there has been increased interest recently in lots in the township. Ray Thompson asked a question about the Lake Andrew Development. Lloyd Erdmann said that the building permit restriction has been lifted, and the township has a new agreement with Lake Andrew and monthly monitoring of improvements to the wastewater and water systems. John Olson questioned why there is no seal coating in 2017 and 2018 on the chart. Lloyd responded that these are the projects the board wants to do in 2016, which will build up the road and bridge fund to do more major projects next year and in 2018. The board may revise the plan as we get to 2017 or 2018. Also many of the roads are in poor condition and need to be reclaimed rather than seal coated.

Pat Spence explained the board's budgeting process for 2016 and 2017 and what the projected year-end balances would be for each year using the board's recommendations for the 2017 levy into the revenue for each fund. She stated that the township has a new two-year contract with the City of Sauk Rapids for fire protection and will be negotiating a new one with Rice during this year. Jason Kruger had a question about the Sauk Rapids Fire contract. The amounts are based on net tax capacity.

Jerry Kostreba questioned the difference between Fire District 1 and 2. Pat explained the contracts with each city, and that Sauk Rapids does all the billing for its area. Rice bills the township, and then the township bills the recipients of the service. Sauk Rapids does not do medical calls, so that also makes a big difference in cost. Jerry said that he feels District 1 is getting railroaded. Many people nodded their heads in agreement. Pat said that the township wrote off \$ 18,000 worth of old unpaid bills for Rice area medical calls this year. Jerry said there should never have been a split into two districts. He says his fire district levy is going to go up again. Pat explained about the board's mailing to the residents to only request an ambulance if that is all the resident needs. Also, the cost of the Rice contract is higher per capita. Citizens with concerns about high costs should speak to Mayor Rogholt and Rice City Council members.

Craig Gondeck gave a report on Crack Filling and stated that Hemlock Road, Holly Place, Fifth Avenue, and Oak Hill Estates were crack filled for a cost of approximately \$8,049.00. Benton County contributed the cooker for the sealant and the labor was done by the inmates in the Sentence to Serve program. He said that Benton County SCORE grants have recently been approved in the amounts of \$2,900 for Adopt-A-Highway and \$15,000 for Cleanup Day. Over 300 people participated in Cleanup Day in 2015. He closed his report by thanking Ray Thompson and Benton County Telecommunications Foundation for the large grant to fund the second outdoor warning siren and that he will be working on future plans for and grants for an additional siren.

Donation Requests: (1) Tracy Scapanski-Schumann represented the Benton County Ag society for the fifth year at Watab Annual Meetings. She said it is a non-profit organization comprised of eighteen volunteers who put on the Benton County Fair. It is one of the only free fairs in the state providing food, family and fun in an open-classroom environment for Central Minnesota. She said that the board appreciates the past contributions and

asks for continued support. They would like to build some new barns, since there have been no new buildings since the '70's. She did not request a specific amount but said it would be used for the tribute day for service men and women and bringing the 9-11 exhibit. The fair brings in \$550,000 annually and usually there is an \$18,000 balance of funds after the fair. Joe Scapanski volunteers as a grant writer to find additional funding.

Warren Ellingworth is the new Rice Recreation Director since mid-January. He has a degree in Sport Management and Recreation. He wants to get the community more involved. He worked at a Park and Rec Department in Moorhead. The Watab residents comprise about one-third to one-half of their programs' participants. He's started dodge ball. Warren referred to his worksheet with the numbers on it; a copy is on file at the Clerk's office. He'd like to have a movie night in the park and add some new programs. He is very enthusiastic about his programs and is planning to keep better records of the department, which he will share in the future. He is asking Watab to help replace unsafe equipment and purchase supplies. Any amount would be appreciated.

Sandy Saldana presented a request for the Benton Economic Partnership. She is part of the membership committee working to set up a 501(c) non-profit. In Benton County we have been neglecting Economic Development. She explained that this will not be a county run organization. The Commissioners have committed to funding it at \$75,000; additional funding is needed to hire a director and the commissioners want to get the community involved. Long-term the commissioners want it to be self-funded through grants and donations. Letters have gone out to businesses and organizations to be a Founding Member. Sandy said that Benton County is the 13<sup>th</sup> highest taxed county per capita and number seventy-three in spending. She explained that the goal is to increase the number of businesses and help existing businesses and asked for an initial donation from Watab. Maureen Graber commented that she feels it is a county responsibility, and too much gets pushed onto the townships. Pat Spence explained how the Morrison County Economic Development was successful in getting businesses and how it is advantageous to have a non-profit rather than government entities for businesses. Sandy Saldana also explained how helpful it is for a business to work with a non-government agency. Craig Gondeck talked about all the projects that Benton County Economic Development accomplished when they had a full-time program, but that he felt it would be better to have a non-profit do the work. He gave several examples from Foley and thanked Craig and Lee Hanson for providing free legal services to help set up the non-profit status. Lloyd Erdmann had questions about founding membership status. Pat Spence explained that the board has followed the recommendations for donations in the past, but the Board has the option to adjust the amounts to fit the budget. \$4,000 is budgeted for 2016 donations and \$ 10,000 for economic development.

Motion was made by Craig Gondeck, seconded by John Olson and passed to donate \$500 to the Benton County Agriculture society. Last year's donation was \$1,200, but Craig said they have \$ 30,000 in the bank. Pat Spence said that last year the township gave \$2,000 to Rice Recreation, because the check from the previous year for \$1,000 had been lost at city offices. Motion was made by Brian Erdmann to donate up to \$2,000 to Rice Recreation for the purchase of safety equipment, seconded by Ray Thompson. Maureen added that the new director is so enthusiastic that the township should support \$2,000. The motion was amended to state that the funds could be used for anything in the Rice Recreation program. Motion passed.

Craig Gondeck made a motion to donate \$ 1,000 to Economic Development Organization; John Olson seconded it. In the discussion, Lloyd Erdmann asked to have the motion withdrawn and said he wants Watab to be a \$2,500 founding member. Pat Spence recommended that Watab give \$1 per resident as previously requested by the commissioners to show our support and appreciation for the hard work the current commissioners and others are doing to get economic development a priority in the county. She talked about how much grant

money the county is missing out on because the grant writers have all been eliminated. Jason Kruger said that he would be surprised if the City of Rice and Sauk Rapids would donate \$1 per resident, and he is leery of giving that much. Sandy Saldana said that there has been a lot of support from the townships and that she believes Langola Township is donating \$2,500. There was much discussion about the founding membership. Craig Gondeck said that Watab's emphasis is on home-building and home-based businesses, so he didn't think the township would have much benefit. Brian Erdmann called for a vote on the motion on the table. Lloyd Erdmann recommended that it be voted down. On a show of hands, four were in favor of the motion and all else against; motion failed. Brian Erdmann made a motion to donate \$2,500 for Watab to become a founding member, seconded by Ray Thompson. During discussion, Pat Spence said that Watab is an urban township and should have a seat on the board; we have the largest population of the townships. Ray Thompson said that before people speak they should give their name, address, and length of time living in the township. Vote was taken on the motion; it passed.

Pat Spence explained that the county auditor and assessor say that Watab has the lowest or second lowest tax rate in the county. Raising the levy by \$120,000 will possibly raise the township portion of the residents' taxes by 30%, which is a large percentage increase. The board believes that with all the new development in the township and the deterioration of the roads, their levy recommendations are well founded. Recommendation of the board is to lower the General Fund Levy by \$10,000 to \$70,000. Motion was made by Ray Thompson motion to accept the board recommendation; John Olson seconded. Motion passed. Road and Bridge Fund levy was recommended at \$330,000. Maureen Graber made the motion to accept the board recommendation; John Olson seconded. Jason Krueger wanted a discussion due to the large increase. There was further discussion, and the motion passed with no one opposed. Ray Thompson made a motion to set the levy for Fire Dist. 1 at \$46,000; seconded by John Olson; motion passed. Motion was made by Lloyd Erdmann, seconded by Craig Gondeck to set the Fire Dist. 2 levy at \$32,000; motion passed. Motion was made by John Olson, seconded by Maureen Graber, and passed to set the town hall debt service levy at \$21,000. Pat Spence explained that the debt levies had to be increased to cover tax delinquencies by order of the State Auditor. Motion was made by John Olson, seconded by Craig Gondeck, and passed to set the Road Debt Service Levy at \$57,931.13.

Donna Poganski, Head Election Judge, returned the preliminary election results with 58 votes cast. There were 52 votes for Craig Gondeck for a three-year term as supervisor (3 write in votes were for Steve Wollak, Phillip Nelson, and Paul Jacobs). There were 57 votes for Pat Spence for a two-year term as Clerk. Pat thanked the Election Judges for their work, and there was a round of applause.

Motion was made by Craig Gondeck to hold next year's annual meeting on March 14th at 8:05 pm. Second was by Bob Raveling; motion passed. Pat Spence made a motion to have annual election hours from 11am to 8pm on that date. Maureen Graber seconded the motion; motion passed. Lloyd thanked Maureen for assistance with the road project presentation. Motion to adjourn the annual meeting was made at 10:05 p.m. by John Olson, second by Geno Beniek; motion carried.

Respectfully submitted by Clerk Pat Spence with  
assistance from Deputy Clerk Maureen Graber

