

Oxford Township  
Regular meeting minutes  
May 9, 2023  
6:30 pm

Chairperson Jennifer Perkins led the pledge of allegiance, then called the hybrid zoom meeting to order. Roll call was taken with all board members present at the town hall. Minutes of the last meeting were read with Mike Miller making a motion to approve them, and Harlan Bellin seconding the motion. Following the clerk's report, Peggy gave a treasurer's report. Mike Miller made a motion to approve the report and Harlan Bellin seconded that motion.

**Roads**

1. There were no MSA updates from Steve Winter at this time.
2. Bob Ruppe provided a memo to Oxford township outlining road financing options. Linnea read the memo which included the following options: 1. Borrow Money; 2. GO Certificates of Indebtedness; 3. Chapter 429 Special Assessments; 4. Subordinate Service Districts; and 5. Street Reconstruction Under Minn. Stat. § 475.58 subd. 3b. See Addendum for the full memo.
3. For the Dust Control Advisory Task Force update, Mike Miller reviewed what was discussed at their meeting. Mike stated that a township may be held liable for any environmental damage due to choice of dust suppression, and that there are more and less acceptable procedures for dust suppression. Mike had phone conversations with Tiffany Determan from Isanti County's Soil and Water Conservation District (ISWCD), and learned how chloride products impact the environment. ISWCD is worried about the effect chloride might have on our natural environment lakes. The task force discussed ultimately moving toward blacktop and not using dust suppression, so Mike talked to three contractors prior to this meeting. One of the residents present at the meeting asked about the damage from the ice treatment on blacktop. Another resident on Baylor remarked on the terrible fines that our gravel has, and asked if we could cover the roads with a different type of gravel to help mitigate the EPA/environmental potential risks. Another resident commented that other townships have been doing this for some time, and asked if they have run into legal/environmental concerns. The supervisors stated that whatever decisions are made, we will not make everyone happy but we want to pick options that do the least amount of harm with the most benefit. Linnea shared the 3 bids that Mike received from North Valley, Knife River, and Bituminous Roadways. Chair Jennifer Perkins asked Steve Winter if the township can do paving without engineers, and Steve said that it can be done, but there are pitfalls. He recommended that the township come up with a 5 year plan. Jennifer asked if the task force is recommending blacktop, and Mike said the board should focus on Baylor and/or Pigeon Loft, and that the task force was not recommending

dust suppression. A resident asked if both roads have the same gravel on it, and Mike said that the gravel is the same on all of our roads. Oxford uses Limerock which makes for a strong road, but that it does have a lot of fines. Jennifer asked if residents are allowed to put something down in front of their house. Mike said that residents can do that but they will assume full liability. One of the residents asked what the township budgets for maintenance of one mile of blacktop. Steve Winter didn't have a dollar number per mile, but said that costs can vary over time. Chairperson Jennifer Perkins stated that she would prefer some kind of guidance from our engineers as to how our road maintenance and upgrades should be done. She would prefer to budget for maintaining and not use all of our money to blacktop one road in the next year. Mike Miller made a motion to do 1 mile of black top in our township and suggested that we do Baylor. Mark Faust requested a 5 year strategic plan and asked what will come first, blacktopping Baylor or making a plan. Harlan seconded Mike's motion. Bart Perkins suggested that the township confirm that shouldering is included in the bids. Mike Miller rescinded the motion, and the second. Mike made a new motion: to do ½ mile on Baylor and ½ mile on Pigeon Loft with North Valley providing that both roads are shouldered. Steve Winter suggested that we get clarification about mobilization as well. Next, it was discussed which road should be done first. Jennifer suggested getting the price for just Baylor and the price for ½ mile on Baylor and ½ mile on Pigeon Loft, and Mike will bring the adjusted cost estimates to the next meeting. Steve Winter suggested that if shouldering was included and the estimate from North Valley didn't change significantly, Oxford should proceed with Baylor and ½ mile on Pigeon Loft. If however there are other costs, we shouldn't proceed. Harlan seconded the motion and the motion passed.

### **Old Business**

1. Jennifer Perkins gave an update on township Insurance. She has called a number of insurance companies, and does have a quote coming in. We have until the end of June to make a decision before we have to renew with MATIT.
2. Harlan gave a fire district update and calls continue to be lower than previous years since they aren't responding to medical calls at the same frequency.

### **New Business**

1. For the Oxford township website, Linnea put the draft website on the zoom screen. Jennifer asked for feedback from the residents present, and for people to call or email Linnea with their suggestions.
2. DNR needs to use public property to measure water levels in our natural environment lakes. Currently there is a disagreement on where the lot lines are and what Oxford township owns that could be used as public access for the DNR. Mike would like a surveyor to come out and mark the property lines. In addition, he would like to place "No Dumping" signs. Mike made a motion to contract a surveyor to mark property lines and Harlan seconded the motion. The motion passed.

3. Mike also made a motion to spend three days trimming and clearing trees off of Pigeon Loft with an estimated cost of less than \$10,000. Harlan seconded the motion, and the motion passed.
4. Lastly, one of our residents wants to donate a new flag for the township. He will connect with Bart Perkins to put up the new flag and to get a solar light put on top of the flagpole

Mike Miller made a motion to adjourn, and Harlin Bellin seconded the motion. The motion passed and the meeting was adjourned.

Respectfully Submitted,

Linnea Lentz,

Oxford Clerk

May 9, 2023

#### Addendum

To: Oxford Township

From: Bob Ruppe (763) 497-1930

Date: April 17, 2023

Re: Brief Summary of Options for Financing Street Reconstruction and Improvements

#### **Use Township Funds:**

If you have sufficient funds you may pay for road improvements from funds currently held by the Township.

#### **Borrow Money:**

Townships commonly raise capital to pay for local improvements by borrowing money. Townships incur debt and borrow money by issuing and selling municipal bonds also known as general obligation (GO) bonds such as a Certificate of Indebtedness. (Unlike a person getting a loan to finance the purchase of a car, Townships may not borrow money from banks through conventional loans to finance local improvements.) GO bonds often create funding tied to a specific use (such as road repairs systems) but are backed by the taxing power of the Township.

Municipal bonds are low risk because all city assets and resources, including the unlimited power to tax, back the Township's contract to pay back the amount of the bond with interest. The security for a GO bond is the pledge of those resources and taxing powers.

#### **GO Certificates of Indebtedness (Minn. Stat. § 366.095):**

- Any town can issue these for any town purpose authorized by law (originally this authority only extended to equipment, but is now much broader)
- Maximum maturity is 10 years (this was increased in 2009 from 5 years to 10 years)
- Subject to debt limits
- No election required; but if principal amount exceeds 0.25 of market value, then required to publish notice and will be subject to reverse referendum (and election is possible)
- Able to finance equipment and working capital (though certificates to finance non-capital equipment and working capital\* expenses may be taxable)

#### **Chapter 429 Special Assessments:**

Minnesota Townships possess authority under Minnesota Statutes, Chapter 429, commonly known as the Improvement Act, to levy special assessments to pay for the costs of certain local improvements. The statute states that a Township may assess the “costs of any improvement or any part thereof . . . upon property benefited by the improvement, based upon the benefits received.” The special assessment statute expressly identifies the types of local improvements that may be funded by special assessments—ranging from roads to skyways—and mandates procedures that must be followed and criteria that must be met for a special assessment to be adopted and levied against a property owner. Before adopting a special assessment, the local government must prepare and make available to the public a report addressing the necessity, feasibility, and cost-effectiveness of the proposed improvement.

There are three fundamental limiting conditions to a Township levying a special assessment to pay for a local public improvement: (1) the land must receive a special benefit from the improvement being constructed, (2) the assessment must be uniform upon the same class of property, and (3) the assessment may not exceed the special benefit. A “special benefit” means an increase in the market value of the property resulting from the improvement. A key, yet little known, corollary to these limitations is that an assessment that provides a future benefit to the property may be too speculative and remote to be legal.

Minnesota Townships typically rely on Chapter 429 to finance street reconstruction and improvement projects. The statute allows bonds to be issued without an election if more than 20% of the costs are paid for with special assessments. In order to issue bonds for street reconstruction under the Improvement Act, the Township must provide a feasibility report

regarding the project, hold a public hearing for which proper mailed and published notice was provided, and pass a resolution ordering the project. The Township may finance all or part of an improvements cost in this manner, but only by strict compliance with the law.

To ensure full protection for property owners, state law and courts applying Chapter 429 insist on strict compliance with complex procedural requirements which I have not listed in this memo. Because these requirements have legal implications, the Town Board should have the Town Attorney guide assessment proceedings.

### **Subordinate Service Districts (Minn. Stat. Ch. 365A)**

Subordinate Service Districts may exist in Townships pursuant to Minn. Stat. §365A. The districts are portions of a Township that receive one or more services that are not provided in the remainder of the Township, or which receive an increased level of a service already provided to the entire township. The additional or increased level of service may be financed by a property tax levy imposed on the users of the service within the subordinate service district, by a service charge imposed on the users of the service within the subordinate service district, or by a combination of property tax and service charge within the subordinate service district.

A petition may be submitted to a Town Board to request formation of a subordinate service district. The petition must be signed by at least 50 percent of the property owners in the proposed district, should include the territorial boundaries of the district, and indicate the services to be provided. A public hearing will then be held to determine whether the district should be established. The Town Board will pass a resolution to approve or disapprove the establishment of the district, which will be published in a qualified newspaper and sent to each affected property owner. This district will begin 60 days after publication of the resolution or at a later date specified in the resolution. If a petition for referendum is signed by at least 25 percent of landowners and received before the district is established, there will be a reverse referendum to vote on whether the district shall be formed. If a majority of property owners support the creation of the district, the district will be formed at the time the town clerk certifies the vote.

Once the District is past the 60 days, the town board will adopt a budget for operation of the district, which will include a property tax and/or a service charge.

A district may also be expanded through the procedure outlined above for formation of a district. Only those individuals residing within the territory to be added to the district will be able to vote in a reverse referendum election for expansion, unless at least 25 percent of property owners in the existing district petition to be included in the election.

A subordinate service district can also be terminated. If a petition for removal of the district is signed by at least 75 percent of the property owners and presented to the Town Board, a public hearing will be held. The Town Board will then decide to discontinue or continue the district or take some other action.

### **Street Reconstruction Under Minn. Stat. § 475.58 subd. 3b:**

Minnesota Townships may pay for street reconstruction project costs with general obligation street reconstruction bonds, issued under the streamlined authority of a new provision of Minnesota Statutes. Under Minnesota Statutes, Section 475.58, Subdivision 3b (the “Street Reconstruction Act.”), street reconstruction projects may include, in addition to basic reconstruction work, utility replacement and relocation and other activities incidental to the street reconstruction. A street reconstruction project may not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed.

The Street Reconstruction Act provides authority for Townships to issue bonds for street reconstruction projects without an election if certain simple conditions are met. A five year street reconstruction plan must be approved, which must describe the streets to be reconstructed, the estimated costs, and any planned reconstruction of other streets in the town or city over the five year time period. The plan may be short and simple, need not extend to more than one project, and may be amended as needed.

The street reconstruction plan as well as any bonds issued under the Street Reconstruction Act must be approved by a vote of all of the members of the Town Board, following a public hearing. Notice of the hearing must be published at least ten days, but not more than 28 days, prior to the hearing. Bonds should not be issued until 30 days after the public hearing and plan approval. A reverse referendum provision in the Street Reconstruction Act allows 5% of the voters to petition to request an election on the issuance of bonds. Bonds are subject to debt limits and are not excluded from net debt.

In order to issue bonds for street reconstruction under the Improvement Act, Townships must provide a feasibility report regarding the project, hold a public hearing for which proper mailed and published notice was provided, and pass a resolution ordering the project. The Street Reconstruction Act provides a quicker, an alternative to the 429 Process for Minnesota Townships.

