

BAXTER CITY COUNCIL MINUTES
Special Meeting
April 18, 2016

Mayor Darrel Olson called the Special City Council Meeting to order at 6:30 p.m.

COUNCIL MEMBERS PRESENT: Mayor Darrel Olson and Council Members Quinn Nystrom, Todd Holman, and Mark Cross.

COUNCIL MEMBERS ABSENT: Council Member Steve Barrows.

STAFF PRESENT: City Administrator Gordon Heitke, Assistant City Administrator Kelly Steele, and Public Works Director/City Engineer Trevor Walter.

Aric Welch, WSN, explained the City of Baxter commissioned a pavement management plan (“PMP”) study in 2013 to address ongoing maintenance and funding of the city’s now 85 miles of streets. The study was initiated due to aging of streets and associated need to increase maintenance. The purpose of the study was to develop a PMP to preserve and or improve quality of the City’s streets in a fiscally responsible manner; develop and implement a plan considering immediate and long-term needs; prepare a systematic plan for routine revaluation with sustainable funding; and provide information for better communication and decision making.

The PMP study recommended dramatically increasing street maintenance budget to maintain all streets with a condition rating of 5 and above, targeting preservation improvements first with a sealcoating program. Ongoing preventative maintenance would save property owners the higher cost of more frequent reconstruction. The PMP study recognized franchise fees and assessments as a potential funding source for ongoing maintenance not currently being performed.

The goal of the PMP is to extend the life of existing pavements and lower future maintenance costs. Preventative maintenance through sealcoating during early stages of a pavement’s lifecycle can be the most cost effective method for extending pavement life.

Preventative maintenance is significantly less costly than the reconstruction alternative. The estimated cost to sealcoat a 26-foot residential street is \$7 per foot whereas a full depth reconstruction is \$174 per foot.

The City recently adopted franchise fees to fund sealcoating and street lighting projects. The Council determined the establishment of utility franchise fees to be an equitable means of generating the necessary funding. The fee is collected by utility providers for use of the public right-of-way, which is typically passed through to utility customers. Over 65 Minnesota cities collect franchise fees to fund specific projects. Franchise fees are a common alternative to taxes for funding a street maintenance project. Property tax funds can be used for crack sealing, snow plowing, pavement markings, shouldering, pothole repair, and street signs. Special sales tax can only be used for safety improvements, not maintenance. Franchise fees can be used for sealcoating and street lights. Special assessments can be used for mill and overlay, full depth reclamation, street reconstruction and new construction.

Mr. Welch explained the public improvement process includes approving a feasibility report, conducting an improvement hearing, and then the council either authorizes or rejects the project. If the council authorizes the project, the project will be bid, an assessment hearing will be conducted, the project will be awarded, and the project constructed.

Mr. Welch summarized the existing conditions and proposed improvements for the project area.

The total estimated project cost is \$1,348,470 for the residential mill and overlay, commercial full depth reclamation, and the Cypress turn lane. The Cypress turn lane project will be paid by the City.

The total estimated cost for the residential mill and overlay is \$857,530. The estimated cost per unit/lot is \$3,096.

The total estimated cost for the commercial full depth reclamation is \$324,040. The estimated cost per foot is \$77.88.

Pre-payment and partial assessment payments are allowed up to 30-days following the assessment hearing. Assessment balances will be certified to Crow Wing County for payment to begin on the next year's county tax statement. Assessment balances will be amortized over a 7-year assessment term for mill and overlay and 12-years for the full depth reclamation. The interest rate is estimated at 4.75%. The actual interest rate will be determined once the bonds are sold. After certification to the County, interest will accrue through the end of the calendar year. After 2016, payment in full must be made by November 15 to either the City of Baxter or Crow Wing County Auditor to avoid paying the following year's interest.

There are assessment deferment options for residential homestead property. Individuals must meet age, disability or military active duty requirements based upon qualifying income to be eligible to request a deferment of their special assessment. The annual deadline to apply is August 31 of each year with the deadline for the first payment in 2017 being August 31, 2016.

Mr. Welch explained the project is feasible from a construction standpoint. The council will consider adopting a resolution ordering the improvement, approving plans and specifications, and authorizing advertisements for bids on April 19, 2016. Bids would be opened on May 17. The Council would need to adopt a resolution ordering the assessment hearing. The Council could award the construction contract in June. A public informational meeting will be held in June. Construction will begin June and be completed in August.

Mayor Olson opened the public hearing at 6:22 p.m.

Nancy Hirschenberger – 5057 Cedardale Lane

Questioned if property owners will have access to their property during construction and if they need to move sprinkler heads. Mr. Welch explained property owners will have access and suggested sprinkler heads are marked.

Jim Schrader – 12798 First Street

Asked if he will receive more than one assessment for his corner lot. Mr. Welch explained he would receive one unit assessment.

Sean Randall – 13728 Glenwood Drive

Asked if the contractor will mill into the driveway. Mr. Welch explained the contractor would not mill into driveways.

Nancy Hirschenberger – 5057 Cedardale Lane

Expressed concerns if there will be a height difference between her driveway and the street.

Ryan Saulsbury – 13727 Glenwood Drive

Asked what is shouldering. Mr. Welch explained shouldering is repairing the shoulder with black dirt.

Kathy VandePutte – 13456 Maplewood Drive

Explained the city has filled in the street corner several times due to people driving off the roadway. Ms. VandePutte asked if there is any way to keep people off the grass. Mr. Welch explained the city would complete ditching and post the edge of the roadway.

Joanne (last name unknown) – 13413 Maplewood Drive

Explained the spring runoff drains towards her home. The property owner asked if she would be charged for repairing the drainage. Mr. Welch explained all work will be completed within the city's right-of-way and that she will not be charged for the drainage work.

Andy Dwyer – 5240 Birchdale Lane

Asked what the life span of a mill and overlay is and asked if any existing cracks in the roadway will come through in a year or two. If the contractor finds they need to complete more work than a mill and overlay, will the cost increase? Mr. Welch explained overtime all property owners would pay for a mill and overlay of their street. Mr. Welch explained the cost is an estimate of quantities.

Kevin Finnegan – 5257 Cedardale Lane

Asked if property owners will receive another assessment in the future. Mr. Welch explained this would be the first assessment.

Walt Haas – 13828 Glenwood Drive

Explained the roadway is not managed with a storm sewer and water ponds in front of his home. Mr. Haas asked if the city would be able to fine-tune the problem. Mr. Welch explained he would review Mr. Haas concerns.

Naomi Houder – 5005 Brentwood Road

Asked when this project was put in the financial budget. Ms. Houder explained the letter she received stated the city would consider making the improvement. Mr. Welch explained this project was part of the five-year capital improvements plan approved last year. The City is following the process required by state statute. Mr. Welch explained an engineer has reviewed the city streets and determined a mill and overlay process is needed to maintain streets and to save money over the long term.

Name and address unknown

Asked how long the mill and overlay will last. The person explained they hope it will last as long as the original road constructed in the late 1980s or early 1990s. Mr. Welch explained he does not know how long the mill and overlay will last as this is the first time the city is completing this type of project. The city will also be adding sealcoating to help extend the life of the street.

Sean Randall – 13728 Glenwood Drive

Mr. Randall asked how the city picked the road and explained Excelsior is terrible. Mr. Randall asked what the future improvements are planned for the road. Public Works Director Walter explained the city's streets were rated in 2013. The City receives state aid funding for certain streets and that is the reason Excelsior was completed. Memorywood and the rest of Excelsior will be completed next year. All city streets are on a seven-year rotation. Public Works Director Walter explained the five-year capital improvements plan is on the City's website. Staff is working on creating a more interactive map.

Jim Cogloin – 5379 Ashdale Lane

Asked for assessment payment procedures. Mr. Welch explained property owners will receive a notice and will have 30 days to make a prepayment; afterwards the balance will be certified to the county. The assessment hearing is tentatively scheduled for late May or early June.

Tim Nelson – (house number unknown) Maplewood Drive

Asked where ditching will occur. Mr. Welch explained ditching would occur at the corner and along the west side.

Jody Mies – 5286 Birchdale Lane

Explained Bolton & Menk completed the pavement study. Thanked the property owners who attended the hearing, and explained it was a poor showing. Mr. Mies explained he does design and inspection projects. Typically, costs go up year after year; oil prices are currently down. The City should get good pricing. As a resident, Mr. Mies explained he feels pushed into the project. Did not know the project was on the five-year plan. The council is meeting today and making a decision tomorrow. Talked to some neighbors and they did not understand the letter.

Bob Clough – 6581 Mary Street

Project bids are going out late, the city might not get the best price. The city should have held meetings last year. The City will end up with roads like last fall and who knows the type of work.

Bill Freidman – 4729 Brentwood Road

The City did the same thing last fall; what is holding up this project. Other communities bid in January or February. Why is the city not starting projects earlier in the year? The public hears about the project at the last minute; other cities notify residents much earlier. Mr. Welch explained the project should be completed this year.

Unknown name and address

Will this project be completed one street at a time? Mr. Welch explained it would take one week to complete each street.

The Council asked for clarification of improvement boundaries in relation to driveways.

Unknown name and address

Asked if the Birchdale cul de sac flowerbed would be removed. Mr. Welch explained the plan is to work around the flowerbed.

Bob (unknown last name) – (unknown house number) Briarwood Lane

Asked if he can place the project cost on property taxes. Mr. Welch explained the project would automatically be certified to property taxes.

Jody Mies – 5286 Birchdale Lane

Asked if the city will apply black dirt and will seed the shoulders. Mr. Welch explained hydro mulch would be used.

Unknown name and address

Will assessments be calculated the same manner as the Woida project. Mr. Welch explained assessments would be calculated on a per unit basis for mill and overlay properties.

Unknown name and address

Asked why the city determined to sealcoat Briarwood Lane. Mr. Welch explained sealcoating was determined in the 2013 pavement management plan.

Unknown name and address

Will property owners be assessed when sealcoat is completed? Mr. Welch explained sealcoating would be paid with franchise fees.

Mayor Olson closed the public hearing at 7:04 p.m.

Mayor Olson explained Baxter is a city with streets 20-25 years old. Mayor Olson invited people to ask staff and the consulting engineer additional questions at the end of the meeting.

MOTION by Council Member Nystrom, seconded by Council Member Holman to adjourn at 7:06 p.m. Motion carries unanimously.

Approved by:

Respectfully submitted,

Darrel Olson
Mayor

Kelly Steele
Assistant City Administrator