

BAXTER CITY COUNCIL MINUTES

Work Session

June 19, 2018

Mayor Darrel Olson called the Work Session to order at 6:30 p.m.

Council Members Present: Mayor Darrel Olson and Council Members Quinn Nystrom, Steve Barrows, and Todd Holman

Council Members Absent: Council Member Mark Cross

Staff Present: City Administrator Bradley Chapulis, Community Development Director Josh Doty, Chief Jim Exsted, Finance Director Jeremy Vacinek, Public Works Director Trevor Walter, and Assistant City Administrator Kelly Steele

2017 Audit Exit Interview

Finance Director Vacinek explained Caroline Stutsman, audit manager with BerganKDV, will present the results and findings of the city's 2017 audit. Ms. Stutsman will provide a summary of the city's general and enterprise funds and recommendations contained in the Communications Letter and Independent Auditor's Reports with the council. A clean, unqualified opinion was issued. The financial statements drafted by the city's finance department have been completed and distributed to the council. Upon acceptance, the financial statements will be posted on the city's website.

Ms. Stutsman summarized key financial highlights for 2017 to include the city-wide net position increased 3.8% over the prior year due to the timing of sales tax and other receipts versus outlays and the scheduled repayment and refunding of long-term debt; total revenues for the year decreased \$41,057 from 2016, total expenses decreased \$45,141 from the prior year; governmental fund level revenues totaled \$15,032,801 and were \$396,003 more than expenditures; governmental funds' fund balance increased \$84,760 from 2016; and the water enterprise fund net position increased from \$1,155,130 from the prior year, the sewer enterprise fund net position increased \$185,073 from the prior year, and the storm water enterprise fund net position increased \$698,395 from the prior year.

2018 Mill & Overlay and Full Depth Improvements Project – Cedar Scenic Road Bed Correction Options

Chuck Rickert, WSB consulting engineer, explained Public Works Director Walter asked him to complete additional soil borings along Cedar Scenic Road to better identify the thickness and limits of the existing peat layer. Of the two original borings performed on Cedar Scenic Road, boring PB-4 encountered approximately 1 ½ feet of peat about six feet below existing grade and boring PB-3 did not encounter peat within its profile. The additional borings indicate the peat layer is about two to five feet thick and the peat layer was encountered at depths ranging from two to six and one-half feet. This indicates the peat layer was thicker than in previous borings and generally higher in the roadway profile.

Mr. Rickert proposed three options for council consideration. Option one, with an estimated cost of \$280,000, would be to remove the entire peat layer and exported off site. Option two, with an estimated cost of \$400,000, would include a shallower sub cut. Instead of using a common borrow or select granular borrow, a lightweight fill would be used. Two feet of geofoam was estimated within the existing roadbed and four feet was estimated in the additional road width to be constructed in the adjacent wetland. Dewatering would be required. Additional engineering would be required because of the complexity of the geofoam system. Option three would entail leaving the road as a gravel surface for one or two seasons to allow the settlement of the peat. The additional costs associated with this option would be the maintenance on the gravel surface and any excavation, gravel base and preparation prior to paving.

Changes to the project would need to be completed as an addendum to the agreement due to the short time frame from receiving the results of the new boring samples and the bid opening. Mr. Rickert explained given the apparent limited thickness and relatively shallow termination depths, it is his recommendation to completely remove the peat from beneath the proposed roadway or use lightweight fill as described in option two with option one being the most cost-effective alternative.

The council expressed concerns with not knowing the additional costs. Public Works Director Walter explained the council could elect to remove up to 20% of the project quantities without the contractor's ability to ask for their profit on the removed materials. Mr. Rickert will prepare, for council consideration, change order quantities for option one with both a 26' width and 40' width.

ADJOURN:

MOTION by Council Member Barrows, seconded by Council Member Holman to adjourn the council work session at 6:43 p.m. Motion carried unanimously.

Approved by:

Respectfully submitted,

Darrel Olson
Mayor

Kelly Steele
Assistant City Administrator