

June 18, 2012

A special work session meeting of the City Council was held on the above date. The purpose of the meeting was to discuss the street maintenance program as part of the Capital Improvement Plan update, with a specific discussion on options for Melanie Trail. Property owners along Melanie Trail were invited to attend the meeting. Mayor Simonson called the meeting to order at 7:00 p.m. The following were present: Mayor Randall Simonson, Council members Connie Amos, Chris Ness, Jim Schneider and Sally Swanson. Staff present: City Administrator Anne Hurlburt, City Engineer Phil Gravel, Maintenance Superintendent Tim Kieffer, and Deputy Clerk Brenda Eklund.

2013 – 2017 CAPITAL IMPROVEMENT PROGRAM (CIP) UPDATE

Street Maintenance Program, including Options for Melanie Trail

City Administrator Hurlburt began with an overview of the Street Maintenance Program, which is funded at \$300,000 per year from the city's General Fund. Contractual road maintenance work is scheduled on streets following the guidelines of the Pavement Management Plan. Streets with a PASER rating greater than 6 are maintained by seal coating and crack filling to maximize the life of existing pavements. Those streets with a PASER rating of 1 or 2 which are beyond repair, such as Melanie Trail, would require a complete reconstruction as the most cost effective option.

City Engineer Gravel presented a summary of options for addressing the poor surface conditions of Melanie Trail.

#1) Full Reconstruction

Removal of existing bituminous, excavating into the subgrade, new base and paved surface. Estimated cost of \$784,000.

Costs funded by a combination of assessments and city participation. At a minimum 20% assessment of the project cost, the assessment would be approximately \$5,060 per residential unit (plus accumulated interest).

#2) Reclaim and Replace Bituminous

Grinding the existing bituminous into a granular material, shaping the material and placing a new paved surface over the material.

Estimated cost of \$420,000.

Costs funded by a combination of assessments and city participation. At a minimum 20% assessment of the project cost, the assessment would be approximately \$2,710 per residential unit (plus accumulated interest).

#3) Thin Overlay and Hand Patch

Hand patching, minor ditch (drainage improvements) and a new thin bituminous overlay in the most deteriorated portion of the road.

Estimated cost of \$47,000.

Costs would be 100% funded by the city maintenance funds.

#4) Turn Roadway back to Gravel

Remove the existing bituminous surface, add a minimal amount of Class 5 gravel.

Estimated cost of \$37,800.
Costs would be 100% funded by the city maintenance funds.

#5) Do Nothing

Leave the existing road as is.

A resident questioned the life span of Option #1. City Engineer Gravel stated a new road would be projected to last 25-30 years. The resident asked why Melanie Trail deteriorated years before meeting this standard. Gravel explained that the initial road base was not properly built, nor was it crowned correctly which lead to poor drainage and deterioration.

Gravel stated that Option #2 would be projected to last up to 20 years if the base could be adequately brought up to standard.

Residents were asked to offer comments on the options.

Patricia Ray, 23370 Melanie Trail: Ms. Ray asked what Option #2 would look like. Gravel stated that the existing pavement would be crushed, recycled and covered with a new bituminous surface. Ms. Ray stated that she paid for the paving project, and does staff know what the amount was. Staff did not have that figure available at the meeting.

A resident spoke up that that the property owners were told at the time of the first paving project that they would never be assessed again for a paving project. He also stated that only a 2" bituminous surface was put down that could not possibly hold up to traffic.

Mayor Simonson stated that he doesn't understand why residents were told this because in reality roads deteriorate over time and never last forever, especially in the Minnesota climate. Simonson said that he was sorry they were ever told that.

Charles Benson, 23230 Melanie Trail: Mr. Benson stated that the road was never maintained properly from the beginning with crack filling and seal coating. He would have expected road maintenance would have been provided from the city once the initial assessment was collected from the residents. He is against assessing residents for reconstruction costs due to a lack of preventive maintenance.

Mayor Simonson asked staff what the overlay thickness would be for Option #3. Maintenance Superintendent Tim Kieffer stated that a minimal 1" would be applied and explained that this would only be a temporary fix for no more than 5 years. The thin overlay would not add strength and would be considered a stop gap measure. By sealing the cracks and getting water off the road it could delay reconstruction, but does not get rid of the problems.

Terry Brindley, 23450 Melanie Trail: Mr. Brindley addressed weight limits for the road. He stated that dump trucks are beating up the road and it should be posted at a 3-ton per axle weight limit, and that without a good base, the road cannot withstand heavier weights.

Jerry Olson, 11360 232nd Street: Mr. Olson stated that he farms property along Melanie Trail. He stated that Options #3 and #4 are only interim solutions and asked if the city could, over time, create a reserve to reconstruct the road with no assessment to property owners. City Administrator Hurlburt replied that building a reserve could not be done without a substantial tax increase. The entire budget for road repairs is currently at \$300,000 per year and not near the amount needed to repair the road. Using all the budgeted funds to repair Melanie Trail would mean that maintenance is not being done on other roads, therefore adding to their deterioration. In addition, there are other roads in poor condition that could bring total reconstruction project costs up to \$1.9 million.

Mr. Olson added that Melanie Trail was not designed properly and was poorly constructed.

Beryl Halldorson, 23620 Melanie Trail: Ms. Halldorson asked if the city's total budget could be rearranged to come up with the funds to repair the road. Hurlburt explained that the city's entire budget could not cover the costs needed, in addition to covering payments for outstanding debt on prior paving projects, building and equipment bonds.

Patricia Ray, 23370 Melanie Trail: Ms. Ray asked the city to consider the drop in property values that would occur if the road were turned back to gravel.

Mayor Simonson summarized the process of reaching a decision on the how to proceed. He explained the Council's first step was to discuss the options with public input that would benefit the residents and not financially destroy anyone. He wants to find a solution that will work for everyone. He agreed the original paving was not the best job, but that's in the past and now we need to solve the current problem.

Jon Hafner, 23310 Melanie Trail: Mr. Hafner stated that Option #2 may be the best of the five because #1 is too expensive and #3 is a bandage. He asked to have assessment payments explained. Hurlburt said that it could be a 5 to 10 year payback of principal with interest. The last paving project had a fairly low interest rate. Assessments can also be paid up front with no interest.

Mr. Hafner asked how soon Option #3 could be done. Keiffer stated that the work could begin within the next few weeks.

Betty McClellan, 23550 Melanie Trail: Ms. McClellan stated that she was not part of the original assessment and asked what the amount was. Hurlburt stated that staff did not have those immediate numbers, but the policy for assessment is to charge a portion of the bituminous costs to the affected property owners. Assessment costs for certain roads can be higher based on their classification as collector or non-collector. The city has never assessed reconstruction costs for roads beyond repair. Based on discussions for the repair on Melanie Trail, a new policy will be developed for roads that are beyond their life span. Hurlburt further explained the state statute (MN Statutes Chapter 429) that requires cities and townships to assess at least 20% of the costs in order to borrow road repair funds.

Beryl Halldorson stated that the residents would not reach a consensus tonight, but would have a neighborhood meeting and perhaps bring forth a recommendation within the next few weeks. Ms. Halldorson summarized three points that she had heard during the meeting: 1) the road was not properly built; 2) no scheduled road maintenance occurred which could have extended the life of the road; and 3) having no posted weight limits made the road fall apart faster.

Joel Dillner, 23250 Melanie Trail: Mr. Dillner asked if the residents could give a show of hands to get a feel for what direction people are interested in pursuing.

City Engineer Gravel suggested the residents be mailed a survey which they could return to indicate which option would be preferable and any other comments they may have.

Gary Kerkow, 23420 Melanie Trail: Mr. Kerkow asked if examples of roads could be viewed which have been repaired using Options #2 and #3. Hurlburt stated that both Forest Lake and Hugo have roads that have been repaired in this manner and that this information will be given with the survey, along with the year the repairs were done.

Mr. Kerkow asked how firm the estimated costs of repair are. Gravel stated that the numbers were initially gathered in 2008, but revised to reflect current costs. Gravel stated that they are as accurate as they can be at this point.

Council member Swanson stated that if Option #3 is done this year, then Option #2 could be planned for 4 or 5 years out from now. By then other debt issues are dropping off the city's budget, and a new bond would not significantly add to the required tax levy. Swanson felt that the city would be in a more favorable debt position five years from now.

Council member Schneider voiced a concern about the city backing off their commitment to reconstruct the road in five years, if Option #3 were a temporary fix for now.

Charles Benson, 23230 Melanie Trail: Mr. Benson asked what tax increase would be needed to raise the amount of funds to alleviate problems of road repairs. Hurlburt referred to the last page of the staff memo which was prepared for this meeting. A debt issue of \$1.5 million would impact a \$200,000 house at a cost of approximately \$50 per year.

Tom Hoffman, 13500 205th Street: Mr. Hoffman questioned the city's recent meeting which discussed the replacement of a fire truck in the amount of \$300,000. He felt that expenditure could be eliminated and those funds used to pay for road repairs. Mayor Simonson explained that a 25-year old truck has worn out and has failures due to its aged condition. Mr. Hoffman stated that this is a huge outlay of money for the fire department and that some items should be cut back on to get through the tough economic times. Mr. Hoffman stated that on-call help from other departments and the current fleet of trucks should be sufficient.

Mayor Simonson asked City Engineer Gravel to provide information on the survey to residents. Gravel stated that it could go out to all residents this week and returned within two weeks.

Simonson stated that this is a reasonable way to get the property owners' input for future direction and to help the council make an informed decision.

Dave Steffes, 22990 Melanie Trail: Mr. Steffes questioned the bidding process for the various options. Hurlburt explained that Option #3 would be done within the Public Works Department. Options #1 and #2 would be competitively bid once the project was ready to go out for bids. Mr. Steffes said that he had numbers for paving which were much lower. Hurlburt explained that the City's projects would have much stricter standards than a private party may have required for paving.

Jane Dreyer, 23290 Melanie Trail: Ms. Dreyer stated her disappointment in the condition of the road and that it was not maintained for many years. She said that do nothing or going back to gravel are options that should not be considered.

Ms. Dreyer asked if residents of other roads in need of reconstruction will be asked for their input when writing the new policy. Mayor Simonson stated that the public will always be given the opportunity to speak. Hurlburt agreed that the Council would extensively discuss road assessments with the owners and the new plan will help the Council figure out a general approach.

City Administrator Hurlburt stated that the results of the survey will be compiled and discussed at the July 17 Council meeting.

Council member Ness asked when the road was initially paved. Hurlburt answered that Melanie Trail was part of the 1989 paving project. Ness offered that Option #3 could possibly extend the life of the road to 28 years.

Ness questioned how the road could be posted for weight limits. Council member Schneider offered that the city could post limits, but it could be difficult for residents to have their septic pumped or dirt hauled in for projects once a weight limit is posted.

Council members thanked the residents for attending the meeting and for offering their input.

Other Road Projects in the CIP

City Administrator Hurlburt presented two other road projects in the CIP that the Council has not yet discussed in 2012:

- Street Paving Project (PW-001) – this project would complete the paving of most of the remaining gravel roadways in the city, at an estimated cost of \$1,775,000. The CIP shows that work on this project would start in 2013.
- Ozark Avenue Extension (PW-003) – this project would complete a new road segment as part of the Comprehensive Plan, at an estimated cost of \$333,333. The plan shows the project starting in 2014.

Hurlburt stated that there are many factors which could justify the delay of the final paving project – cost, economy, landowners not urging the city to pave the roadways.

Mayor Simonson stated that a more important concern is to maintain the paved roads which the city already has.

The consensus was to move the paving project out one more year in the CIP update.

Hurlburt explained that the Ozark Avenue extension could be pursued only if the land around it is subdivided and easements obtained for the extension to Oakhill Road. Hurlburt recommended the project be moved out but kept in the five-year plan in case of future development. Council agreed to designate the project for 2017.

ADJOURNMENT

Ness, seconded by Amos, moved to adjourn the meeting. The motion carried 5-0.

The meeting adjourned at 8:45 p.m.

Respectfully submitted,

Brenda Eklund
Deputy Clerk