

**CITY OF PARK RAPIDS  
SPECIAL CITY COUNCIL MEETING  
PUBLIC HEARING  
SEPTEMBER 23, 2014, 5:00 PM  
Park Rapids Public Library-Lower Level  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** The September 23<sup>rd</sup>, 2014 Special Meeting of the Park Rapids City Council was called to order at 5:00 p.m. by Mayor Pat Mikesh.

**2. ROLL CALL:** Present: Mayor Pat Mikesh, Councilmembers Rod Nordberg, Erika Randall, and Paul Utke. Councilmember Dave Konshok arrived late. Absent: None. Staff Present: Administrator John McKinney, Public Facilities Maintenance Superintendent Chris Fieldsend, Treasurer Angela Brumbaugh, Public Works Superintendent Scott Burlingame, and Clerk Margie Vik. Others Present: Jon Olson from Apex Engineering Group, Nancy Newman, Mike Newman, Donna Wilcox, Kay Naeve, Alex Ehler, John Wendt, Stephanie Parker, Trent Wilcox, Bonita Semmler, Judy Kramer, Dan and Lori Savoie, Sue Tomte, Scott Warner, Catherine Fake, Cheryl Valois, Bruce Brummitt, and Anna Erickson from the Enterprise.

**3. PUBLIC HEARING FOR THE NORTH MAIN AVENUE UTILITY AND STREET REHABILITATION PROJECT:**

**A motion was made by Utke, seconded by Nordberg, and unanimously carried to open the public hearing at 5:01 p.m.**

**3.1. Presentation of the North Main Avenue Utility and Street**

**Rehabilitation Project:** Jon Olson, from Apex Engineering Group, stated I've been assisting the city with the engineering for this project. I will present the background, the costs, and the proposed improvements. After my presentation the Mayor will request comments and questions from the audience.

Olson stated a public hearing is a requirement of Minnesota Statutes, Chapter 429. That statute defines the procedures that are necessary for the city to follow in order to apply special assessments to property. Also, it gives the city a great opportunity to notify the community of the proposed project, and to hear the input and questions from everyone.

Olson stated the process for the North Main Project started years ago. The city has a five year capital improvement plan (CIP), which identifies potential projects. This project has been identified for pavement rehabilitation. Last month we prepared a preliminary engineering report to look at this segment in great detail, at the existing conditions, and alternative improvement options. We discussed those at the last Council meeting in August. Tonight we're holding the public hearing.

Olson stated if the Council chooses to move forward with this project, over the next couple of months we go into the design of this project. We would select a contractor the

first part of the year in 2015. Construction would take place in 2015. The improvements that we are looking at for North Main have a very limited duration. It will take a couple of days for the pavement restoration, and the underground utilities will be completed in a week or two. Following construction we will meet again for the assessment hearing. At that time we will have the actual assessment numbers. The numbers presented this evening are based on the engineer's estimates.

Olson stated the project location is the entire stretch of North Main Avenue, from Highway 34 to Highway 71. It's approximately 7/10<sup>th</sup> of a mile. It's predominately residential, but there are some commercial properties on it as well. This project was identified for pavement rehabilitation. We're hoping that we can extend the life of the pavement so that it better aligns with other infrastructure in the corridor. The hope is that we can maximize the lifespan of not only the pavement but the other structures within the corridor as well. The hope for this project is that we can delay the need for making a major investment of a complete reconstruction for ten or fifteen years from now.

Olson stated we looked at the existing conditions in great detail to make sure that what we are recommending is appropriate for the improvement that we are recommending. The last thing that we want to do is put a rehab on the street and then have concerns that the underground utilities may not last. We looked at the surface and the underground as well. The street and sidewalk were constructed in the mid to late 70s, so they are roughly thirty-five to forty years old. The street has done very well for that age. It's a wider pavement section at fifty-four feet. That is one of the widest streets in the community. The pavement is bituminous, which is common for this community. We have curb and gutter on both sides and sidewalk for the majority of the segment. The curb and gutter is in remarkable condition for its age, which is thirty-five years old. There are a few panels that show signs of deterioration.

Olson stated the driving surface pavement is starting to exhibit signs of frequent cracking. Those cracks result in a poor ride quality, and they also accelerate the deterioration of the pavement. It's an opportunity for the water to seep in. The cracking is the primary concern of the pavement for this section. We do not have any concerns for the structural integrity issues of the subgrade. We feel this road was built properly back in the 70's. The sidewalk is similar to the curb and gutter. It's in fair condition. There are some areas where the panels are cracked or faulted. The public works department has a replacement project scheduled for those panels this fall yet. With those improvements this fall we feel that the sidewalk is in fair condition for its age as well.

Olson stated regarding the sanitary sewer, all the properties along Main Avenue are served from the back alleys. There is very little sanitary sewer under Main Avenue. It's limited to three crossings, at Minnesota, Todd, and Lawrence Avenues, which serve an area well beyond Main Avenue. These crossings are original clay tile construction. They are in quite poor condition. They require frequent maintenance to operate. They are towards the end of their useful life.

Olson stated the watermain is original construction. We're estimated it's over sixty years in age. A pipe of that age is certainly what we would anticipate nearing the end of its life, however, public works has had an opportunity to inspect the main on several occasions over the years. They were able to determine the main is ageing quite well, and there is likely some service life remaining. The services may be questionable. There have been some service replacements. As part of this project, if anyone has any concerns for

their service, we'd like to know that. That's something that could be addressed. We're not recommending it, but it could be addressed as part of this project.

Olson stated the storm sewer was installed in the mid to late 70's. It was visually inspected as part of the preparation of the preliminary engineering report. It was found to be in very good condition. There is no reason for concern for that.

Olson stated our proposed improvements are looking at trying to get the surface rehabbed to extend the service life by fifteen years. Prior to that, we'd like to get those sanitary sewer crossings updated. We do feel those mains are at a high risk for failure prior to the ten to fifteen year life span. With that we'd be preserving the concrete curb, sidewalk, storm sewer, and as well as the watermain, with the hope of extending their lives and getting the maximum out of those structures.

Olson stated the recommended pavement rehabilitation is an overlay. We'll come in and mill off a portion of the existing surface. The top layer is the one with the most deterioration. The cracks are the widest. The surface is weathered the most. We'll mill off the top portion and install a new layer. This isn't a new pavement but it does provide a very nice product. Typically it can extend the pavement life for seven to twelve years. With the conditions that we've experienced on Main Avenue and the duration that the pavement has lasted we feel comfortable stating that it's likely going to get us toward the upper region of that with an overlay. You will notice the cracks returning very early on. They will start off very small. The ride quality will still be good. Over the time of the life of the overlay you'll notice them returning. Public works will be out there filling the cracks to try to slow down that cracking.

Olson stated the estimated project cost is \$590,500.00. Once the contract is let, we'll have better numbers. The overlay is \$369,200.00. The sanitary sewer replacement is \$167,400.00. The watermain repairs are \$39,900.00. The various concrete replacements are \$14,000.00. According to the city's assessment policy the overlays are assessable 60% for a standard width street. This is a very wide street segment. The added width beyond the standard, which is forty feet for residential property, and forty-four feet for commercial property, is considered 100% city share. Your property is only assessed based on that standard size pavement and it's assessed at 60% of the cost. The remaining 40% is city share.

Olson stated if you own a corner lot, if the improvement on North Main is the short side of your property that is assessed 100% for the entire footage. If your long side is on Main Avenue you'd be assessed for half of your property width up to one-hundred and fifty feet. Anything beyond one-hundred and fifty feet would be assessed. There is a credit for a corner lot.

Olson stated sanitary sewer is typically assessed 100% but given that these are trunk line replacements, trunk lines are 100% city share. It's the same with watermain. Watermain is typically assessable, however, the recommended improvements are limited to hydrant and valve replacements. Those operational items that the city repairs throughout the years are 100% city share as well. One note, water services are 100% assessable. If that is something that you feel you'd like to get done as part of this project, those costs are 100% assessable. The overlay is the only item that has an assessable share at 60% of the standard width.

Olson stated there is an assessable amount of \$160,600.00. When you take the total footage, divide the assessable amount by the total footage you come up with an

assessment rate for residential property of \$29.50 per foot, and an assessment rate of \$32.50 for commercial property. The estimated assessment for a standard residential fifty foot lot would be \$1,450.00, and \$2,950.00 for a one-hundred foot lot. For a standard fifty foot commercial lot it would be \$1,625.00, and for a one-hundred foot lot it would be \$3,250.00. Once the contract is bid, we'll have actual assessment amounts.

Olson stated for these assessments you have the option to pay them up front at the time of the assessment hearing, which would be a year from now. The more common thing that most people do is to have them financed on your property tax. Typically, we see a ten year duration on the assessment for a project like this.

Olson stated the tentative schedule is to try to catch this project up with the other larger project next year, the Riverside Project. We'd like to combine these two projects to take advantage of the economy of scale. If this project does proceed, we'd like to bid this out by the new year, and select a contractor by February. Construction would be next summer with an assessment hearing next fall.

Bruce Brummitt requested an explanation for the assessment of corner lots. Olson stated typically a corner lot has one side longer than the other. If the shorter side is on Main Avenue, and your long side goes back toward the alley, that short side adjacent to Main Avenue is assessable 100% for the total footage. If it's one-hundred feet long, you will be assessed for one-hundred feet. If your long side is on Main Avenue at one-hundred and fifty feet, you only get assessed for half of that. You'd be assessed for seventy-five feet. If it's two-hundred feet, you only get the seventy-five foot credit. Utke questioned do we even have any on Main? Olson stated there might be one up on Monico Lane. But I'm not certain.

**Council Comments:** There were no comments made by the Council.

**3.2. Public Comments:** The Mayor announced he would read the names of those present according to when they signed in.

Mike Newman: When is construction, 2015?

Jon Olson: Yes. 2015 is the proposed date.

Nancy Newman: After it's done are you going to put a sign on it to keep semis off of it?

That's a lot of the problem. There are more trucks on there that there have ever been and they don't need to be there.

Resident: It used to be that before they redid the road that they did not allow semis on there in the 70s. Somehow that has changed. I don't know why.

McKinney: In the 70s it changed?

Resident: Make 71 the truck route, and don't allow it.

Mikesh: That's something that we can look into.

Utke: It probably is a nine ton road at this point, isn't it?

Olson: It would have originally been designed as a ten ton.

Utke: Would it have been? Okay.

Donna Wilcox: I don't have anything.

Alex Ehler: No.

Resident: By the way, those semis don't always make a full stop at Pearl. They kind of roll through. Not only them, but the cars too. They just go right through.

John Wendt: Are you going to be putting any new sidewalks in?

Mikesh: Not unless public works has a problem with them. We're not replacing the whole thing. Just panels here and there.

Wendt: There are no sidewalks from Monico up to 71. Are they planning to extend it up to 71? Or just keep it as existing?

Olson: Under the proposed improvements as we have presented, we're not proposing to extend that sidewalk. Certainly, if that's something that the Council wants to consider, it certainly could be added.

Stephanie Parker: No.

Trent Wilcox: How accurate are your cost estimates?

Olson: That's a great question, and probably my favorite question. We've had pretty good luck with our estimates, but there's always that risk that things do change. It's bidding climate driven.

Resident: Is there a cap on it?

Dave Konshok: There's no cap on it, but if it's far out of range, on projects in the past we have not accepted the bids. Typically, rule of thumb is if it gets outside of 20% we don't consider it. But typically, John's been working with the city for a long time, it's almost always within 10%, plus or minus.

Rod Nordberg: John, are your numbers based on the higher bids we've been getting this year or just average.

Olson: Thank you Rod. Our numbers for this presentation have been adjusted. You may have read in the newspapers that recently we've seen an increase in construction costs. This report was prepared following those increases we've seen. We're hoping that these numbers are reasonable to what we are going to see come January.

Judy Kramer: No.

Bonita Semmler: I live on the east side of Main and there is an alley behind me. I'm paying special assessments for what, 2005? Was there something done at that particular time in the alley? I've been there one year.

Utke: That was the sewer project.

Semmler: Well you're talking about sewer prices on here too.

Mikesh: Those are just crossings.

Utke: The city is picking those up. But we're just telling you that that is going to happen. It's work on the mains.

Judy Kramer: Is there a limit to how many times they can assess you? I was trying to buy a home here and I decided not to because every piece of property that I looked at in the city area had a special assessment put on those ones. Some of them were a couple \$1,000.00 a year, or up to \$3,000.00 a year. There was a small property tax but then they had \$3,000.00 added on, and I thought I'm not going to pay that. Some had multiple assessments. You can do that?

Mikesh: With any project, yeah, it's main, sewer. But it could, yes.

Utke: It doesn't happen often.

Kramer: Well she's going to get a second one coming up.

Sue Tomte: No.

Scott Warne: This is not so much a question. I'm the minister at the Church of Christ. So I'm one of the commercial buildings. We are planning to pave our parking lot in the near future. We've been already bidding. We were wondering since this project is going on and they are going to be resurfacing anyway, would it be possible once the bid is accepted

where we could get the contact information and have them look at our facility as long as they're going to be having equipment and so on there where they could do our project. I know it would be on our, we would have to take care of that. But I was just wondering if we could get the information, or give you our information, and hand it on to them.

Olson: Certainly. We see that a lot. When the contractor is in town they do contract with adjacent properties quite frequently, so absolutely, we'll get you that contact info.

Catherine Fake: I have a couple questions. You mentioned that the service water replacements could be addressed at this time, and also you mentioned that watermains are 100% city share. When this project was done in the 70s, before that time we didn't have a problem with our water, but since then you have to leave the water running in the winter. It was never addressed in the 70s, otherwise our water pipes freeze. We were wondering if that could be addressed at this time since that should have been addressed in the 70s when you did at the first time. We used to get a credit for a lot of years. I don't know if you did too. Credit from the city to offset the bill, expense on the water bill. And that's not the homeowners fault, but they took that credit away, I think about five years ago, and when you pay sewer, water, sanitary sewer, and you have to keep the water running so your pipes don't freeze it doesn't seem right. We're not talking inside the house. We're talking from the street to the house.

McKinney: You got credit this year if you applied for it.

Fake: I think we tried to apply for it and it was not a substantial enough credit. My husband tried to go through it. I'll have to ask him. He couldn't be here tonight, but he tried to go through the steps, but after the fact it didn't turn out to be too much.

McKinney: The concept was that you would not be charged anymore for water this past winter than you were for the preceding winter.

Fake: Right. But we don't use a lot of water. We're not here as much so we still have to leave our water running. I'm just wondering if the City Council would be kind enough to maybe address that issue. I don't think our house is the only one affected. It would be the time to fix it once and for all.

Nordberg: I'd like to make a comment. Jon, if you could define the word service that we are using in a different context here and what she's talking about is the individual pipe from the city to the house, if you could use the word for service in that case.

Olson: Sure. I stated two things. It's probably pretty confusing. Watermain assessments, the actual linear foot of watermain replacement is 100% assessable. So if we came in and replaced that watermain, and what we've been seeing is that coming in at anywhere from \$240.00 to \$250.00 a foot on an assessment. That would be 100% city share. So that would be in addition to the street prices that I noted. Water services are also 100%. So from the main to the curb stop at the property line, those costs are all assessable.

Fake: I'm just saying that the problem should have been addressed in the 70s instead of left and letting the contractor's get off the hook and we pay the price for it. Or make an adjustment in the way the calculations are done. Instead of charging you twice, once for the water, and once for the sewer, that's an extra \$20.00. That's a lot of money for water when you don't use a lot of water. We have to leave it running. It's been going on for forty years. Maybe it should be addressed.

Utke: Is this freezing from the main to the curb stop, or from the curb stop to the house?

Fake: Underneath the road. It has something to do with the storm sewers. They are too close to the watermain.

Utke: Its water service under the road.

Olson: That's something that we can look into.

Utke: Get the addresses.

Cheryl Valois: No.

Bruce Brummitt: Is there interest on the amortization over ten years?

Mikesh: Yes.

Brummitt: How much?

McKinney: It depends on what we sell the bonds for. We finance it. Right now it isn't very much. Somewhere around 5%.

Brumbaugh: Our last one was 5.5%. It depends on what's going on at the time.

Fake: It's still a year from now.

McKinney: Correct.

Brummitt: So it could be 20%.

Mikesh: Are there any more questions for Jon?

*There were no further questions.*

**A motion was made by Randall, seconded by Utke, and unanimously carried to close the public hearing at 5:27 p.m.**

**3.3. Resolution Ordering Improvement and Preparation of Plans for the North Main Avenue Utility and Street Rehabilitation Project for the City of Park Rapids:**

Utke stated we talked about some of these services that maybe should have attention at this time. Is that something that we want in this resolution? McKinney stated the question is on the water service line. Should we have the resolution address that issue? Utke stated if we have a few that are freezing that would be the time to insulate them or do what we need to at this point. Olson stated I think it would be appropriate to move forward with the project and note that water services may be added to the project per property owners request and that those services be assessed. Utke stated I'll add that to my resolution.

McKinney stated that isn't consistent to what the lady was asking for. She was asking for the city to insulate the lines so they wouldn't freeze because they didn't do it right in the 70s. I don't think that is what Councilman Utke is suggesting. Utke questioned how many properties do we have that are affected. Burlingame stated I can tell you that we replaced a few up on North Main without digging the street up and without insulating. We bore them underneath, we go deep. That has taken care of the problem. That is what I would recommend here also. You avoid the insulation. Utke questioned are we better off doing the directional than dig them and insulate them? Olson stated it would be quite costly to open up the street. McKinney questioned so you bore from the side? Konshok questioned how deep is the line? Burlingame stated the main is in the boulevard. The main has never frozen. It's about six feet deep. McKinney questioned you do this by boring from the side and not interrupt the surface of the side or the curb and gutter? Utke stated so these are services that the watermain is on one side of the street going around the street to the other side. Burlingame stated the watermain is in the boulevard on the east side of the street so on the east side it's an easy fix. The one on the west side you bore them underneath. Utke stated I will take the question out of it and I will move the resolution as presented.

**A motion was made by Utke, seconded by Konshok, and unanimously carried to approve Resolution #2014-127 Ordering Improvement and Preparation of Plans for the North Main Avenue Utility and Street Rehabilitation Project for the City of Park Rapids.**

**4. ADJOURNMENT: A motion was made by Nordberg, seconded by Randall, and unanimously carried to adjourn the meeting at 5:31 p.m.**

[seal]

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Mayor Pat Mikesh

ATTEST:

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Margie M. Vik  
City Clerk