

Dawson City Council Minutes  
July 21, 2020  
5:30 p.m.

The Dawson City Council met in regular session Tuesday, July 21, 2020 at 5:30 p.m. at Swimming Pool Park Band Shelter due to the public hearing and social distancing requirements. To accommodate the large crowd, Terry Overlander brought his PA system. Paul Iverson supplied the US Flag for the meeting.

Councilpersons present: Councilman Jeff Fish, Councilman Charlie Prestholdt, Councilman Steve Tufto, Councilman Jeff Olson, Councilwoman Chessa Frahm

Councilperson absent: Councilman Al Tufto

Others present: Mayor Randy Tensen, City Manager Tami Schuelke-Sampson, Maintenance Superintendent Brent Powers, City Attorney Rick Stulz, City Clerk/Treasurer Jill Kemen, Rebecca Kurtz with Ehlers, Jeff Kuhn with Widseth Smith and Nolting, Blaine Green with Widseth Smith and Nolting, Dave Hickey, Colin Lee, Steven Farmen, Liz Storlien, Pat and Virgil Enevoldson, Paul and Joyce Iverson, Morrie Schacherer, Roger Gritmacker, Larry Jensen, Stan Storlien, Joyce Bjornberg, Marilyn Hannasch, Dean Petersen, George Bruhn Jr., Peggy Crosby, Harlan and Sue Kosmalski, David Pederson, Evan Robertson, Ben Bothun, Brad Benson, Diane Johnson, Winnie Anderson, Lynn Lokken, Geraldyn Nelson, Cindy Ashling, Gail and Keith Nelson, Becky Anderson, Pat Fredlund, Orgean Storlien, Del Thielke, Lee Gunderson, John Roiger, Donovan and Deloris Peterson, Gene Sis, Derek Gritmacker, Dan and Kim Miller, Dave Falness, David Hansen, Jim and Kristi Prestholdt, Marc McCormick, Colleen Nelson, Barry Lund, Pat Liebl, Myron Nehring, and Terry Overlander.

Mayor Tensen called the meeting to order and everyone repeated the Pledge of Allegiance.

Councilman Prestholdt motioned to approve the agenda with a second from Councilman Fish. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

On motion by Councilman S. Tufto with a second from Councilman Fish to approve the July 7, 2020 council minutes. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

Mayor Tensen opened the 10-minute public forum. Hearing nothing, Mayor Tensen closed the public forum.

Mayor Tensen closed the regular council meeting and opened the public hearing on street and utility improvements at 5:35 p.m.

Jeff Kuhn, City Engineer with Widseth Smith and Nolting, referenced the phase one of the street and utility updates. Kuhn supplied audience with outlined map that highlighted the homes and commercial properties included in the first phase. The street and utility project was split into two phases per recommendations of funding sources. The hope is that this phase being bonded, the next phase will have grants available to finish the project. The second phase will include any property south of the railroad tracks. This preliminary assessment hearing is a requirement to move the project forward. Kuhn stated that funds for this project will come from assessing the street portion of the project only, increasing the capital improvement fees on the utility bill, and money through the general levy. Kuhn said that everyone can agree about the poor conditions of most streets in the city. The asphalt is breaking up, the utility is beyond its useful life, ground water is being

treated at the wastewater plant that does not need to be treated. The city has also seen high amounts of water main breaks. This is a continuation of the street project started in 2012. In addition to fixing the underground utilities and streets, curb and gutter will also be added as well as ADA compliant safe walk to school sidewalks. Homeowners wanting their sidewalk replaced will be expected to pay for it or add it to their taxes as an assessment. Storm sewers will be replaced in existing areas and other areas that currently have drainage issues will also be addressed with storm sewer improvements.

Kuhn said the project is currently out on bids. He expects very competitive bids to help keep project costs down. Projected costs bring the whole project in at approximately \$15.1 million dollars with \$1.2 million of that being assessed to homeowners for the street portion. Bid opening will be held on August 11<sup>th</sup> with a special council meeting held August 18<sup>th</sup> to accept the bids. If bids are accepted, the work will start around September 2020 with the hopes to wrap up in the fall of 2021 before the freeze.

Bidders have the means to get the work done in a timely matter. Most companies will bring in multiple crews at one time. Phase one will be split into 4 divisions as not to have the whole area tore up at one time. Each division will be approximately 12 blocks. There will be a two-crew minimum and possibly up to four crews working at one time. Engineers will put a time limit on non-accessible street to 20-30 days. Work will start with the underground utilities and then move to the above ground projects. Work will need to happen under trunk Highway 212 and the railroad crossing. This will happen simultaneously to the division work.

Assessment costs will be billed per foot of owned lots. Owners will pay approximately \$50.00 per foot on front yards and \$25.00 per foot on side yards if it is a corner lot. The average assessment will be approximately \$5,500.00.

Rebecca Kurtz, with Ehlers, spoke about the financing structure for the city and other related debt to the project. The city will engage in bond funding to help with this project. This debt will be paid back with taxes, assessments, and user fees. Kurtz has been exploring ways to help minimize the fees and lessen the impact. There will be a proposed property tax increase for the street and sidewalk portion of the project. Capital improvement fee increases will help fund the water and sewer portions of the project. Kurtz referred to the handout supplied before the meeting started to help understand the additional cost to owners. If owners who are assessed chose to apply the assessment to their taxes, it will be spread over a 15-year payment plan. There is the option to pay the whole assessment upfront. The estimates given are hoped to be the worst-case scenarios.

Jeff Kuhn opened the meeting up to questions from the audience once the explanations were given. Marilyn Hannasch who owns homes on 3<sup>rd</sup> Street and Maple Street asked Kuhn to restate what the assessed expenses are going to be and clarify some of the numbers on the handouts. \$5,500 was used as an example of an owner's assessment. This could be paid all upfront or added to property taxes and paid at \$518 per year for 15 years. Everyone with a utility bill from the city will pay the increase capital improvement fees. Currently those fees are \$21.00 and will be raised to \$93.72. Side lots are only assessed if owner lot is a corner lot. 2012 owners previously assessed for that project will not see another assessment for this project but will see the capital improvement fee increases and property tax increase.

Liz Storlien, on 6<sup>th</sup> Street, asked if the utility bill will stay the same when phase two of the project starts. Kuhn stated that with debt coming off due to payment and possibly grants that funders have said may be available that will help with phase two, he hopes to not have an increase.

Lee Gunderson, owns two homes in phase one, questioned the water, sewer and storm sewer capital improvements fee increases. Kuhn stated that a rate study had not been conducted yet. He reiterated that they have looked at all the financial sides of this impact and stated these are not small fee increases and not small numbers.

Colleen Nelson, 179 Maple Street, asked if Kuhn knew what division of phase one will be started on first. Kuhn stated it would be the lower right quadrant Linden and south and 1<sup>st</sup> to 6<sup>th</sup> Street viewing on the map.

Steven Farmen asked who determined the safe routes to school and how those routes were chosen. Kuhn stated that the city previously had a committee work with the school to determine the sidewalk routes and Linden was chosen because it also goes to the swimming pool park. Farmen wants the criteria list. Kuhn stated that Schuelke-Sampson could get that for him. Kuhn also stated that the sidewalks will all be ADA compliant. These sidewalks will be maintained by city staff for snow removal and maintenance. There is a 0 cost to residents in the city for the safe routes to school sidewalks. Sidewalks will be placed on the north side of the streets. Farmen, who owns a scrub lot at 418 Linden, asked for clarification on the assessment charge for his lot. Kuhn stated that it would be \$50.00 per foot front yard and \$25.00 per foot side yard. Powers said the lot is small and a better estimate for Farmen would be \$3,800.

Marilyn Hannasch asked about street assessment for phase two. Kuhn responded with no more street assessments for owners in phase one. Owners are only assessed when the work in front of their homes is being done. There will not be an additional assessment for street when phase two starts for phase one owners.

Evan Robertson recently purchased a corner lot home. He stated he doesn't use the street more than anyone else, yet he has to pay for a side lot too. Kuhn said the street assessments is done by what is most fair and equitable on a per lot basis. He is following the same way that the city has assessed in previous years. This method continues to treat everyone the same. Kuhn said that unless the city chooses to change the way this project will be assessed it will continue to follow the previous. It is not uncommon for a corner lot home to pay more when it comes to assessing projects.

Councilman Prestholdt and Councilman Fish both stated that they had been previously assessed for projects and live on big corner lots.

Morrie Schacherer, 2<sup>nd</sup> Street on corner of Elm and Linden, stated that block had been done a few years ago and he paid an assessment on the street at that time. He questioned if it needed to be done and would he have to pay a second time. He stated at that time the curb and gutter was done. Kuhn said the water main needs to be replaced so unfortunately the street will need to be replaced again. Kuhn said he would investigate the previous assessment for this and decide if that assessment applies here or not.

Lee Gunderson said lots have been purchased by neighboring homes and the owners have removed the structure. He is wondering if the additional lot is billable or not to the owner and feels it should be assessed the same way. Kuhn replied yes, it is billable.

Liz Storlien, 6<sup>th</sup> Street, said there are two alleys to access her home on 6<sup>th</sup> Street. She asked if there was to be anything done in alleys and said 6<sup>th</sup> Street was already done. Kuhn said 6<sup>th</sup> Street is a county road and any infrastructure project was to be done by the county. There wouldn't be an assessment for her, however she would see the increase in her utility bill and taxes to help pay for improvements.

Morrie Schacherer, who owns a business on North Park Street, said the water and sewer lines are in the lots not on the street and questioned whether the assessment would be the same. Kuhn responded by saying the location is a bituminous reclaim where they will grind up the tar and repave the street.

Lee Gunderson pointed out the shoddy, poor workmanship on 12<sup>th</sup> Street and Pine, Lincoln Street has torn up tar, 8<sup>th</sup> Street, south of Maple, is a street to nowhere and so is Elm Street, west of 7<sup>th</sup>. He was also going to inquire why 2<sup>nd</sup> Street needs to be done again. Kuhn stated Pine had a settlement in the sanitary sewer mains because of shift in the clay. The contractor thought they did the work correctly, unfortunately a large settlement occurred. He appreciated Gunderson's comments. In retrospect, Lincoln should not have had residential grade tar given it was a truck route. For this project, all residential streets will have a layer of sand under gravel to help draw down the water and absorb the traffic loads for weighted loads to maintain the stable base for the streets. This practice is gaining popularity in heavy clay soils with high water table that is above optimum moisture level. 8<sup>th</sup> Street will not probably be extended any further past just the sidewalks. Elm Street, off 7<sup>th</sup> Street, will be more a patch back and not a road extended into AGP property. Gunderson stated that these will all help save funds for the project.

Gunderson next asked about drive over curb verses conventional curb. He feels that if a machine can keep going and doesn't have to stop and hand dig that project should be less expensive. Kuhn addressed a surmountable curb verses a gutter curb. Stating the cost per square foot is almost identical, within 1%, even though there is less material. Drive over curbs have a more significant crossing when coming in and out of driveways. Barrier style curbs knock off the back and blend it in the existing driveway making it virtually identical. Kuhn said his opinion was if a new development were to happen, that area could look at doing the new style curbing but feels that with the city already using barrier style curb and gutters, it should continue that way. He ultimately said it is up to community leaders. Kuhn pointed out that snow removal would be more difficult not knowing exactly where the curbs are with surmountable curbs.

Steven Farmen, 418 Linden, questions why suddenly there is a need to have curb and gutter throughout the city. Suggesting it would be easier to rake and seed grass. Kuhn said the city leaders made a choice to start with curb and gutter on all streets and that is what is being followed for the most part.

Marilyn Hannasch stated her driveway has a dip and the street is lower than her driveway. Kuhn said when curbing, the back will be knocked off making it blend into her existing driveway.

City Council Minutes

July 21, 2020

Page 5

Councilman Prestholdt stated certain grants were only available to the city if it were 95% curbed. Kuhn said he hadn't heard that and didn't agree or disagree. Schuelke-Sampson said when the city inquired about TAP funding through the Upper Minnesota Valley Regional Development Commission, they were told this.

Councilman Olson stated that the city has chosen curb and gutter because the water flows to the drains better and saves streets. Kuhn then stated that with no defined ditches the street edges get very soft because water stays in the grass and tracks back to the streets breaking down the asphalt and putting it into the storm sewer with the water.

Colleen Nelson, Maple Street, inquired whether the road would be widened. Kuhn stated yes Maple Street and all streets would be widened where necessary.

Lee Gunderson asked about junk sidewalks and if they were going to be removed and replaced. Kuhn said they would be crossing sidewalks with utilities and will be removing sidewalks. He would speak with the council about total sidewalk removal.

Dean Petersen, Hickory Street, asked when citizens will find out about phase two. Kuhn said it is the city's intent to move forward with phase two and will find out at that time. There will continue to be added maintenance on phase two streets until phase two can begin.

Brad Benson, Pine Street, asked how many years the new capital improvement fees will be on utility bills for. Kuhn said the increase will be going forward indefinitely and it will be implemented citywide.

Hearing nothing else, Mayor Tensen closed the public hear at 6:43 p.m. and opened the regular council meeting. Kuhn said the bid opening will be done electronically on August 11<sup>th</sup> for phase one. If the bids come in too high, the city can reject bids and chose not to move forward. There will be another opportunity for citizens to attend a special meeting after the bids are open. On motion by Councilman Fish to move the phase one project on street and utility improvements forward with a second from Councilman Olson. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent and Councilwoman Frahm. Motion passed.

Motion by Councilman Fish to adjourn the meeting with a second by Councilman S. Tufto. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent and Councilwoman Frahm. Motion passed.

Meeting adjourned at 6:45 p.m.

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City Manager

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Mayor