

**SPECIAL PUBLIC UTILITIES COMMISSION
JOINT MEETING WITH THE SILVER BAY CITY COUNCIL
AND PUBLIC WORKS**

3:30 P.M.

Monday, July 29, 2024

Present: Ben Bautch
Sylvia LeBlanc
Ron Bautch
Jim FitzGerald

Wade LeBlanc, Mayor
Dustin Goutermont, City Council
Richard DeRosier, City Council
Shane Hoff, City Council
Sylvia LeBlanc, PUC Board Member
Ron Bautch, PUC Board Member
Lana Fralich, City Administrator
Corey Cook, Street Superintendent
Mike Miller, Utilities Superintendent
Joe Rhein, City Engineer, Bolton & Menk
Josh Stier, Bolton & Menk
Derek Benoy, Bolton & Menk
Barbara Bautch
June Talus
Donny Thompson

Bautch called the meeting to order at 3:30 p.m.

The purpose of the meeting is to review and begin discussion of the City-Wide Road and Utility Improvement Project, jointly with Bolton & Menk, the Public Utilities Commission, and the Public Works Commission.

City Administrator Fralich presented information that was shared with the legislature for the 2024 bond cycle and to the public in October 2023. The city requested \$6,343,000, which the City was awarded \$6,000,000 for phase 1. A review of the financing included a required 1:1 match from the city, which makes a total project budget of \$12M for phase one. The \$12M would be made up of 20% from special assessments, 30% from the city through increased levy, new stormwater fee, and likely increase of the water/sewer rates.

City Engineer Rhein, Bolton & Menk, added review of the life cycle of streets, extending the life cycle, the current street conditions, culverts, catch basins, and underground lines. There was of costs in 2017 being \$43.1M with no funding available and due to inflation, the costs in 2023 were estimated at \$58M. Rhein reiterated the information previously presented, relating to the 20% assessment on the properties, estimated by David Drown at approximately \$8000 for each homeowner. There was discussion on the 30% portion by the City that could be made up from increasing the 3% franchise fees that is placed on MN Power and MN Energy residents, increasing the levy, adding a new storm water fees of approximately \$18/month, and possible increase in water rates.

There was discussion the approximately 14 miles of existing streets and that typically 1.5 miles of roadway can be completed in a year. Phase 1 would hope to accomplish 3 miles of streets.

There was discussion relating to the portion of wastewater being treated, that should not be, due to broken lines, average gallons of storm water runoff being treated, and that utility lines need to be replaced during the street improvements.

Joe Rhein, City Engineer provided information regarding what steps will be needed prior to the first phase in 2026 which include identifying the subject area, collecting data, televising all lines, and determining the costs and feasibility. Once Council approves costs, bidding for project can start and be awarded by Council. Generally, a project like this starts with the worst streets but considering all Silver Bay streets were built relatively at the same time and are all in need of repair, it is suggested starting on the lower end of the town due to utilities needing to be updated before the upper end of the community.

Discussion and review followed regarding how assessments would be assessed, reviewing typical single-family homes, lot sizes, vacant lots, how commercial lots could be addressed, and that the goal was to keep it fair as possible. There was further discussion on assessments can be placed on tax-exempt properties to pay in the share of the costs, that assessments would be assessed on County/CSAH projects, public hearing requirements, the process the public can do to challenge their assessment, and that eligible seniors could request a hardship to delay payment. There was further discussion regarding how businesses and non-residential lots would be assessed.

Discussion followed on areas where costs could potentially be saved, such as changing to only have sidewalks on one side of the street, materials used in construction, and the costs to maintain streets and roadways in the future. It was recommended the preliminary engineering for the first phase, based on Bolton & Menk's map, include the areas of Group A- Adams and Arthur Circle; Group B- City Hall parking lot, Shop Hill Road, and Bell Circle; and Group C- Burk Drive, Carter Ln, and Charles Circle. There was discussion on scheduling, costs to construct all the areas may be prohibitive but preliminary review could be completed, working with the County to add funds for County Road along Banks/Adam, Horn Blvd has already been completed and will not be assessed until their road would be done in the future, and timing to get Assessment Policy completed so homeowners on the 2026 CSAH project could begin to be assessed.

Motion by PUC member FitzGerald, second S. LeBlanc to recommend Bolton & Menk to submit a proposal to the City Council to begin surveying, designing and planning improvements for Group A, B, & C. MOTION CARRIED.

Motion by Public Works member Goutermont, second T. LeBlanc to recommend Bolton & Menk to submit a proposal to the City Council begin surveying, designing, and planning improvements for Group A, B, & C to Council and move forward with plans to review sidewalk replacement to one side of the street in areas that make sense. MOTION CARRIED.

Consensus of all boards regarding the Special Assessment policy is for Bolton & Menk to prepare a draft that is fair and simple as possible and present to PUC and Public Works Commission for review.

Motion by R. Bautch, second S. LeBlanc to adjourn at 4:57 p.m. MOTION CARRIED.

Minutes taken by Lisa Chrisenson