

**Minutes from the Harris Town Board
Road Work Session with Itasca County and Grand Rapids City engineers
Wednesday, December 3, 2014
4:00pm - Grand Rapids City Hall**

A road work session of the Harris Town Board was held on Wednesday, December 3, 2014 at the Grand Rapids City Hall, beginning at 4:00pm.

The purpose of this work session was to meet with the Itasca County and Grand Rapids City engineers to discuss best practices for developing a 5-year road plan, and to discuss the potential process of bonding for road repairs.

In attendance were Supervisors Rosato, Key, Kortekaas, Kelley, and Ives, as well as Clerk Smith. *Absent: Treasurer Adams.* Also in attendance was Glen Hodgson – SEH road engineer for the township, Karin Grandia from Itasca County, and Julie Kennedy, Tom Pagel, and Barb Baird from the City of Grand Rapids. (There were no residents in attendance.)

The work session was called to order at 4:00pm by Chairman Rosato, who recapped the purpose of tonight’s work session with regards to a 5-year road plan, and best practices for bonding. Hodgson added that the board is trying to plan for some large road improvements, and determine how to best pay for those improvements. Hodgson shared copies of the road evaluation spreadsheet was shared with those in attendance.

5 year road planning:

- Karin Grandia – Itasca County: 5-year Road Planning
 - On a yearly basis in the spring, a person for county inspects all the county roads and rates them from 1-100. They are then prioritized based on road condition, traffic volume and location (roads in like areas are kept together, for economic reasons). MNDOT also evaluates all the county roads every 5 years with photos and videos of the roads (from 2 views).
 - The county has *not* bonded for road projects; they get money from the local levy, and from the state for “2 digit” state-aid roads. They also get some federal funding, but that amount is being cut significantly in the next year or two.
 - The amount of money the county needs on a yearly basis was shared in a copy of the county’s 5-year road plan, on page 8: Approximately \$15,500 per mile per year is needed for paved road maintenance.
 - The county has 550 miles of roads
 - They do not have a crack fill plan, but are starting to use it.
 - Restriping is done every 2 years; half the county roads are done each year.
 - The County does not have a plan for gravel roads, but they are included on page 9 of their 5-year plan.

- Julie Kennedy & Tom Pagel – City of Grand Rapids: 5-year Road Planning
 - Road planning by the city is driven by economic and new development
 - They do *not* do a condition/numeric value of their roads any more as there is not enough time or resources. And, because they did find a lot of value in the rating system for their purposes, the city changed to making main collector roads their top priority.
 - The city has 93 miles of roads.
 - Capital improvement of roads is what the city’s 5-year road plan is for – maintenance is not included.
 - The city does not seal coat as a general rule, due to the financial issues; they find it hard to justify the value to residents, who are assessed for these types of improvements.

Financing road projects (bonding/assessing vs. levy):

- Assessments:

Pagel did not recommend assessing for road improvements if possible – which Harris Township could do, as they have Urban Powers. Pagel noted that the administration needed to monitor and process assessments

is a full time job for the city, and he felt the township would need to hire someone to do this, should they assess for road improvements.

- **Bonding:**

The city has bonded for road improvements, and like that this spreads the cost over 15 years. This way, it's spread amongst those who live in the township over 15 years. If levied all in one year, only the current residents pay for the improvements and those who move into the township do not share in that expense. Also, there may be savings when bidding on a large scale project.

If the township decides to bond, Pagel and Baird recommended making it worthwhile by bonding for enough funds to get all necessary projects done; you don't want to have to bond for an additional \$275,000 due to the administrative duties involved. It cost the city apx \$40-50,000 to bond – which can be inbuilt into the bond amount.

The Minnesota state statute 4.75 for municipal bonding includes "Towns", so the township do have the legal ability to bond. Things that are needed to bond are:

- A 5-year capital improvement road plan
- A public hearing on the 5 year road plan: The effect of bonds vs. levy is good information to share with residents at this hearing. Also, asking them what quality level of roads do they want, and sharing the costs related to that level, is important.
- The town board does *not* need to put the question of bonding on a ballot; they can just vote to move forward with bonding. However, the public has 30 days to petition to have a special election on the issue – and only 5% of those who voted in the last township election are required for the petition to be valid. It was clarified that the board can vote to put the question on the ballot from the start, without a petition, before deciding whether to bond.

The city currently has a 2.9% interest rate on their bonds; this is down from 4.5% over 10 years ago. However, the township's interest rates could be different. Bond rating is determined by a Financial Advisor, who looks at the risk of default. The township is 90% residential vs. the city which has a large commercial base with diverse industries.

Barb Baird recommended that the township contact Martha Ingram from Kennedy & Graven law firm, as she is a bond counselor. Her contact information was given to Clerk Smith. She is located in the twin cities.

With regards to putting the question on the annual township ballot, Clerk Smith noted that the cut off for ballot design is likely the middle to end of February. She will verify the exact date with her elections contact at the county, regarding the upcoming March 10th, 2015 township elections.

Next steps:

Clerk Smith was asked to get a hold of Martha from Kennedy & Gravel to request her assistance, and potentially attend a township meeting or work session via conference call. However, another road work session prior to such a conference call was also suggested.

The work session ended at approximately 5:42pm.

Respectfully submitted,

Michele Smith – Harris Township Clerk