

**Minutes from the Harris Town Board
Road Work Session
Monday, July 6th, 2015**

A work session of the Harris Town Board was held on Monday, July 6, 2015 at Harris Town Hall, 21998 Airport Road Grand Rapids, MN, and began at 7:30 p.m.

The purpose of this work session was to discuss the improvement of Sunny Beach Road and various options for funding those repairs– including the option to issue bonds. This work session was open to the public, but was not televised nor recorded by ICTV.

In attendance were Supervisors Rosato, Haubrich, Kortekaas, Kelley, and Ives, as well as Clerk Smith and Treasurer Adams. Also in attendance was Glen Hodgson – SEH Road Engineer for the township, and residents Marge Kelley, Judy Myers, Ron Myers, and Ed & Sue Casper.

1. **Pledge to the flag**, followed by the reading of the Harris Township mission statement
2. **Sunny Beach Road Project Discussion**

Chairman Rosato called the meeting to order and commented that the board requested this special meeting be held to discuss the Sunny Beach Road improvement project, including review of the SEH preliminary work study results and recommendations, project timing, and project budget and funding options. Repairing the road in segments versus all at one time would be considered, noting that the middle section of Sunny Beach Road was by far the worst section of road.

Recap by Glen Hodgson, SEH road engineer:

- The preliminary cost as estimated by SEH for the entire road as one project was 2.2 million (some quantities were later revised – making this original figure low). This estimate did not include raising the road near Sutherlands, but did include the culverts near Woodtick and the first corner.
- If Sunny Beach Road was repaired in segments (3 phases), the cost estimate per SEH would be 2.5 million (estimated included proper quantities). The breakdown was as follows:
 - Section 1: Harris Town Road to Adair Road: \$1.1 million (3.0 miles of road).
This would be an overlay, subgrade work, raising the roadbed 1.5 feet by Sutherlands', and all work at Woodtick landing.
 - Section 2: Adair Road to Wendigo Park Road: \$730,000 (1.1 miles of road).
This would be a reclaim. This is *the* worst part of the road.
 - Section 3. Wendigo Park Road to Wendigo Road: \$720,000 (1.3 miles of road).
This would be a reclaim
- The cost to change from one phase to three phases would be an additional cost of apx \$120,000 per Hodgson, plus \$50,000 for raising the road bed near Sutherlands, which was requested by the board as water was known to have gone over the road in this location – at least two times, per Supervisor Ives.

Comments and discussion by the board:

- Supervisor Haubrich: Given the Blandin land issue that is currently going on, Itasca County will need to make up the lost taxes due to the reduced value of the land. This will likely mean that all county taxpayers will see an increase in taxes to make up the loss, including Harris Township. Therefore, Haubrich was concerned that township residents may not appreciate an increase in their *township* taxes as well, for the cost of the road repair.

Haubrich also asked about the SEH engineering costs, and if they were negotiable. Hodgson replied that they will likely not be 20% as proposed, especially with some of the cost being spent now in 2015, doing the pavement cores and road studies.

- The board asked Treasurer Adams about the road budget for 2016. With the carryover from this year's budget, how much money will there be in 2016 for major road work? Adams responded:

Road Fund:

- In 2015, there was \$260,000 budgeted, but the Underwood Road project will cost apx \$160,000 so there should be \$100,000 left to carryover to 2016
- The adopted budget for major road construction in 2016 is \$300,000
- So, in the road budget line item, there will be \$400,000 for major road construction in 2016

Capital Improvement Road Fund:

- At the end of 2014, there was a balance of \$242,450 in the fund dedicated to roads.
- \$110,000 was levied for roads in 2015.
- Another \$110,000 was levied in 2016.
- By the end of 2016, there will be \$462,450 in the capital improvement *road* fund.

Total estimated budget available for major road work in 2016

- \$400,000 Road fund
- \$462,450 Capital Improvement Road Fund
- TOTAL: \$862,450 by end of 2016

Raise levy, take out a loan, or bond?

A concern of some board members was that if the township bonded, the majority of the road budget would be needed to pay back the bond – and thus reduce the amount of money available to maintain all roads. Then more bonds would be needed to repair roads – which could create a vicious cycle. However, not all members agreed, indicating that perhaps only a portion of the levy would be needed to pay back the bond, and over half would be left to maintain roads. Or that perhaps the road levy could be increased a bit, to meet the bond pay back amount.

Adams responded that the County can provide what the impact of raising the levy by “X” amount would be – based on a variety of resident's property values. So, for example, if the board raised the levy by 100,000, Deb Davis in the Auditor's office could provide the impact of that increase on various property values such as \$100,000, \$150,000, \$200,000 etc..

Treasurer Adams agreed to pull together some numbers for the board to review. However, she would need to know a dollar amount that the board was thinking of financing. After some discussion, Hodgson suggested that perhaps the board should consider an amount that would pay for Sunny Beach Road, plus Birch/Isleview - and roads on his preliminary 5 year road plan that he felt should be repaired in the next 5 years (there are fifteen of them). He could review the list and give updated figures to Adams, who could then look into financing that amount of money. She could then bring back options to board, in a variety of ways, for review. The board was in agreement that there would be a savings to do all the bad roads at once as there are many costs currently at a record low (such as oil).

Adams will also contact Barb Baird at the City of Grand Rapids to ask about the city's experiences with bonding and any recommendations they might have. Adams will also contact the Minnesota Association of Townships to ask if they know of other townships that have bonded. And, she will contact a few banks in town to see what they could offer as well as a bonding company, for a preliminary conversation about bonding by a township including a rough idea of how much their services will cost. And, would they be willing to come to a meeting to talk to the board about bonding.

Adams will ask about common time frames for bonding (ten or fifteen years?) and how long it takes to get the money, when bonding.

The board liked the idea of having a bonding expert come and do a work session with the board, and explain the cost involved and the pros/cons of bonding. A face to face meeting was preferred to a conference call. Treasurer Adams agreed.

Next steps:

Treasurer Adams will get some preliminary information and bring what she can to Wednesday's July 8th Regular meeting.

Glen Hodgson commented that for planning purposes, he would like the green light of what roads will be done in 2016 by Sept 1st, 2015 if possible. He will also get an updated 5 year road plan from Karen Grandia with Itasca County, to research if any will be near roads in his 5 year plan.

Given the amount of work that will be done by the treasurer with regards to bonding, above and beyond her regular monthly duties, a motion was made by Supervisor Kortekaas, seconded by Supervisor Kelley, to approve that the treasurer charge the allocated hourly rate for any work she does related to the bonding project. The motion passed by a unanimous vote.

3. Adjourn

A motion to adjourn was made by Burl Ives at 8:56pm. Upon a second by Supervisor Haubrich, the meeting adjourned.

Respectfully submitted,

Michele Smith, Harris Township Clerk