

WATERVILLE CITY COUNCIL
WORK SESSION/SPECIAL COUNCIL MEETING
April 26, 2016, 6:00 P.M.

There was a work session/special meeting of the Waterville City Council held in Council Chambers at 6:00 p.m. on April 26, 2016 to discuss street improvements.

Present: Vail, Schmidtke, McIntyre, Wollin and Mayor Mihalik

Absent:

Also Present: Administrator/Clerk Teresa Hill and Clinton Peach

Also Absent: None

1. Call to Order. Mayor Mihalik called the meeting to order at 6:00 p.m., noting that all Council members were present. Also present were Teresa Hill, Administrator/Clerk and Clinton Peach. Pledge of Allegiance was recited.

2. Approval of Agenda. Motion by Mihalik, seconded by Schmidtke to approve the agenda. Unanimous vote. Motion carried.

3. 2016 Street Projects. Discussion regarding the 2016 Budget and Reed Street Reserves: General fund seal coating was budgeted for \$35,000, general fund improvements was \$86,000 and capital fund improvements (Reed Street Money Available) \$133,435.89 leaving us with a total of \$219,435.89. Mayor Mihalik said that it is his understanding that out of the capital improvement there may be another \$14,000 available. Ms. Hill said she did a cash analysis and what is out there for designation is about \$14,000. These are the funds that would be available. The quotes came in for seal coating at \$38,474.40, the crack fill streets was \$6,433.20, and Dust coating was \$4,500 which is a total of \$49,407.60. Mayor Mihalik asked if there are any streets that we would want to exclude from the quotes or does Council want to accept them as they are. Ms. Hill said the dust coating has not been quoted out that figure was for 2015. Mr. Peach said on the crack fill and seal coat there was one change that he made. He withdrew Mallory Street. In the 2017 street projects it is slated for Marian and River which makes the loop and he thought it would make sense to do it all as a complete loop next year. Mallory Street is in good shape and was crack filled a few years ago. Hileman Tetonka View Drive and Tetonka Circle are included in the crack fill quotes. Mr. Peach provided Council with a map of the areas that will be seal coated and crack filled this year. The cost to seal coat and crack fill the Reed Street trail is a total of \$2,902.80. Mr. Peach said this is the walking trail on Reed Street. It has been five or six years since it has been seal coated and it does need a seal coating again. In the future approximately five years we will probably have to address the surface of the trail. The reconstruct estimate for the 1 block of Paquin from 1st to 2nd Street, the cost estimate for 2014 was \$129,448.75. We would need to do a feasibility study to move forward on the project. Discussion regarding the Paquin Street reconstruct. Ms. Hill said the assessment portion of the project will need to be looked at to see if it will stand up or not. The City may absorb more costs. Discussion regarding the possible assessment. Mayor Mihalik asked if the City's portion of that after assessments, would that come out of the reserves or is that something we can do bonding for. Ms. Hill said you can bond for the entire project however you have to be able to assess a certain percentage otherwise you cannot bond for it. The minimum that will be the City's portion is \$64,724.36. Discussion regarding parcels that would be assessable. Mr. Peach addressed the price of asphalt at this time. There is one block of reconstruct of Blowers Addition at an estimate of \$125,835.12. Mr. Peach provided Council with another option regarding the one block of Blowers Addition. Mr. Peach said that two options were presented, option was one was simply to patch some spots and option two was to patch and overlay the entire section of

Blowers Street from the corner of Addition out to the Highway. Discussion regarding the Blowers Street options. Mayor Mihalik said as we get into the Mill, Overlay and Patch just so that we understand what type of funds we are working with, if we take the original \$233,435.89 available, it is his opinion based on this discussion the seal coating and crack filling which came in at \$49,407.60 is something that we should do. It is also his understanding that the trail for \$2,902.80 is something that we should do and it is also his understanding that the \$65,000 for the reconstruct of Paquin is something we need to consider as well. That would then leave us with a balance of \$116,405 to work with for the 2016 street bids, the Virginia Street Bid and the Blowers Street quote. Mr. Wollin said if we did everything we would be short \$154,000. Discussion regarding Blowers Street and Paquin Street needing to be done. Mayor Mihalik said after Blowers and Paquin Street it would leave us with \$101,605 and we have two line items yet to discuss and that is the 2016 Street Bids which came in at \$163,333.57 and the Virginia Street Bid (the Lagoon Road) which came in at \$92,918.10. Mayor Mihalik said he would like to address Virginia Street because it is just one street he would like to discuss that first and then talk about the street bids and figure out what mix we can do at the end. Mayor Mihalik said if we were to do the Virginia Street this would be the end of that project. It has been an ongoing project for a while. The residents from that area were at a meeting or so ago and spoke very nicely about the road condition and how well that has held up. Mayor Mihalik said that dirt road goes to one of our City parks and a lot of people do turn around and that is one of our resources that we have that does not have a paved access. Also there is some undeveloped property out there as well that if we had better access that would help develop the City and potential expansion of the City as well. There is a lot of valid argument to have that road paved. Discussion regarding Virginia Street, and why Council should or should not do that street. Mr. Wollin said he is in favor of doing the road for future growth and safety concerns. Mr. Schmidtke said that we need to take care of the streets that need it now. He would like to wait and do Virginia Street until we do our budget to see where we are with the budget. Do the streets that need it in town now. If we don't get some of these streets paved now they will be like Paquin where they will have to be reconstructed and it is going to cost the taxpayers double again. Discussion regarding a way to come up with the funds for Virginia Street. Ms. Vail questioned the funds that we had put away for Reed Street South. Ms. Hill said it is approximately \$24,000 a year. Discussion regarding how many blocks on Reed Street South the City would have to pick up for the repairs. On Virginia Street there is only one possible parcel of property that could be assessed. The majority of it is City property. Mr. McIntyre said that the residents have been putting up with the road for 20 years and if we are not going to do it in 2016 it has to be done in 2017. Ms. Vail questioned Mr. Peach if there are any streets that can be pushed off with the mill and overlay. The priority streets for this year are Blowers, Rogers, 4th Street and Harmon are the priority streets. We also added two blocks of South Buchannon and the turnaround at the end of North 1st Street and one block of Lake Street from 1st to Reed. Discussion on what roads that could possibly be taken off the list. Mr. Peach said that on Virginia Street there is one spot that started to alligator right before the blacktop starts. He let Mr. Femrite know about that. Discussion held regarding the area that should be fixed prior to any asphalt being put on it. Mr. Schmidtke said not to table the Virginia Street totally, maybe when we do our budget something will happen that we can still do it this year possibly. Discussion regarding delaying the project and the possibility of the price being higher at a later time. Ms. Hill said she has not done a budget line item analyze. She usually does that closer to June to see if any money can be freed up and moved around. Ms. Hill said Council just received the audit and the general fund balance was \$1,189,784, she subtracted out the designation for cash flow which was 50% of this year's expenditures and that leaves \$531,000 fund balance. That is projecting 2015 into 2016. Discussion regarding re-bidding Virginia Street. Mayor Mihalik suggested that any unspent monies from the City budget this year would go to repay

back the general fund if we were to use general fund money for this. Any unspent monies would not carry over to next year they would go to repay back the general fund. Ms. Hill said if you are looking at your reserves, she would like to more of a formal resolution as you are saying but to say our cash flow balance is “x” and we will not allow that cash flow balance to be below “x” and if this should happen then we are going to levy an additional \$10,000, \$20,000 or \$30,000 over the next three years to repay what you are taking out for this year. Address how you would repay that in a formal resolution. It is more of a binding thing that it would try to replace that amount. There is \$1,089,784 in the 2015 reserve. The cash flow designation is \$657,982. Revenues and expenditures for 2016 as presented is a wash. Ms. Hill said that the Council will have to decide what their comfort zone is, you are going to have your cash flow all the time so of that five hundred and some thousand dollars what does Council think of for incidentals that come up above and beyond the budget. Such as if something major happens. If you overspend your budget where is the money going to come from. Where is your extra money that you have? The \$600,000 that she talked about earlier is just to pay the bills. Discussion regarding the Mill and Overlay streets. Mayor Mihalik said if we take the \$116,405 and subtract out the \$60,702.40 and \$115,197.60 and the \$38,836.62 that leaves us with \$1,670 left so the question comes into play for Virginia Street we are \$90,000 short. Is Council willing to take that out of reserves and pass a resolution to replenish reserves every year for the next four years \$15,000 until we get that \$90,000 back in there? Discussion on the expense of the repairs on Virginia Street. Mr. Schmidtke asked if the contractor can extend the same bid for 60 days. Ms. Hill said that is a legal question and she is not sure. The decision has to be done tonight on the bid because the 61 days would not meet the next Council meeting. Discussion regarding the legalities of whether the contractor could extend the bid. Discussion regarding what repairs would have to be done to a portion of Virginia Street. Mayor Mihalik said that he would like to look at the agenda, items 3, 4, and 5. Item 3 is the 2016 street projects. Right now we identified with the \$116,000 that we have available. That is only enough to do section A, B, and C of the abstract and that is Blowers Street, Rogers, North 4th Street and West Harmon. Mayor Mihalik said what he thinks might make sense at this point is looking at the 2016 street bids is making a motion on what we already have agreed on and let’s leave Virginia Street as the last vote because it is a separate item on the agenda. Ms. Vail said that she would like to discuss Virginia Street some more. Discussion regarding the area that needs to be fixed prior to blacktopping. Mr. Schmidtke said the specifications of the bids went off the state bidding code, all the bids were off of C oil, and the C oil is used where there is high traffic areas. This should have been bid with B oil, next time we should bid with B oil because it is less expensive. Discussion regarding the B oil or C oil. Motion by Mihalik, seconded by Schmidtke approving the seal coating, crack filling and dust coating for \$49,407.60 as well as the seal coat and crack fill on the Reed Street trail for \$2,902.80. Unanimous vote. Motion carried.

4. Blowers Street Quote. Motion by McIntyre, seconded by Wollin to approve the Blowers Street quote for \$14,800. Unanimous vote. Motion carried.

5. Resolution 2016R-006 Awarding 2016 Street Project Bid. Motion by Wollin, seconded by McIntyre to award the 2016 street project bid sections A Blowers Street and Rogers Road for \$60,702.40, North 4th Street for \$15, 197.60, and West Harmon Street for \$38,836.62 to M & W Blacktopping, LLC. Unanimous vote. Motion carried.

6. Resolution 2016R-007 Awarding Virginia Street Bid. Mayor Mihalik said we have \$1,670 left to work with. The discussion then is: Is this a project that we can or will do this year and use general reserves or; Is this a project that Council would like to have Jason Femrite to take a look at first and possibly go out to quote again this year or put off until next year after the

road is repaired. Discussion held by Council on what to do regarding the Virginia Street bid for the time limit, the area that needs to be repaired, and an extension on the award of the bid. Motion by Schmidtke, seconded by Wollin that we have the City Attorney check the legality of extending the bid and checking with the contractor if they would approve the extension of the bid for up to 60 days depending on what the contractor would approve. If the contractor does not agree or it is not legal to approve then we would by default reject the bid. Voting for: Schmidtke, Vail, and Wollin; Voting against: McIntyre, Mihalik. Motion carried.

7. Ordering the preparation of Feasibility Study for Paquin Street between 1st and 2nd Street. Motion by Vail, seconded by McIntyre to order the preparation of the feasibility study for Paquin Street between 1st and 2nd Street. Unanimous vote. Motion carried

8. Adjourn. Motion by Mihalik, seconded by Schmidtke to adjourn. Unanimous vote. Motion carried. Meeting adjourned 7:15 p.m.

Stephen Mihalik, Mayor

Teresa Hill, Administrator/Clerk