



## CITY OF FREEPORT

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### October 20, 2020 – Meeting Minutes

A special meeting of the Freeport City Council was convened at 7:00 pm at the Freeport Community Center by Mayor Mike Eveslage, and councilmembers Sarah Blake, Ben Ettle, Tim Hennen, and Jake Renneker.

Staff in attendance: Clerk-Treasurer Joan Wall, Public Works Director Loren Goebel, Administrative Assistant Lori Austing, City Engineer Dave Blommel, City Attorney Scott Dymoke.

#### Others in attendance in person:

Alcuin Notch (108 3 <sup>rd</sup> St NW)	Rodney Atkinson (310 8 <sup>th</sup> St SE)
Dr. Deb Proechel & Mike Rohe (103 3 <sup>rd</sup> Ave NE)	Glen Meyer (207 4 <sup>th</sup> Ave NE)
Brian Thielen (112 3 <sup>rd</sup> St NW)	Tom & Mary Kay Blommel (107 4 <sup>th</sup> St NW)
Al Williams (308 2 <sup>nd</sup> Ave NW)	Nick Arnzen (212 2 <sup>nd</sup> Ave NW)
Jim Hemker (334 8 <sup>th</sup> St SE)	Fred Ettel (212 4 <sup>th</sup> Ave NE)
Zach Austing (320 8 <sup>th</sup> St SE)	John Hennen (107 3 <sup>rd</sup> St NW)
Carrie & Loren Goebel (207 3 <sup>rd</sup> Ave SE)	Donald Job (107 2 <sup>nd</sup> St NE)
Sherry Eveslage (106 7 <sup>th</sup> St SE)	Craig Timp (213 2 <sup>nd</sup> Ave NW)
Laura Hoeschen (116 3 <sup>rd</sup> St NW)	Sharon & Gary Thelen (224 9 <sup>th</sup> St SE)
Joe Hennen (118 3 <sup>rd</sup> St NE)	

Several others in attendance virtually.

#### Public Hearing on Improvements

As residents arrived, they were given handouts that showed preliminary assessment amounts. Mayor Eveslage opened the public hearing and introduced City Engineer Dave Blommel. Blommel stated that nothing will be decided tonight for the proposed \$2,718,240 project. He also explained that 7<sup>th</sup> Street SE was not included in the mailed notice, but the notice was mailed to those homes because 7<sup>th</sup> Street SE was included in the project initially. 7<sup>th</sup> Street SE has since been removed from the project, so those property owners will not be assessed at this time. If that would change there would be a separate hearing for that project.

Blommel began his presentation by identifying the proposed areas to be improved: the mill area, the fire hall neighborhood, 3<sup>rd</sup> Avenue NE, and the alleys between Main Street and 2<sup>nd</sup> Street NE and between 2<sup>nd</sup> Street NE and 3<sup>rd</sup> Street NE. He presented maps, pictures, and charts explaining the current conditions of streets, drainage, water distribution system, and sanitary sewer. The existing condition of the sanitary sewer is the big driver of this project. The City's wastewater ponds receive an inordinate amount of clean water (storm water) entering the system. The televising the City had done in 2015 shows cracks, breaks, roots, and other intrusions into the clay pipe, which allows the storm water to enter. There has been a history of

sewer backups into homes north of city hall. There was a blockage in the mill area within the last couple of months. Those types of issues will become more prevalent if we don't do this project.

Proposed improvements:

- Streets in the mill and fire hall neighborhoods will be 32 feet wide with concrete curb and gutter, new bituminous pavement with sand, gravel, drain tile, and storm sewer to improve drainage. The hope is the road will last beyond 20 years. The new storm sewer will include new catch basins, outlet piping, and some ponding to meet USDA standards. Full street reconstruction will occur in the mill and fire hall neighborhoods.
- Cured in place pipe (CIPP) will be used to improve the sewer system in the two alleys and along 3<sup>rd</sup> Avenue NE. CIPP is a non-excavation method of replacing the sewer. A new plastic pipe will be placed inside the old clay pipe without digging up the road. Two reasons for this method: the alleys are extremely tight and some garages are located right along the alley with no setback; and the alley behind the bank, Charlie's and city hall still looks pretty good, so we are avoiding digging that up. The CIPP is a 100-year pipe.
- Water distribution system: replace old cast iron pipes with new modern materials. The mainline pipe will likely be PVC. We will replace the service lines into homes from the main to the edge of the right of way. There will be new curb stops, hydrants, and gate valves.
- Sanitary sewer: replace clay tile with PVC pipe, new concrete manholes to replace the old brick ones. We will replace the service lines into homes from the main to the edge of the right of way. In the areas where CIPP lining is planned, we will bid a portion with open cut as well as CIPP and allow the contractor to choose which one is cheaper. Likely the CIPP will be the cheaper option.

To explain why we are looking at doing this project now, Blommel stated the influence and infiltration (I&I) problems have been going on for over 10 years. The water main is old, undersized, and at risk for breaks. These streets have exceeded their life and we don't want to put new streets over an old water main. Bond rates are at historic lows.

Total project cost is \$2,718,240 after removing 7<sup>th</sup> Street SE and a variety of sources will be used to fund the project. State law requires that we assess a minimum of 20% if we are using bonds to finance the project. Freeport's special assessment policy is to assess 2/3 of the cost to the affected parcels and 1/3 of the cost to the community as a whole. Street and storm sewer assessments are calculated by linear foot. Water and sanitary sewer are assessed based on each utility present regardless of lot size. The City engaged an appraiser to determine what will be the increase in value for these homes from the proposed improvements. A single-family residential home in a reconstruct area should be capped at \$12,000 for an assessment. A single-family residential home in a sewer only area should be capped at \$1,000 for an assessment plus the cost of the service lateral of \$1,746. A multi-family dwelling should be assessed at \$500 per unit for the pipe plus service cost. For commercial parcels, the assessment should be the greater of \$0.50 per square foot or residential cost, whichever is greater.

Assuming construction occurs in 2021, residents could pay the full assessment or a partial payment up front by December 15, 2021. Any amount that isn't paid by then will be added to property taxes and the first payment would be due with the first half taxes in May 2022. The interest rate and payment term are chosen by council. The rate is usually about 1.5% to 2% higher than the bond rate. The payment term is usually 20 years. A \$12,000 assessment at 4% over 20 years will have an annual payment of \$883, or about \$73 per month. State law allows for assessment deferral for persons over age 65 who meet qualifications.

City Council has six months to decide whether or not to make the improvements. Ideally, we could bid this project in March or April 2021, so as soon as road restrictions come off in May they could begin work. The final assessment hearing will occur after construction is completed, before November 15, 2021 so the assessments make it on the tax rolls for 2022. Residents will be invited back for that hearing and will be able to see the final amounts.

Blommel stated he will take questions on technical items, assessment calculations, or how the assessment process works. Comments regarding timing, cost assessed, or the need for improvements should be directed to the council.

Eveslage explained he would bring the microphone to anyone who would like to make a comment or ask a question.

Jim Hemker asked if any of the assessments will be contested. Some of the lots currently don't have water and sewer and in the past assessments like those were successfully contested. Blommel explained this was the reason we did the appraisal up front. There is always a chance an assessment would be contested.

Jim Hemker asked if the cap on assessments caused the City to bear more of the cost. Blommel: yes.

Jim Hemker stated there isn't a lot of bond issues or bidding out there currently. Has the City talked to a bond consultant? Blommel stated it is on the list for a consultant to come in. Hemker asked if the City planned to go with 10, 12, or 15 years? Eveslage stated we don't have a final number yet, but we will be talking to a consultant. Hemker is seeing bonds called at 7 years.

Alcuin Notch stated only the water line goes by his house, not sewer. Blommel: The assessment will only be for what goes through his property. Even if he is only assessed for water, the \$12,000 cap will probably be in effect.

Dan (online) stated he has a home and a lot next to his home. How will I be assessed? Blommel: Every buildable lot with service to it will be assessed. It is an option to combine lots in order to pay only one assessment.

Laura Hoeschen asked, what if I live on a corner lot? Blommel: There is a formula to figure the short side plus half of the long side, and the formula is complex. He is happy to speak to a resident about their lot. In the end, the cap will come into play.

Mike Rohe (103 3<sup>rd</sup> Ave NE) says there is no manhole in front of the house and storm water pools up badly there. Blommel would like to set up individual meetings with property owners with concerns like this so we can address deficiencies if possible. It wasn't planned to reconstruct the road there, but this would be the right time to do that improvement. He encourages others who have concerns to contact him.

Jim Hemker asked, what is the timeline for replacement of the alley behind Charlie's and City Hall? Blommel: The proposed project will replace the sewer remotely and the alley payment will be addressed when the street wears out. Hemker: He doesn't want to see the alley blocked for a long period of time so the bank's drive-up window is blocked. Blommel: There will be a truck over the manhole for a few hours to do the improvement in that alley.

Al Williams asked if we can replace the lining without replacing the old manholes. Blommel: Yes, but it's not advisable, so we will be lining the manholes as well. Williams: Will that help a cave-in problem? Blommel: Yes, it will improve the structure as well as stopping water from coming in.

Rodney Atkinson asked about pipe sizing in the area of the fire hall associated with future development to the north and west. Blommel: Water and sewer will be updated to serve more homes.

Nick Arnzen asked where the storm water in the fire hall area is going. Blommel: Tile will be added that will hook up to rain gutters to get water off the street more quickly. The water will go north, then east, then into Getchell's Creek north of the wastewater ponds.

Al Williams lives on an alley and the sewer runs into a manhole in the alley then down to County Road 11. Are we getting assessed for the new sewer in the street or will we stay on the old sewer line? Blommel: That is a unique area of town where sewers do things they shouldn't. In order to fix some of those things, you would be assessed if we need to touch your sewer system. If we don't need to move anything, you would not be assessed.

Craig Timp asked if the road would be accessible during construction. Blommel: We try to make it passable every evening during the project. During the day, it won't be accessible at all times. It will be a hassle, but we won't be digging in the same spot every day. Timp: What about the water system? Blommel: A temporary water system will be installed. There will be minimal disruptions during installation and de-installation, but the water should be pretty consistent throughout the project. We try to make sure it only happens between 9am and 3pm and you will be notified in advance. Timp: What kind of curbing will go in? Blommel: It has not been determined yet. Barrier curbs cost about \$1 more per foot, but he prefers those. If the City decides to go with the drive-over curbs, he would be fine with that too. Williams: Does the lower curb handle the water as well? Blommel: Both curbs transport the water equally well.

Tim Hennen asked if the service to the resident or business gets lined when the main gets lined. Blommel: The contractor installs the main line liner, then remotely opens everyone's service back up. A second contractor remotely installs a service liner from the main to the home about 10 feet. Hennen: Could the homeowner asked to have their service lined all the way to the house? Blommel: Generally, yes. Usually the contractor will be willing to work with you on that. That would be an additional cost between the homeowner and the contractor, not the City. The City can't do work outside of its right-of-way. If people know they have deficient services beyond the right-of-way to the house, this is a great time to have the contractor do that work in addition.

Craig Timp: Will SAC and WAC be charged? Blommel: No, because you will not be adding a new service. That is a one-time fee at the time of connection.

Jim Hemker asked what the plan is for 7<sup>th</sup> Street SE because it is horrible. Blommel: This is primarily an underground utilities project, so it was decided to leave 7<sup>th</sup> Street SE off. It will need some major repair next spring. Eveslage: We are thinking ahead. Blommel and Loren Goebel identified some problems streets. 8<sup>th</sup> Street SE will likely need resurfacing in about five years, so it makes sense to do 7<sup>th</sup> Street SE at the same time. We could have assessed people on 8<sup>th</sup> Street SE for the 7<sup>th</sup> Street SE street repair.

Jim Hemker asked the council if they have pursued grants for the water and sewer. Blommel: Freeport's high median household income prevents us from qualifying for grants. We tried through USDA, PFA, DEED, and others but don't qualify.

Bob and Bonnie Arnzen (online) said, Thank you for the information. Good job.

Eveslage thanked everyone for coming and joining online. The council wants transparency and wants to make the right choice.

Renneker moved to close the public hearing, seconded by Eittle. Motion carried 5-0.

Al Williams said this was very informative. Good job.

Adjourn

At 8:00 pm Hennen moved to adjourn, seconded by Renneker. Motion carried 5-0.

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Mayor, Mike Eveslage

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City Clerk-Treasurer, Joan Wall