

**PUBLIC WORKS COMMITTEE
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Public Works Committee conducted a regular meeting on Tuesday, October 15, 2019, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Mark Kuzma
 Councilmember Jeff Menth
 Councilmember Chris Riley

Also Present: Public Works Superintendent Grant Riemer
 City Engineer Bruce Westby

1. CALL TO ORDER

Chairperson Kuzma called the regular meeting of the Public Works Committee to order at 5:30 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVE AGENDA

Motion by Councilmember Riley, seconded by Councilmember Menth, to approve the agenda, as presented.

Motion carried. Voting Yes: Chairperson Kuzma, Councilmembers Riley and Menth. Voting No: None.

4. APPROVE MINUTES

4.01: Approve September 17, 2019, Meeting Minutes

Motion by Councilmember Riley, seconded by Councilmember Menth, to approve the following minutes:

Regular Meeting Minutes dated September 17, 2019

Motion carried. Voting Yes: Chairperson Kuzma, Councilmembers Riley and Menth. Voting No: None.

5. COMMITTEE BUSINESS

5.01: Correction Regarding Water Efficiency Grant Program

City Engineer Westby stated that on September 24, 2019, the Ramsey City Council approved submitting an application to the Metropolitan Council by September 30th for a grant up to \$50,000 to help the City conserve water by lowering the cost for residents to purchase and install products that reduce water use including toilets, irrigation sprinklers and controllers, and to perform irrigation system audits. During the City Council meeting, Councilmember Kuzma asked staff if this grant program would be open to all residents, regardless if they were served by City water or a private well. City Engineer Westby responded that the program would be open to all residents. Since such time, staff has learned that only property owners using municipal water would be eligible for the program. During the Council meeting, Councilmember Musgrove asked staff what the City's maximum cost share would be. City Engineer Westby responded that the City's maximum cost share would be \$12,500, which is 25 percent of \$50,000. However, the City's maximum cost share would actually be \$16,666.67, which is 33.3 percent of \$50,000. Staff applied for the grant funding before the end of September as required. However, staff is now seeking input from the Committee as to whether the City Council may have voted differently on September 24th upon knowing that the program is only open to municipal water users and that the maximum share for the City would be \$16,666.67 instead of \$12,500.

City Engineer Westby stated that if the City Council would not support the grant program and would not accept awarded grant funding, staff would prefer to withdraw the City's grant application before the Metropolitan Council reviews and approves the City's application for funding.

Councilmember Riley referenced the maximum cost to the City, noting that the City will still ultimately decide the details of the program and therefore that would not be an issue as the City will be able to determine its maximum contribution when developing the program details.

Chairperson Kuzma stated that his concern would be that residents on septic systems would not be eligible for the program.

Councilmember Riley stated that this grant is from the Metropolitan Council with the intent of reducing City water usage. He noted that the City could create its own grant to mirror the program if desired but noted that the City only has an interest in reducing City water usage because of the demand on public infrastructure.

Chairperson Kuzma agreed that it would be a good thing to reduce water usage.

Councilmember Menth agreed that if the grant can be obtained, the City should continue.

It was the consensus of the Committee that the City should continue with its grant application to the Metropolitan Council for the Water Efficiency Program, and that there is no need for Staff to bring this information back to a regular Council meeting at this time, but instead simply provide an email update to the other members of the City Council, with the understanding that the full Council will need to accept the grant if awarded.

Councilmember Riley asked if the focus of the program would be on items that will provide the most efficiency.

City Engineer Westby provided additional details on the information received from other cities that have previously received grant funds from this program, highlighting some of the items that provide the most water savings. He noted that the program could contain specific information on the type of appliances and equipment that would be eligible and even the brand/cost.

5.02: Staff Update on New Retainage Requirements for City Construction Contracts

City Engineer Westby reviewed language related to retainage from the League of Minnesota Cities website. He noted that all parties to public construction contracts entered into after August 1, 2019 are subject to these new statutory requirements and limitations regarding the withholding and release of retainage, which is the portion of earned contract funds withheld by the owner from the contractor pending completion of the project. The most notable changes to the retainage laws that apply to the City of Ramsey construction projects are:

- The City must release all retainage within 60 days of substantial completion.
- The Prime Contractor must release to its Subcontractors all remaining retainage as the Prime Contractor receives retainage from the City. Once the Prime Contractor has received retainage from the City, the Prime Contractor must pay retainage on undisputed work to its Subcontractors within 10 days. The Prime Contractor does not need to pay retainage on disputer work, but it must pay the undisputed portion and provide its Subcontractor with a written statement detailing the dispute.
- The definition of “substantial completion” essentially remains the same, in other words when the work can be occupied and used for its intended purpose, but a provision was added for highway, street and bridge work to define substantial completion as when construction traffic control and inspections are no longer needed.
- If punch list work remains after substantial completion, the City may continue to withhold up to 250% of the value of the punch list work. The City must provide the Prime Contractor with a written statement of the amount and reason for the withholding, and the Prime Contractor must provide a copy to any affected Subcontractor that requests it.
- The City may withhold the lesser of one percent of the contract, or \$500, until the final project paperwork is provided.
- Withholding for warranty work is not permitted, but neither is any warranty claim waived.

City Engineer Westby stated that the new law does not require payment for work yet to be completed or for which no invoice has been submitted, and the City does not need to pay for those portions of the work funded with federal or state aid until those funds are received. In summary, though the new laws mean that Prime Contractors and their Subcontractors may not have to wait as long for their retainages to be paid, there is an increased risk of the premature release of retainages being held to ensure compliance and completion of work, which may increase risk to the City. Staff is working with the City Attorney to ensure the City’s construction contracts are consistent with and reflect these changes in the law.

Councilmember Riley noted an inconsistency and asked whether the language should be greater or lesser in the fifth bullet point.

City Engineer Westby replied that staff will follow up to ensure that is clarified.

Councilmember Riley stated that it appears that the responsibility will fall to staff to determine the value of the punch list items. He referenced the substantial completion definition for bridge projects and asked for clarification.

City Engineer Westby noted that he will be working with the City Attorney to develop specific language as it applies to substantial completion of various project types for use in contracts.

Chairperson Kuzma asked what the recourse of the City would be if the remaining work is not completed on time or if there is a warranty issue.

City Engineer Westby stated that a contractor cannot deny a warranty claim. He confirmed that this would make it a little harder as there was previously monetary leverage.

Councilmember Menth stated that the change was made from the State and therefore the City simply needs to interpret and implement the changes.

Councilmember Riley stated that staff should be cautious in their estimates on the punch list items that remain when the retainage is released to ensure adequate funds are retained so the remaining items can be completed by the City, if needed.

6. COMMITTEE / STAFF INPUT

6.01: Staff Updates on Improvement Projects and Items of Interest

City Engineer Westby provided an update on current and proposed improvement projects within the City and other items of interest to the Committee.

Chairperson Kuzma stated that when the City receives bids that are substantially higher than an engineer's estimate, he would like to see this information communicated to the impacted residents. He recognized that the information was shared at a public meeting but would like to avoid the situation that recently occurred with the Ford Brook Estates reconstruction project.

Councilmember Riley noted that it might be difficult to determine an appropriate threshold as an increase of ten percent on one project will not have the same impact to assessments on all projects.

City Engineer Westby stated that City staff is working on other modifications to the special assessments policy and that this could be included, noting that the proposed changes will come back before the Committee to review.

Councilmember Riley stated that there have been a few issues or concerns with grading of ditches in the past few years and asked if that is coincidence or whether it is difficult to determine the right grading for a ditch. He noted that perhaps an update could be provided on the recent cases that have been discussed.

City Engineer Westby stated that what City staff has found is that people get used to mowing their ditches in a certain way, so even a slight change to grades can be felt by homeowners. He stated that City design standards include maximum ditch slopes. He stated that staff is surveying the ditches in the Ford Brook Estates project to allow staff to address property owners comments. He noted that staff has not received any additional comments from the resident that had a previous issue with their ditch grading and culvert.

Councilmember Riley stated that perhaps there should be additional communication to residents before projects with ditches are completed to help prevent complaints.

City Engineer Westby stated staff will avoid ditch grading on future projects unless absolutely necessary.

6.02: Review Future Topics Calendar

City Engineer Westby referenced the calendar that was included and highlighted certain items that had previously been included on the list but are now included in the long-term water supply study and will be moved to the staff update section. He highlighted some of the policies that have remained on the list for some time and noted that he anticipates bringing those forward to the Committee in the next month or two. He highlighted the proposed schedule for some of the other items that have been included on the list for a longer period of time.

Public Works Superintendent Riemer provided an update on the public works facility process, noting that the City Attorney is currently working on the contract details with the construction manager. He confirmed that the Committee will continue to receive updates.

7. ADJOURNMENT

Motion by Councilmember Riley, seconded by Councilmember Menth, to adjourn the Public Works Committee meeting.

Motion carried.

The regular meeting of the Public Works Committee adjourned at 6:22 p.m.

Respectfully submitted,

Grant Riemer
Public Works Superintendent

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.