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**CITY OF GILBERT  
MINUTES OF SPECIAL CITY COUNCIL MEETING  
TUESDAY, JULY 10, 2018  
COUNCIL CHAMBERS**

Mayor Pro Tem Robich called the Special City Council Budget Meeting to order at 5:30 p.m.

Present: Councilors Pontinen, Robich and Ouke.

Absent: Mayor Milos and Councilor Pulles absent with notice.

Staff Present: Economic Development Administrator Paulsen, Public Works Operations Director Lautigar, City Engineer Jamnick and Administrative Assistant Bennett.

Paulsen, City Council Meeting Packet includes the Point of Sale Sewer Inspection Form and a draft Point of Sale Certification Ordinance. Similar to the City of Ely. Several meetings. Will be able to track in the office. Has shared with realtor Jerry Pfremer. Would like to get the City Council's thoughts on the inspection and ordinance.

Councilor Robich questioned the cost of the inspection for the buyer and the seller.

Lautigar, exact cost is unknown.

Paulsen, a licensed plumber bills for \$85-\$90 per hour. Depends on what the licensed plumber finds. Approximately a three hour inspection, it would be \$250 minimum. If unable to get a licensed plumber, could use Public Works as back up but Public Works doesn't necessarily have a large enough staff. First choice would be to use a licensed plumber. Start with the Point of Sale, would be another closing cost.

Councilor Ouke, questioned what the inspection entails.

Paulsen, everything on the Sanitary Sewer Inspection Form. Roof drains and leaders, foundation drains, sump pumps and sanitary sewer inflow and infiltration compliance inspection of the sanitary sewer lines.

Paulsen, the City will get the inspection and a digital copy of the televising.

Councilor Ouke questioned compliance before the sale of a home.

Paulsen, compliance will be required within one year of closing. Issues disclosed in the inspection. Proof of funds placed in escrow will be required.

Councilor Robich, ordinance allows for criminal prosecution. Would prefer to see civil remedies.

Lautigar suggested adding a fee to the utility bill for non-compliance, suggested \$25 per month.

Councilor Robich, option to levy against taxes.

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Discussion regarding funds held in escrow. Amount depends on estimate from licensed plumber. Potential for sales to fall through. If the sale doesn't go through, I&I issues would not be getting fixed.

I&I discussion, how to remedy.

Councilor Robich, thought initial primary focus was on the sump pumps, this is much more extensive.

Councilor Pontinen, larger focus. Questioned if the televising is necessary.

Lautigar, the televising gives the homeowner a look at the sewer, addresses issues.

Councilor Pontinen questioned why we don't require this for everyone.

Lautigar, that's an option. Start with including this upon the sale of a home.

Councilor Pontinen agrees with the policy.

Councilor Robich expressed concerns, sees a lot of backlash with current residents, and not being held to the same standards.

Lautigar, further discussion about full I&I plan later, televising highlights issues.

Councilor Ouke questioned how many homes are for sale in Gilbert and questioned if this policy would slow down the sale of homes in Gilbert.

Lautigar, unknown, other area cities have addressed I&I issues.

Discussion. Councilor Robich, plumber availability is a factor. Could prolong closing time. As back up can use Public Works to inspect. Few homes sell in town. Approximately 12-13 homes per year. Televising is a good idea.

Councilor Robich, concerns about criminal prosecution, would like to see changed to civil. Would like to see additional information about inspection costs and actual numbers.

Councilor Pontinen questioned one year compliancy, thinks it should be before the sale of the home.

Discussion. Paulsen and Lautigar, the City doesn't typically know about the sale of a home ahead of time. Out of the area realtors are a factor.

Councilor Pontinen questioned including this in the listings. Upfront with expectations.

Councilor Ouke questioned how the County handles this process. Paulsen, not aware of the county's process.

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Lautigar, the county has an established process. Needs to give information to area realtors and title companies. A few houses will fall through the cracks.

Councilor Pontinen, Gilbert needs an established process. How much will be held in escrow.

Lautigar, up to the seller to fix the problem.

Councilor Pontinen, might run into other issues. Could put additional funds into escrow.

Councilor Robich, place for an estimate on the inspection report.

Paulsen, yes, all on the inspection report.

Lautigar, could charge a fee for non-compliance.

Councilor Ouke, wrong direction, few homes for sale in Gilbert. It will take too long working with the homes that are for sale. Inspect all homes, get a sump pump put in and not worry about everything else.

Lautigar, this is a starting point.

Councilor Robich agrees with Ouke. Not for adding additional costs. Have higher taxes compared to other areas. What's from stopping potential buyers from looking at going to other areas instead of Gilbert?

Councilor Pontinen, costs of I&I.

Councilor Robich, on board with taking care of I&I. This is only taking care of a few houses, not addressing the full scope of issue.

Councilor Pontinen, baby step, would like to see more time covering the whole town instead of just the homes that are sold.

Discussion.

Paulsen, Attorney Lindsay looked at the drafts. In the draft stage. Can change. Doesn't have to be these four items. Looked at Ely's blueprint and structured it for Gilbert. On the right track.

Councilor Robich questioned if this was part of a requirement from the MPCA.

Lautigar, yes, part of the MPCA's I&I plan.

Discussion about clay tile sewer lines, cast iron and area homes. Clay tile will always leak a little.

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Councilor Robich, finding agreement in eliminating the televising portion from the inspection.

Councilor Pontinen, would make it less expensive to remove televising. Would also be nice for the homeowner to see the condition of the lines.

Discussion, should the City require televising. Could potentially hold up the sale of area homes.

Councilor Robich, televising, only a few places do it, limits the inspection.

Lautigar, yes, only certain plumbers televise. Will get more information on costs and find plumbers in the area that televise and bring the information back to the Council.

Councilor Ouke, could be a sticking point for sellers.

Councilor Robich, would like to remove the criminal penalties from the ordinance.

Discussion about removing criminal penalties and charging for non-compliance. Understands the City of Mountain Iron and Chisholm charge approximately \$25 per month for non-compliance. Could increase fees. Fees increase with length of time. Time period allowed for non-compliance. Buyer versus seller responsibilities are between the buyer and the seller. The buyer is responsible for non-compliance. Compared to what the County does. Paulsen will look into further.

Councilor Robich, recapping, would like to see the televising and update the ordinance to remove the criminal penalty. Determine inspection costs and update the fee schedule to include a non-compliance penalty fee.

Paulsen, will update to reflect changes. Questioned if removing subdivision 3 A. and B. is acceptable from the ordinance. Response, Council in agreement with removing subdivision 3.

Councilor Pontinen asked John Shega from Aspire Insurance Agency to be at the meeting. Councilor Pontinen questioned the City's liability for the project at the Waste Water Treatment Plant.

Aspire Insurance, John Shega, doesn't know what's being done at the Waste Water Treatment Plant and hasn't seen a contract for the project between the City of Gilbert and the general contractor. Generally, a general contractor oversees the project. All parties involved have their own insurance. The general contractor would add the City of Gilbert as additionally insured. The City would basically walk away from it, contractually you've signed over the project.

Councilor Pontinen questioned how far the boundaries go, what is covered by the contractor's insurance versus what the City covers.

Shega, the City is responsible for City Streets. The contractor is responsible to not be a menace wherever they park.

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Councilor Pontinen questioned if there was an accident on City owned property who is responsible?

Shega, questioned did the City do anything to cause the accident. The City turned over the area over to the general contractor. In theory the liability should be minimal.

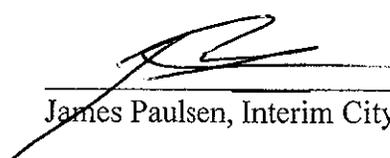
Councilor Pontinen, questioned no liability.

Shega, should be limited. Drove down to the site today, no signage. Drove through the gate. Contractor's responsibility to post signage on work site. Should have been included in the contract with the general contractor as well as minimum limits for workers compensation, liability and adding the City of Gilbert as additionally insured. The general contractor then takes over the sight. Unsure of specifics, doesn't have a copy of the contract between the general contractor and the City of Gilbert.

Jamnick, contract clearly states what's needed. The project is fenced in. Being able to drive through the gate will be looked into. Will bring it to their attention.

Shega, the general contractor is responsible for signage.

Meeting adjourned at 6:20 p.m.

  
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James Paulsen, Interim City Clerk

ATTEST:

  
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Rebecca Robich, Mayor Pro-Tem