



CITY COUNCIL MEETING

AGENDA ITEM

Prepared By: <i>Allie Polsfuss, City Administrator, Joe Zierden Public Works Director</i>	Meeting Date: <i>09/14/2026</i>	Item Name: <i>Shared Road Services Agreement with Pelican Township</i>
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BACKGROUND

Since joining the City last July, one of the City's priorities has been to update and revise the shared road services agreement with Pelican Township.

The City and Pelican Township currently operate under an annexation agreement approved in 1977 (Attachment A). Following a review of the existing agreement, the City and Township identified differing interpretations of subdivision 4, specifically regarding how the provision applies to capital improvements to shared roads.

Breezy Point's position was that the City is not obligated to maintain a shared road beyond the condition that existed when the 1977 agreement was approved. Pelican's position was that it is Breezy Point's sole responsibility to maintain these shared roads. The cities agreed that the 1977 agreement is no longer sufficient to address the current circumstances, needs, and expectations of the two communities

The language in the 1977 agreement is relatively vague and was likely drafted at a time when some of the shared roads were gravel. With the proposed improvement of Thrane Drive, the City felt it was important to establish a new agreement that clearly defines the responsibilities of both parties for maintenance and capital improvements to shared roads.

OVERVIEW

On June 24, Mayor Roggenkamp, City Administrator Polsfuss, Public Works Director Zierden, Township Supervisor Giles Radke, and legal counsel for both entities met to review the existing agreement and discuss terms for a new shared road services agreement.

During that meeting, there was general agreement that the responsibilities for maintenance and capital improvements to shared roads should be more clearly defined. Breezy Point also proposed that the new agreement supersede the 1977 agreement with respect to subdivision 4, eliminating the potential for differing interpretations in the future. Following the June 24 meeting, City staff continued discussions with Township representatives and both entities' legal counsel. The result of those discussions is the proposed Shared Road Services Agreement with Pelican Township, included as Attachment B.

A primary objective of the proposed agreement is to establish a clear and predictable process for significant improvements to shared roads. The proposed agreement provides a cost-sharing method that the City believes is fair and reasonable for both communities. The agreement also provides for a separate cost-share agreement for each significant road improvement project. This project-specific agreement will establish the scope and cost of the improvement, each party's share of the cost, payment terms, project timeline, and other applicable responsibilities.

The City and its legal counsel are currently working on a separate cost-share agreement for the proposed Thrane Drive improvement. That agreement is anticipated to be presented to the City Council in October.

The proposed agreement provides several important benefits to both communities:

- Establishes clearer responsibilities for maintenance of shared roads.
- Creates a defined process for addressing significant capital improvements.
- Establishes a consistent and predictable approach to cost sharing.



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- Provides Pelican Township with an opportunity to participate in planning projects that affect both communities.
- Replaces outdated provisions of the 1977 agreement related to shared road responsibilities.

Both communities view the proposed agreement as a positive step forward in strengthening the partnership between Breezy Point and Pelican Township. Most importantly, it provides a framework that allows both parties to participate in decisions regarding roads that serve taxpayers in both communities.

BUDGET IMPACT

The proposed agreement does not, by itself, authorize a specific road improvement project or expenditure. Costs associated with individual capital improvements will be addressed through separate project-specific cost-share agreements brought forward for consideration at future meetings.

STAFF RECOMMENDATION:

Approve the agreement as presented.