

WATERVILLE CITY COUNCIL
SPECIAL MEETING
June 30, 2015, 7:00 P.M.

There was a special meeting of the Waterville City Council held in Senior Citizen's hall at 7:00 p.m. on June 30, 2015 regarding the rental inspection ordinance and budget work session.

Present: Vail, Wollin, McIntyre and Mayor Mihalik;

Absent: Schmidtke

Also Present: Administrator/Clerk Teresa Hill and Jason Moran City Attorney

Also Absent: Jason Femrite City Engineer

1. Call to Order/Pledge of Allegiance. Mayor Mihalik called the meeting to order noting that all Council was present except Schmidtke. Also present was Teresa Hill, Administrator/Clerk, Jason Moran City Attorney, Police Chief Manning, Fire Chief Meskan, Kevin McGinty Deputy State Fire Marshal Code and Development & Training and Tom Jenson Deputy State Fire Marshal Fire Code Specialist. Pledge of Allegiance was recited.

2. Agenda Approval. Motion by Wollin, seconded by McIntyre to approve the agenda. Unanimous vote. Motion carried.

3. 2nd Public Hearing – Residential Rental Property Registration and Licensing Ordinance. Mayor Mihalik said this is the second public hearing we are having on the item. There was some confusion at the first public hearing. We had a public hearing that included both the rental inspection as well as the state building code. After listening to the tape and discussion amongst Council it appears there was some confusion amongst those who were in attendance on what we were talking about. Whether it was fees from the state building code or whether it was a rental inspection. Tonight there is only the rental inspection. Mayor Mihalik introduced Kevin McGinty and Tom Jenson of the State Fire Marshal's office who we asked to talk about the state fire code and not about the rental inspection ordinance. What does the state fire code mean, how people are impacted and what is the impact of it? Mayor Mihalik said it is important to note that the State Fire Code is not optional. It is in place now and we have to comply with it now. The rental inspection is an enforcement of the state fire code which is already a requirement. Mr. Kevin McGinty presented a slide show on the State Fire Code. The State Fire Marshal's office serves everyone. Mr. McGinty said his presentation is to show the effectiveness of the state fire code. 75% of the businesses that have a fire go out of business in 3 years. Mr. McGinty said 76% of all structure fires are residential. 54% of all the fire losses in Minnesota are residential. Mr. McGinty said they have two programs that they do at the state and they have data about it. The legislature started a school inspection program in 1990. By statute all public schools are inspected every three years. The average fire loss drop of 75%. The state of Minnesota is 83% less than the national average. In Minnesota before the program started 112 fires a year, after the program started they have about 72. The average dollar loss per fire before the program in Minnesota was almost \$11,000 per incident and now it is almost \$2,600. Mr. McGinty said that the fire code establishes minimum requirements, it is a reasonable level of safety. It deals with dangerous conditions in new and existing buildings. The State Fire Code does five things. It tries to separate combustibles things that burn from things that are going to start them on fire. The second thing it does is it tries to keep the event whatever it is small. It limits the hazards. They try to provide life safety opportunities generally through fire alarms, smoke detectors, exits and fire depression systems. They try to control some hazards. The fire code provides some assistance for response. They provide assistance to the fire departments. The State Fire

Marshall's Division is authorized to enforce the State Fire Code. Statutorily they are mandated to do some in the public schools, hotels and motels, daycare and foster care, health care, hospitals and nursing homes, jails and prisons. They also respond to complaints and requests. They also do the plan review and inspection for sprinkler systems. They work under the state statute 299F – Adoption of the Fire Code part that gives them the authority to do that. Subdivision 4 is the local authority part. The State Fire Code is applicable throughout the state and all political subdivisions and municipalities. You do not need to adopt it as a City Ordinance to enforce it. The Fire Chief has the authority to enforce the fire code, you do not need to adopt it as a City Ordinance. Also it is a mini code. Local jurisdictions are allowed to have ordinances that are equal to, in addition to or more stringent than the requirements of the fire code. They have to relate directly to fire, life, safety, fire protection principals. You cannot exceed the state building code. The fire code has to have an appeal process. Mr. McGinty said in order for the fire code to be a valid order it has to be written, it has to have reasonable time to comply, and there has to be somewhere on it that there is an appeal process otherwise it will not be a valid order. Mr. McGinty said you can enforce the fire code locally without adoption but a lot of places do adopt the fire code to make it simpler for them to go through the process of writing orders, etc. Even if the fire code is not being actively enforced in your community a business owner or property owner still has to comply with the fire code. The Fire Code official is the Fire Chief unless he is designating somebody else. It could also be a duly authorized representative. It will be up to the appointing authority to make sure the person is competent to do what they are doing. An inspection of the fire code the owner needs to be present or notified. The fire code generally deals with the common areas, exiting systems, the exterior hazardous spaces, not typically with the exception of a few things, smoke alarms and things like that. It is not usually the space inside the dwelling unit. If you do go into a tenant's space you have to notify them and allow for a reasonable amount of time. Mr. McGinty said that if the City writes a violation you need to follow up on it otherwise there can be some civil liability. The fire code deals with life safety, public welfare, or fire hazards inside the occupancy and also anything working with the fire systems. The fire code does not talk about maintenance issues, they are safety issues only, it is not aesthetics, and it is about fire and life safety. The fire code is applicable and enforceable. You cannot be less restrictive than the state fire code. Mr. McGinty said it is very difficult to enforce the fire code without the building code. Mr. McGinty said he would suggest that the City say that the rental properties need to meet the minimum requirements of the state fire code and then add things that are not part of the fire code into the ordinance at a later date. Mayor Mihalik thanked Mr. McGinty for the suggestions and his presentation. Mayor Mihalik asked if there were any questions from the public.

Jennifer Grobe, 409 Harmon Street West, said at the previous meeting there were people present that represented the larger complexes, were they sent notices of this meeting. Mayor Mihalik said it was put in all of the utility bills. Ms. Grobe said they showed up to that meeting and you said you were going to notice them and she was under the assumption that the City was going to actually send them a notice stating when that meeting was. Ms. Hill said it went on their utility bills and they are the ones that get the utility bills. Mayor Mihalik said did we make personal phone calls and letters, the answer is no but everybody did receive a utility bill which the notice was on. This is the 2nd meeting. Mayor Mihalik said he also met and spoke with them personally about the rental inspection policy.

Sue Cutts, 450 Cedar Circle, asked if they have the stickers that go in bedroom windows yet? Chief Meskan said if you are talking about the toddler finder they don't make those anymore. Mr. Beadell said that would let predators know that there are kids in those rooms. Chief Meskan said they don't make those anymore. Mayor Mihalik called a five minute recess.

4. Budget Work Session. Mayor Mihalik called the meeting back to order. **Chief Manning, Waterville Police Department,** advised Council what the police department needs are. They have the continuing radio payment for LETG. They will also be looking at, out of the vehicle and equipment account, trying to secure another squad car. A transmission went out in the black and white Crown Victoria and the blue SUV the timing chain is getting weak. Both of the vehicles have run their course. The new white SUV has roughly 57,000 miles on it. Discussion held regarding the police department budget in particular the building and equipment maintenance, towing line item, and attorney fees.

Chief Meskan, Waterville Fire Department. Chief Meskan said they have a space issue with their building, he is requesting a building expansion at an estimated cost of \$50,000. Discussion held regarding the space at the Fire Hall. Discussion held regarding FEMA grants for renovation. Chief Meskan requested a Ranger at an estimated cost of \$25,000 which was cut from the budget last year. Discussion held regarding the need for a Ranger. Discussion held regarding the equipment and buildings of other cities. Chief Meskan discussed the OSHA code requirements. Discussion held regarding placing other vehicles in a different location. Chief Meskan requested an air bag rescue tool and accessories at an estimated cost of \$10,000. Chief Meskan said their rescue tools are 20 years old. Mayor Mihalik asked if Chief Meskan has a five or ten year plan of replacing the rescue tools. Chief Meskan said you usually purchase them all at the same time because you get a better price on them. Discussion held regarding the budget training salaries went up \$6,000 for the new fire fighters. Chief Meskan said through MBFTE you can get the training for school. Ms. Hill said the training object code 331 is the reimbursable portion, the training salary is not.

Street Department. Ms. Hill said for the next three years the Street Department is requesting a sweeper, another work truck, grader and second plow truck. Mayor Mihalik said the seal coating went up, which he believes went up because of the survey that Bolton & Menk provided. Ms. Hill said she did not breakdown the listing on the capital on the streets. She just referenced the maintenance survey that was done. Ms. Hill estimated the Blowers Street Addition portion. The loan repayment is for the transfer from the City to the EDA for the City Shop. The interest expense is the anticipated amount of the dump truck that the City is looking at purchasing. Discussion held regarding the overtime line.

Valerie Vail, Parks and Recreation. Ms. Vail said they did do an increase in hired service and that would be because of maintenance in keeping up the areas that they have improved over the years. Ms. Vail said they are looking at getting a liner for the skating rink and that is approximately \$1,800. Ms. Vail said she does not have a lot of new projects they are still trying to finish up this year from last year and projecting into the next year over with that. Ms. Vail said they are not looking at the dog park fence that is in the capital budget.

General Fund. Administration – the attorney fees were projected at an increase of \$9,000. Discussion held regarding the cost of publications. Dues and memberships went up \$2,000.

There was no discussion regarding Planning and Zoning budget.

EDA. Mayor Mihalik said the one item the EDA has asked for is \$8,000. The last couple of years the EDA has solely done their part to help promote the City of Waterville. The EDA has

two main goals, one is the promotion of the City and more expansion in the City. Promoting the City last year was the sign at Highway 13 and 60. This year in 2015 it is a sign north of the City coming in on Highway 13 which we approved about a month ago. The EDA would like to place banners on the light poles to beautify downtown and have requested \$8,000 to cover the cost of those banners. Discussion held regarding the signs by the trail. Ms. Vail said the parks board put those up.

Civil Defense. Mayor Mihalik said he noticed a vehicle for \$4,000. Ms. Hill said we are trying to get an active Civil Defense. Discussion held regarding the Fire Department's blue vehicle being used by the Civil Defense department. Chief Meskan said he will do research on the Civil Defense's use of the blue vehicle. There was a training and salary increase for anticipated participation. Chief Meskan said the Fire Department gets paged out for Civil Defense matters.

Utility Funds. Water. Ms. Hill said we need to do some rate adjustments in the water fund. Mainly a conservation rate. Ms. Hill said most of the conservation rates tag the higher end users with higher dollar amount. Ms. Hill provided Council with information regarding Winona's summer conservation rate. All users were charged a conservation rate 25 cents per 1,000 gallons. It is a minimal amount to encourage conservation and to be compliant. Discussion held regarding a conservation rate. Ms. Hill said we will have to iron this down in the next month or two to get a rate structure a little better for the conservation rate. Ms. Hill said the state mandated that we have to have conservation rates. The implementation date is by the end of this year. The watering meters will have to have a higher rate. Mayor Mihalik inquired about campgrounds and said that their rates would be high during their business peak. Mayor Mihalik said the COG can give us some ideas on what other cities have done as well.

Sewer. Ms. Hill said the sewer rate has been losing money throughout. We lost \$60,000 to \$70,000 in the last two years of actual cash. We need to do a rate adjustment to make 2015 cash flow and also as part of your wastewater treatment plant she needs to submit some type of a plan to the Public Facilities Authority of how we are going to meet the minimum rate for 5,000 gallon users at \$50 to \$54. When operations start we will need to generate the revenue that we need to pay our bills. We will need to include that in our three year plan for a rate increase. Ms. Hill said we have been taking a loss for about five years. Ms. Hill said she will propose something at the July meeting to satisfy PFA so that they know we are addressing this.

Capital Improvement Fund. Ms. Hill said she wants to talk about the general improvement fund. In our general funds, all the big ticket items you were talking about, the vehicles, the building improvements, those type of items are really capital purchases and one thing that she would like to consider migrating if not now is trying to move all those expenses into a capital fund and then levying for that capital fund and also using that as a stepping off point to do an actual CIP for that where it will show you what your revenues are going to look like, what will happen if you move that expenditure from one year to the next. Ms. Hill said also by moving those big capital items into a designated fund it also takes that out of the scrutiny of the State of Minnesota for your general fund balances because there is a purpose for it and it is designated for capital improvements. Discussion held. Mayor Mihalik said he would recommend going that direction. Ms. Hill said the auditors spoke about the new GASB standard that is coming out where we have to do actuaries and that will cost money. We need to do actuaries for the Fire Department Relief Association along with our own. Discussion held regarding actuaries. Ms. Hill said she suggests that we do a few budget work sessions in August.

Mayor Mihalik asked if Council wants to go through line items now and suggest things to take off or lower or wait until August. Council will wait until August. Ms. Vail said she thinks we should spruce up the current city shop with a paint job and have council consider putting up a fence for an impound lot to be where the current city shop is. Mayor Mihalik said he would like to award homeowners who do a great job at keeping their homes and yards in outstanding, above and beyond condition. Ms. Hill will research this or have Jason research it. Mayor Mihalik said he is thinking of a \$1,000 line item.

5. Adjourn. Motion by Mihalik, seconded by McIntyre to adjourn. Unanimous vote. Motion carried. Meeting adjourned 9:10 p.m.

Stephen Mihalik, Mayor

Teresa Hill, Administrator/Clerk