

WATERVILLE CITY COUNCIL
REGULAR COUNCIL MEETING
July 7, 2015, 7:00 P.M.

There was a regular meeting of the Waterville City Council held in Council Chambers at 7:00 p.m. on July 7, 2015.

Present: Vail, McIntyre, Wollin, Schmidtke and Mayor Mihalik

Absent: None

Also Present: Administrator/Clerk Teresa Hill, Jason Femrite of Bolton & Menk, and City Attorney Jason Moran

Also Absent: None

1. Call to Order. Mayor Mihalik called the meeting to order at 7:00 p.m., noting that all Council members were present. Also present were Teresa Hill, Administrator/Clerk, Jason Femrite of Bolton & Menk and Jason Moran, City Attorney. Pledge of Allegiance was recited.

2. Approval of Minutes – May 27, 2015 Special Meeting, June 2, 2015 Regular Meeting, June 8, 2015 Special Meeting and June 26, 2015 Special Meeting. Motion by McIntyre seconded by Vail to approve the minutes of the May 27, 2015 Special Meeting, June 2, 2015 Regular Meeting, June 8, 2015 Special Meeting and June 26, 2015 Special Meeting. Unanimous vote. Motion carried.

3. Approval of Agenda/Additional Items to Agenda. Mayor Mihalik said he has one item he would like to add this is vehicle maintenance for the Fire Department. We will add that as letter 7L. Motion by Mihalik, seconded by Schmidtke to accept the agenda with the addition of item 7L vehicle maintenance for the Fire Department. Unanimous vote. Motion carried.

4. Written Petitions, Requests, Etc. – None

5. Unfinished Business

A. Township Fire Agreement. Mr. Al Gehrke and Ms. Hering were present at the regular Council meeting. Mr. Gehrke said they went back to the Township Board and everything was fine. They are willing to donate that 25% to the boat. Mayor Mihalik said the bid for the boat was \$16,200. Mayor Mihalik said he appreciates the Township's generosity. Mr. Gehrke questions No. 6A of the Fire Agreement. They want to add the pick-up and grass rig to the Fire Agreement. Mr. Gehrke will bring the information on the pick-up and grass rig to Teresa. Motion by Wollin, seconded by Vail to approve the City of Waterville/Township of Waterville Fire Agreement 2015-2017 with the exception of the amendment of adding the pick-up and grass rig. Unanimous vote. Motion carried.

B. Ordinance No. 116 Establishing Rental Inspection Ordinance. Mayor Mihalik said Mr. Moran made a few adjustments based on the conversations that we had on our last public hearing on this. Mayor Mihalik asked if there was anything that he would like to add to the ordinance. Mr. Moran said he took the proposed ordinance that the City was working off of and he just made some suggested changes to it to kind of bullet up some of the language inside of the ordinance. No real major changes except the fees and penalties under section 116.04. He suggested rather than going with an administrative penalty and administrative fine that you look at making it a misdemeanor. The reason for making it a misdemeanor is that a misdemeanor carries more weight and adds a little more teeth especially with habitual violators. Discussion

held regarding the administrative penalty vs misdemeanor. Mayor Mihalik said because we have had two public hearings on this with the changes that were made are we required to have another public hearing. Mr. Moran said he thinks we would be required to go to a public hearing and it would be beneficial for the residents and the businesses also. Giving them another opportunity to comment. Motion by Mihalik, seconded by McIntyre to schedule a public hearing regarding Ordinance No. 116 Establishing Rental Inspection Ordinance for Tuesday September 1, 2015 at 6:00 p.m. preceding the regular Council meeting at 7:00 p.m. Unanimous vote. Motion carried. Discussion held regarding the notification of the public hearing.

C. Cedar Circle Culvert Repair Estimate. Council received two estimates for the Cedar Circle Culvert repair. Both have a caveat that they may run into extra work as they start to get into the utilities that are there. Mr. Moran has advised in the past that this is the City's responsibility. Motion by McIntyre, seconded by Wollin to accept the low bid of Don Hanks Construction & Excavating LLC to take care of the Cedar Circle Culvert Repair and tree roots and everything that goes with it. Unanimous vote. Motion carried.

D. Gilligan's Building Donation. Mayor Mihalik said we had a building inspector go through Gilligan's, Ms. Hill also had a chance to go through and he also had a chance to go through the building. We do not have a final report based on that inspection. Ms. Hill asked if Mr. Moran would like to address the restrictive covenants that Casey's has put on the building. Mr. Moran said it is his understanding that we want to try to use that building as basically as a community center. Mayor Mihalik said one of the items discussed but not voted on was a community center that could be used as a rental facility for banquets, weddings, seniors, whatever group would want to rent the building. Mr. Moran asked would food be served. Mayor Mihalik said potentially yes. Mr. Moran said the restrictive covenant that they have proposed would prohibit us from serving any prepared foods such as sub sandwiches, pizzas, donuts, groceries, so on and so forth. Mr. Moran said he thinks we probably should have that taken out. Discussion held regarding the restrictive covenants. Mayor Mihalik asked Mr. Moran to propose some language understanding at least what that vision is if there is a difference on how food or how alcohol would enter into the building. Ms. Vail discussed her visit at the Morristown Community Center and what they are required to do to have catering done. She also contacted public health at the County and he will be getting back to her with more information. Ms. Vail said the Commercial Club holds the liquor license. Ms. Hill spoke with the County to get information on when the building was built and the dimensions of it and the square footage value. Ms. Vail also spoke with the bank, she was advised that a new roof was put on in 2013 and a new air conditioning unit. Ms. Vail said she saw in the contract that the agreement has to be signed by July 30th. Mayor Mihalik said that we need to ask for an extension on this. Mayor Mihalik directed Mr. Moran to request the extension. The cost for heating is \$450 and Electric is \$210 under full operations. Ms. Vail provided information on how Morristown handles the rental of the community center. Ms. Vail said people are concerned about the parking and she is exploring options. Mr. Moran said in light of the time crunch that we have in getting back to Casey's he would suggest that the Council consider approving the agreement with the small change to the restrictive covenant. It would basically say that we would not sell motor fuel, cigarettes, electronic cigarettes, and other tobacco, groceries, alcoholic beverages or prepared foods including sub sandwiches, pizza and donuts. However nothing herein shall prevent the buyer or us from having food, snacks, beverages and other food and drink products from being brought into the building and consumed by individuals on site. Basically we would tell Casey's that we have approved the agreement subject to the revision of this restrictive covenant that we can have things catered in with the idea that it might even be Casey's that we use to cater it in. Discussion held regarding keeping the alcoholic beverages brought in, catered in and consumed

on the site. Mr. Schmidtke inquired if it was ever brought up of selling the building. Mayor Mihalik said there is not a caveat that we couldn't sell it, only that this verbiage would stay with the building 15 years. Discussion held regarding the Gilligan's building and the vision of it. Mr. Del Point, 734 Reed Street, addressed the Council regarding his suggestion of what can be done with the Gilligan's property. Mayor Mihalik said that he would like to hold a public hearing for residents to voice their opinions regarding the Gilligan's building. Mr. Wollin asked if we agree with Mr. Moran's changes to the agreement does that bind us to it. Mr. Moran said no. Mayor Mihalik suggested having a special meeting to discuss the agreement further after Mr. Moran has had an opportunity to speak with Casey's. Motion by Mihalik, seconded by McIntyre to table the Gilligan's building donation to a special meeting on July 14th, 2015 at 5:30 p.m. Unanimous vote. Motion carried.

E. Personnel Policy.

1. Revisions - Mayor Mihalik said Council has had an opportunity to review the personnel policy as well as the HR Committee. Mayor Mihalik asked if there were any revisions or discussion. Discussion held regarding the personnel policy. Mr. Schmidtke asked questions regarding vacation hours and leave of absence. Mr. McIntyre said they reviewed the leave of absence and it follows all of the FMLA's and government regulations.

2. Approval – Motion by Wollin, seconded by Schmidtke to approve the Personnel Policy as presented. Unanimous vote. Motion carried.

F. Authorization to Advertise Property Sale – 128 3rd Street South. Mayor Mihalik said could we have contingencies on the sale of the land such as the buyer of the property would have to build a structure that would be a certain standard or hire a certain number of employees within a certain period of time or the land would revert back to the City at no cost. Mr. Moran said that should not be a problem. Mayor Mihalik said we also talked about a property swap with the adjacent building to free up the alley restriction we currently have. Before we put it up for sale that needs to be finalized. Ms. Hill said she had some discussions with the property owners and they are receptive to the idea. Ms. Hill said she needs to figure out how big of a chunk needs to be swapped. Discussion held regarding what to do with the property; sell it or keep it as a parking lot. Mr. Moran said you will want to put some restrictions on the sale of the property. Motion by Mihalik, seconded by McIntyre to table item 5F Authorization to advertise property for sale – 128 3rd Street South for a discussion item on July 14th, 2015 at the 5:30 special meeting. Unanimous vote. Motion carried.

G. Resolution 2015R-025 LCCMR Bid Award for Water Tower Area Project.

Ms. Vail said she is requesting approval of the bid upon contingency with LCCMR secured funding. We have the funding but we are moving some monies around because the bid came in higher. They have been in contact with LCCMR and Environmental Services in Le Center. Mr. Schmidtke asked if this is something that needs to be done this year. Ms. Vail said yes, they are in timeline with LCCMR they know with the flooding last year we are behind a year. There is a timeline when you enter into the grant. Discussion held regarding the bids that were received. The project is grant monies and a 25% match by the City with in-kind. Ms. Vail said also we have committed to buy the grit chamber removal which was over \$30,000 which was approved previously. Mr. Femrite said we have 61 days from the bid opening to actually award this contract. That is kind of the time-line we are working under with the current bids that we have. Motion by Wollin to adopt Resolution 2015R-025. Motion rescinded. Motion by Wollin, seconded by McIntyre to adopt Resolution 2015R-025 LCCMR Bid Award for Water Tower

Area Project with Ms. Vail's addition of approval of the LCCMR funding. Unanimous vote. Motion carried.

6. Citizen Time (Comments, Information from those present) -

A. Jennifer Grobe, 409 Harmon, said her concern is the fact with Council's approval of the high bid on the sewer treatment plant that the residents have to incur this extra cost and it seems like it is a little bit unfair that Dels didn't have to increase the cost of their part of the project. If they would have had to do their mound systems or anything like that out there it would have cost them two to three million dollars. Now we have to pay this extra for the next umteen years and their cost didn't have to increase. Mayor Mihalik said he appreciates her concern.

7. New Business.

A. **Life Guard Pay Rate Adjustment.** Ms. Vail said she is looking at a pay rate adjustment due to the years of service for Kelsey to be at \$9.50, Kallie to be at \$9.25 and the new hire at \$9.00. Mayor Mihalik said when we hired the new hire at \$9.00 we did not increase those with experience and tenure. Ms. Vail requested that this pay rate adjustment be retroactive. Motion by Wollin, seconded by Vail to approve the pay rate adjustment for the life guards and for it to be retroactive. Unanimous vote. Motion carried.

B. **Purchase of Fire Department Boots.** Mayor Mihalik said there is a concern that the fire department boots could potentially have contamination from the floods last year. We are looking at \$344 a unit for a total of ten units for a total of \$3,440. Mayor Mihalik said the boat budget was \$25,000, the boat bid was \$16,200 that leaves us \$8,800 to work with and if we subtract the boots at \$3,440 that gives us a balance of \$5,360 which will still give us remaining for discussion number L regarding the repairs to the truck. So there is money in the budget for this. Mr. Schmidtke asked if we received FEMA money for the boots. Ms. Hill said FEMA would not reimburse it, they said you could clean them. The sent instructions on how to clean them and she forwarded those instruction to Chief Meskan. Discussion on how to clean the boots. Motion by Mihalik, seconded by Vail to table the purchase of fire department boots until the August regular meeting. Unanimous vote. Motion carried.

C. **Crack Filling Quotes.** The low bid for the crack filling is from South Central Sealcoat for \$3,248.50. Motion by McIntyre, seconded by Mihalik to accept the South Central Sealcoat bid for \$3,248.50. Unanimous vote. Motion carried.

D. **Seal Coating Quotes.** Mayor Mihalik said we only had one bid for seal coating and that is for \$29,013.92. Discussion on what is in the budget for the seal coating. Motion by Schmidtke, seconded by Wollin to accept the bid of Pearson Bros. Inc. for seal coating in the amount of \$29,013.92. Unanimous vote. Motion carried.

E. **City Lot Parking Signage.** Mayor Mihalik said the city lot specifically being at 128 3rd Street South. There has been a couple of times where a car has sat there for a number of days and his concern was what happens when a car ends up sitting there for weeks or months at a time. There is a City ordinance saying that you can't park a vehicle, it has to be moved at least every 24 hours on City property. But that is not a common ordinance most people know for the sake of open communication he would be in favor of purchasing a couple of signs saying all vehicles must be moved within 24 hours and posting that at the entrance and inside the lot.

Motion by Mihalik, seconded by Schmidtke to purchase three signs for the city parking stating vehicles must be moved within 24 hours. Unanimous vote. Motion carried.

F. Wastewater Rate. Mayor Mihalik said Council should have a copy of municipal sewer rates 2015 in front of them. Mayor Mihalik said currently the rate is \$19.70. What Teresa has presented using a 40% increase to the base and a 60% increase to usage would be moving that rate up by \$10.26. That would be for a 5,000 gallon user. A couple of reasons behind this is as we discussed last meeting is we have been taking a deficit with our wastewater treatment plant for the last four to five years. This year would show a shortfall of \$126,979.00. One of the primary reasons is you will see equipment costs of \$125,000. This is required for addressing I & I issues within the City, so that shortfall is going to be there. We also need to present a plan to the PFA that shows how we are going to get to the \$50.00 rate within the next three years. Two things we need to look at is where are we at in agreement with the \$10.00 increase and would we be in agreement to present to PFA a plan of increasing rates at approximately \$10.00 a year for the next three years to get to the new user rate. Ms. Vail said so we have this \$10.26 starting soon and then in 2016 another \$10.00 and 2017 and 2018 another \$10.00. Mayor Mihalik he wants to define soon with that, once we come to an agreement that we would have to publicize this, have a public meeting, then after the public meeting make a vote and put this in action. We are looking at somewhere around November. Mr. Wollin asked what would this \$10.00 increase be per month then for the 5,000 gallon user that we are looking at here? Mayor Mihalik said that would go to \$29.97 from the current \$19.70. Mr. Wollin said so we are really low yet. Mayor Mihalik said we are very low right now. Mayor Mihalik said we are going to have to get to that \$50 range and PFA is requiring us to present a plan as to how we are going to get there in the next three years. Being that we have already been taking a hit and pulling out of reserves for a number of years which is fair, Citizens have paid that money and it went into reserves and we want to use their money and not be their bank, but that reserve has gotten to the point now where we need to start to stop chewing it all up. Mayor Mihalik said he likes that math that has been used here, increase the base of 40% and a 60% increase to the usage, this allows those who are low users not to receive the blunt of the increase. Either way we need to get to the \$10.00 so this math works here as well. What we are looking for tonight is (a) an agreement on a plan to increase rates at approximately \$10.00 a year for the next three years that Teresa can present to the PFA and direction for Teresa to increase the rates and to publicize for the rate that has been provided. Motion by Mihalik, seconded by Wollin to give Teresa direction to present a plan to PFA that Council is recommending increasing the rates at \$10.00 a year for the next three years; again that is the plan that is to be presented to the PFA, that is not enacted until this is voted upon after a public hearing. Unanimous vote. Motion carried. Mayor Mihalik asked Ms. Hill if she needed a motion regarding the \$10.26 or is that sufficient at this time. Ms. Hill said it is sufficient because what we need to do is revise the ordinance and work with that at the next meeting.

G. Emergency Management Coordinator

1. Job Description. Mayor Mihalik said the HR Committee has looked at many job descriptions regarding Emergency Management. These job descriptions were compared to our needs here in the City of Waterville. They were then consolidated down to one job description. That was submitted to the County Ms. Ann Traxler who also reviewed this and thought the job description was well written and ready for Council approval. Mr. Schmidtke said this is not a full-time position, just an hourly as needed position. Mayor Mihalik said that is correct. Motion by Mihalik, seconded by Schmidtke to approve the job description for the Emergency Management Coordinator. Unanimous vote. Motion carried.

2. Job Posting. Motion by Mihalik, seconded by McIntyre to do a job posting for Emergency Management Coordinator internal posting for ten days. Unanimous vote. Motion carried.

H. Resolution 2015R-028 Amending the 2015 Budget. Ms. Hill said when you were looking at the mosquito spraying you said you were going to use monies out of these different line items so she moved the actual budgets accordingly. Motion by Wollin, seconded by Vail to adopt Resolution 2015R-028 amending the 2015 budget. Unanimous vote. Motion carried.

I. National Night Out. Mayor Mihalik said National Night Out which is typically the first Tuesday of August, which would be August 4th this year. This is something that the City has always participated in and the question then is this something we want to continue to participate in and if so we need to start to make plans for such. Mr. Wollin said he thinks we should but the big question is do we have someone to plan and coordinate? Mr. McIntyre said he would be willing to volunteer to coordinate National Night Out. Motion by McIntyre, seconded by Schmidtke to approve to participate in National Night Out on August 4th. Unanimous vote. Motion carried.

J. August Regular Council Meeting Date. Because of National Night Out being on August 4th we need to have an alternate date for the regular Council meeting. Motion by Mihalik, seconded by McIntyre to move the regular August meeting to 7:00 p.m. August 6th, 2015. Unanimous vote. Motion carried.

K. Final Pay Estimate – Virginia & Tetonka Bay Drive Phase II: to WW Blacktopping. Mr. Femrite said we finished up the punch list, they have removed all the erosion control. They provided all the appropriate paperwork so he is recommending approval of closing out that project and begin the two year warranty period on that. Motion by Schmidtke, seconded by Wollin to approve the final pay estimate in the amount of \$15,622.01. Unanimous vote. Motion carried.

L. Vehicle Maintenance – Fire Department. Mayor Mihalik said you will see in front of you a quote for the maintenance that is for \$4,688.15. Mr. Schmidtke said this maintenance is on the ladder truck. The seals on the hydraulics raising the ladder up and down are leaking and needs to be repaired. Motion by Wollin, seconded by Mihalik that we approve the maintenance repair in the amount of \$4,688.15. Unanimous vote. Motion carried.

8. Engineer's Report. Mr. Femrite said if you recall we installed some flow monitors in a number of the sanitary sewer structures on the west side of town. We are trying to chase down some I & I. We downloaded some information about the middle part of June. Mr. Femrite went through that information earlier this week and did not find a real strong indication of any particular one area that is showing anything more than the other areas. He looked at the rainfalls and what we have seen is periodic rains, nothing extremely large. He has requested that they go back out there and download that information based on the last rain. We can look at that and then potentially move around a flow monitor or two, but what he has seen with the information that he has is nothing real specific but we need to get some more data. He has requested that they go back out and dump that and then we will look at that and see if we can find any more areas that are showing increased flows in those monitors. Then we will develop a plan from there. Mr. Femrite said we had some good news that came through a couple of days ago from PFA that the City of Waterville was awarded grants in the amount of \$2,848,723 and also a

subsequent WIF grant in the amount of \$3,170,867 and the loan on top of that would be about \$7,000,000. This is excellent news and was extremely hard work done by PFA along with everybody that has been associated with the project to secure essentially an extra three million plus in grant money to help out the entire City and everybody associated with this. This is excellent news. All of those items are moving forward through PFA and the wastewater treatment plant he believes is scheduling a pre-construction meeting for the 21st and that project will be up and running. As far as the Kamp Dels project he has worked directly with Nyl and the folks out there at Kamp Dels to try and come up with a time line that works for everybody out there to get that work done and that we are not really disrupting their traffic out there during this very busy time and try and get that work done around their schedule and keeping their needs in our minds yet working within the contract that we have with the contractor. Mr. Femrite said he is looking for that to start here maybe doing a small portion of it maybe the end of July or August but more than likely towards the first part of the fall. Mr. Wollin said he just wants to make sure that he understands this, the grant money is something that we were not counting. Mr. Femrite said the WIF grant was something we were not counting on. We were targeting two to three million dollars directly from PFA and that came in at 2.8 million and we were able to secure another 3 million dollars through that WIF grant. Mr. Wollin said so that means residents will be paying less then. Mayor Mihalik said the estimate would be about \$50 versus the \$65 that was last spoken of so this is great news for the City. Mayor Mihalik said looking at previous minutes that we had on what we thought this cost was going to be we are back to close to where we were at the start of this discussion years ago. Ms. Vail said she would like to thank everyone who worked on that. Mayor Mihalik said a big thank you to Kris Swanson who really went above and beyond as well as Jason Moran who also helped in that contract as well.

9. Attorney's Report. Mr. Moran said he does not have any update. Mr. McIntyre said he has a question, this Saturday we have the Waterville Lakes Association Pontoberfest Fund Raiser at Bullheads from 4:00 to 11:00 and there is a possibility that three Council people could be there at the same time. He talked to the League when he was at the conference in Duluth and they said to talk to you. We are not conducting any business it is all fundraiser. Mr. Moran said it is a small town, you are going to have social interactions, just don't discuss any City business and you will be fine. Mayor Mihalik said it is his understanding social events, although you want to be careful discussing and sitting at the same table. Mr. Moran said social interactions are excluded. Mayor Mihalik asked if there was any movement on Traditions. Mr. Moran said that is still proceeding through the action of quiet title so we are still in that time period where it is being published in the paper. We are realistically speaking in looking at another 60 to 90 days before we will have that finalized. Ms. Vail asked if he had a chance to speak with the County on South Reed Street. Mr. Moran said he has a call in to Darrell Pettis. We will see what he has got to say about it.

10. Administrator's Report. Ms. Hill had nothing to report.

11. Council Discussion.

A. Mayor. Mihalik said as we go into budgeting sessions he has mentioned this before and would like Council to still consider his discussion with Kate Wilson with the Chamber is that the Governor's Fishing Opener if approved that there will be approximately \$10,000 needed by the City for a community picnic. He did discuss with the Mayor of the last Governor's Fishing Opener if they were able to get all that food, etc. donated, although they also have a different dynamic of a local casino which was able to help them. But just know as we go into budgeting session that should be a consideration.

B. Mayor Mihalik said the other item he has is we have asked Chief Meskan with the Fire Department to bring a plan to Council regarding improving the morale and the rapport with the City Council and Fire Department. Mayor Mihalik said he would like to schedule a meeting or have a time to sit down with the Chief and talk about how we can repair the morale between the two entities. Mayor Mihalik said he will be setting a special meeting for that coming up. Mr. McIntyre said as long as you don't do it the 23, 24th and 25th of July because he will be in Wisconsin. Mayor Mihalik said he would like to give the Chief some time to make sure that he has his plan ready and also to give him some time to talk to Council members if he would like to. Mr. Schmidtke asked if the officers could be present too. Mayor Mihalik said it would be a public meeting, anybody who would want to be present can be present. Mayor Mihalik said today is the 7th of July if we were to look at giving Chief Meskan a couple of weeks we can look at the 21st. Mr. Schmidtke asked if he would want to wait until August when Teresa is back. Mayor Mihalik said we can, he doesn't think it is required but we can, we can also just go the 28th which is a Tuesday and Ms. Hill will be here on July 28th. That date was good for all Council. Mayor Mihalik said let's go at 7:00 p.m. on the 28th. Mr. Wollin said that is a public meeting. Mayor Mihalik said absolutely anytime Council gets together it is a public meeting unless we have to close it and we are not talking about any disciplinary action at all so this is a public meeting. So Teresa if you can have that posted and sending a note to Chief Meskan asking him to provide a plan for City Council for discussion. Mayor Mihalik asked Mr. Moran to be present for that meeting.

12. Approval of Disbursements. Motion by Schmidtke seconded by Vail to approve the disbursements in the amount of \$511,355.38. Unanimous vote. Motion carried.

13. Impress Cash Fund. Motion by McIntyre, seconded by Vail to approve the impress cash fund in the amount of \$102.06. Unanimous vote. Motion carried.

14. Adjourn. Motion by Mihalik, seconded by Schmidtke to adjourn. Unanimous vote. Motion carried. Meeting adjourned 8:30 p.m.

Stephen Mihalik, Mayor

Teresa Hill, Administrator/Clerk