

WATERVILLE CITY COUNCIL
SPECIAL COUNCIL MEETING
WORK SESSION
July 20, 2016, 6:00 P.M.

There was a special/work session meeting of the Waterville City Council held in Council Chambers at 6:00 p.m. on July 20, 2016.

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

Absent: Mayor Mihalik

Also Present: Administrator/Clerk Teresa Hill

Also Absent: Jason Moran City Attorney and Jason Femrite City Engineer

1. Call to Order. Acting Mayor Wollin called the meeting to order at 6:00 p.m., noting that all Council members were present, except Mayor Mihalik. Also present City Administrator Teresa Hill. Pledge of Allegiance was recited.

2. Approval of Agenda. Motion by Schmidtke seconded by McIntyre to approve the agenda. Unanimous vote. Motion carried.

3. Public Hearing – Event Street Closure. The Chamber has requested that Main Street be closed from First Street to Third Street leaving the intersection open at Second Street and also Third Street from Main to Paquin for the Hot Summer Night Events. The street closure would be from 4 p.m. to 8:00 p.m. Mr. Byrne advised that the Chamber would put up signs of the event no parking. Mr. Byrne, President of the Chamber advised that they had contact with all of the businesses both pre event and post event. The feedback they got was record business for a Thursday night. They fully support it. Business owners in favor of closing the streets are as follows: Bullhead's Bar and Grill, Twin Lake Auto, Davis Market, Waterville Auto, Denny's Bar, Ron's Hardware, and Waterville Café. The Hot Summer Night events are to be held the fourth Thursday of the month, July, August and September. Discussion held regarding the first event and the great turn out of it. The event will be publicized through rack cards, social media and radio. Ms. Hill advised that she received one concern from a gentleman who owns the corner lot on Third and Main, the vacant lot. He advised that there are some parking issues in front of his place where the entrance to his lot has been blocked with vehicles parking there. Officer Spicer and she spoke with him and they are looking at some solutions to his concern. Discussion regarding the number of cars that they would be able to park approximately 90 cars on 3rd, 35 on Main Street up to the popcorn stand and 90 from Davis Market to the Fire Department.

4. Event Street Closure – Motion to Close Streets. Motion by McIntyre, seconded by Schmidtke to close Main Street from Third to First leaving Second Street crossing open and Third Street from Main to Paquin for the Hot Summer Nights next three events that the Chamber of Commerce is having. Unanimous vote. Motion carried.

5. 2010 USDA Refunding Proposal – Monte Eastvold. Monte Eastvold of Northland Securities spoke to Council about the possibility of refinancing the City's USDA Loan of 2010. Mr. Eastvold presented an analysis showing potential refinancing of the issue. Mr. Eastvold said the current loan schedule has a maturity date of 1/1/2050 and with the refinancing it would be in 1/1/2048. The average interest rate of the 2010 loan is 3.25%. The average interest rate of the potential refinancing bonds is estimated to be 2.83%. This decrease in interest expense contributes to an overall reduction in future debt service payments of approximately \$304,767.

The debt service payments would increase. Ms. Hill was concerned that if the bond payments would increase it would cause the user rates to increase also. Ms. Hill asked Mr. Eastvold if he could bring the debt service payment amounts down and increase the payments another year to see if that would keep the user rates the same and so that there isn't a huge spike in them. Discussion held regarding the increase in user rates. Mr. Eastvold suggested that the City be rated. That process would take four to five weeks. He would be able to come back in September. They would monitor the interest rates and keep Council updated. The fee for the services for the bond issue would be \$64,300. Ms. Hill said we had a very good bond rating on this last bond. Mr. Eastvold used that rating for the analysis. Mr. Eastvold will re-run the numbers and bring it back to Council for the August 4th meeting. Ms. Hill said that we have some bonds that are running at 6% and she asked if he has looked at those for refunding. Ms. Hill was hoping to but a few bonds together to save the costs of the refunding. Mr. Eastvold said sometimes you cannot put several bond issues into one.

6. Granny House Ordinance. Ms. Hill said the legislature passed a new law that allows to regulate temporary health care dwellings. The legislature automatically allows it and our zoning would have no say so in allowing two dwellings on a particular lot. Right now our zoning says you can only have one dwelling unit per lot, this would automatically allow it. If you do not pass a resolution that would "opt out" it automatically becomes part of our zoning. Mr. Moran is recommending that we look at doing the "opt out" option of it. Ms. Hill said the City Council can act on it on its own or can refer it back to the Planning and Zoning to make sure it is in accordance to what they see for future planning also and to make a recommendation back to Council. Discussion held regarding the Granny House Ordinance. Motion by Vail, seconded by Wollin to have the Granny House Ordinance go to Planning and Zoning for research and bring their recommendation back to Council. Unanimous vote. Motion carried.

7. Budget work session. Ms. Hill said the main intent on this work session is so that Council will know what each department is looking at in the future as far as capital expenses, their staffing needs, and different plans that they may have for their department in the future. This session is not a line by line budget analysis. We don't have enough information as far as LGA and revenues to be able to sit down and say okay this is what we are looking at for shortfalls. Ms. Hill said this is a good way to get the Department Heads ideas as far as where they see their department going and what their needs are.

(a) Police Department - Police Chief John Manning. Chief Manning said that there is a \$3,000 increase under the radio/LETG. Another thing is replacing some equipment that will be the end of life. We are looking at replacing things such as Tasers that we have had a number of years. We have some other issues that are going to be coming up with replacing one of our personnel that is stopping down to part-time. We can't really factor in yet how much time they have in for a starting wage as well as the union contract. Another item we are looking at is the City of Waterville Police Department entering into the drug task force that was discussed. We would have a potential increase there. The other thing would be a slight increase to staffing issues. We just spoke of the Hot Summer Nights with increases and he has heard rumors that we may be going to multiple times a month. If this turns out to be as big of a success as it is appearing it is going to be. Ms. Hill said that they did put in for the COPS grant and it will be granted in October or November. Ms. Hill said currently she is looking at a reimbursement from the school and that funding opportunity would change if it was awarded.

(b) Street Department – Clinton Peach. Mr. Peach said under the sealcoating and overlay he went through the pavement management plan and he took the 2017 list there were a

few that have already been done. He pulled those out and added a couple which one was on for this year that got moved to next year and he tweaked the numbers a little bit. The pavement management plan has been really conservative numbers and basically the sealcoating that we are looking at for next year is about \$55,000 and the overlay portion is about \$165,000 for North/South Buchannon Street and the North Shore of Maple drive were the next ones on the list. He also included that loop at the end of First Street that we passed onto next year. Mr. Schmidtke inquired about Lake Street. Mr. Peach said there was one block on Lake Street that did get passed to next year also. Mr. Peach said Lake Street in general is slated for 2018 according to the plan. Mr. Schmidtke said the whole Lake Street should be done. Mr. Peach said he is going on how it was rated and how we left this year under the five year plan. Mr. Peach said he is trying to do an outlay of equipment replacement up to 2020. His plan is to try and keep equipment up to date. Mr. Peach said in 2017 as far as staffing he would like to find someone who is more versatile so that we could use in different areas and increase the hourly wage and a few more hours a week from May until October. Mr. Peach said the new wastewater plant will require more hours especially in the beginning.

(c) Fire Department – Fire Chief Chris Meskan. Chief Meskan said that the building addition or land acquisition will probably not happen. We will have to figure out a different way to address our space needs so you are talking new station. That will take '18, '19, and '20 money out. In 2017 the rescue truck will be paid. They will need to replace the air truck his estimate is \$150,000. Chief Meskan said they will need new SCBA's & turn out gear at an estimate of \$25,000. He is hoping to receive a grant for it. Discussion regarding the SCBA and turn out gear being leased. Mr. Schmidtke said that there are some blocks that are starting to crack and that will have to be dealt with. Chief Meskan said their location is the best and we have to address the space issue. Mr. Wollin suggested setting up a committee to address ideas for the Fire Department addition. Ms. Hill will put setting up a committee for the Fire Department addition on the next agenda of the Council. A plan or design has to be set in order to obtain grants. Mr. McIntrye stated that if you have a plan put together you would have something to work with that you can build and see how much money we can get to help subsidize what we need to do. Chief Meskan said the air truck could possibly receive some grant money also. He could designate it as County wide. Waterville is the only one in the County that has a truck like that. Chief Meskan would have to draw up the spec for the air truck. Chief Meskan said he is looking at doing that this fall and winter. You have it built to fit the City's needs. Ms. Hill said to Chief Meskan that before they were talking about doing some changes with the Relief Association versus a wage increase, have you done any more talk about that to come up with an idea of what you are looking for. Chief Meskan said he included that in his numbers. Ms. Hill said her numbers were different than his when he submitted his so she adjusted hers to his. Chief Meskan said they thought about giving a lump sum towards the membership. Right now we are at \$100 but we were looking at going to \$500 per person. Ms. Hill said for the Relief contribution. Chief Meskan said yes. Ms. Hill said they are coming next month to Council for a request for the Relief. Chief Meskan said instead of upping their wages to keep up with everybody else they decided to put that money toward the additional Relief. Ms. Hill asked if there is a percentage that they would be looking at similar to PERA based off wage paid. Ms. Hill said she did not know if they looked at those options and she was wondering if they have looked at anything to include in the budget. She has not heard feedback from the Fire Department on what they want. Chief Meskan said they would like to keep their wages on track with everybody else. Chief Meskan said they would like to be on the same pay scale as the part time Police Officers. Discussion regarding a wage increase. The wage increase issue will go to the HR Committee for their recommendation.

(d) **Administration – Teresa Hill.** Ms. Hill said the flooring in the Senior Center is peeling up and she will get prices for that. The door also needs to be fixed first because the water still pours in there. Ms. Hill said they will continue working with their work station areas.

(e) **Park – Val Vail.** Ms. Vail said she had Mr. Femrite put together some estimates for a boat landing and that estimate came to \$85,000. She will be meeting with Randy with the DNR tomorrow morning to see what other possibilities there are. She will bring back more information at our next meeting. Mr. Wollin asked about the dog park fence. Ms. Vail said she has not proceeded with it. Mr. Wollin said he thinks it is a great idea. This might be something the Lions Club would donate to. Ms. Vail said she will re-tweak the capital budget with Teresa. The main thing they are looking at for next year is the boat landing. Ms. Vail said with the storm damage they had to do a lot of trimming. They did bump up the trimming in the budget. They will also need a new mower.

(f) **Emergency Management – Ms. Hill** said the only thing they are looking at as far as capital is the siren warning system at the Fire Hall needs to be updated and fixed. He is also looking at two radios.

7. Adjourn. Motion by Schmidtke, seconded by McIntyre to adjourn. Unanimous vote. Motion carried. Meeting adjourned 7:15 p.m.

Dave Wollin, Acting Mayor

Teresa Hill, Administrator/Clerk