

WATERVILLE CITY COUNCIL
PUBLIC HEARING AND REGULAR COUNCIL MEETING
February 8, 2018, 6:00 P.M.

There was a public hearing and the regular Council meeting of the Waterville City Council held in Council Chambers at 6:00 p.m. on February 8, 2018.

Present: McIntyre, Grobe, Smith, and Mayor Schmidtke

Absent: Dave Wollin

Also Present: Administrator/Clerk Teresa Hill, Jason Moran City Attorney, Jason Femrite of Bolton & Menk and Le Sueur County Sheriff Brett Mason

Absent: None

1. Call to Order / Roll Call / Pledge of Allegiance. Mayor Schmidtke called the meeting to order at 6:00 p.m., noting that all Council members were present, except Mr. Wollin. Also present was Teresa Hill, Administrator/Clerk, Jason Moran City Attorney, Jason Femrite of Bolton & Menk and Le Sueur County Sheriff Brent Mason. Pledge of Allegiance was recited.

2. Approval of Minutes- January 2, 2018. Motion by Smith, seconded by McIntyre to approve the minutes of January 2, 2018. Unanimous vote. Motion carried.

3. Approval of Agenda/Additional Items to Agenda. Mayor Schmidtke advised that there are a couple of additions item 6D land purchase request Daryl Knish will be removed, add on 8P Chamber request for Bullhead Days and Item 4 the public hearing on the Street closure should be from 5th Street to 6th Street. Motion by McIntyre, seconded by Grobe to approve the Agenda as amended. Unanimous vote. Motion carried.

4. Public Hearing Paquin Street Closure from 5th Street to 6th Street (Monday-Friday 7:00a.m. to 9:00 a.m. and 2:30 p.m. to 4:30 p.m.)

A. Curtis Couch, 126 Street South. Mr. Couch addressed the Council regarding the closure of Paquin Street from 5th Street to 6th Street. Mr. Couch asked what would happen with 5th and 6th Street. If you have it closed would 6th Street be a dead end. If it is closed between those two roads would people be able to turn left out onto Paquin east bound. Ms. Hill advised that the street closure would only be the section right in front of the school where the crosswalks are. It would be closed from the school garage on 5th Street to 6th Street. 5th Street and 6th Street would still be open. Just that one portion of the block would be closed temporarily. Mr. Couch asked if that would make it hard for parents to use that parking lot by where the buses are usually at. If it is closed how are people going to get to it. That parking lot is used the most often. Ms. Hill said she did not know if they would have access from the bus garage side coming that way or not. Ms. Grobe said not technically, that driveway is off 5th Street. Mr. McIntyre said we are going to redo parking so they won't have total access from there during those hours of closure. Mr. Couch asked if there is an idea of parking there that you are speaking of. Mr. McIntyre said we will probably do additional parking on 6th Street, there will also be additional parking on the east end of Paquin for pick-up and drop off of students. Mr. Couch said so additional parallel parking you are saying? It would be both sides parallel? Mr. McIntyre said no, not on both sides of 6th, that one side of 6th will never have parking. Mr. Couch asked if that would be the west side. Mr. McIntyre said yes.

5. Written Petitions, Request etc.

1. Utility Bill Insert Request- The Village in Waterville. Motion by Grobe, Seconded by McIntyre to approve the utility bill insert request from the Village in Waterville. Unanimous vote. Motion carried.

6. Unfinished Business

A. Resolution 2018R-006. Paquin Street Closure from 5th Street to 6th Street (Monday - Friday 7:00a.m.to 9:00 a.m. and 2:30 p.m. to 4:30 p.m.) Ms. Grobe said that she disagrees with that because of the blocking off of the parking lot. She does not see how you will be able to let people park in there if they don't have the access and if you allow them to go in there during that time then you are defeating the purpose of the closing. Mr. Schmidtke said he has not heard one positive, a lot of negative. Mr. McIntyre said you have been doing that for 60 years where the school is so when you want to make change everybody is against change. We are looking at the safety of the students that go to that school. If parents can't accept that we will put a full plan together. This is just a matter of getting approval from the County that we have the opportunity to do that. We will put our full plan together. There will be two plans and then we will bring that back to the Council. It will also be given to the School Board because the School Board would have to approve it also. Mayor Schmidtke said you should have had all these plans right now to present everything. Mr. McIntyre said until there is approval to be able to block that street for those hours there is no sense in putting a plan together, because we need that to be able to put the plan to make it work for the buses on Paquin and also for additional parking on Paquin and put it together as to changing anything to one way streets and where all the parking is going to be. Mayor Schmidtke said he would like to see it all in one package and make it all in one, this could be done anytime. Mr. McIntyre said if the Commissioners of Le Sueur County approve this resolution, then we will put the full plan together and bring it to the Council and the School Board. Mr. Smith asked if the County needs this approval to finish the plan. Mr. McIntyre said yes. We need the approval from the County to finish putting the plan together because there is no sense putting a plan together if we don't have approval of the County to exercise that right for what we want to do at the crossings on Paquin Street. Motion by McIntyre, seconded by none to approve Resolution 2018R-006 for the Paquin Street Closing. Motion failed due to lack of second.

B. Cable Franchise Ordinance

1. Franchise Services Agreement. City Attorney Moran said that he was able to negotiate with Mid Continent with regard to the Franchise Agreement. Mid Continent agreed to virtually all of the conditions that he had asked for. Some of the terms that will be changing are: It will be a non-exclusive Franchise Agreement for a period of ten years, it will not automatically renew. It is non-exclusive which means if another cable company comes to town they can participate in Waterville. You don't want to make it exclusive, if you make it exclusive then the cable company may drive the rates up. This allows for another cable company to come to town and allows for some competition. More importantly they will provide free cable service to City Hall, the Fire Hall, the PD, the public works building, to the library and any other school within 150 feet of their system. So if we get any additional schools in town they will provide free service. Mr. Moran said that he tried to get them to throw in data. Under Federal law you are not supposed to tie data to a cable agreement. He did try it and they let him know that they make a lot of money off of data and that they are not going to provide free data. We do get free basic service though and free installation along with it. More importantly anytime they do any work in town they have to provide the residents and the City 30 days' notice that they are coming to town and will be doing the work. That gives the residents notice that they didn't have previously. Any construction or modification that they do in town has to be completed within 20 days of substantial completion of their work. He wanted that language in there because in other cities

they come and rip something up and they don't restore it. This requires them to restore it. If they don't restore it and we give them notice they have to restore it then we can impose liquidated damages of \$100 a day as a civil penalty for non-restoration. They have to apply for any permits anytime they do work in the right-of-way. They have to pay permit fees according to our fee schedule. They have to keep in contact with City Staff regarding any work that they do in town. We did go from a 3% franchise fee to a 5% franchise fee, 5% is the maximum we can get under Federal law. They did agree to some additional insurance requirements. They also agreed that anytime that they cut into a sidewalk they have to replace three panels as opposed to one. Discussion regarding whether they would raise their rates and the terms of the new Franchise Agreement.

2. 1st Reading of Proposed Franchise Ordinance No. 510-2018. Motion by Smith Seconded by Schmidtke to approve the 1st reading of Ordinance No. 510-2018. Unanimous vote. Motion carried.

3. Establishing Hearing Date on Proposed Franchise Ordinance. Motion by Grobe, Seconded by Smith to set March 6, 2018 at 6:00 p.m. for public hearing on Proposed ordinance 510.2018. Unanimous vote. Motion Carried.

C. Ordinance Number 153 Right of Way Ordinance

1. Proposed Ordinance Review. Mr. Moran said that the legislature last year passed a new law allowing the telecommunications companies to install what is commonly called small cell wireless technology. Small cell technology is unsightly, it consists of nasty looking antennas that attaches to a power pole, light pole or another building. It is a very poorly written law. Small cell technology is very cheap to install and the new law allows cell phone companies to install this technology in the City's right-of-way almost un-regulated unless we pass an ordinance similar to what we have here tonight. This ordinance allows us to regulate the small cell technology. If we do not pass this ordinance the telecommunications companies could in theory come to town and start installing this small cell technology on the side of buildings, on street poles, light poles, etc. This allows us to regulate and control our right-of-ways. It also allows us to charge permit fees for that. It is something that the League of Minnesota Cities recommends that all Cities pass. This would allow us to preserve our tower rents.

2. 1st Reading of Proposed Ordinance 153 Right-of-Way. Motion by McIntyre, Seconded by Smith to approve the 1st reading of Ordinance 153 Right-of-Way. Unanimous vote. Motion Carried.

3. Establishing Hearing Date on Proposed Right of Way Ordinance. Motion by McIntyre, Seconded by Smith to set a public hearing on Right-of-Way Ordinance 153 for March 6, 2018 at 6:00 p.m.. Unanimous vote. Motion Carried.

D. Land Purchase Request Daryl Knish. Item removed from Agenda

E. Sale of Generators. No update for electrical to connect the generators to the city shop was available. Motion by Smith, Seconded by McIntyre to table sale of generators until electrical cost is available. Unanimous vote. Motion Carried.

7. Citizen Time (Comments, Information from those present). No one present wished to present to Council.

8. New Business

A. Drug Task Force Report- Sheriff Mason. Le Sueur County Sheriff Brett Mason presented Council with a presentation on the drug task force. Sheriff Mason said in Le Sueur County we have 51 open cases, 34 arrests, 32 search warrants, \$20,058 of cash seized, 1 gun seized and 2 vehicles, 1,727.4 grams (3.7 pounds) of controlled substances seized with a street value of \$72,604 and 107 prescription medications seized with a street value of \$451. Because we are a multi-jurisdictional task force we also assist Rice County as well. We only have one agent from Le Sueur County, the rest are from the Rice County Sheriff's office, the City of Northfield Police Department, Faribault Police Department, etc. There are 137 cases opened, 92 arrests, 62 search warrants, \$63,604 7 guns seized, 10 vehicles seized, just over 16.3 pounds of narcotics seized and just under 1,400 prescription pills seized. Outside of Le Sueur/Rice County there are often times when these controlled substance cases take us to different jurisdictions. There were 6 open cases, 5 arrests, 2 search warrants, \$880 and 2 guns seized, and .08 pounds of controlled substances seized. In Le Sueur County alone not counting municipalities we had 4 cases opened, 3 arrests, 4 search warrants, just over \$1,132 seized and 43 grams of controlled substances. As you can see out of the 51 cases open from April to December many of them are occurring in the municipalities. In the City of Waterville we had 6 open cases, we executed 2 search warrants, we had 6 arrests and currently we have 5 ongoing/pending controlled substance investigations. Three out of those 6 cases resulted in three different individuals that we established very very good investigation, very good intel, we were able to build cases and they were multi-pound distributors that were not only distributing in this City but in Le Sueur County, Morristown and into Rice County. One in particular was a six month investigation. We did a search warrant in town here and we ended up arresting him down the road, but there were charges he believes in four different jurisdictions with pursuits. That individual is identified as James Otis. He had been living in your City for quite a while. It was a six month investigation. Currently he was indicted by the Federal government. The Feds essentially took the case, he took the conviction and he is awaiting sentencing. We believe that he will probably be in Federal prison for the next 20 years. This was a very good case. Our agent was new into this, he was brought into this in April, it took several months to get his boots on the ground and get going, he is going full bore at this point in time and we are going to have a four year stint in this for that agent and we will keep transitioning and switching him out. These are the statistics for 8 months. Sheriff Mason said he appreciates the funding that the City provided last year. We could not do this without the assistance of the Cities, thank you very much. Sheriff Mason said that they will be working on a small agreement with each municipality indicating for the year of 2018 we are contributing "x" amount of money for assistance for our City of Waterville to help with the County of Le Sueur to help with the multi-jurisdictional task force. Mr. Moran will help draw up the agreement. Ms. Grobe questioned where they get the prescription medications – discussion regarding the prescription drug/opioid epidemic. Mr. McIntyre asked if they were going to increase our presence in Le Sueur County by adding another officer. Sheriff Mason said that when we continue these statistics and our agent continues to do a fine job he thinks it is going to be needed. It is just a matter of when and how we are going to facilitate that is the only question. He thinks in due time the County is going to have to make that decision. He is going to recommend and encourage it because he thinks we are going to have to have another agent. Just from his agent's time card how much work he is conducting. That is why we do these in 3 and 4 year stints because they get burned out. He had a ton of overtime last year and he has budgeted a little bit more this year. Discussion regarding heroin usage.

B. Drug Task Force Contribution Request. Motion by McIntyre, seconded by Smith to approve the 2018 contribution of \$7,000 for the Drug Task Force. Unanimous vote. Motion carried.

C. Resolution 2018R-008 Accepting Donation from Eileen & Ralph Schansberg. Motion by Smith, seconded by Grobe to adopt resolution 2018R-008 accepting \$100.00 donation from Eileen and Ralph Schansberg for the Waterville Fire Department. Unanimous vote. Motion Carried.

D. Resolution 2018R-009 Accepting Donation from Arnie Krautkremer. Motion by McIntyre, seconded by Smith to adopt resolution 2018R-009 Accepting rescue toboggan from Arnie Krautkremer to the Waterville Fire Department. Unanimous vote. Motion carried.

E. Resolution 2018R-010 Granting Excluded Raffle to the Waterville Area Festival Organization. Motion by Schmidtke, seconded by Grobe to adopt resolution 2018R-010 granting excluded raffle to Waterville Area Festival Organization. Unanimous vote. Motion carried.

F. Waterville Festival Organization Funding Request. Motion by McIntyre, seconded by Smith to approve the funding request of \$5,000 to the Waterville Festival Organization. Unanimous vote. Motion carried.

G. Fire Department Equipment Purchase Request-Spreader. Motion by Smith, seconded by Grobe to purchase the spreader in the amount of \$10,032 for the Fire Department using both 2017 and 2018 budgets. Unanimous vote. Motion carried.

H. Fire Department Equipment Purchase Request-Turn Out Gear. Motion by Smith, Seconded by McIntyre to purchase 5 sets of turnout gear in the amount of \$10,350. Unanimous vote. Motion carried.

I. Buchannon Street Storm Sewer Improvements

1. Feasibility Report Review. Mr. Jason Femrite presented the formal feasibility report for the north Buchannon Street draining improvements. If we will assess some of these improvements we will follow the 429 process. The assessments would be 50% of the project costs on a per unit basis. The storm sewer improvement would go to the storm sewer district. Mr. Femrite presented the project schedule showing substantial & final completed 9/1/2018. Mr. Femrite presented the preliminary assessment roll of \$22,795 divided by 6 properties at a total estimated assessment on each property of \$3,799.17. 100% of the storm sewer would go toward the district which would be approximately \$62,000 estimated. We will have to call for an improvement hearing and present this information to the property owners. We will bid the improvements, receive the bids and recalculate the assessment with the final bid numbers.

2. Resolution 2018R-011 Accepting Feasibility Report and Setting Public hearing. Motion by Smith, seconded by McIntyre to adopt Resolution 2018R-011 accepting feasibility report and setting a public hearing for March 6, 2018 at 6:00 p.m. Unanimous vote. Motion Carried.

J. Squad Car Purchase. Ms. Hill said the City was looking at having a dealership bid for a squad car. We were not successful. It was sold before the bid was allowed to be submitted. We need to look at what we want to do. Ms. Hill suggested Council authorize Chief Manning to go ahead and start marking up bids off of the 2018 bids. We have lost about a month trying to find something quickly assessable. The 2018 bids are out and available. Discussion

regarding the vehicle brand and whether to lease or purchase. Allow Chief Manning to pursue the 2018 bids for a squad car.

K. Employment Recommendation. Motion by McIntyre, seconded by Smith to hire Chris Lee as a part-time officer and Mark Krenik as Public Works water and sewer supervisor. Unanimous vote. Motion carried.

L. Employment Status Change. Motion by McIntyre, seconded by Schmidtke to approve Bob Petrasek employment from full-time to part-time status. Unanimous vote. Motion carried.

M. Training Request-Teresa Hill. Motion by McIntyre, seconded by Smith to approve the MCFOA training request for Teresa Hill. Unanimous Vote. Motion Carried.

N. Paint Striping Estimates. Ms. Hill received one estimate. Ms. Hill questioned if Council wanted the striping to be at level or routed out and then inset. Discussion regarding the level striping and routed striping. Mr. Femrite said the routing would last longer and is more permanent.

O. Loader Tires Purchase Approval. Two quotes were received. Motion by McIntyre, Seconded by Smith to approve the purchase of loader tire from Wholesale Tire for \$6,264. Unanimous vote. Motion carried.

P. Chamber request for Bullhead Days. The Chamber requested blocking off streets, city garbage can use, carnival water and fireworks for Bullhead Days. Motion by McIntyre, seconded by Smith to approve the Chambers request for Bullhead Days. Unanimous vote. Motion carried.

9. Engineer's Report. Chris Swanson provided Council with the wastewater treatment plant update. The project is up and running and running successfully. We met up with a few warranty items that came up. We had an issue with a generator that we have been working through the last month and a half. We are still working through the contract on these things. The Contractor does have a few items left to complete the project. Most of those are spring site type things that we had to wait on until it warms up. The other items are the existing sludge storage. At the end of the project was that we clean out the existing steel glass lined storage tank, we did have an inspection and found that the cover had to be replaced, it had corroded. That was a long time item and that will show up in June and the contractor is going to finish that up. It is operating well. There are going to be some issues that will come up. We have a two year warranty in place. We have an open contract with the contractor. The warranty is basically at substantial completion which was June so that is when the warranty starts on most of those items. Mayor Schmidtke asked when the actual completion date was. Mr. Swanson said the contract is not completed yet. Mayor Schmidtke asked when the scheduled completion date was. Mr. Swanson said early 2017, January/February 2017. So now you are going to move into project close out and how many days past is the contractor. He is significantly past, he has asked for some extensions. Mr. Swanson said he is going to talk a little bit about fairness, a little bit about contract and about where we sit in the big scheme of the contractor being done. Mr. Swanson said they took too long. There were some things that may lead to that but he would agree with and there are some things that he wouldn't. They took too long, resulting in what would be liquidated damages at \$1,000 per day (about \$300,000). Mr. Swanson said the real damage to the City of this is the additional cost the City occurred. Mr. Swanson said his

experience in working through these contract issues that is usually where mediation/arbitration or stuff goes. Everyone wants to know what are the damages that the City has incurred from it going long. Mr. Swanson said when he looks at this project he thinks there is a substantial completion date where they had it up and running in June. It was substantially complete. The City was getting beneficial use out of it. There are some warranty stuff tied to that. Then there are the items that they had to clean up. The stuff moving forward are some items that they couldn't get done until the end of the project. Counting those towards additional damages would be a hard argument. Looking at the cost for the City there is engineering fees, we had to be out there more often, and we had to be out there longer. He thinks that is typically where communities get to and what those costs that were incurred by the City are. Mr. Swanson said he sent an e-mail to summarize this to Teresa a month or so ago. He also sat down with the contractor. Mr. Swanson said we had to come up with a close-out idea. Mr. Swanson said the last time he talked to the contractor he advised him that they had a significant liability here. The contractor said he knew this was coming. Mr. Swanson said our starting position is the full liquidated damages from it. The contractor said that he did not think that was fair. Mr. Swanson said the contractor needs to make the City whole. Mr. Swanson spoke with the contractor of a cost of \$130,000. That is based off of approximately engineering time we had \$209,500 more of engineering cost. Mr. Moran asked in additional engineering costs? Mr. Swanson said engineering above the original estimate. Mayor Schmidtke asked what the original was. Mr. Swanson said \$480,000. Mayor Schmidtke said so you are \$210,000 over what you estimated cost of engineering was. Mr. Swanson said that was an estimated engineering cost. Mayor Schmidtke said these were numbers that you gave the City in one of these books that that was what the project was going to cost. Mr. Swanson said in the book we are actually under that. I actually went below that in my construction estimate, so we are actually below what was the original facility plan. Mayor Schmidtke said next month he would like to have a closed session meeting so we can negotiate that and it would just be the City Council and Jason. Mr. Swanson said negotiate what part. Mayor Schmidtke said we want to decide what we want to do, the Council here. Mr. Swanson asked if Council would want him at the meeting. Mayor Schmidtke said no. Mr. Swanson said the other piece of this in the \$209,000, we provided about \$87,000 of that of additional operations for the City. Mr. Swanson said he talked to Ms. Hill about this and the reason why we did that was so that you could have that funded through PFA. Ms. Hill also wants us to come help train Mr. Krenik out there. Mr. Swanson said he has tried to provide that service as additional benefit to the City so that you could have that funded rather than pay for that outside. He thinks that is a fundable item to get this project up and started. That wasn't part of the original scope of their work, the additional time. So with the \$209,000 less the \$87,000 he came up with a cost of around \$122,000. He discussed it with the contractor and told him that it was about \$130,000 to make the City whole. As of right now the contractor has agreed in principal to that number. Mayor Schmidtke said he is looking at the \$365,000 plus the \$200,000 over. Mr. Swanson said the liquidated damages are there to cover the cost of the engineer. That is how we set those numbers. You look at what the additional cost would be to the City if the contract goes long. Mayor Schmidtke asked if the Council is in favor of having a closed session, if we can get all these numbers and look at that so we can discuss that in closed session. Mr. Moran said he would like to get a breakdown on how Mr. Swanson calculated the \$130,000. Mr. Swanson said that is a ballpark. The other piece of this is the time that it takes to litigate and go after liquidated damages on these contracts. In his experience that is a significant effort of additional engineering time that if we can avoid that as a City he thinks that would be good. He would also recommend that he attend the session so he can provide some insight on the construction and all that, as your engineer the contractor sets him up as the contract administrator, he is the City's star witness in getting money from a contractor. Mr. Moran said you are right about that in order to liquidate it we would need proof the majority of our claim

through you as the administrator. Mayor Schmidtke said he understands that too, but he would like to sit with the Council, get some numbers, then have one meeting with the Council, what we want to do by ourselves and then a second one, could we wait until March, then April we will have another closed meeting with Mr. Swanson included. Mr. Swanson said he is fine with that, there is not an issue with that. We are not talking about a lot of legal matters at this sense. Mr. Moran said that he can tell the contractor that the City Council is not happy with the delay, first; secondly he thinks we need to readdress the warranty issue, if there was a delay maybe we should look at restarting the warranty upon close out as opposed to back, and then we have this lengthy delay, he thinks it would make sense to start the warranty upon close out. Mr. Moran said he does not think that would be unreasonable, and he thinks we should have a discussion about the \$1,000 a day of liquidated damages. Mayor Schmidtke said exactly, because this is taxpayer's money. Mr. Swanson said he hopes that Council knows that is a loss to him, he has been here a long time ago when we negotiated with Kamp Dels making sure that we get the additional grants that we needed to cover the cost of these projects. Mr. Swanson said he is very big in including the management of the allowance, the money that was spent out there. There was a significant grant that came back to the City. Our time in engineering as we went along was making sure that good decisions were made and saving the City money. He will make sure that allowance item is there too and that you guys see how that was managed. Mr. Moran asked what was the reason for the delay. Mr. Swanson said in general they are slow. What they came back with was the rain. Mayor Schmidtke said he was told that there was three weeks where there was only one person working down there and there was an engineer down there watching him. Mr. Swanson said that isn't the case, we were only out there when we were out there on critical times and we didn't provide full-time inspections. Mr. Swanson said we have daily logs when we are out there if Council wants. Mr. Moran asked Mr. Swanson to send him an e-mail on how he was breaking down the \$130,000 and also an e-mail if we did choose a litigation route how much Bolton & Menk would charge for expert testimony. Mr. Swanson said he doesn't know if he can do that, which is the hard thing because that is the piece where you don't know how many hours. Mr. Moran said he would be looking for an hourly rate. Mr. Swanson said the City has that, we are not going to jack our rates for the City, and we have been working for Waterville for years. We are not trying to make an extra dollar off the City of Waterville to go into litigation. He is interested in what is the best interest of the City. How can we arrive at the best interest for the City to make sure that this gets above all else a quality project. Wapasha Construction has done a good job. They have done a quality project. Mr. Moran asked what is the possibility of getting the warranty started as of date of completion. Mr. Swanson said it is potential, if they want to push that though he does not believe a Court would uphold that. Mr. Swanson said it is very well established that warrant starts at beneficial use. Mr. Moran said unless agreed to otherwise. Mr. Swanson said that is right, so that is a negotiation point Mr. Moran, and he does not think you would fight that that much. They know they want to make the City happy too. He doesn't want to paint this picture of the contractor, he wants to be happy too. They are regular folks and they want it to go well too, but they know they have a contractual issue and there are problems out there and the City has incurred costs so they would probably be more than willing also to sit down and say we want to make this right with you. Mr. Moran asked if the \$130,000 make us whole as to the amount of money we have got into it. Mr. Swanson said he thinks so, that is his opinion. Ms. Hill has that already and he will forward it on to Mr. Moran and the Council. Mr. Moran said he wouldn't mind seeing a memo on it. Mr. Swanson said that is his opinion. He thinks that does make the City whole and it avoids the additional costs that was incurred from the delay. Mayor Schmidtke said we will still have a closed meeting with just the Council. Mayor Schmidtke asked Mr. Swanson to forward that information to Teresa or Mr. Moran and the Council can look at that.

Mr. Smith asked Mr. Swanson and said that there is a chunk of land out there that someone has looked at buying from the City, he wants to know for his information if we were to expand that plant which direction. Mr. Swanson said going towards the campground, his opinion, again don't sell any land around your wastewater. It is prime real estate. You now have the single largest piece of infrastructure the City owns sitting there. He has a pretty good idea of how expansions would look, but you never know what the MPCA might come up with new regulations and land use that you might need additional stuff. That is super valuable real estate to the City of Waterville. To move that plant is nearly 15 million dollars at this point. Mr. McIntyre said that is precious property.

10. Attorney's Report. Mr. Moran said he did not have anything to report.

11. Administrator's Report. Ms. Hill said she had a resident who lives on Main Street, they came in and complained about snowmobile traffic. Over this last weekend the snowmobile traffic was coming off the highway and riding on the sidewalks. When approached one of the snowmobile drivers said they thought that was the trail. The individual is wanting to know if the City would consider any type of signage that would be placed up there. Mr. Moran asked that property has had the problem before. Ms. Hill said she did not ask, but her assumption would be yes. It maybe got to the point where I have to keep my sidewalk clean and now you are packing this all down and I can't get it cleaned. It is also cause for more of a risk for pedestrians. The property owner was quite aggravated from her understanding. The property owner went out and was standing in the sidewalk and they proceeded to drive around them and then back onto the sidewalk. Mayor Schmidtke said when they come off the trail there is all kinds of signage and the trail is marked. Mr. McIntyre said this weekend you had three groups of them that were at Bullheads and at the Corner Bar and they came tearing down on First Street, they also come tearing down the river and it was like having an army of tanks coming down the river. Mayor Schmidtke said they didn't come down the river by your place. Mr. McIntyre said yes they did. Mayor Schmidtke said he thought that was open. Mr. McIntyre said most of it is open, they scared his cats. They are not use to having a snowmobile at 70 mph running down the river. They were all over the place. He agrees with the resident that had that problem. Mayor Schmidtke asked if the individual called the Police Department. Ms. Hill said the individual did call and the Police Department went out and by that time he believes they were already parked and then when they exited town, the individual called them again and they had exited by the time they got there. They are checking in on a lead because they may have some identification on one of the sleds. Ms. Hill said she told the individual that she would bring it to the attention of the Council. We do have a snowmobile ordinance. It is a misdemeanor for them to drive on the sidewalk. The thought was additional signage could be put up. Mayor Schmidtke said maybe the snowmobile club could do something. Mr. Smith said he gets notices from them once a year because they go across one of his properties but he doesn't remember who it is. If he can make it to their dinner he will mention it to them. Mayor Schmidtke said it is the same as the ATV's there are certain streets they can only be on. Ms. Grobe asked if First Street is one of them. Mr. McIntyre said if you get out the published map of the snowmobile trail, it shows it and it is pretty clear and if you can't follow that there is something wrong. Mayor Schmidtke said there was probably no snow on the streets and he is guessing they went on the sidewalk. Ms. Hill said if Council wants to take a look at that area to see if it is something that Council wants to address. It was on the south side of Main Street.

12. Council Discussion.

A. Mr. McIntyre said through all of this with the safety of kids at school and everything I am going to bow out of the operation and leave it to Councilman Wollin to look into what he wants to do since he was part of the project.

13. Approval of Disbursements. Motion by Smith, seconded by Schmidtke to approve the disbursements in the amount of \$167,791.26. Unanimous vote. Motion carried.

14. Impress Cash Fund. Motion by McIntyre, seconded by Grobe to approve impress cash fund for \$34.48. Unanimous vote. Motion carried.

15. Adjourn. Motion by McIntyre, seconded by Grobe to adjourn. Unanimous vote. Motion carried. Meeting adjourned at 7:18 p.m.

Alan Schmidtke, Mayor

Teresa Hill, Administrator/Clerk