

WATERVILLE CITY COUNCIL
REGULAR COUNCIL MEETING
April 3, 2018, 6:00 P.M.

There was a regular Council meeting of the Waterville City Council held in Council Chambers at 6:00 p.m. on April 3, 2018.

Present: McIntyre, Grobe, Smith, Wollin and Mayor Schmidtke

Absent: None

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

Absent: Jason Femrite of Bolton & Menk

- 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. Also present was Teresa Hill, Administrator/Clerk, and Jason Moran City Attorney. Pledge of Allegiance was recited.
- 2. Approval of Minutes- March 6, 2018.** Motion by McIntyre, seconded by Smith to approve the minutes of March 6, 2018. Unanimous vote. Motion carried.
- 3. Approval of Agenda/Additional Items to Agenda.** Mayor Schmidtke advised item 7 Finance Review H2 to remove the 2018 budget from the resolution amending the 2017 and 2018 Budgets. Motion by McIntyre, seconded by Smith to approve the Agenda with the one change to Item 7H2. Unanimous vote. Motion carried. Unanimous vote. Motion carried.
- 4. Written Petitions, Request etc. None**
- 5. Unfinished Business**
 - A. Land Purchase Request Darrell Knish.** Mr. Moran advised he drafted a proposed lease agreement and gave a copy to Mr. Knish. Mr. Moran advised that Mr. Knish is still in a position where if he had his first choice he would be able to buy the property in question. Alternatively if he cannot purchase it he would like to get some different terms in the current lease that he has. Right now it is a yearly lease. This would convert the lease to five years and the payment remains the same. The Council will have to determine if they want to sell the parcel or whether or not they want to stick with the lease, if so an annual lease or five year lease. Mr. Knish requested a ten year lease. Ms. Grobe said there was a question about the utility easement, she asked Mr. Moran if he found out about that. Mr. Moran said in 2011 Mr. Keogh did do a resolution dedicating the small southeast triangle by user. He was able to locate the resolution and it has been recorded and is on file with the recorder's office. Mr. Knish said that Bolton & Menk gave them the wrong description and took the wrong end of the property. Mr. Knish and Mr. Moran discussed the discrepancy that Mr. Knish is speaking of. Motion by Smith, seconded by Grobe to table the land purchase request of Darrell Knish until Jason Moran gets more information on the discrepancy on the mapping. Unanimous vote. Motion carried.
 - B. Sale of Generators.** Notification was received that the value of the generators would be \$1,000. Motion by McIntyre, seconded by Smith to put the two generators up for bid at a minimum of \$1,000 per unit. Unanimous vote. Motion carried.
 - C. 2018 Mosquito Spraying.** Six treatments were quoted at \$4,992.00, or \$832.00 per treatment. Discussion regarding how many treatments should be done. Motion by McIntyre, seconded by Grobe that we do seven treatments for the mosquito spraying in 2018. Unanimous vote. Motion carried.

D. 2018 Dust Control. Ms. Hill said the estimated amount for dust control is \$4,014. Motion by Wollin, seconded by Smith to approve the dust control at \$4,014. Unanimous vote. Motion carried.

6. Citizen Time (Comments, Information from those present). No one addressed Council.

7. New Business

A. Liquor License Approvals. 2018 Liquor Licenses: On Sale: 1. Denny's Bar; 2. Hoy Enterprises LLC DBA Bullheads Bar and Grill; 3. William Patrick Conlin LLC, DBA Corner Bar; 4. William Patrick Conlin LLC, DBA Waterville Event Center; and 5. El Molino 3, LLC; Sunday Liquor Licenses: 1. Denny's Bar; 2. Hoy Enterprises LLC DBA Bullheads Bar and Grill; 3. William Patrick Conlin LLC, DBA Corner Bar; 4. William Patrick Conlin LLC, DBA Waterville Event Center; and 5. El Molino 3, LLC; Off Sale: 1. Denny's Bar; 2. J & L Bottles; 3. Catch of the Day Liquors Inc.; 4. William Patrick Conlin LLC, DBA Corner Bar; and 3.2 On Sale: 1. Hoot Lanes – 3.2 on sale. Motion by McIntyre, seconded by Smith to approve the 2018 liquor license renewals including all five businesses as presented. Unanimous vote. Motion carried.

B. Rental License Report – Dan Murphy. Mr. Murphy gave Council a report on how the new rental ordinance inspections went. Mr. Murphy said about half of the rental units did need some life safety work. The Rental Ordinance is geared toward basic life, health, safety issues such as stairs, handrails, smoke detectors, and carbon monoxide detectors. Corrective orders were given and the properties were made compliant. There were two rental properties that had a significant list of corrections and they have been compliant. Mr. Murphy said all the landlords have been compliant in working with us on our correction orders. The rental properties are to be inspected every two years. Some rental properties will be re-inspected in June for exterior work that needs to become compliant.

C. Employment Recommendations – Fire Department Officers. HR Committee recommended the following list of Officers for the Waterville Fire Department: Chief – Chris Meskan; 1st Assistant (remaining term) – Jeremy Schwartz; 2nd Assistant – Patrick Anderson; Captain Position (remaining term) – Ryan Knish; Training Officer and Captain – Matt Duhme; SCBA Coordinator – Dick Tolzman; and Secretary – Ryan Knish. Motion by Smith, seconded by McIntyre to approve the Fire Department Officers for 2018 retroactive to January 1, 2018. Unanimous vote. Motion carried.

D. Resolution 2018R-015 Granting Excluded Raffle for Waterville Fire Relief Association. Motion by McIntyre, seconded by Wollin to adopt Resolution 2018R-015 granting the excluded raffle for the Waterville Fire Relief Association. Unanimous vote. Motion carried.

E. Resolution 2018R-016 Supporting Local Decision Making Authority. The League of MN Cities is recommending Council adopt this resolution. Motion by McIntyre, seconded by Grobe to adopt Resolution 2018R-016 Supporting Local Decision Making Authority. Unanimous vote. Motion carried.

F. Improvement Projects.

1. Mill and Overlay Projects. This is for Lake Street and Lillian Street. We were going to do Common Street and Third Street. Ms. Hill said that Common and Third

Street were added in, they were not originally in our plan for mill and overlay. With the Buchannon Street project coming up that being a decision made after budgets were set she feels that we probably should do those two additional streets and just stick with the Lake and Lillian Streets. When Buchannon Street comes in and we figure out what the bid costs are then we can maybe take a look at it when we see what the bids are. With the Buchannon Street project we are paying 50% of the street off of the top and we are cash flowing the rest of it, part of it for 10 years with the assessments and the other part is until we can recoup through the storm sewer district. Motion by Smith, seconded by McIntyre to go out and get bids for the mill and overlay projects with the exclusion of Common Street from 3rd to the Highway and Hoosac Street from 3rd Street to the school. Unanimous vote. Motion carried.

2. Resolution 2018R-017 Accepting Plans and Specifications and Ordering of Bids for 2018 Buchannon Street Drainage and Street Improvements. Motion by Smith, seconded by McIntyre to adopt Resolution 2018R-017 Accepting Plans and Specifications and ordering of Bids for 2018 Buchannon Street Drainage and Street Improvements. Unanimous vote. Motion carried.

G. 2018 Crack Filling and Seal Coating. Mayor Schmidtke advised that the budget is for \$43,550. The projected streets are Faribault Street, Hamilton Street, Benton Street, Lind Street, and Herbert Street South and Herbert Street North, and Mill Streets. Motion by McIntyre, seconded by Smith to go out for bids for the crack filling and seal coating for 2018. Unanimous vote. Motion carried.

H. Finance Review.

1. Review of 2017 Department Expenses Prior to Audit. Ms. Hill presented Council with 2017 changes in fund balance prior to audit. Ms. Hill said she took the revenues that we received so far in 2017 versus the expenses and in the right hand column you will see the change. The general fund had revenue of \$1,336,604.52, expenses of \$1,374,064.44 showing a change in fund balance of -\$37,459.92. In the -\$37,459.92 she did not break out further that in that dollar amount there is \$36,700 of designated funds that we are already using. That is money that was set aside for gambling reserve and safety reserves. That does not impact your usable fund balance. Ms. Hill said this is pre-audit so there will some items shifting around. Ms. Hill broke the report up into General Fund, special revenue funds, debt service, capital improvement and Enterprise funds. The special revenues would be your EDA loan fund, Library and some of the project funds. Capital Improvements there are two main categories, the 400 fund is our capital improvement fund that we have set aside and we have \$30,000 in revenues and year-to-date spent \$157,000. If we do not reallocate those around in the time you are looking at about \$127,000 draw on your capital improvement fund. The next one is the wastewater treatment plant. You had \$3,344,078.45 that came in in revenues and \$3,140,454.37 that went out in expenses. There will be some reclassification changes yet with PFA anticipated money so there will be some journal entry changes within the next couple of weeks. Our audit is the week of the 16th of April. You will then have more concrete numbers. Ms. Hill said this is pretty much as anticipated. Mayor Schmidtke requested Ms. Hill read into the record what was budgeted and what was year-to-date spent for each department. Ms. Hill said General Administration budget \$220,760, year-to-date spent \$219,132.47 balance of \$1,496.01; Planning and Zoning budget \$35,472, year-to-date spent \$34,537.79 balance of \$934.21; EDA budget \$15,481, year-to-date spent \$15,170.78, balance \$310.22; Civil Defense budget \$19,787, year-to-date spent \$18,968.16, balance \$818.84; Flood Mitigation Budget \$3,800, year-to-date spent \$2,794.70 balance of \$1,005.30; 2nd Flood Mitigation Budget \$19,600, year-to-date spent \$13,319.12, balance \$6,280.88; Flood worksheets for the flood Budget \$8,600, year-to-date spent

\$8,604 balance -\$4.00; Police budget \$437,609, year-to-date spent \$434,247.74, balance \$3,361.26; Fire budget \$184,590, year-to-date spent \$179,147.65, balance \$5,114.35; Streets budget \$405,482.00, year-to-date spent \$403,675.79, balance \$1,806.21; Parks budget \$44,310, year-to-date spent \$43,168.39, balance \$869.99; Sr. Center Facility budget \$1,435, year-to-date spent \$1,287.35, balance \$147.65. Ms. Hill said if Council or the public have questions on anything you can set up an appointment and chat with her and she can go through things a little more in detail.

2. Adoption of Resolution 2018R-018 amending the 2017 Budget. Motion by Wollin, seconded by McIntyre to adopt Resolution No. 2018R-018 2017 Budget Revisions for the City of Waterville. Unanimous vote. Motion carried.

3. Capital Improvement Plan. Ms. Hill said that Mayor Schmidtke had asked about a capital improvement plan to try and get ourselves a little more focused on some long term planning. Ms. Hill said we do an abbreviated version of that. We do a five year look-out plan that checks what are our capitals coming up and what are we looking at. We do not do a formalized plan. The formalized plan would be a version of this is what we are looking at, this is what our tax base is, this is our whole debt, and how is that going to impact your levy. It also tells you a little bit on how you are going to plan for those. If you have debt coming off here you have so much more that you can regain, what your tax base is going to be, it gives you an idea of the financing portion of your capital improvement plan. Ms. Hill said one emphasis that Mr. Schmidtke is talking about is getting everybody thinking about what that five year plan is going to look like and whether or not you want to take it out further to a ten year plan. Ms. Hill said we typically get into discussions on that during budget planning. To have a formalized plan done is pretty expensive upwards to \$20,000 to have somebody to do it. Ms. Hill said it has always been a goal of hers to try to do that based off of some of the spreadsheet versions out there. Hopefully we can get to something that is a little more cash flow presented. Ms. Hill said for example if we look at buying a new sweeper, what is that going to look like, where is the cash going to come from and how is that going to affect your levy. Discussion regarding setting up a capital improvement plan and things that need to be done within the City such as purchasing equipment, street maintenance, etc. Ms. Hill said for a formalized capital improvement plan the City would have to supply all the information. Mayor Schmidtke asked if Council can think of ways to offset some of the expenses. Mr. McIntyre said we could look at a strategic plan, we could do a work shop and do some brainstorming and get everything laid out there as to what it is and what are some of the time lines that equipment has to be replaced or streets have to be done, or sewer has to be done, whatever. Mayor Schmidtke said a lot is riding on Kanne Cartway as to what happens there and we get numbers back from there. Ms. Hill said we can expand on what we have definitely for this year. Part of what keys into that is what Mr. McIntyre was talking about your capital plan is what the focus of the Council is. Is the focus of the Council streets? Is that a higher priority of a park or a particular piece of equipment? Do you need to buy that piece or do you need to lease it? It comes down to a vision of what the Council sees for themselves in the next years to come. That all comes into play especially on those larger ticket items. Ms. Hill said she has spreadsheets already that we can use as tools if we can combine them into a single document would be good. Ms. Hill said maybe she can work with that to accomplish a little more of a visual or clarify them. Mr. Wollin said we should look at ways to raise revenue. Mr. Moran said he would look at cell phone tower antennae rents. Ms. Hill said we could also look at franchise fees.

I. Wapasha Construction Pay Request #27. Motion by Smith, seconded by McIntyre to approve Wapasha Construction Pay Request #27 in the amount of \$97,279.40. Unanimous vote. Motion carried.

8. Engineer's Report. Mr. Femrite was not at the Council meeting no report given.

9. Attorney's Report. Mr. Moran said following up on our discussion from last month with regard to the Wastewater Treatment Plant Ms. Hill, himself, and Bolton and Menk will be meeting with Wapasha Construction next Monday at City Hall. He will convey to Wapasha how frustrated Council is for the delay, about 400 days past due without any relief or justifiable explanation.

10. Administrator's Report. Ms. Hill reminded Council that there will be a Board of Equalization Meeting on April 9, 2018 at 5:30 p.m.

11. Council Discussion.

A. Mr. Smith said he has been noticing the Lagoons Park, the entire area through there is wet, frozen and soggy but we have a lot of dead fall and clean up that can really be done down there. The trail that is located through there he has been seeing a lot of ATV traffic on that trail. He thinks we need to post that as foot traffic only. He does not think the ATV's need to be on there. They are local ATV's that run down through the park there. He thinks we need to look at how we are going to designate it. If that is actually park land he is not sure they are supposed to be there to start with. He would like to see the dead fall cleaned up and just get the area cleaned up a little bit. There is a little triangle corner just to the south of him that has never really been cleaned up back there behind his neighbors. He thinks that area needs to be cleaned up. We mow the area adjacent to it so he does not see a reason we shouldn't be cleaning that up and mowing that area. If we could do that he would like to see that in the coming season, weather and conditions dependent obviously. If we have to wait until next winter when it is frozen maybe we need to get the guys out there when the ground is frozen and we can get equipment out there to get the dead fall out. It is pretty wet. Mr. Wollin said you might be able to reach out to the school to see if any school groups would want to do that. He use to do that with a group when he was teaching here. We did go out there and clean up. Mr. Smith said or we can get STS out there. There is a significant amount of dead fall that is going to require chain saw work and equipment work out there. Mr. Wollin said that they couldn't do, but they could pick up branches. Mr. Smith said some of the trees have fallen out there and he thinks that is what we need to focus on. We need to look at the ATV use out there also. Mayor Schmidtke said there again you put signs up, it is like anything else it has to be enforced. Mr. Smith said but if we don't put them up and something happens what are our liabilities on that. Mr. Smith said he thinks a sign would be reasonable if that is truly our policies in the parks. Do we have that kind of policy in the other parks? Ms. Hill said that she does not know that we have a policy for ATV's in parks at all that addresses it. Ms. Hill said she would think just normal ATV rules. Mr. Moran said his last review of those ATV rules was a fun review. Mr. Moran said he thinks it is a very good and valid point and it is probably something that needs to be reviewed. Mr. Smith asked Mr. Moran what his other cities do as far as ATV's in parks. Mr. Moran said they have very detailed ATV rules with maps. Mr. Moran said he is not so sure we have a cohesive ATV/snowmobile rules. Mayor Schmidtke said snowmobiles are on certain streets, but it is not legally documented. Mr. Moran said we should probably have a review of it. Mr. Schmidtke said do you want to have that for the next meeting? Mr. Moran said he has reviewed it well enough to know that we need a review. Mr. Moran said a review would be a very good idea. Mr. Schmidtke said so you think it is a good idea to review all that. Mr. Moran said that he and

Teresa can coordinate on that and look at getting you a document. Mr. Smith said he hates to create more work and more rules but he thinks it is something the City really should look at. He thinks it is a liability problem if we don't. Mr. Moran said it is one of those things that has never been really tackled or dealt with. Mayor Schmidtke said is that something down the line for a special meeting. Mr. Moran said definitely, Teresa and I will work on what we have and what we should have and Teresa or I can prepare a report with recommendations to you. Mayor Schmidtke said do you want to get something all lined up like you have for other cities. Mr. Moran said yes, he will get Council a report on it.

B. Ms. Grobe asked if we are still following up on the infiltration into the sewer. Ms. Hill said she is glad Ms. Grobe brought that up. She was going to make a mention of that. We had an agreement for a contractor to come in with us and go and do televising of each house. That is a topic of discussion that she does want to bring up at the next meeting. Another financial reason why she brings that up is each year with our PFA we have to set aside 50 cents per 1,000 gallons. In this year alone we had to take \$60,000 out of our revenue and put it aside that we cannot touch. We are losing the ability to actually capitalize on that revenue we are collecting. Anything that is being used out of there does require PFA's approval. She did approach Anita at the PFA and did request that we come to some kind of agreement possibly that maybe we could use what the usage is above and beyond our normal usage would be, meaning what she would classify what we are treating for infiltration and then be able to use that to fund a better bigger project for I & I. They did turn down that request. Ms. Hill said she thinks that is something that we really need to address hard right away. She does not know if maybe we want to look at contracting that in or if we still want to go with our individuals going into each house and televising the lines with the use of a plumber. We had a plumber on line so that they could remove toilet stools and that kind of thing. That was something last year that we could not get accomplished because of all of the construction and had no man power but we definitely have to do something with that. Ms. Grobe asked if there are specific areas or is it all over? Ms. Hill said it is going to be all over but the main sections that they have identified are in the Lagoon area which they are saying really shouldn't be a problem because that is all newer stuff out there, but where is it coming from. They can track it by which lift stations, when it is hitting the lift stations. We did try to narrow that down and get a grasp on where they were. We did do smoke testing and that didn't reveal any what they call "smoking guns" or anything dire emergency to say yes this one is really taking this amount of water. We have some manhole rehab and is contributing to it. All in all she thinks a lot of it has to do with some type of tie in from drainage whether it is tiling that people don't know about. Ms. Grobe said or they run their sump pump in wrong. Ms. Hill said it has been probably 15 years since we have done sump pump inspections. Those are the things that when they do the inspection for the televising those are things that they will just knock off the list again and make sure that we look at that. Ms. Hill said it is costing us a lot of money at this point. That is \$60,000 that she would much rather have at our disposal. Ms. Hill said if we can focus money right now, it will save us money in the long run. Mr. Smith said he thinks it is worthwhile to look at definitely. If we need to contract it out to get it done maybe that is something we need to seriously look at doing then. Right now our manpower in the City is stretched pretty thin the way it is. Mayor Schmidtke asked if we have a contractor all ready to go. Ms. Hill said yes we do, it is just getting the staffing. The contractor would only pull toilets and plumbing parts in case there is not a clean out that they can get access to. Ms. Hill said she is not sure how much time it takes per household. She will visit with Mr. Krenik a little more to see if he has had any experience with it how long it would take per household.

C. Mr. Wollin said he has one question about the bus line, is anybody using that, are you selling some tickets for the bus? Ms. Hill said we have not sold any tokens that she is aware

of but she knows that there are some riders. There is a gentleman from town that volunteers his time to take riders. Ms. Hill said she knows he has had a rider or so but she thinks word just needs to get out. Ms. Grobe said you have tokens here. Ms. Hill said yes, there are different versions they can pay, they can buy a token here, they can prepay with the company. They can call and say I need a ride, here is my debit card and they prepay that. They are trying to get away from any cash on the bus and that is why they went to the token. They are trying to get awareness out there. Mr. McIntyre said it just needs to get more known, that is all. You are starting to hear people talk about it. It just takes a little time.

D. Mr. McIntyre said because we are going to stripe for parking on the streets downtown when do we want to try and communicate something out there so we don't have people yelling at us. Mr. Wollin said he thinks we can put it on the website right away. He knows that doesn't solve it. Mr. McIntyre said we can put it on there, and on our Facebook, just so there is something there that will let people talk about it. Mr. Smith asked when they are planning on doing the striping. Ms. Hill said she has not gotten a date on it. Mayor Schmidtke said there will be crack filling on some of those streets that we are going to have done. Ms. Hill said she does not know off hand. Mr. McIntyre said it is something to be thinking about. He knows he has mentioned it to a few people who think it is great that they would be able to have a proper parking spot downtown when they want to go and shop or go to a restaurant. Mayor Schmidtke said it is like all the other places you will see the line and somebody will park and take two spots. It will work. Mr. Smith said it is just a guideline. Mr. McIntyre said it is not going to totally solve the problem but it will help. Mr. Wollin said it will not bring 100% order but it will be better.

12. Approval of Disbursements. Motion by Smith, seconded by Schmidtke to approve the disbursements in the amount of \$238,509.14. Unanimous vote. Motion carried.

13. Impress Cash Fund. Motion by McIntyre, seconded by Smith approve impress cash fund for \$103.70. Unanimous vote. Motion carried.

14. Adjourn. Motion by Wollin, seconded by Smith to adjourn. Unanimous vote. Motion carried. Meeting adjourned at 7:15 p.m.

Alan Schmidtke, Mayor

Teresa Hill, Administrator/Clerk