

**WATERVILLE CITY COUNCIL
REGULAR MEETING
June 7, 2022, 5:00 p.m.**

The Waterville City Council held a meeting in Council Chambers at 5:00 p.m. on June 7, 2022.

Present: Smith, McIntyre, Grobe, and Acting Mayor David Wollin. **Absent:** Mayor Schmidtke **Also Present:** Administrator/Clerk Teresa Hill, City Attorney Jason Moran, and City Engineer Jason Femrite.

Call to Order / Roll Call/Pledge of Allegiance

Pledge of Allegiance was recited. Acting Mayor Wollin called the meeting to order noting that all members were present except Mayor Schmidtke. Also, Present Attorney Moran, City Engineer Jason Femrite, and City Administrator Teresa Hill.

Approval of Agenda/Additional Items to Agenda

3 D. Resolution 2022R-024 Approving Exempt Gambling Permit Unfinished Business 5 D. Demolition contract, New Business 7 E. Old City Shop Painting, and 7 F. Nuisance Abatement 121 Buchannon Street South. Motion by: Smith, **Seconded by:** McIntyre to approve the agenda as amended. **Motion Carried 4-0.**

Consent Agenda

A. Approval of Minutes: May 3, 2022, May 26, 2022, and May 31, 2022 **B.** Approval of Disbursements **1. Electronic Fund Transfers** (35162E-36186E)) \$39,340.86 **2. Payroll Check Numbers** (2022172-2022219) \$43,244.82 **3. Computer Generated Checks and Overtime** (36753-36850 & 10036699) \$358,025.50 **4. Total Disbursements** \$440,611.18 **C. Impress Cash** \$78.35 **D. Resolution 2022R-024 Approving Exempt Gambling Permit. Motion by** McIntyre, **Seconded by** Grobe to approve the consent agenda items. **Motion carried 4-0.**

Written Petitions and Request

Kilkenny Fire Department ATV Run Administrator Hill mentioned it would be the same run as last year and there was a request to block off a portion of 3rd Street for parking. This event will take place on August 13, 2022. **Motion by** Smith, **Seconded by** Grobe to approve the Kilkenny Fire Department request for the ATV Run. **Motion carried 4-0.**

Unfinished Business

A. Resolution 2022R-023 Approving Final Plans and Specification and Ordering Advertisements for Bids for the 2022 Cedar Circle Improvements. Engineer Femrite reiterated that Bolton & Menk has prepared all the plan specifications and now it is open for bidding. If approved the bidding process will open on July 1st of 2022. After awarding the bid at the council meeting that is when we would create the final assessment roll. Then, in the August meeting, we would invite the citizens to an assessment meeting to avail all costs of the project and get a feel from the citizens. The City would then either grant or carry the motion of the repair. If approved it will be on schedule to fix the underground infrastructure and bring it back to gravel this year within a six-week process. With that portion being completed by November of 2022. This will allow a freeze and thaw cycle before paving. It was noted if there are no good bids it may need to be postponed until next year. **Motion by** Smith, **Seconded by** McIntyre to approve the Resolution 2022R-023 Approving Final Plans and Specification and Ordering Advertisements for Bids for the 2022 Cedar Circle Improvements. **Motion carried 4-0** **B. Lake Gauge Purchase** Administrator Hill talked to the council about the Lake Gauge. It was mentioned that a portion of this funding was coming from the State. The City of Waterville was awarded \$13,000.00 for the actual purchase of the gauges. To obtain this funding the City needs to capture invoices and payments need to go out by June 30th to capture that \$13,000.00. It has been asked if the Hydrology monies could be used with this and no answer has availed as of yet. If the council is looking to obtain this funding; it is requested that the council will approve the Lake Gauge Purchase. Quotes were submitted to the council with the knowledge that they may differ in price, and that any costs over the \$13,000.00 would need to be covered by the City, with the possibility of reaching out to the County for additional help with funding. The recommended range for the Gauge would be about \$20,000.00. It was also noted by the Administrator that the Hydrology Study funding will be extended to next year. It was also stated by the Administrator that this Gauge Grant will stop as of June 30, 2022, so all expenses would be reimbursed up to that point and maybe revisited with a special session to extend the funding. Other resources may be needed to finish this project. So, there was a misunderstanding from the DNR level to the State level. **Motion by** Smith, **Seconded by** Wollin to approve the purchase of the Lake Gauge up to \$20,000. **Motion Carried 4-0.** **C. Final Pay Request Rehneit Excavating LLC** Engineer Femrite touched base with the council about the final payout to Rehneit Excavating LLC. Rehneit was able to finish the grass portion of this project which was the last thing on their to-do list to close out this job. It was mentioned that a small portion of the retainage was held out to compensate for the sag in a pipe that was agreed upon. **Motion by** McIntyre, **Seconded by** Smith to approve the Final Pay Request Rehneit Excavating LLC. **Motion Carried 4-0.** **D. Demolition contract** Attorney Moran stated, that this contract that was drafted is between Timms Trucking and the City of Waterville. All owners of this property have signed off on the agreement. Most if not all of the work will be completed by Bullhead days. There have been extreme precautions taken for the monies that will be spent for the demo to be repaid by all owners

of the property through multiple contracts. Moran also spoke about the risks involved and the steps taken to minimize any risk being left with the City. **Motion by Smith, Seconded by McIntyre** to accept the Demolition and removal agreement that Jason has graciously drawn up for the City and Thank you very much for his and Teresa's services. **Motion Carried 4-0.**

Citizen Time

No Citizens present wished to address the Council.

New Business

A. 2021 Audit: Jake Rasmonson an Auditor from ABDO presented the 2021 Financial Statement Audit. The highlights that were mentioned were: There were no issues with pulling samples for Audit. An unmodified opinion has been expressed by ABDO. There were no instances with the Minnesota League of Compliance. It was well noted there was no compliance issue with the 2021 Audit. The General Fund, fund balance normal budget is anywhere from 1.4 to 1.7 million, with that The City has been able to cover and exceed the Fund balance policy of 50%. There was a positive increase in the General Fund at the year-end of 2021. 81% of the General Fund funding source comes from intergovernmental aid and taxes. Within the Debt Service Fund, the City will not have any major debt drop-off until 2026, it was noted if there are additional projects needed to be taken on, the suggestions for bonding were to increase the levy or GAP funding. In the Enterprise Funds Water and Sewer; it was suggested many times to adjust rates annually to cover its operations and debt payments. The Water Fund seemed a little low in comparison to the operations and debt payments, but the Sewer Fund seems to be covering its operations and debt payments. With the Refuse Enterprise fund having such minimal activity; it could be moved to the General Fund if the council wishes to do so. It was also noted that the Enterprise Funds are a source of monies to build up cash reserves to start new projects down the road. The Cash & Investment Balances by Fund type have increased within the last year by about 590,000.00 but have remained fairly consistent. The Tax Rate for the City has been consistent with other cities that are in the same class and county. There were no major concerns with the Debt, but keeping an eye out for upcoming issuing debt, a reminder that a significant drop of debt will happen in 2026 so if projects were to be considered this would be a great time to do that so the Debt Ratio does not have peaks and valleys. With the Expenditures, the City of Waterville is right in line with cities of the same class, and a little lower in Capital Expenditures than same-class cities, but this does vary year to year. The Debt Service Coverage Ratio is the ability to cover the financial obligations of debt. The City of Waterville exceeds the 100% ratio with the Sewer Enterprise Fund and the Water Enterprise Fund doesn't meet the obligation only being at 57%. **Motion by McIntyre, Seconded by Grobe** to accept the 2021 Audit. **Motion Carried 4-0.**

B. Meter Reading Software and Support Purchase Administrator Hill expressed to the council that our MVRs software for utility billing has no support and the Handheld equipment will eventually need to be updated as well. Hill presented a quote from United Systems for the purchase of meter reading software, support for the software, and a piece of new handheld equipment. It was also expressed that to start this process she would like to start with the software portion of this and move to a different collecting handheld unit further down the road. Grobe asked where the funding would be coming from and the Administrator stated it would come out of the water and sewer fund. **Motion by McIntyre, Seconded by Grobe** to approve the Meter Reading Software and Support Purchase. **Motion Carried 4-0.**

C. Sale of Utility Trailer Administrator Hill stated that the Street Supervisor would like to sell the Utility Trailer for it is being stored outside. This trailer has minimal miles on it. The Street Supervisor would like to keep the proceeds to purchase a snowblower for the front of the skid loader. This will be posted for sale in the newspaper and on the City Page. **Motion by Smith, Seconded by Wollin** to approve the Sale of Utility Trailer with Teresa and Alan to negotiate in the city's best interest. **Motion Carried 4-0.**

D. Dust Coating Administrator Hill stated that the quote from last year has only increased by five cents per/gallon on the product, and it would be the same process as last year. **Motion by Smith, Seconded by McIntyre** to approve Quality Propane & Dust Control for \$1,672.00 for our 2022 dust control. **Motion Carried 4-0.**

E. Old City Shop Painting Administrator Hill had touched on the quote that was given to paint the old City shop with the cost being \$3,800.00 which would come out of the General Fund Maintenance. **Motion by Smith, Seconded by Wollin** to approve the Old City Shop Painting. **Motion Carried 4-0.**

F. Nuisance Abatement 121 Buchannon Street South. **Motion by McIntyre Seconded by Smith** to take care of Nuisance Abatement 121 Buchannon Street South. **Motion Carried 4-0.** Administrator Hill requested a motion to continue to cut the grass until the end of the season. **Motion by Wollin, Seconded by McIntyre** to continue to cut the grass until the end of the season. **Motion Carried 4-0.**

Reports

1. Attorney Moran had nothing extra to report. **2. Engineer** Femrite had mentioned the Cannon River and how that is on pause for right now. It should be good to pick up right where we will leave off with the study. **3. City Administrators** Hill wanted to say a big thank you to the contractor that is working on the Funky Munky because they are doing a great job for our City!

Council Discussion

Council Member Wollin mentioned that he had seen some obscene flags and was wondering about ordinances that were in place that could deture this type of propaganda. Attorney Moran responded, that seems as though it is directed

toward the Government Administration, to ask if anything could be done with that would infringe on that person's 1st Amendment Rights. Council Member McIntyre was concerned about something he saw on the web (Do you know your neighbor) and it stated River Dogs Daycare. It was asked directly to the Administrator was this approved by the City and do they have proper licensing? Administrator Hill responded, no I have not approved or licensed any Doggy Daycare. So if they are operating a business they are doing it illegitimately. Council Member Smith stated if it is in town we need to check up on it.

Adjourn

Motion by McIntyre, Seconded By Smith to Adjourn. Motion Carried 4-0. Meeting adjourned at 6:01 p.m.

David Wollin, Acting Mayor

Teresa Hill, Administrator-Clerk