

**Waterville City Council
Special Meeting
June 29, 2023, 5:30 p.m.
City Hall Senior Center Room**

There was a special meeting that the Waterville City Council held in the Senior Center at 5:35 p.m. on June 29, 2023.

Call to Order / Roll Call/Pledge of Allegiance

Present: Mayor Bill Conlin, Council members: Tim Smith, Jennifer Grobe, Roy McIntyre, Administrator Teresa Hill, City Attorney Jason Moran, and City Engineer Jason Femrite

Absent: Dave Wollin

Mayor Conlin called the meeting order at 5:35 p.m. Announced present members of Council and Staff, then lead the Pledge of Allegiance.

Approval of Agenda/Additional Items to Agenda

Motion by Smith, Seconded by McIntyre to approve the agenda with the reverse order of Liquor License Approvals and the Cedar Circle Assessment Formula. Motion Carried 4-0.

Liquor License Approvals

Attorney Moran addressed the Council with the discussion of the three liquor licenses that were up for approval.

1. Classic's LLC. A new establishment coming forward looking for approval. It was explained that an LLC was a Limited Liability Company. This will be located at 125 3rd Street South. With this, they are requesting on-sale licenses, off-sale licenses, and Sunday 2 A.M. licenses which are obtainable under the City ordinance. A background check was conducted and it came back without issues. **Council Member Grobe** had asked when they thought the renovation would be completed. **Administrator Hill** stated that the licenses would be contingent on the state with the completion of the project. **Council Member Smith** asked if this license is taking the place of what we had of Funky Munky, the City is not adding any additional licenses. **Administrator Hill** replied no it would be the same as what was obtained by the Funky Munky. **Council Member Grobe** asked if they knew how long it would take to open. **Tom Krouse Attorney of Law Waseca MN**, represented the Halls, replied to Council and Staff that this would take about five to six months to complete these renovations. Mr. Hall gave the Council a brief description of what the inside of the bar would be looking like and what the City would have to look forward to as an experience. **Tom Krouse** also stated that they would like to lock in the liquor license obtainability from the City before continuing with the process of renovations. **Council Member Grobe**, inquired if the liquor licenses starts once it is approved. **Administrator Hill** replied the liquor license was the amount when it is issued no proration of fees. **Motion by Smith, Seconded by McIntyre to approve this as long as we are not adding extra competition over what we have already allowed in the past. Motion Carried 4-0.**

2. Arnoldts Good Spirits. **Attorney Moran** told the council this is an application for off-sale liquor, with the location of 101 North Hwy 13 Suite #1. It was noted that this location already had the same liquor licenses and the City would not be adding anything new. The Arnoldts spoke to Council about the established business in Janesville MN and how they were looking forward to starting their expanded journey to Waterville. **Attorney Moran** stated a background check was conducted and it came back without issues. **Jeff Lafrance** addressed Council and Staff with his concerns with the multiple off-sale licenses that were being issued within the City of Waterville. It was also noted his initial application process with the City. Mr. Lafrance had asked Council and Staff to consider only keeping it to what it already has in place and not adding any more off-sale establishments. Mr. Lafrance mentioned that the limitation on this type of licensing will benefit the owners of this type of business. It was asked that the Council put a cap on this type of licensing. **Motion by Smith, Seconded by Conlin to approve this off-sale. Motion Carried 4-0.**

3. DT's Saloon LLC. **Attorney Moran** stated that this will be taking over the licensing from Dillions Double D's Bar. This will also be operating as an LLC and is located at 118 3rd Street South. This is a request for on-sale, off-sale, and Sunday 2 A.M. They too completed a background check and it came back without issues. **Administrator Hill** reiterated that this was a liquor license transfer from Double D's to DT's Saloon LLC, due to this still being a valid licensing. **Council Member Grobe** asked if they had closed on the sale yet. **Administrator Hill** stated that it is contingent on the obtainment of the property, they would have to show ownership. **Motion by Smith, Seconded by McIntyre to approve this liquor licenses transfer Dillions Double D's to DT's Saloon pending the transfer of the ownership. Motion Carried 4-0.**

Cedar Circle Assessment Formula

City Engineer Jason Femrite addressed the Council, Staff, and attendees of the meeting by stating we are here today to talk about the final assessment roll of this project and how to split this up accordingly. It was noted that this project has been going on in its second year. Reminding all that this was put on hold last year due to the cost of the project and the thoughts from the citizens that are going to be impacted by this improvement so Council at that time put this project on hold. At that time the cost per parcel was approx. \$36,000.00 and as of today we have rebid this project on May 31st with the lowest bid that came in from BCM Construction at \$543,819.00 and that cost is approx. \$44,000.00 per parcel. Also noted that this type of project will not get any cheaper as time goes on. Femrite broke down the roll that was created from the original parcels that were with the original plan in 2022. This consists of 14 lots for the street, 10 lots for sanitary sewer, 13 lots for the water main, and 14 lots for the storm sewer. There was also mention that some of the lot lines have changed since the original plan for this project. What is asked of you today is what way you want to split this up to make it obtainable for the citizens involved. With these being new improvements to this area it is 100% assessable. **Attorney Moran** told the council that there is no way we can assess these amounts to these properties for it is unfeasible, and from a legal standpoint there is no way. **Attorney Moran** questioned why the City was even considering this project. **Council Member Grobe** stated that it is a small line and there is only room allowable for one more tap-in. **Attorney Moran** is it because you have a developer that is looking to possibly develop? **Council Member McIntyre** stated yes. **Attorney Moran** inquired about the age of the street. **City Engineer** Femrite stated that this was just a gravel road. **Council Member Smith**, it is not only just the street, there is one 2-inch water main in there. The sanitary sewer does not reach everyone on the Circle. This was established in the 1980s. **City Engineer** Femrite stated this line will not take on more than one multi-family unit. **Attorney Moran** inquired if any of the property owners petitioned to have this done. With no response from the council, **Moran** restates the only reason we are looking to have this project done is for the developer of the land he is wanting to develop. A developer would need a paved road to develop. A developer would need more than one accessible line for water and sewer. **Council Member Smith** stated we did say we would re-address this project this year from last year's response to be re-bid, this is why we re-addressed this project this year. Also, with the push from the new developer wanting to start the development of his properties. **Administrator Hill** stated originally there was a request to construct on one of the properties and upon looking at the current water situation in Cedar Circle it was not feasible to service the existing lots that are there. So, there is only one access grantable, this was obtained by a feasibility study stating that it would have a lack of fire control with the adequacy of the existing size of the line. So, when and doubt a developer was interested in this area, at that time it was asked the Engineer to dust off this project and take another look to see what is obtainable. **Council Member Smith**, so the developer that wants to come in here to my understanding is trying to erect a multi-unit type home. **Administrator Hill** stated the developer has started the process of doing a planned unit development in that area. The original concept of was five twin homes, or ten dwelling units within the parcels of his ownership. **Council Member Smith**, how did this get adjusted for in the assessments? **City Engineer** Femrite at this point it has not been taken into consideration, it has been looked at with the original 14 lots that were at the start of this project in 2021. It can be added more to the said developer with the extra cost associated that will directly benefit them, essentially going by the number of units instead of the number of parcels. **Attorney Moran** states, you have a developer that comes to town and wants to develop the land but needs an increased infrastructure. That being water, sewer, and a blacktop road. This would typically engage in some cost-sharing analysis. This would in doubt lessen the burden on the established citizens that already reside

on Cedar Circle to accommodate the development. The developer is here and I am unsure of how he would like to work on this. **Mike Mooney**, there are currently three parcels that I own that I would like to eventually develop. There was a discussion between the citizens about the original number of lots in Cedar Circle with notes on how it could be divided up into the 17 original lots started. **Rick Myer** made a mention that if he is putting in 10 residential units, he should be paying for 10 units. **Council Member Smith**, to do this, we would have to look at these three lots as 10 occupancies, so now we're going by occupancy instead of lots. **Mike Mooney**, this is what my legal counsel has told me. I believe that your question to me was, do I think it is a good idea to sit on this and figure it out and share costs, yes, I do. Do I have the answer right now, the answer is no. As it sits right now, I only have a piece of paper; I do not know how many units are going to be in there. **Mayor Conlin**, how many services do we need to plan to be on this street? How many are you going to use, we are trying to plan for that right now. **Mike Mooney**, I am unaware of that answer as of right now. I know what I would like to see, but that may change. **Mayor Conlin**, without how many services you need we cannot continue this project any further. **Attorney Moran** addressed Mr. Mooney, you are the driver of this project, the number of developed units has a huge impact on the amount to be assessed to the citizens of Cedar Circle. As it stands right now with the way it is split up there is no way we can assess \$45,000.00 per parcel with some owners having multiple parcels. **Mike Mooney** rebuttal the comment with even if I did not come in to develop these three lots, there is still no sustainable water pressure to build on all three of these lots no matter who purchase any of the parcels with a hope to build. This water and sewer do not need to come from Cedar Circle. It can come in from another direction. I hear you asking if we can negotiate and I am willing to do that, but not right this minute. **Council Member Smith**, so I believe you stated that you could bring in services from another direction and I believe Engineer Femrite has taken a look at that. **City Engineer** Femrite there are a few options to bring in water and sewer, we could drill in a line to where ever he needs. There will be some challenges with the sewer. When this was televised, it seemed to be issued with the current sanitary line and could use an upgrade to 6 inches throughout the whole Cedar Circle. This would provide higher flow capabilities and adequate service to everyone out in Cedar Circle versus the one straw that is currently out there. If Mr. Mooney just wanted to develop this, we could look at getting water in there specifically for his properties. **Council Member Smith**, will the existing sewer line out there support the extra add-ins. **City Engineer** Femrite we should do some improvements to it whether that is lining it. This allows us to update the current conditions of the line. So, the size does not need to be increased. It was mentioned that the pavement could be removed from the project but it is only pennies on the dollar in comparison to the full scope of the full assessment. **Attorney Moran** addressed Mr. Mooney stating we would like to work with you and see development in this town, but not at the costs of the current residents. You would have to come to us with some sort of proposal as to how you plan on reducing these assessments. **Mike Mooney** well said, are you available then? **Moran** stated definitely. **Mike Mooney**, I am aware that this needs to be done quickly. **Moran** stated this needs to be done by the end of July if we are going to make this project work. There was discussion from the Citizens in attendance, to figure this out now because this meeting is being held so let's figure it out. There was also mention that the current residents did not ask for this project and are content with the current conditions of the water and sewer lines and the gravel road. There was even mention of a homeowner that he thought if a paved road went into Cedar Circle it would bring down the value of his property. **Nick Bongers** of Cedar Circle asked if the council was planning on doing a special benefit analysis on this. **Moran** replied, at this point, the city isn't willing to spend any money on that. **Nick Bongers** is the City going to be contributing money at all? **Moran** replied, until we get any further details on this development, the answer is no. If there is more information obtained there may be further discussion. It is not unheard of for cities to kick in some funding for cost-sharing, differed assessments are always an option. **Nick Bongers** I understand that details need to be worked out, but after doing some inquiring, it sounds to me that the statute states that a city cannot assess people any more than the value increase of the property. **Moran** replied that is correct. That is why it was stated there is no way the City can assess these amounts at what they currently are listed at. **Council Member Smith**, asked the Administrator if she could answer, in the past has the City paid for all parts of projects similar to this one? **Administrator Hill** stated the City follows the assessment policy. If we are upsizing infrastructure for a City's future expansion then the City would pick up the upsizing costs. As for reconstruction, the City picks up 20% of the cost, but not on

new construction. **Council Member Smith** made mentioned that this project had a similar feel to the Canne Cartway project. **Attorney Moran** stated that an agreement would have to be had with Mr. Mooney to bring the assessments down for the residence. If this were to take place it isn't going to be Mr. Mooney fronting those costs it would be the City likely in the form of deferred assessments. There was a discussion between staff and Mr. Mooney on the zoning of Cedar Circle and the building that is available out there. It also talked about the possibility of development that is still just an idea on paper and how all homeowners out there will have that ability. It was also pointed out that this all-hypothetical development from the other homeowners, for they have not brought forward to the city of any future building plans. There was also discussion on the size of buildable lots and the city's logic for placing stub-ins per possible future building of lots; and how this process prevents future digging up the road for new stub-ins for services. There was discussion on how the assessment for undeveloped lots, meaning empty would be comparable to green Acres, so in essence the assessment would become payable at the time of development or sale of property whichever came first. It was also discussed that the City would have to fund all of the financing threw a bonding process and in turn, slowly collect it back from the property owners. There was also mention of a term of payment to be fulfilled, and about hypothetical bankruptcy and how it could affect this process and how the city would handle that process. **Council Member Smith**, asked the City Engineer if he thought there would be any issues with the current water and sewer along with road travel with the possibility of a development. **City Engineer Femrite** there would be general repairs within that general vicinity pertaining to the water and sewer line. The size is adequate for this. When talking about the road, it already has some of its challenges pertaining to frost boils. Heavy trucks are going to be the issue, as for an increase in regular vehicle traffic, there may be the need to be some wash boarding done or extra basic maintenance. There was a final discussion between council and staff that it seemed as though Mr. Mooney was the main reason for this project, and if he seems to be better off doing his development on his own accord with other ways to provide the services to those developments than he can have that opportunity. It was noted a second time that with a water study that has been performed there is only one allowable stub in available for that area. It was also noted by the City Engineer that Herbert Street would need to be rebid separately and approach that at another time. The City also does not want to get a bad name for bidding on projects and not awarding them. **Council Member Smith** suggested that if this came back up again as far as Cedar Circle improvements, he would like to see a fully signed petition from the homeowners before consideration of even starting this project. **Motion by Smith, Seconded by McIntyre to shut this project down, and let Mr. Mooney speak to the City about moving his lines in and taking care of his project. Motion Carried 4-0.**

Hydrology Study Support

Administrator Hill informed the council that County is willing to help with a flood mitigation grant, with the likeliness of being awarded to help complete the Hydro study is very probable. Within this process, the County is requesting support from the Cities and also has to come up with a matching grant of approx. \$100,000.00. They are currently going to all of the cities, townships, and counties, to see if they were also interested in trying to obtain these funds. This will be able to finish up the hydrology study modeling and start looking at what options are available to reduce flood risk threw out the City and the Watershed. It was requested of the council to consider submitting a formal letter of support of the project and along with a financial pledge contribution of \$20,000.00 seem as though our City has the most to gain from this study and support as far as flood mitigation. In the long run, this initial contribution will allow further granting's for mitigation projects similar to upland storage and those types of water filtering processes. The Council was reminded of the initial process of funding and how this project was left unfished due to the time constraint and lack of signing the bill by the governor to pass the reaming amount of funding. This particular study has been a priority for One Watershed One plan for some time along with some additional projects. This study will allow us to compile data that will be needed to complete further grant applications for funding. This data will help us solidly with providing the needs of our area and within the Watershed. This study includes lake-level management, upland storage, and water quality. The deadline for submission is the 13th of July, hence the early request from the council tonight. It was mentioned that with the

funding from the American Rescue Funds, there is a balance available after the application for the Fire Department Radios and fixing of the floor in the Fire Hall. There are ways to post this ARF to other expenses within

guidelines to free up the suggested pledge amount. **Motion by Smith, Seconded by Grobe to approve it with the letter of support and the \$20,000.00 contribution Motion Carried 4-0.**

Council Discussion

City Attorney stated to the council that he had provided them with a proposed ordinance that will be discussed at the July meeting. This will allow the City to put a cap on the off-sale liquor licenses obtained within the City of Waterville if you want to do that. The on-sale statute caps the City at Four licenses.

Adjourn

Motion by Smith, Seconded by McIntyre to move that we adjourn. Motion Carried 4-0. The meeting adjourned at 7:08 p.m.

William Conlin, Mayor

Teresa Hill, Administrator-Clerk