

**WATERVILLE CITY COUNCIL
REGULAR MEETING
July 11, 2023, 6:30 p.m.**

There was a special meeting that the Waterville City Council held in the Council Chambers at 6:30 p.m. on July 11, 2023.

Call to Order / Roll Call/Pledge of Allegiance

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

Absent:

Special Guest: Mr. Olinger CPA Abdo & Associates

Mayor Conlin called the meeting order at 6:30 p.m. Announced present members of Council and Staff, then lead the Pledge of Allegiance

Approval of Agenda/Additional Items to Agenda

Motion by Grobe, Seconded by McIntyre to approve the agenda with the addition of I. Planning and zoning Appointments. Motion Carried 5-0.

Consent Agenda

A. Approval of Minutes- June 6, 2023, and June 29, 2023, **B.** Approval of Disbursements **1.** Electronic Fund Transfers (35410E- 35436E) \$42,879.49 **2.** Payroll Check Numbers (2023206-2023249) \$47,416.93 **3.** Computer Generated Checks and Overtime (37811-37875) \$140,711.17 **4.** Total Disbursements \$ 231,007.59 **C.** Impress Cash Fund – \$3.42 **D.** Pontoberfest Requests to use City Beach (August 9, 2023, from 2 p.m.to 6 p.m. **E.** Permission for Lions Club to Place Pledge of Allegiance Stone at Veterans Memorial **F.** Municipal Maintenance Agreement **G.** Resolution 2023R-022 Accepting Donation from Waterville Lions Club **H.** Resolution 2023R-023 Accepting Donation from Cannon Gate Park (Brent Wilcox) **I.** Resolution 2023R-024 Accepting Donation from Daryl Bauer. **Motion by McIntyre, Seconded by Grobe to approve the Consent Agenda Motion Carried 5-0.**

Audit Report

Special Guest: Tom Olinger CPA with Abdo & Associates presented to the council the City of Waterville 2022 Financial Audit. Mr. Olinger mentioned that there were similar findings for the 2022 financial year as there were for 2021. The financial statements were performed by Abdo and are in compliance. The findings consist of: limited segregation of duties due to the size of the staff in the office; There was material audit adjustments within the special assessments and capital expenses; a competent bidders document not being present with the tested file. Mr. Olinger strongly suggested that the council continue overseeing expenditures and journal entries along with the overall process. Mr. Olinger talked about the 28% increase of \$383,156.00 in the General Fund balance due to budgeted capital expenditures that were unattainable in the year 2022. It was talked about the General Fund Budget to the Actual budget being noted, the revenue is underbudget by \$83,000 which was due to the timing of receiving Federal dollars collected for expenses. As for the expenditures this was under budget by \$168,00.00 noting an Economic Development Services that were budgeted for and not spent, along with departments being under budget for expenses as well. The mention of the increase in Intergovernmental funds was due to the receiving of a flood grant. Mr. Olinger talked about the water and sewer revenue fund stating a rate study would be suggested to assure that these funds will work their way out of the negative and into the goal amounts to be sustainable. Mr. Olinger made a brief note of the slight tax decrease from 2021 to 2022. While mentioning the City of Waterville taxes are relatively in balance with similar size cities within the County; suggested obtaining a goal tax rate and trying to keep it consistent. While touching on the debt for the City of Waterville there was mention that the City had paid down on the debt service fund and this will continue to decrease; as for the operating supplies day to-day, expenditures are staying very level which is great considering the inflated costs that are out there for supplies. When going over the Capital Project Fund Balance Mr. Olinger pointed out the monies spent on the three different projects 1. Highway 13 & North Shore 2. New Fire Hall and 3. Cedar Circle Project. Within The Special Revenue Fund Balances, the American Rescue Fund revenues are not earned until the money has been spent, so within these funds there is about \$126,000.00 that is left in cash to be spent. Mr. Olinger noted the debt services within enterprise fund are at about \$62,000 in cash this is paid by transfers or taxes. The Water Fund with the City is about \$410,000 which of that, at least 50% should be available to pay expenses related to this Fund. This rate will continue in trend unless rates change or there will not be an increase

in this Fund until the Bond drops off in 2025. The Sewer Fund is not building up the cashflow level that is recommended for operations, but has increased over the last several years. The recommended target balance is 50% of operating cost. This is one of the main reasons for performing that rate study so the City can meet its capital needs if other projects come along for the City. There was a decrease in cash for the City of about \$100,000.00 partially due to the spend down for the truck expenditures. With noting the overall cash for the City is shy of \$2.1 million. Mr. Olinger finished the report by opening the floor for questions. **Mayor Conlin** asked about the increase in the water rates, and **Administrator Hill** stated that the rate study will help set a path for current and future rates. **Council Grobe** asked for clarification on the decrease in the water funds. **Mr. Olinger** replied that it is mainly on the debt service side and what is being collected for operations. As for right now the payment of the debt services is where you are seeing that decrease of almost \$90,000.00 per year. Most of this debt will drop off in 2025. This is one contributor why you have chosen the long-term rate study. **Motion by Smith Seconded by McIntyre to accept the Financial Audit presented by Abdo. Motion Carried 5-0.**

Written Petitions, Request, etc.

Resolution 2023R-025 Kathy & Dana Schnepf Conditional Use and Variance. **Administrator Hill** advised to the council that this was reviewed by the Planning and Zoning and they are recommending the construction of the accessory structure. **Motion by Wollin Seconded by McIntyre to accept Resolution 2023R-025 Kathy & Dana Schnepf Conditional Use and Variance. Motion Carried 5-0.**

August 12th Kilkenny ATV Ride Road Closure Request 2nd Street from Main to Paquin. **Council Wollin** asked if this is similar to what we have done in the past correct? **Jason Holicky** replied yes. **Council Smith** asked what time this event was going to be taking place. **Jason Holicky** organizer of the ATV ride replied from 12:45 to 2:00 pm **Motion by Wollin Seconded by Smith to approve the request. Motion Carried 5-0.**

Fire Call Charge Abatement Request -Eric and Debra Scott. **Eric Scott 800 North Shore Drive** approached Council with his request to abate a fire call charge. Mr. Scott stated he was unaware of the current burning ban nor did he know a permit was needed to be obtained before burning. Mr. Scott told the council he had a hose available on site to control the fire. He was approached by a citizen that stated they were going to call the fire department. Mr. Scott proceeded to extinguish the burning brush and trees and felt as though there was no need for the department to come to the property. Discussion was held between council and Mr. Scott. **Council** asked the Fire Chief for clarification. **Chief Meskan** stated that he had seen the fire and approached the scene due to conditions of 25 mile per hour winds from the South with a red flag warning along with close proximity to the highway. Also stating that Mr. Scott did not have a hose nor was it turned on at the site to have control. A garden hose would not have been able to extinguish the fire. **Chief Meskan** informed Council it took the Fire Department 500 gallons of water. **Motion by Smith Seconded by Wollin to deny the request. Motion Carried 4-1.**

Easement-Le Sueur County. **Administrator Hill** advised that she was contacted by Nathan Olson from the County Highway Department, and they are planning on replacing the bridge on Third Street with a last known target date of 2024 and to do this they need to obtain the easement. **Council Smith** asked if this was going to be a permanent easement. **Attorney Moran** stated yes, that is correct. **Council Grobe** asked if the City would be responsible for the replacement of this or the county. **Administrator Hill** stated this is a County owned Bridge so the County will maintain it by obtaining this easement. **Motion by McIntyre Seconded by Grobe to approve the easement for Le Sueur County to move forward with the bridge. Motion Carried 5-0.**

Request to Abate Water and Sewer Billing Charges for Uninhabitable Homes Caused by Fire. **Administrator Hill** conveyed a request from Betty McMillen stating her home is uninhabitable due to a fire and is still getting billed for water and sewer base charge and would like the council take consideration of abatement of the utility fees. Council asked if this has been done in the past, and the answer was no, not unless the water and sewer lines were removed from the Cities line at the owner's expense. **Council Grobe** asked if the house was available to be renovated or if it needed to be torn down, **Administrator Hill** was unsure of the citizens' path at this time, but she stated that she could not live in the home. **Council Grobe** asked what the base rates ran for water and sewer. **Deputy Clerk Grant** stated \$39.82. **Attorney Moran** stated this base rate was set to sustain

and maintain this type of infrastructure. **Motion by McIntyre Seconded by Smith to deny the request. Motion Carried 5-0.**

Split of Property Request. Administrator Hill informed Council that Mrs. Miller has suggested a change in the property lines and will allow a more accessible driveway to the other parcel. Lot 1 and 10 were both in lot 24.540.0280 and the purpose lot 1 is to be solely to parcel 24.540.0270 and lot 10 to be split diagonally from top right to bottom left between parcels. **Motion by Wollin Seconded by Grobe to approve the split of the property. Motion Carried 5-0.**

Unfinished Business

Aerator Sale. Administrator Hill advised that there were no bids received, and It may be beneficial to discuss how the council would like to move forward with these. After prospected bidders had looked at the aerators and noticed the 220-amp plug; they were no longer interested. There was a discussion on the placement of the aerators and the functionality of them.

Water and Sewer Street Truck Purchase Approval. Administrator Hill advised Council that this was in the budget for last year but was unavailable and now it is. This will have to be worked into this year's budget. This truck will cost \$52,415.00 at State bid plus taxes and fees. There was also verification from Mr. Krenik that the plow from Hermans Landscaping is still available at \$9,697.00 and is looking for approval to purchase this as well. **Council Grobe** asked if this was budgeted for last year is that monies gone? **Administrator Hill** replied no if you don't spend the money, it just stays in that particular fund. This was also mentioned by Mr. Olinger at the beginning of the meeting pertaining to the capital expenditures. **Motion by McIntyre Seconded by Wollin to approve the water and sewer for purchases for a street truck. Motion Carried 5-0.**

Water Tower Cleaning Quotes. Administrator Hill relayed to Council that Mr. Krenik obtained 3 quotes to clean the exterior of the water tower Maguire Iron at \$8,400.00, KLM at \$9,520.00, and Central Tank Coatings at \$10,000.00. The Wastewater Supervisor would recommend Maguire Iron to perform the task of cleaning the water tower due to the rapport already established with the company. **Motion by Wollin Seconded by Smith to approve the lowest bid from Maguire Iron at \$8,400.00 Motion Carried 5-0.**

Council Meeting Start Time change from 6:30 p.m. to 6:00 p.m. Administrator Hill, reminded Council that this had already been discussed at a previous meeting and this is just the formality to change the start time of the meetings. **Motion by Wollin Seconded by Smith to change the time from 6:30 pm to 6:00 pm through January 15th of 2024. Motion Carried 5-0.**

Cedar Circle Bid Rejection. Administrator Hill stated that the project was not moving forward but needing a formal motion to reject the bids for the Cedar Circle Project. **Engineer Femrite** expressed to the council that he was looking for a formal rejection to reject Cedar Circle Project bids from contractors along with a motion to advertise for the Herbert Street Drainage Project started. If this is advertised and bids open up by July 31, 2023, it is completely possible that this could be awarded at the August meeting. This could lead to a finished project by the end of this fall. **Motion by Wollin Seconded by McIntyre to reject the Cedar Circle Bids. Motion Carried 5-0.** There was a discussion between the Council and Staff on the funding and design for this project and how the City will be paying for this project. **Administrator Hill** advised this would be in the Storm Sewer District, once this is completed, those funds get directly levied directly into a special fund. Starting off we will be in the negative and then replenishing with an approx. \$20,000.00 per year to pay for that. **Motion by Wollin Seconded by Smith to open up an advertisement for bids on the Herbert Street project. Motion Carried 5-0.**

THC Moratorium. Attorney Moran advised the Council that as of August 1st of 2023 the ability for citizens to carry and consume marijuana THC will now be legal. Moran stated an important date for the council to take note of is July 1st is when the Department of Cannabis is supposed to be set up, they will be the licensing and the issuing Department for the State. It was suggested that the City set a moratorium in place, thus giving the council to come up with the only regulations that the City will have with this legislative bill; examples would be zoning, personnel policies, where it can or cannot be consumed and capping the number of marijuana retail establishments. It was highly suggested to set the cap at one establishment of this type, being said the State

requires each city to allow at least one for population size 0-12,500. Moran made mentioned that many other surrounding cities have a moratorium in place for the upcoming year which will be in effect for the City until January 2025. Moran asked the council to set a public hearing for August 1st, 2023 at the next council meeting. **Motion by Wollin Seconded by McIntyre to set a public hearing at the next City Council Meeting at 6:00 Motion Carried 5-0.**

Citizen Time

County Commissioner Preisler Thanked the Council for granting the easement to replace the bridge. Commissioner Preisler advised the Council of a five-year plan that the County was doing to replace one bridge each year. Preisler brought to the Councils attention where the County is experiencing the tax growth from new construction. The new contributing construction that has happen with in the County was about \$47 million, with 83% of it contributed to new housing. As for the City of Waterville, you sit at 5 out of 24 cities and townships with-in the County in contribution to growth of new construction.

New Business

American Rescue Fund Radio Purchase Approval. Motion by McIntyre Seconded by Smith to approve the American Rescue Fund purchase. Motion Carried 5-0.

Proposed Ordinance Capping the Number of Off Sale Liquor Licenses. Attorney Moran informed the Council that the City had five establishments that have obtained the possibility of off-sale liquor and that it be requested that there is a cap at this number of establishments that already obtained the ability. **Motion by Wollin Seconded by McIntyre to set the public hearing at capping the number of liquor licenses at the next council meeting at 6:00 pm and accept the hearing. Motion Carried 5-0.**

Proposed Ordinance Revision 150.07-2023 R2 Medium Density Residential District. Administrator Hill advised Council the current ordinance was not clear and needed some amendments. This was not to accommodate to Mr. Mooney's development. This is just to clean and clear up this ordinance. It states the R-2 purpose to allow up to 7 units pr/acre with no direction on how to go from four to seven units. **Attorney Moran** conveyed to the council, this would require a conditional use permit, this in fact will give the council the ability to review the application and to make sure that it is compatible with the area applied for. **Administrator Hill** mentioned that Planning and Zoning did review this and it is presented to you today. **Council Grobe** asked for clarification on the term Medium Density and how it was calculated. **Administrator Hill** replied this is how many homes you would like per acre and the range in density for a land mass. **Motion by Wollin Seconded by Smith to set a public hearing to approve the first hearing at the next City Council meeting at 6:00 pm. Motion Carried 5-0.**

Fee Schedule Amendment. Administrator Hill presented to Council the updated fee schedule; to include the Massage Therapy application fee and the Lift Assist fee. **Motion by Grobe Seconded by Wollin to approve the fee schedule amendment. Motion Carried 5-0.**

Park Board Appointment. Administrator Hill advised Council that Madeline Heuss, from WEM applied to become the student Park Board Member. **Motion by Wollin Seconded by Grobe to approve Madeline Heuss as a Junior Park Board Member. Motion Carried 5-0.**

City Attorney Employment Agreement Request. Attorney Moran requested the Council consider a Salary Diversion agreement to be applied to his personal PERA account. This would entail that Mr. Moran is a part-time employee of the City. PERA is requesting this agreement and it would be at no additional cost to the City. Council asked Attorney Moran about his current hourly salary and if that would be changing or if the City would be responsible for any additional contribution with the request of employment. **Attorney Moran** stated no, the City would not have to contribute any additional funds than what is being paid by the hour. Moran had mentioned that his rate hourly wage is currently 100/hr. and will be a rate increase to 125/hr. as of August 1st until year-end, then January 1st, 2024 it will be at 150/hr. with a price lock until 2026 and then a new contract will be entered. **Motion by Wollin Seconded by McIntyre to make a motion to approve the City Attorney request Motion Carried 5-0.**

August Meeting Date. Discussion was held due to conflict with National Night Out and Council meeting being held the same day. It was suggested by Council Member Grobe to hold the Council meeting on Thursday the third of August instead of the following week. **Motion by Smith Seconded by Grobe to change the meeting date from August 1st, 2023 at 6:00 pm to August 3rd at 6:00 pm along with moving all public hearings also. Motion Carried 5-0.**

Joint Meeting with EDA on Fire Hall Finance Options July 24, 2023, 6:30 p.m. Administrator Hill requested the Council to set up a time with the EDA to discuss the Fire Hall. This way all finance discussions can happen with both entities. It is with full intent to have all Fire Hall meetings as joint meetings pertaining to the Fire Hall. The proposed meeting would allow Paul Danna and or Mary Ippel to discuss possible financing options. **Motion by Smith Seconded by McIntyre to set up a joint meeting on Fire Hall finance options with EDA and City Council on July 24, 2023, 6:30 p.m. Motion Carried 5-0.**

Planning and Zoning Appointment. A discussion was held between Council and Staff pertaining to the applicant, along with the term of the vacant Planning and Zoning Commission seat of Dan Guerreros' term ending December 31st of 2023. A discussion was held about the timeframe to fill this type of vacancy. **Motion by Wollin Seconded by Smith to appoint Sue Mariska to the Planning and Zoning. Motion Carried 4-1.**

Attorney Report

Attorney Moran had nothing to report.

Engineer's Report

Engineer Femrite had nothing to report.

Administrator's Report

Outdoor Recreation Grant. Hill stated that this application for Oak Park has been denied for funding. Brenda Langerud reached out to the DNR to find out the challenges that lead to denial of the application and she has that available if you would like to review them. There has been \$5,000.00 in funding from the Schmidt Foundation for Oak Park, but with the denial, they were okay with extending this project date for 1 year and allowing those monies for the Pickleball court at Lions Park if funding is not used then it would need to be returned.

Rental License Violation Update. Hill advised Council that this violation is now in compliance.

Council Discussion

Council Wollin made mentioned the need for a handicap-to-stroller size curb cut out in the middle of 3rd Street in front of Lions Park for easier accessibility for citizens. **Administrator Hill** noted that this was a possibility already in the plans with the future Pickleball court design. This would be in line with Common Street that will be handicap accessible. It was noted that this was scheduled to be completed next year, so if Council was looking at getting this done sooner that is something that would need to be discussed at the next meeting. **Council Wollin** commented that he would like to see this sooner. **Council Wollin** asked if a collaborated church sign of all available churches could be posted on the main HWY 13. There was a discussion between the council if there was room for something like that. **Council Smith** stated that the Lakes Association is doing a study of aqua invasive species Eurasian milfoil and there are about eight acres of it in the lake, this is beyond small treatments and we should look into funding to treat this. This is going to be on a larger scale of treatment, with possibilities of this being in the Bay and the Lagoon area as well. It was asked if there were any known DNR grants for this type of invasive species. **Council McIntyre**, stated the DNR is not supporting any grants for this at this time, noting the County was planning on helping the Lakes Association in what they can do and offering funding. The permits are already being constructed to take care of this. This needs to be eradicated and that would be done with a chemical treatment. **Council McIntyre**, National Night Out will be held at the maintenance building from 4:30-6:30 on August 1st; with a helicopter available for viewing for all aged citizens to come out and meet the Emergency Responders, Police, and Fire Departments for Waterville. McIntyre mentioned a conversation was held with Brady Custom Woodcraft and there was mention of possible bags or something to set up for the kids to play with. **Council McIntyre** noted a nuisance property on Lind St that has piles of dirt and grass located at the end of Reed Street. Council questioned if permits had been obtained to be bringing in that much fill to the area. **Administrator Hill** noted that not that she recalls issuing.

Adjourn

Motion by Wollin, Seconded by McIntyre to adjourn. Motion Carried 5-0. The meeting adjourned at 8:19 p.m.

William Conlin, Mayor

Teresa Hill, Administrator-Clerk