

**MINUTES
REGULAR WASECA CITY COUNCIL MEETING
TUESDAY, JULY 20, 2010**

CALL TO ORDER/ROLL CALL

- 1 The regular Waseca City Council meeting was called to order by Mayor Pro Tem Allan Rose at 7:00 p.m.

Councilmembers present:

Allan Rose, Mayor Pro Tem	Les Tlougan
John Clemons	Cindy Coy
Larry Johnson	Mark Christiansen

Absent: Mayor Roy Srp

Staff present:

Crystal Prentice, City Manager
Nathan Reinhardt, Finance Director
Mary Buenzow, Records Secretary

MOMENT OF SILENT PRAYER/PLEDGE OF ALLEGIANCE

- 2 A moment of silent prayer was observed. The Pledge of Allegiance to the Flag was recited.

APPROVAL OF AGENDA

- 3 It was moved by Johnson, seconded by Christiansen, to approve the agenda as presented; the motion carried 6-0.

VISITORS, REQUESTS, AND COMMUNICATIONS

- 4a **Darwin Viker, LarsonAllen – 2009 Audit**

Darwin Viker addressed the Council and explained each year his firm takes the opportunity to go through required communications with the city Council. Although the City has experienced some turnover in the Finance Department in the past few months, reports have been filed on time and things are running on time. Mr. Viker referred the Council to three documents included in the Council material this evening:

- 1) CAFR (Comprehensive Annual Financial Report) – Mr. Viker stated this is a very nicely done document prepared by Staff. He added the City of Waseca's CAFR has qualified for a national award for the past 25 years, and he encouraged the Council to take the time to look at it.
- 2) Single Audit – Because the City received and expended over \$500,000 in Federal Assistance, a single audit is required. Mr. Viker stated the City actually received over \$6.6 million in Federal Assistance, and must comply with Federal rules and controls in place.
- 3) Executive Audit Summary – Mr. Viker referred the Council to the Executive Audit Summary, the Audit Opinion on page 1 regarding internal control and compliance. No issues of concern were noted.

Mr. Viker continued through the Audit Summary, highlighting areas of interest or concern. He summarized by stating the City of Waseca is in good shape right now, although it faces challenges with the uncertainty in LGA, etc. The City has a good fund balance now and he encouraged maintaining that down the road.

Mayor Pro Tem Rose thanked Mr. Viker for his presentation and stated this is a very good report.

4b **Waseca Area Foundation Request for Sponsorship**

Included in the Council material was a request from Waseca Area Foundation (WAF) for a \$350 sponsorship, which will go toward a special gala celebration in order to raise funds to help meet operating expenses.

Mayor Pro Tem Rose asked which fund the \$350 would come from. The City Manager suggested the amount come from Legislative Conferences & Schools.

It was moved by Tlougan, seconded by Coy, to approve sponsorship to the Waseca Area Foundation in the amount of \$350, the amount to be taken from Legislative Conferences & Schools, contingent upon this being allowed by State Statute;

DISCUSSION

Councilmember Tlougan commented we have benefited from the WAF in various ways and we have applied and received some of those grants. This scholarship would show that the City is part of the Foundation.

VOTE ON THE MOTION

The motion carried 5-1 (nay-Johnson).

Mayor Pro Tem Rose asked if there was anyone in the audience, not on the agenda, who wished to address the City Council at this time. There were no comments.

PUBLIC HEARINGS

5a **Adoption of Ordinance No. 959 – Gas Franchise Fees**

Under current state law a city may require franchise agreements for gas providers operating within the city's limits. Currently, the City of Waseca has a gas franchise agreement with CenterPoint Energy. These agreements provide the terms for which utility companies may operate in the public right-of-way.

As a part of the franchise agreement the city reserves the right to levy a franchise fee onto the private utility as a way of recouping costs the city incurs as a result of allowing the utility to operate within the city.

At the City Council work session on June 15, 2010, the City Council discussed the current gas franchise fee schedule. Council directed staff to draft for Council consideration “an ordinance implementing a gas energy franchise fee on CenterPoint Energy Resource Corp. (d/b/a CenterPoint Energy) for providing gas energy service within the City of Waseca.”

At the City Council Meeting on July 6, 2010 the City Council passed Ordinance 958 which granted CenterPoint Energy a nonexclusive franchise to construct, operate, repair and maintain facilities and equipment for the transportation, distribution, manufacture and sale of gas energy for public and private use and to use the public ways and grounds of the City of Waseca. That agreement allows the City to charge the company a franchise fee, which they will collect and pay to the City in lieu of permit fees, or other fees that may otherwise be imposed on the company in relation to its operations as a public utility in the City. The fee schedule included in Ordinance 959 represents no change to the current gas franchise fees, but does allow the City the opportunity to periodically review/change the franchise fees.

Mayor Pro Tem Rose opened the public hearing at 7:33 p.m. There were no public comments. **The public hearing was closed at 7:35 p.m.**

It was moved by Christiansen, seconded by Tlougan, to adopt Ordinance No. 959, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA IMPLEMENTING A GAS ENERGY FRANCHISE FEE ON CENTER POINT ENERGY MINNESOTA GAS COMPANY;

DISCUSSION

Councilmember Clemons stated he is opposed to the motion as he feels the City should not collect the fees.

VOTE ON THE MOTION

The motion carried 4-2 (nay-Clemons, Johnson).

5b **Adoption of Ordinance No. 960 – Adopting 2010 City Code Supplement S-6**

American Legal Publishing Corporation provides codification services for the City. Staff has been providing American Legal Publishing with ordinances adopted by the City Council which update the City Code, and the revisions are then incorporated into the City Code through supplements. Supplement 2010 S-6 must be officially adopted by the City Council by ordinance.

Mayor Pro Tem Rose opened the public hearing at 7:36 p.m. There were no public comments. **The public hearing was closed at 7:37 p.m.**

It was moved by Tlougan, seconded by Johnson, to adopt Ordinance No. 960, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA ADOPTING THE 2010 CITY CODE SUPPLEMENT S-6; the motion carried 6-0.

ROUTINE BUSINESS

6a **Resolution No. 10-32 – Sanitary Sewer Rates for Unique Accounts**

The documentation presented to the Council is the result of two years of staff work to establish new wastewater rates for unique sanitary sewer accounts. Exhibit A of Resolution No. 10-32 shows five (5) unique accounts. Seven previous unique accounts have been removed from Exhibit A based on installation of water meters. The City Council directed staff in 2008 to update all unique accounts.

Mayor Pro Tem Rose stated he appreciated that staff wrote a letter to each of the account holders letting them know the reason we are changing the rate structure.

It was moved by Coy, seconded by Tlougan, to adopt Resolution No. 10-32, A RESOLUTION OF THE WASECA CITY COUNCIL SETTING SANITARY SEWER RATES FOR UNIQUE ACCOUNTS;

DISCUSSION OF MOTION

Councilmember Tlougan questioned if these are flat fees that are set. The Utilities Director stated that structure is changing with this resolution, for the 2011 rates.

VOTE ON THE MOTION

The motion carried 6-0.

6b Resolution No. 10-34 – Preliminary Plat for Fox Meadows Subdivision

Gary & Kathy Worke, owners of land recently approved for annexation and located on the northwest corner of the City of Waseca, are requesting review of the "Fox Meadows" preliminary plat of approximately 8.6 acres of land. The uses proposed for this new subdivision are a combination of single family and multi-family residential.

The Workes are submitting the preliminary plat for a 20-unit memory care assisted living facility on property which is currently used for agriculture. The Planning Commission met and recommended approval of the preliminary plat subject to all the conditions listed except one regarding an island. The City Engineer's response to the island has been distributed to the Council this evening.

The City Manager explained the City Engineer's recommendation for no island, based on issues which include increased maintenance and snow plowing costs. 22nd Avenue is a State Aid route on the east side of Highway 13 and the City Engineer anticipates it will also be a State Aid route on the west side of Highway 13 as well.

It was moved by Christiansen, seconded by Clemons, to adopt Resolution No. 10-34, adding back the deletion of condition #13 for the island (removing the island and approving the preliminary plat);

DISCUSSION OF MOTION

Councilmember Tlougan stated at the meeting last night, the Planning Commission did not feel they had adequate information from the City Engineer as to why he did not recommend the island. Councilmember Tlougan stated he would be in favor of taking a look at the island and see how it would work for controlling traffic speed and adding an extra something for aesthetics. If it continues to be a problem, it could be written in the agreement to do away with the island, but Councilmember Tlougan felt this may be a good place to try an island and he would prefer to leave it in.

Mayor Pro Tem Rose commented he felt islands are intriguing and add something to the street. However there are maintenance issues to consider.

Councilmember Clemons inquired as to why an island was suggested. **Eric Worke, Colony Court**, explained they expect it would slow down traffic in this residential area which will house elderly residents. In addition to slowing traffic it would be aesthetically pleasing. Mr. Worke stated he is not an expert on maintenance issues, but felt that could be part of the discussions with the City. He added this is an attempt to beautify Waseca and give it a unique look with a Fox Meadows sign and flowers and plants.

Councilmember Clemons stated this will increase the amount of curb and gutter for future councils to have to consider, and he did not see a purpose for doing the island.

Gary Worke, 36971 Knoll Drive, stated the whole intent was to make Waseca a unique place, and inside the island would be flowers, plants and a sign to identify the area, which they would maintain. The sole purpose is to make it a prettier place, but it would also serve to slow down traffic and he would like to plan on adding more throughout the subdivision during further development. Mr. Worke did not feel the snow plow drivers would have a lot of trouble with it, as they trained professionals who drive around parked cars all the time.

Mayor Pro Tem Rose commented the sign could bring up another issue, and he would like to try if, if it doesn't work it would come out, but he liked the flowers, grass and beautification issue.

Councilmember Coy stated if there is going to be a sign, that will be down the road and the sign ordinance will have to be followed at that time. She explained her observations with the islands that are located throughout the City of Northfield and stated she felt they really do slow traffic down. Councilmember Coy agreed with Councilmember Tlougan, that we should try it and see if we run into difficulties, and she supports putting the island back into the plat.

Councilmember Johnson questioned whether anyone had talked to the Street Department. The City Manager stated the Engineer's recommendations are based on input from the Street Department.

Councilmember Clemons asked the Workes, if the island comes in and the City never allows a sign, would they still want the island and the expense of taking care of it indefinitely. Gary Worke stated the whole idea is to identify the subdivision.

Councilmember Tlougan commented there was no discussion of the sign at the Planning Commission meeting last evening.

Mr. Worke stated one of the reasons they want the island is they would be modeling what they have seen in other communities and it would be an identification of where you are.

Councilmember Johnson explained as a businessman he understands the Workes' vision and has seen islands in other states, but he truly believes that operations can be an issue in this case. There are hazards with snow plows and the drivers are skilled, but there are many issues they deal with. Councilmember Johnson stated he likes the idea, but as a councilmember he will vote no for the island as he is not sure it fits what we do for the rest of the city.

Councilmember Coy asked for clarification of the motion. The City Manager explained Councilmember Christiansen's motion supports Staff's recommendation.

VOTE ON THE MOTION

The motion failed 3-3 (nay-Tlougan, Rose, Coy).

Councilmember Christiansen made a motion to add the island and also add sidewalk on one side of the development at the developer's cost.

Mike Schraad, developer for the Workes, commented there is no sidewalk to connect to on 22nd Avenue. Councilmember Christiansen stated this would be a place to start, and we would be adding the island back in.

The City Manager explained there is not a sidewalk included in the preliminary plat and one is not required.

Councilmember Clemons seconded the motion.

Councilmember Christiansen stated the last subdivision was Pondview and at the last minute the developer took out the sidewalk, but it would have eventually connected to other sidewalk and trail systems.

AMENDMENT MOTION

It was moved by Clemons, seconded by Christiansen, to approve the preliminary plat with recommendations 1 through 8, and add #9 – no signage on the island other than directional and safety signs;

DISCUSSION

Gary Worke stated he already has an agreement with the City as to what they will and won't do. The City Manager stated she didn't think there is an agreement in place.

Councilmember Johnson stated it is unfair to throw this issue out at the 11th hour with an additional cost to the Workes and he cannot support it.

Councilmember Tloughan wondered if there is enough right-of-way for a sidewalk.

Councilmembers Christiansen and Clemons withdrew their motion and second.

Councilmember Christiansen commented he would rather try putting an island at the post office first.

Councilmember Tloughan stated the sign isn't an issue, as the City has a sign ordinance in place, unless the Council agrees to accept a sign at some time in the future.

Councilmember Johnson wondered what would happen if the island were to become a problem in the future.

The City Manager stated if the Council agrees to move forward with the island, we accept the conditions listed.

It was moved by Christiansen, seconded by Johnson, to adopt Resolution No. 10-34 including the island and conditions 1 through 8;

DISCUSSION

Councilmember Johnson asked whether the Workes have had proper time to review the conditions. Gary Worke expressed frustration and stated they were just trying to do something different in the community. Councilmember Clemons stated he felt the Council is trying to work with the Workes.

Eric Worke commented this may be able to be resolved through discussions with City staff. Gary Worke echoed his comments.

Councilmember Tlougan wondered if the Council could approve the preliminary plat with the conditions stated and if the Workes choose not to put the island in, some adjustments can be made to the final plat.

Councilmember Johnson stated he does not want to hold up development. Gary Worke stated that sounded reasonable and he felt the island issue needs further discussion. Councilmember Tlougan stated this is still a preliminary plat so issues that can be worked out with the City, the Workes can put in the final plat.

VOTE ON THE MOTION

The motion (adoption of Resolution 10-34 including the island, adding conditions 1 through 8) carried 6-0.

- 6c **Resolution No. 10-35** – Granting Conditional Use Permit to Gary Worke to operate Colony Court Suites Assisted Living Facility

It was moved by Clemons, seconded by Christiansen, to adopt Resolution No. 10-35, A RESOLUTION OF THE WASECA CITY COUNCIL GRANTING CONDITIONAL USE PERMIT TO GARY WORKE TO ALLOW AN ASSISTED LIVING FACILITY IN A R-4 MULTI-FAMILY RESIDENTIAL DISTRICT; the motion carried 6-0.

- 6d **Advertisement for bids – Airport Improvements**

Included in the Council material was a memorandum from the City Engineer explaining the Waseca Airport has planned two construction projects for this year, one new fuel tank and pavement crack sealing. The projects are submitted for 95% grant funding and to secure funding, bids must be in hand. Staff is requesting Council authorization to proceed with advertising for bids for these projects.

It was moved by Christiansen, seconded by Tlougan, to authorize advertising for bids for airport improvements; the motion carried 6-0.

UNFINISHED BUSINESS

- 7 None

NEW BUSINESS

8 **CLOSED EXECUTIVE SESSION**

It was moved by Johnson, seconded by Tlougan, to continue the closed executive session for deliberation regarding purchase of property at 303 South State Street, to the end of the meeting; the motion carried 6-0.

CONSENT AGENDA

9 It was moved by Johnson, seconded by Tlougan, to approve the Consent Agenda as presented; the motion carried 6-0 and included the following actions:

- a. Minutes – City Council work session – June 15, 2010 – were accepted and placed on file.
- b. Payroll & expenditures – July 2010 – were authorized for payment.

CITY MANAGER’S REPORT

10 The City Manager provided the following report:

- 1) The EDA recently received \$3500 from the South Central Minnesota Economic Collaborative.
- 2) The City has received a letter of resignation from Chief Wastewater Operator Jim Jones and the City Manager stated she wished to thank him and wish him well in his new job with the City of Mankato.

COMMISSION REPORTS

11 Councilmembers provided the following commission reports:

- Heritage Preservation Commission – Councilmember Tlougan stated the group did not meet, so he has no report.
- Joint Government – Councilmember Christiansen gave a brief overview of the activities of the Joint Government Committee.
- Human Rights Commission – In Mayor Srp’s absence, the City Manager reported the Human Rights Commission is looking to advocate for Senior Citizens and has been discussing senior needs. Crime Victims Director Mary Harders is putting together a presentation for the next meeting.
- Library Board – Councilmember Tlougan stated there was no meeting.
- EDA – Councilmember Clemons reported the EDA met with BEST and the Waseca Development Corp and these groups are working on collaborative efforts.
- Planning Commission – Councilmember Tlougan stated he had nothing new to report.

The City Manager asked everyone in the Council Chambers except Staff and the Council to leave the Chambers at this time.

Councilmember Coy left the Council Chambers momentarily

It was moved by Johnson, seconded by Tlougan, to adjourn the regular meeting at 8:35 p.m. to go to a Special Closed Session to deliberate the purchase of real property; the motion carried 5-0.

Councilmember Christiansen left at 9:06 p.m.

Mayor Pro Tem Rose reconvened the regular City Council meeting at 9:07 p.m.

It was moved by Tlougan, seconded by Coy, to authorize the City Manager to move forward with negotiations regarding real property at 303 South State Street, and develop a space needs assessment and finance plan; the motion carried 5-0.

ANNOUNCEMENTS

- 12 The following miscellaneous items were discussed by the City Council:
- Mayor Pro Tem Rose thanked everyone for their patience while he served as Mayor Pro Tem this evening.
 - Mayor Pro Tem extended condolences on behalf of the City Council to Mayor and Mrs. Srp on the death of Mrs. Srp's mother, who passed away this week.

ADJOURNMENT

- 13 It was moved by Tlougan, seconded by Coy, to adjourn the regular City Council meeting at 9:10 p.m.; the motion carried 5-0.

ALLAN ROSE,
MAYOR PRO TEM

MARY BUENZOW
RECORDS SECRETARY