

**MINUTES
REGULAR WASECA CITY COUNCIL MEETING
TUESDAY, JULY 6, 2010**

CALL TO ORDER/ROLL CALL

- 1 The regular Waseca City Council meeting was called to order by Mayor Roy Srp at 7:00 p.m.

Councilmembers present:

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| Mayor Roy Srp | Les Tlougan |
| John Clemons | Cindy Coy |
| Larry Johnson | Mark Christiansen |
| Allan Rose | |

Staff present:

Crystal Prentice, City Manager
Russ Stammer, City Engineer
Chuck Pettipiece, Consultant Community Development Director/Planner
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 Coy, seconded by Rose, to approve the agenda as presented; the motion carried 7-0.

VISITORS, REQUESTS AND COMMUNICATIONS

- 4a **Waseca Area Foundation – Karen Boom, Jerry Rutledge**

Waseca Area Foundation (WAF) Board members Jerry Rutledge and Karen Boom addressed the Council and presented a summary of WAF grant recipients. Mr. Rutledge stated the WAF has really made an impact on the community over the past 20 years. There are now 51 funds with over \$5.1 million in total assets.

Mayor Srp commented the main reason the Council wanted to invite Mr. Rutledge and Ms. Boom was to let the community know what the WAF is doing, and they should be recognized.

Mr. Rutledge thanked the late Dr. Al Rieck, who after Waseca '88, took the left over \$6,000 and used it as seed money to start the Waseca Area Foundation. Ms. Boom stated that anyone can start their own fund as a legacy.

Mr. Rutledge and Ms. Boom explained every three years the WAF holds a fundraiser event. This year the event is scheduled for October 24, 2010.

Mayor Srp and the Council thanked Mr. Rutledge and Ms. Boom for attending the meeting this evening.

4b **Relay for Life – Pam Schaper, Lori Harris**

Pam Schaper and Lori Harris addressed the Council regarding the upcoming Relay for Life event scheduled for Friday, July 23rd at the Waseca County Fairgrounds from 6:00 p.m. to 6:00 a.m. Ms. Schaper and Ms. Harris thanked everyone for their support and encouraged everyone to come to the Relay for Life.

Mayor Srp thanked Ms. Schaper and Ms. Harris for coming this evening and stated that everyone appreciates what they do.

Mayor Srp asked if there was anyone else in the audience, not on the agenda, who wished to address the City Council at this time.

Trevor Kanewischer, Fair Board President, addressed the Council and explained there were upset with the fireworks. There was a malfunction, and the vendor would like to make things right, so they are looking at the option of doing a fireworks show on the Friday evening during the Waseca County Fair, from the marsh northeast of the fairgrounds. Mr. Kanewischer stated he is looking for approval from the Council.

Mayor Srp inquired what happened to the fireworks. Mr. Kanewischer explained there was an early discharge through an electronics error. The size of the trees in Maplewood Park is becoming an issue, so some of the fireworks were to be set off from a barge on the lake, and those are the ones that went off early. The vendor would like to make restitution and will do another 20-25 minute show.

The City Manager stated this is an administrative task and she suggested Mr. Kanewischer come to City Hall tomorrow and speak with the Records Secretary.

Mr. Kanewischer also commented this will be another great year for the fair, with a good midway and lots of local booths. He hopes to see everyone there. Mayor Srp thanked Mr. Kanewischer and the Fair Board for the work they do and stated the fair gets better every year.

Mayor Srp commented he has also received many complaints about mosquitoes. The City Manager explained there had been a number of complaints when the City sprayed, so we are trying to provide 24 hour notice, via the website, PEG channel, Waseca County News online edition and KOWZ Radio. Spraying was scheduled for Thursday, but wind was a factor. Friday's weather conditions were not conducive either. The City Manager stated that because of the intensity of the mosquitoes, the City planned to spray as soon as conditions were right. Weather conditions are right tonight and an aerial spray will begin at 9:00 p.m.

PUBLIC HEARINGS

- 5a **Adoption of Ordinance No. 955** – Annexing certain lands into the City and establishing zoning thereof (Gary & Kathy Worke)

Gary D. and Kathy M. Worke purchased 14.13 acres of land of which they have petitioned for annexation 6.0516 acres. Of this 6.0516 acres, 2.1283 acres will be zoned R-4, Multi-Family Residential, High Density for a memory care (dementia) facility. The remaining 3.9233 acres will be zoned R-2, Urban Residential.

Staff is recommending adoption of Ordinance No. 955, annexing 6.0516 acres of unplatted land into the City of Waseca and approve 2.1283 acres of annexed property to be zoned R-4, Multi-Family Residential, High Density.

Mayor Srp opened the public hearing at 7:15 p.m. There were no public comments. The public hearing was closed at 7:16 p.m.

It was moved by Tlougan, seconded by Coy, to adopt Ordinance No. 955, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA ANNEXING CERTAIN LANDS INTO THE CITY OF WASECA AND ESTABLISHING ZONING THEREOF (WORKE PROPERTY); the motion carried 7-0.

- 5b **Adoption of Ordinance No. 957** – Rezoning the District Boundaries for the I-1 Limited Industry District to R-2 Urban Residential District (Gary & Kathy Worke)

Gary D. and Kathy M. Worke, owners of land in the northwest corner of Waseca, and part of the proposed Fox Meadows subdivision, are requesting rezoning of Tract A (Exhibit “A”) from I-1, limited Industry to R-2, Urban Residential. The remainder of land contained within this subdivision is to be considered for annexation by the City Council at this meeting.

Staff recommends adoption of Ordinance No. 957, rezoning property from I-2, Limited Industry, to R-2, Urban Residential.

Mayor Srp opened the public hearing at 7:17 p.m. There were no public comments. The public hearing was closed at 7:18 p.m.

It was moved by Rose, seconded by Coy, to adopt Ordinance No. 957, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA REZONING THE DISTRICT BOUNDARIES FOR THE I-1 LIMITED INDUSTRY DISTRICT TO R-2, URBAN RESIDENTIAL DISTRICT ON THE CITY OF WASECA ZONING MAP; the motion carried 7-0.

- 5c **Adoption of Ordinance No. 956** – Rezoning the District Boundaries for I-2, Moderate Industry, to B-3 Limited Business District (Gordon & Julie Oslund)

Gordon and Julie Oslund, owners of Shady Oaks Nursery, desired to split off a new lot from their property located at 1101 South State Street. Their request falls under the Minor Subdivision requirements of the City of Waseca Zoning ordinance. In addition to

this lot split, the Oslund’s requested the newly created lot be rezoned from I-2, Moderate Industry to B-3, Limited Business.

Staff recommends adoption of Ordinance No. 956, rezoning property from I-2, Moderate Industry to B-3, Limited Business and approval of a minor subdivision to Gordon and Julie Oslund.

Mayor Srp opened the public hearing at 7:19 p.m. There were no public comments. The public hearing closed at 7:20 p.m.

It was moved by Clemons, seconded by Johnson, to adopt Ordinance No. 956, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA, REZONING THE DISTRICT BOUNDARIES FOR THE I-2 MODERATE INDUSTRY DISTRICT, TO B-3 LIMITED BUSINESS DISTRICT OF THE CITY OF WASECA ZONING MAP; the motion carried 7-0.

5d **Adoption of Ordinance No. 958- Centerpoint Energy Gas Franchise**

In 1990, the City of Waseca adopted Ordinance No. 591 which granted a franchise to Minnegasco, Inc. (now CenterPoint Energy Resource Corp., d/b/a CenterPoint Energy) for the construction, operation and maintenance of a natural gas distribution system within the city limits. As a part of this agreement, Minnegasco, Inc. agreed to pay the City a franchise tax, 2% of its gross quarterly revenue. In 2005, City Council through the adoption of Ordinance 883 amended the agreement to a flat meter/customer account fee. The current franchise will expire July 22, 2010.

Council reviewed the agreement at the City Council Worksession on July 15, 2010. The following change was made to the initial agreement based on the City Attorney’s recommendation:

5.2. **Defense of City.** In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written Notice thereof is promptly given to Company within a period of 30 days so as to not prejudice the Company by lack of such Notice. ~~wherein Company is not prejudiced by lack of such Notice.~~ If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld...

Council inquired about the new provision giving Centerpoint Energy the “right to transport Gas Energy through the limits of the City for use outside of the City limits.” Mr. Hibbard provided the following response, “*If a customer requests gas service and is out of the City limits and it is feasible for us to serve them we will. We put it in the franchise to cover that type of situation.*”

Staff recommends adoption of Ordinance No. 958, Centerpoint Energy Gas Franchise.

Mayor Srp opened the public hearing at 7:22 p.m. There were no public comments. The public hearing was closed at 7:23 p.m.

It was moved by Coy, seconded by Tlougan, to adopt Ordinance No. 958, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA GRANTING GAS FRANCHISE AGREEMENT TO CENTERPOINT ENERGY;

DISCUSSION

Councilmember Clemons commented this was discussed in depth previously and he feels the franchise fee is an unfair tax, and he will vote against the motion.

Councilmember Coy stated the amount the City receives covers the amount of money used by the Fire Department to be available to cover any issues raised by the gas company.

Councilmember Johnson stated he will also vote against the motion, as he also feels this is a disproportionate tax on citizens.

VOTE ON THE MOTION

The motion carried 5-2 (nay-Clemons, Johnson).

- 5e **Project Hearing - Municipal Projects No. 2010-02, 2010-03, 2010-09**
Resolution No. 10-31 – Ordering Improvements, Preparation of Plans & Specifications, Authorizing Advertisement for Bids – Projects 2010-02, 2010-03, 2010-09

The City Engineer explained this public improvement hearing tonight is to discuss three separate projects, 2010-02, 2010-03, and 2010-09. The projects were originally scheduled as 2009 projects. The City Engineer further stated if Council authorizes moving forward, Staff will continue with the process, and the final assessment hearing will most likely be held in the Fall of 2011. Staff recommendation is Council approval of Resolution No. 10-31, Ordering Improvements, Preparation of Plans & Specifications, and Authorizing Advertisement for Bids for Projects #2010-02, 2010-03, 2010-09.

The City Engineer continued by saying Staff has been working with the 5-year Capital Improvement Plan (CIP) and is seeing continued deterioration in streets within the City. Based on the Street Pavement Index the objective is to preserve the life of streets still in good condition, and the City Engineer noted that 3rd Street SW was completed last year.

Mayor Srp commented letters received from residents indicate there are streets in far worse shape than those included in these projects. The City Engineer responded Staff tries to do as much work on an overlay level as possible, in order to spend the resources we have and cover the largest area. He added a cost analysis for each project is included in the Council materials.

There was some discussion regarding City Staff doing some of the overlay work.

Councilmember Clemons questioned if being a State Aid Street helps buy down the cost to residents. The City Engineer stated generally State Aid Streets are wider with thicker pavement, so it equalizes the special assessment amounts, and Staff follows the Council's current policy regarding assessments.

Councilmember Clemons wondered why this process is not done earlier in the year, April or May. The City Manager stated the City had been waiting to hear final numbers regarding LGA cuts and street projects was one of the items on the list of potential cuts, which made planning difficult.

Councilmember Christiansen commented the water from sump pumps on 9th Street SE goes into the street, and he wondered if that will be fixed as part of the project. The City Engineer stated the project does include a new subdrain underground.

Councilmember Christiansen asked whether the 5th Street SE portion will include any utility or storm sewer work, and if he should take pictures of his concrete driveway which has broken up. The City Engineer stated it will not include storm sewer or utility work, and added it is always a good idea to take pictures and stamp them with the date.

Councilmember Christiansen inquired about the PCI ratings for the streets included in the projects. The City Engineer stated the PCI ratings for the streets involved are in the 60-80 range, although some fall below into the 50's.

Councilmember Clemons commented the goal is to fix a street before it gets really bad, and he isn't sure we always know. He stated he did not think we need to rush into some of these sometimes.

Mayor Srp stated it is always the Council's prerogative to target a street to not do any work on, and see how that model works. It may prove that we can wait a little longer for some street repairs.

The City Engineer explained we are dealing with a lot of streets and a lot of variables. The CIP list is based on the pavement improvement rating and then Staff going out to look at the streets. There are always exceptions, and his concern is the big picture. The City Engineer further stated he does not see streets that we are wasting money on, and sees a lot of streets that are deteriorating rapidly, and his fear is there will be too many streets that we won't be able to just do an overlay. He added City crews are finding areas to patch where they don't know where to stop.

Mayor Srp wondered if eventually, maybe in 20 years, all the streets in Waseca will be in good shape and there will be no complaints. The City Engineer replied there are communities that have done massive bonding in order to get all the streets in that condition. In our case, we are using our general fund.

Mayor Srp stated in the end it is a council decision, based on input from the public, and we try to balance the residents not wanting the tax, with the City doing a lot of great things.

Councilmember Tlougan commented when an overlay is done, it brings the score of that street up, and he wondered how long that lasts. The City Engineer stated there is a lot of variation in that number, and the median value is 10-12 years, with some at 20-25, and some less than 10. The overlay process is not a reconstruction, but a good value, with a low cost per year.

Councilmember Tlougan gave the example that we can spend \$100 now and \$100 again in ten years, which is a lot cheaper than waiting a year, or five years, and spending \$500.

Mayor Srp opened the public hearing at 8:14 p.m.

Gary Worke, 200 22nd Avenue NE, stated he has inspected the road and doesn't feel a lot of repair work is needed. He would invite anyone to go out and look at it, as it's a nice road and there is more life in it. Mr. Worke stated if the Council decides to do an overlay, they should take a look at the storm sewer that runs from Highway 13 to 3rd Street. He is not opposed to maintenance, and doesn't know how much money the City has to spend. Mr. Worke inquired how long the assessment payments would be spread out.

Mr. Worke stated he appreciates what the City Engineer has done, but if there is a road still in good condition, he would rather see a worse street get done. He added he would like to see a Minnesota model used to rate the streets, rather than using a Corps of Engineering model.

Kevin Clemons, 13301 390th Avenue, stated he appreciates the City Engineer's comments, but likened the situation to "putting new shoes on one kid when the other one has holes in the bottom of theirs". He challenged the Council to look at some of the roads again.

Ben Miller, 608 10th Avenue NW, stated his street is to be resurfaced, which is one block long, however he noticed that Candy Cane Lane is not part of the construction. Mr. Miller suggested trying that one block for the trial street, as he doesn't feel his street is that bad. He further stated if the streets are bad now, the costs is lower now than it will be 5-6 years from now, but the City should leave the street alone if there aren't any potholes.

Rick Nelson, 125 13th Avenue NW, stated he lives on a corner and will be assessed on both sides. He felt there are worse streets in town, and his is only one block. Mr. Nelson felt that common sense would say to do the worst streets first.

Tracy Pomeroy, 301 4th Avenue SE, expressed concerns regarding the terms of the assessments, and that the terms should be clearly spelled out. She suggested someone drive around and look at all the streets, and do the worst ones first. The City Manager stated the assessments are typically at 6% interest for five years. The City Engineer added that senior citizen discounts can be applied on a case-by-case basis.

Mike Pentico, 1212 5th Street SE, stated his street has been slated before, but then put off. There have been problems with sump pumps pumping into the street, and he wondered if that will be taken care of with the overlay. The City Engineer explained that, pursuant with the policy, subdrains are not normally included in an overlay project, however Staff can include this work if directed, and there would be an additional assessment amount for the subdrain.

Mayor Srp stated Mr. Pentico has identified the problem is there, and what would it take to fix it. The City Engineer stated it can be done at a staff level or the Council can direct the work. He added there is a low portion of 5th Street that is a concern.

Mayor Srp asked Staff to make a note that Mr. Pentico brought this issue to our attention and to see that after he is billed for it, it doesn't happen again.

Kandi Menne, 516 10th Avenue NW, addressed the Council and stated she was surprised to get the assessment letter. She doesn't know the criteria, but there are no potholes in her street. She has been assessed for street repairs in the past, and would like the street to be looked at by a human being. Ms. Menne stated there is heavy traffic on her street from another project, and she does not feel she and others on her street should pay for the damage from that traffic.

The City Engineer explained the potholes is not what we are trying to address, but rather cracking and the intensity of cracking. At this time he was not able to verify when the overlay was last done on that street.

Mayor Srp stated three streets have been mentioned this evening that are not that bad. There are many streets in town with potholes, and if the Council is willing to pick streets, he would like to target some streets and not do anything to them to see how they hold up.

Kevin Smith, 1209 2nd Street NW, wondered about the thickness of the overlay. He notices a lot of City truck traffic, and the street doesn't look bad at all, even with the heavy equipment and buses to the high school, etc. He state if the street is good now, why grind it up and re-do it?

Councilmember Johnson read a letter received from **David & Denise Wright, 909 9th Street SE**, who felt their assessment was high and are opposed to the project due to the cost. The letter was entered into the record.

Councilmember Johnson read a letter from **Dan & Kelly Johnson, 808 9th Avenue NW**, who are opposed to the project as they feel other streets need it more. The letter was entered into the record.

Mayor Srp read a letter from **Steve & Shirley Johnson, 304 11th Avenue NE**, who would like the water problems fixed along with the project. The letter was entered into the record.

A letter was read from **Irene Jeddelloh, 308 4th Street NE**, who requested that large semi-trucks be kept off the street. Ms. Jeddelloh also expressed her thanks to the City. The letter was entered into the record.

A letter was received from **Norine Paulson, 601 10th Avenue NW**, felt the street is in good condition, and felt there are other streets that need it worse. The letter was entered into the record.

A letter was received from **Byron Broughten, 208 Johnson Avenue SW**, who stated there are businesses on Johnson Avenue that generate a large amount of traffic, and he felt the businesses should be assessed as well. The letter was entered into the record.

A letter was received from **Jerry Hanson, 813 9th Avenue NW**, who indicated the street was resurfaced in 1993. At that time a trench was dug and the street hasn't been right since then. His driveway has also not been the same, and he hopes the City does better work now than in 1993. The letter was entered into the record.

A letter was received from **Nadine Kramer, 824 2nd Street NW**, who stated she did not feel the street needed repair, but the sidewalks need repair and she would support a sidewalk improvement project. The letter was entered into the record.

A letter was received from **Lyle Waldron, 306 11th Avenue NE**, who indicated concerns about water bubbling into the street and did not feel this project would fix that issue, but he is concerned about proper water drainage. The letter was entered into the record.

Mayor Srp commented there was one letter regarding sewers, and he wondered if those problems will be corrected. The City Engineer stated that is not in the scope of this project. Homeowners should see that their repairs are done before the overlay.

Councilmember Rose commented City streets are made of different tonnage. The City Engineer explained State Aid streets are made to a 9 ton standard, which is the current Minnesota standard. Other streets are 7-9 tons. The City Engineer further stated the City has been doing reconstructs to that level, however the streets in question this evening are overlays.

Mayor Srp closed the public hearing at 8:45 p.m.

Council discussion

Councilmember Clemons questioned whether each project is to be considered by the Council separately. The City Engineer stated the resolution presented this evening covers all three projects, unless the Council wishes to consider them separately.

Councilmember Clemons stated he does not like all the streets selected, and wondered how the rest of the Council felt about these projects. Councilmember Rose stated he would be in favor of separating the overlay projects. Mayor Srp suggested picking two or three streets to target, do nothing with them, and monitor those streets for a period of time to see how they deteriorate.

Councilmember Clemons stated nothing pushes buttons more than when we have to place assessments on property owners. He commended the City Manager and City Engineer, and stated the rest is up to the Council. Councilmember Clemons felt maybe the tolerance level is raised. We currently have a program that looks at every single road every year, and he felt some of the streets shouldn't be done, although it is possible that next year we may say they should have.

Councilmember Clemons further stated there has to be a pattern to determine which streets are done. The City Engineer stated the streets included are not determined by potholes, but rather by cracking and sub-base conditions. Councilmember Clemons stated he knows he doesn't want to do all the streets on all three of these lists.

Mayor Srp stated, based on the conversation this evening, it appears the Council is talking about changing the policy regarding street improvements and projects, and looking at how we do the projects in the future. This is perfectly acceptable and Staff will do whatever the Council directs them to do. He stated the community has made it clear that we are in difficult economic times.

The City Engineer stated he could get the PCI ratings for these streets and provide them to the Council.

The Mayor called a break at 8:57 p.m.

The meeting continued at 9:05 p.m.

The Council reviewed the PCI rating information for the streets provided by the City Engineer. Lengthy discussion ensued. Mayor Srp commented we are all in this together and want to get the most bang for our buck, and we may be getting more tolerance for streets that need repair.

Councilmember Johnson stated he was on the Council when the Pavement Management Policy was being developed and it was done at a time when there was money available for reconstructs as well as overlays. Councilmember Johnson stated he drove around and looked at the streets, and has decided he does not want to do all the streets included in the project, and also felt it is fine to review the policy.

Mayor Srp stated he would be in favor of voting against the resolution this evening and review the policy.

Councilmember Tloutan questioned if the Council votes not to do anything this evening, are we putting off everything for this year. He stated a policy review does not happen in a week or two, and if that's what the Council does, we are looking at 2011 for these projects. Mayor Srp was agreeable to not doing anything on these projects until 2011.

Councilmember Tloutan asked if we put everything off until next year, would we sit on the money and then double the projects in 2011?

Mayor Srp stated he has been on 22nd Avenue, 13th Avenue NW, 10th Avenue NW, and several other streets, and he feels these could wait. The Council can re-do our current policy and direct Staff to look at the streets again and fix the ones that are in dire straits. Mayor Srp stated he does not want to spend a lot of money on streets that don't need fixing.

Councilmember Tloutan commented 1/3 of the projects is assessed, and 2/3 comes from the City budget, and a delay may increase the cost of all the projects.

Councilmember Rose stated he isn't sure he wants to delay the projects for a whole year. He asked the City Engineer the latest date to put off bids for construction yet this year. Councilmember Rose also asked whether the State Aid criteria also uses the PCI standards. The City Engineer replied the State does not use this criteria, but rather they allocate money and allow the city to make the decision as to which streets to do. The City Engineer further explained this year the State Aid fund is close to maximum, and if the City does not go forward with the project this year we will start to be penalized, so he felt we should at least move forward with some project on the State Aid list. The City Engineer stated he felt it is wise and strategic to develop something, but he would like to see the Council come to an agreement on 5th Street as a State Aid project this year.

The City Engineer stated Project 2010-09 is a smaller project, a watermain/overlay of a smaller area, and if the Council finds it acceptable, he would like authorization for Staff to proceed with this project. He added the Council may want Staff to find the five worst streets in town and go ahead with them, and put off the CIP for a year. The City Engineer suggested the Council may want to agree on the State Aid and watermain projects, and the overlays may involve a work session. If that is the case, the overlays would go into next year. He would also look at what could be accomplished by the Street crew as well.

The City Engineer stated he is pleased with the City Engineering Staff, as they have looked at all aspects of the projects and have made some adjustments. A lot of thought and review has gone into this list of streets, but more adjustments can be made.

Councilmember Johnson suggested moving forward with Project 2010-09 and do the State Aid project. He felt the City Engineer made a valid point about the funds, but felt 22nd Avenue should be removed as the "watch project". Councilmember Johnson suggested tabling Project 2010-03, discuss this at a work session, take public input, and drive on those streets.

Councilmember Clemons stated he liked the idea of doing the State Aid streets, except for 22nd Avenue. He acknowledged that Staff did take a lot of time to look at these streets and felt Staff was blindsided tonight. Councilmember Clemons suggested the Council proceed with some of the overlays.

Councilmember Christiansen wondered if all of the streets can be approved this evening and then some of them be rejected at a later date. The City Engineer stated that can be done, and it is better to know up front, but an addendum could be sent to bidders prior to the bid letting.

It was moved by Thougan, seconded by Christiansen, to adopt Resolution No. 10-31, Ordering Improvement, Preparation of Plans and Specifications, Authorizing Advertisement for Bids – Projects #2010-02, 2010-03, 2010-09, and review the projects prior to the deadline for adding an addendum for the bidders;

DISCUSSION

Councilmember Clemons stated the award of bids will come back for Council approval anyway, so he will vote in favor of this motion, but will not vote for all of them when that time comes.

Mayor Srp stated he will vote in favor of this motion, but would have also been in favor of separating the three projects.

VOTE ON THE MOTION

The motion carried 7-0.

The Council agreed to hold a work session on Tuesday, July 13th from 4:00 – 6:00 p.m. to discuss the street projects.

ROUTINE BUSINESS

6a **Ordinance No. 959 – Introduction & set hearing date – Gas Franchise Fees**

A memorandum from the City Manager explained that 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”.

It was moved by Johnson, seconded by Christiansen, to approve the introduction of Ordinance No. 959, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA IMPLEMENTING A GAS FRANCHISE FEE and set the hearing date for its adoption to July 20, 2010; the motion carried 7-0.

6b **Ordinance No. 960 – Introduction & set hearing date – Adopting 2010 City Code Supplement S-6**

American Legal Publishing Corporation has been providing codification services for the City for several years. 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. Ordinance No. 960 is presented for introduction at this time.

It was moved by Coy, seconded by Tlougan, to approve the introduction of Ordinance No. 960, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA ADOPTING 2010 CITY CODE SUPPLEMENT S-6 and set the hearing date for its adoption to July 20, 2010; the motion carried 7-0.

UNFINISHED BUSINESS

7 None

NEW BUSINESS

8a Water Park hosting National Night Out

Included in the Council material was a request from the Water Park Manager for Council approval for the Water Park to host National Night Out on Tuesday, August 3, 2010, and waive the \$225.00 private rental fee.

It was moved by Christiansen, seconded by Tlougan, to approve the Water Park hosting National Night Out on Tuesday, August 3, 2010 and waive the \$225.00 private rental fee;

DISCUSSION

Councilmember Clemons commented National Night Out has previously been held at Clear Lake Park.

Water Park Manager Sara Heyer stated she is excited to host the event this year, which is open to everyone.

There was some discussion regarding the Water Park hours. Mayor Srp wondered if it is possible to keep the water park open later than 6:00 p.m. The Water Park Manager explained it closes at 6:00 p.m. in order to accommodate swimming lessons, although there is lap swim from 8:00 – 9:00 p.m. She added there is a starlight admission rate of \$3.50 per person after 4:00 p.m..

Councilmember Rose questioned why the water park doesn't open earlier on Sundays. The Water Park Manager explained that time must be made available for private rentals, and it is also important to maintain regular business hours, for patrons as well as staff.

Mayor Srp asked whether swimming lessons can be done in the morning. The Water Park Manager stated that can be done, however the numbers are much higher when lessons are during evening hours.

Mayor Srp commended the Water Park Manager for her creative ideas and for the great job she is doing at the water park.

8b Temporary On Sale Liquor Licenses- Waseca County Fair Board

It was moved by Rose, seconded by Tlougan, to approve the Temporary On Sale Liquor Licenses to the Waseca County Fair Board, be used in conjunction with the Waseca County Free Fair July 14-18, 2010; the motion carried 7-0.

8c Change Order No. 5 – WWTP Project #0812

It was moved by Tlougan, seconded by Clemons, to approve Change Order No. 5 – WWTP Project #0812; the motion carried 7-0.

8d Change August City Council meeting date

In January the City Council set the meeting dates for 2010, taking into consideration any known conflicts with the regular meeting schedule of the 1st and 3rd Tuesdays of the month. At that time, the first meeting in August conflicted with National Night Out, therefore the Council set the meeting for Monday, August 2, 2010.

Due to public hearing issues regarding Municipal Development District 1, and Tax Increment Financing District No. 27, it is necessary to change the Council meeting date back to Tuesday, August 3rd, in order to hold the public hearing on that date.

It was moved by Coy, seconded by Tlougan, to move the first meeting City Council meeting in August to Tuesday, August 3, 2010 at 7:00 p.m.; the motion carried 7-0.

CONSENT AGENDA

- 9 It was moved by Christiansen, seconded by Rose, to approve the Consent Agenda as presented; the motion carried 7-0 and included the following actions:
- a. Minutes – Regular City Council meeting – June 15, 2010 – were accepted and placed on file.
 - b. Minutes – Regular City Council meeting – June 1, 2010 – were accepted and placed on file.
 - c. Payroll & expenditures – June 2010 – were authorized for payment.
 - d. Payment Request #12 – Robert L. Carr Co. – Project #0812 – was authorized for payment.
 - e. Payment Request #7 – S.M. Hentges – Project #0803 – was authorized for payment.
 - f. Pay Request – Bonestroo Invoice #179604 – Project #0812 – was authorized for payment.
 - g. Pay Request – Bonestroo Invoice #179605 - Project #0803 – was authorized for payment.

CITY MANAGER’S REPORT

10 **The City Manager provided the following report:**

- The City Manager explained the proposed 2011 budget process and timeline.
- The City Manager and the City Engineer met with the County Board regarding Gaiter Lake. The County Board has indicated they would like to inspect County Ditch 15-1.

Mayor Srp commented he wished to make sure the public knows the Council takes Clear Lake very seriously, as does the community. The Council and Staff have taken this project to heart and will continue to proceed with little things that we can all do to make Clear Lake cleaner.

COMMISSION REPORTS

11 The Council provided the following Board/Commission reports:

- EDA – Councilmember Coy reported the EDA met last Friday as a branch of BEST of Waseca, a collaborative initiative with the EDA and the Waseca Development Corp (WDC). She stated things are starting to gel, but there are still various issues to work out. The group continues to meet twice a month, and meetings are open to the public.
- Fire Relief Association – Councilmember Johnson stated he was unable to attend the last meeting, but will provide an update at the next Council meeting.
- Airport Board – Mayor Srp reported the Airport Board discussed a joint agreement with the cities of Owatonna and Faribault for navigational equipment. The Board also discussed signage in front of the airport. The City Engineer added a short update on the design of this year’s projects, which is in progress and will continue moving forward.

ANNOUNCEMENTS

- 1 Mayor Srp announced there is a free skydiving show at the airport this weekend.
- 2 Councilmember Rose commented there is always standing water at the corner of East Elm Avenue and 8th Street. The Utilities Director explained there is no storm sewer at that location and he has discussed with the City Engineer the plan to add a storm sewer at that corner during the Highway 14 turn back. Currently, the storm sewer is about a block away.
- 3 Councilmember Rose reported the decision has been made for an Employee Appreciation Picnic, which will be held on August 11, 2010 at noon at Clear Lake Park. The picnic will be catered by Pheasant Café.
- 4 Councilmember Clemons stated he and Councilmember Johnson recently made a visit to Maple Terrace and talked to the residents about various issues (sirens, flowers, Loon Lake Island, etc.). A resident shared a story about the island when she was young. Councilmember Clemons stated this is a beautiful building full of great residents.

- 5 Councilmember Clemons stated he received a call from resident Hilary Herbig, who had watched a previous council meeting regarding discussion of semi traffic on 8th Street. Ms. Herbig informed him her father was on the Highway 13 Bypass Committee in the 1960s and she was able to give some background information and insight as to why this street is now a CSAH street.
- 6 Councilmember Tlougan commented the standing water at the corner of 8th Street and East Elm was worse a few weeks ago because there was a big pit there. This has since been fixed and he thanked the Street Department for the repair.
- 7 Councilmember Tlougan encouraged anyone with personal memory stories to write them down and send them to the Historical Society or the Heritage Preservation Commission, as this is what makes our community unique and interesting.

ADJOURNMENT

- 13 It was moved by Coy, seconded by Tlougan, to adjourn the regular meeting at 10:07 p.m.; the motion carried 7-0.

R. D. SRP
MAYOR

MARY BUENZOW
RECORDS SECRETARY