

MINUTES
REGULAR WASECA CITY COUNCIL MEETING
TUESDAY, MARCH 20, 2018

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:

Mayor Roy Srp	Allan Rose
Ann Fitch	Mark Christiansen
Jeremy Conrath	Daren Arndt
Les Tlougan	

Staff present:

Danny Lenz, City Manager
Shelly Kolling, Finance Director
Paul Bruder, Engineering Tech
Mary Buenzow, City Clerk
Tim Schroeder, Waseca Police Department

MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA

- 3 The City Manager requested removal of item 7A, Roesler Subdivision, at the request of the applicant, and he requested in its place to add Solar and Small Power Generation Policy as 7A.

It was moved by Arndt, seconded by Conrath, to approve the agenda as amended; the motion carried 7-0.

PUBLIC COMMENT

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

Jim Gibson, 109 Sunburst Circle, Mankato, addressed the Council to express his appreciation to City Manager Danny Lenz for his involvement with B.E.S.T. of Waseca County and Vision 2030. He thanked Mr. Lenz and wished him well in his new job.

REQUESTS AND PRESENTATIONS

- 5A **Proclamation – National Agriculture Week**

Mayor Srp read aloud a proclamation declaring March 18-24, 2018 as National Agriculture Week.

CONSENT AGENDA

- 6 It was moved by Fitch, seconded by Tlougan, to approve the Consent Agenda as presented; the motion carried 7-0 and included the following:
- A. Minutes – Regular City Council meeting – March 6, 2018
 - B. Minutes – City Council Work Session – February 27, 2018
 - C. Payroll & Expenditures
 - D. **Resolution No. 18-14** – Authorizing and Consenting the Assignment of a Development Agreement
 - E. **Resolution N. 18-22** – Approving Lawful Gambling Premises Permit to Waseca Sleigh & Cutter Festival Association at American Tap House & Grille

ACTION AGENDA

- ~~7A **Resolution N. 18-16** – Approval of Roesler Subdivision~~

This item was removed from the agenda at the request of the applicant.

- 7A **Solar and Small Power Generation Policy**

Chapter 4, Section 4.01, of the City Council Policy allows for private property power generation to be connected to the City of Waseca electric distribution system after an electrical engineering study has been conducted which complies with operational and safety requirements based on local and State rules.

The proposed Electric Utility Policy includes detailed implementation requirements for small power generation units which private property owners propose to interconnect to the City of Waseca's electric distribution system. These attached requirements mirror requirements provided by the State of Minnesota, and which have been developed with the assistance of the Southern Minnesota Municipal Power Agency (SMMPA) staff and also with the assistance of the City's consultant electrical engineer, Paul Kaeding. Mr. Kaeding has provided electrical engineering guidance to the City for 20 years.

There is no budget impact associated with this policy because direct costs are passed through to the applicant.

The existing Council Policy, Chapter 4, provides City authority to implement specific requirements. The City Council has previously approved applicant fees, which are included in the City's Master Fee Schedule.

It was moved by Tlougan, seconded by Conrath, to adopt the Solar and Small Power Generation Policy as presented; the motion carried 7-0.

- 7B **Resolution No. 18-15** – Granting Preliminary and Final Plat to Curtis Schumacher for Amor Terra Subdivision at 1002 Elm Avenue East

Curtis E. Schumacher is requesting approval of a Preliminary & Final Plat for the Amor Terra Subdivision.

The properties are located at 1002 Elm Avenue East. Currently there is a main parcel with a single family residential home, and an adjacent outlot to the south. The property owner is requesting to combine the two parcels. The new property will meet all requirements for lot size and area in the R-2 District. This will bring the property into compliance with the impervious surface requirement for the Shoreland Overlay of Clear Lake. The DNR has reviewed the request and is in support of the lot combination. The City Council has the authority to approve Preliminary and Final Plats.

The Planning Commission held a public hearing on the request on March 13, 2018. There were three public comments, two supporting and one opposed to the lot combination. Based on five (5) findings, the Planning Commission voted to recommend approval of the Preliminary Plat and Final Plat with three (3) conditions by a vote of 5-0.

Councilmember Conrath asked what the objection was at the public hearing. The City Manager replied the objection is related to the Property Maintenance Code and this approval will help alleviate the issue.

It was moved by Fitch, seconded by Arndt, to adopt Resolution No. 18-15, A RESOLUTION OF THE WASECA CITY COUNCIL GRANTING APPROVAL FOR PRELIMINARY AND FINAL PLAT TO CURTIS E. SCHUMACHER FOR AMOR TERRA SUBDIVISION AT 1002 ELM AVENUE EAST; the motion carried 7-0.

7C Resolution No. 18-17 – Granting Variance for Construction of a Utility Storage Garage

Carl Sonnenberg, on behalf of City of Waseca, is requesting a Variance from Section 154.025 (E) Table 5-7 to allow encroachment of the rear and side setbacks for the purpose of constructing a storage garage on the property zoned B-3, Neighborhood Transition Business. Governmental Buildings are permitted use in the B-3 district.

The property is located at 511 2nd St SW and is currently vacant. The property has an irregular size and is relatively small for a property located in the business district.

The Planning Commission held a public hearing on the variance request on March 13th, 2018. There were no public comments and staff has received no comment. The Planning Commission voted 5-0 recommending approval to the City Council.

It was moved by Conrath, seconded by Arndt, to adopt Resolution No. 18-17, A RESOLUTION OF THE WASECA CITY COUNCIL GRANTING VARIANCE FOR CONSTRUCTION OF A UTILITY STORAGE GARAGE AT 511 2ND STREET SW; the motion carried 7-0.

7D Accepting Feasibility Report and Set Public Hearing for 2018 Street & Misc. Drainage Improvement Projects #2017-06 and #2018-01

Resolution No. 18-12

Resolution No. 18-13

On February 7, 2018, the City Council approved a Resolution authorizing City staff to prepare a feasibility study for the 2018 Street and Miscellaneous Drainage Improvements Projects, City Projects 2017-06 and 2018-01. The Feasibility Study has been completed and is presented for your acceptance.

A portion of the project costs are proposed to be financed with special assessments to benefiting properties in accordance with State Statute 429 and the City's Special Assessment Policy. Special assessments for the Drainage Improvements are based on contributing drainage area. Per the City's Special Assessment Policy, 100% of the Drainage Improvements are assessed to the contributing properties.

Special assessments for the Street Improvements are calculated on a front footage basis and the per-foot rate is set per the land use designation according to the special assessment policy. Corner lots are provided a corner lot credit per the special assessment policy where both streets are being assessed with the same project or it is reasonably assumed that the street adjacent to the corner lot that is not part of the current project will be assessed by the City at a later date. Per the Special Assessment Policy, Drainage Improvement costs are assessed 100% to the benefited properties based on a prorated share of contributing flow area.

It was moved by Fitch, seconded by Conrath, to adopt Resolution 18-12, A RESOLUTION OF THE WASECA CITY COUNCIL CALLING FOR PUBLIC HEARING FOR 2018 MISCELLANEOUS DRAINAGE IMPROVEMENT PROJECT #2017-06 **and** Resolution No. 18-13, A RESOLUTION OF THE WASECA CITY COUNCIL CALLING FOR PUBLIC HEARING FOR 2018 STREET AND UTILITY IMPROVEMENT PROJECT #2018-01; the motion carried 7-0.

7E 3rd Street NE Reconstruction Project #2019-01
Resolution No. 18-20

In the fall of 2017, the City applied for a Local Road Improvement Project (LRIP) grant from the Minnesota Department of Transportation (MnDOT). The grant request was for the reconstruction of approximately three-thousand feet of 3rd Street N.E. from 4th Avenue N.E. to 11th Avenue N.E. The project will include full reconstruction of the pavement, curb and gutter, sidewalk, storm sewer, watermain and sanitary sewer utilities. All but one block of this street segment is on the City's Municipal State Aid System (MSAS). The one block not on the MSAS is between 7th Avenue N.E. and 8th Avenue N.E. which is part of Waseca CSAH 13. The Waseca County board has passed a resolution in support of this project.

In February 2018, the City learned they were successful in the grant application. The amount of the grant is \$1,000,000. Conditions of the grant include 2019 construction. To move this project along and stay on schedule for 2019 construction, the City requested a proposal for engineering design services from the interim city engineer, WSB. The proposal is attached for your consideration.

The total estimated construction cost is \$3,653,466 including a 35% allowance for contingencies, engineering and administration. The proposed fees for the engineering professional services is an hourly, not-to-exceed cost of \$235,816. MSAS funds can be used for engineering fees up to 25% of project construction costs.

Project funding sources include the \$1,000,000 LRIP grant, \$1,823,313 in MSAS funds, \$445,066 from the City Water Fund and \$385,147 from the City Sewer Fund. The funds were budgeted for in the 2018 Planning CIP and will be budgeted for in the 2019 budgeting process.

It was moved by Tlougan, seconded by Christiansen, to adopt Resolution No. 18-20, A RESOLUTION OF THE WASECA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH WSB FOR DESIGN SERVICES FOR STREET AND UTILITY RECONSTRUCTION ON 3RD STREET NE; the motion carried 7-0.

7F Resolution No. 18-18 – Street Light Charges

At the March 6, 2018, City Council Work Session, the City Council reviewed funding options for street light expenses. The general fund pays for about \$107,000 of annual street light expenses and the Electric Utility pays for about \$65,000 of annual street light expenses.

The purpose of establishing a Street Light Rate Structure within the City’s Electric Utility is to provide for dedicated revenue and financial transparency for all street light operations, repairs, replacements. Establishing a Street Light Rate Structure also means that the general fund and Electric Utility will no longer subsidize street lighting costs.

The below Street Light Rate Structure table shows that there is one Base Charge for customers. The General Fund and Electric Utility will no longer subsidize street light costs. It is anticipated that the Street Light Rate structure will be implemented no later than for City utilities bills due July 2018, and possibly with bills due June 15, 2018, depending on the billing implementation programming.

Street Light Rate Structure - Single Rate - Electric Utility and General Fund Charges

Customer Class	Street Light Factor	Base Charge	Monthly Charge	Annual Charge
Street Light Customer Charge	1	\$ 3.60	\$ 3.60	\$ 43.20
Exempt: 1. Outside City limits; 2. City owned public facilities; 3. Unique accounts based on past billing practice	0	\$ -	\$ -	\$ -

The City Council has discussed that a direct street light charge will improve financial transparency, and will also allow for the conversion of street lights to LED lighting.

There was some discussion. Councilmember Tlougan commented this revenue would put the City in a position to move forward sooner to replace all street lights to LED. That will take a long time, but we need to get started.

Councilmember Rose commented he has concerns about the concept and finds it hard to support asking constituents to pay for street lights. Councilmember Conrath concurred, stating he has received a lot of negative feedback on this issue and he will not support it.

After some discussion it was moved by Tlougan, seconded by Srp, to adopt Resolution No. 18-18, A RESOLUTION OF THE WASECA CITY COUNCIL SETTING STREET LIGHT RATE STRUCTURE; the motion carried 4-3 (nay-Conrath, Rose, Arndt).

7G Resolution No. 18-19 – Amending Fee Schedule to include Fire Call Fees

At the February 27, 2018, City Council work session, the City Council reviewed fee options for the City to charge relating to fire responses. This was originally discussed during the 2018 budget work sessions and at that time Council determined we would initiate the process to bill for fire responses.

At the February work session there was lengthy discussion regarding charging for fire calls, how much to charge and what types of calls to charge for. The City has statutory authority to charge a fee for all emergency response actions and currently charges for excessive false alarms calls. Beginning in 2018 the Waseca Rural Fire District charges for various fire calls based on their established fee schedule.

Council direction is to charge \$500.00 for the following types of fire responses:

Building or structure fire

Vehicle fire

Motor Vehicle Accidents

Based on this direction staff recommends the attached addition to the master fee schedule effective April 1, 2018.

The City Manager commented this is just for calls within the city limits.

Councilmember Conrath explained this was discussed at a council work session and he does not want people to hesitate to call 911. We will not bill for good intent calls.

It was moved by Christiansen, seconded by Arndt, to adopt Resolution No. 18-19, A RESOLUTION OF THE WASECA CITY COUNCIL AMENDING THE MASTER FEE SCHEDULE TO INCLUDE FIRE RESPONSE CALLS; the motion carried 7-0.

7H Movie Theater Funding

On March 8th, 2018 the City Council and Waseca School Board held a Joint Work Session to discuss the possibility of the City providing a financial contribution in order to establish a Movie Theater in the auditorium at the Central Building on Elm Avenue.

There were extensive discussions on how this project would be consistent with goals in Waseca Vision 2030, and discussion on the number of comments Council members have received over the years about the desire for a movie theater in the City. It was also discussed that it did not appear that the private sector was going to be able to provide this services, as there were several preliminary attempts made in previous years that never came to fruition.

Following this discussion the Council directed staff to determine where funding for this project could come from and bring the item back for their consideration at an upcoming Council meeting.

\$60,000 from excess fund balance from the 2017 Budget. City snow removal costs for 2017 were significantly below historical averages, resulting in the snow removal budget coming in a little over \$60,000 under budget. Staff believes this is an anomaly that would not likely be repeated in future years, and would be appropriate for one-time use, but not as an on-going reduction.

Staff recommends the Council authorize \$60,000 in excess fund balance to go towards the Waseca Public Schools Movie Theater project in the auditorium at the Central Building.

Mayor Srp explained he has been talking with a general contractor who is familiar with designing buildings. The contractor is interested in proposing a movie theater at another location. Mayor Srp asked that this item be removed from consideration at this time.

Councilmember Fitch commented she would prefer to have a business involved with a theater rather than two government entities.

It was moved by Christiansen, seconded by Arndt, to DENY authorizing \$60,000 in excess fund balance to go toward Waseca Public Schools Movie Theater Project;

DISCUSSION

Mayor Srp stated he will continue to work with the general contractor he had mentioned.

Councilmember Tlougan wished to clarify for the audience that this does not mean the Council will never talk about this issue again, and it can be brought back to the Council at another time.

VOTE ON THE MOTION

The motion carried 7-0.

71 Adopting Waseca Vision 2030 **Resolution No. 18-21**

In the Spring of 2017 the City of Waseca, in partnership with BEST of Waseca County, Waseca Area Chamber of Commerce, Waseca Public Schools and Waseca County began a community visioning process called Waseca Vision 2030. The goal of the project was to develop a community vision and strategic action plan through a robust community engagement process.

On March 13th the Waseca Vision 2030 consultants presented the final report, which included the results of the engagement processes from 567 survey responses, a community vision statement, strategic action pillars and specific action areas to work towards implementing the vision.

The City Council has met with the Waseca County Board of County Commissioners and the Waseca Public Schools Board where they discussed the results of the engagement process and the key strategic areas that resulted from the process. Support for moving forward on the recommendations of the report was expressed by all three governing bodies.

In order to formalize its commitment to the results of Waseca Vision 2030 and to provide direction to staff on how to proceed with implementing the results it is appropriate for the Council to formally adopt the vision statement in the report as well as the Strategic Action Pillars listed in the report as the City's strategic goals. This will help to ensure that the proposals, projects and programs developed by staff for Council consideration are consistent with the results of Waseca Vision 2030. Even more importantly it is a small but significant step in communicating the Council's commitment to taking action in order to see the vision achieved.

Waseca Community Vision Statement: Waseca is an energetic, wholesome community that welcomes and supports all people in all stages of life. We envision a future that strengthens our regional connections through leadership opportunities, economic development and investment in high quality community assets resulting in the creation of a vibrant, dynamic community of the future.

Strategic Goals:

1. Create High Quality Community Assets
 - a. Launch Programs that attract and retain youth and young professionals
 - b. Transform the education system into lifelong learning
 - c. Anchor the downtown as ‘Heart of the Community’
 - d. Update community aesthetics and infrastructure
2. Expand and Leverage Economic Development Initiatives
 - a. Identify and establish a long-range plan with metrics for success
 - b. Create a community marketing and branding initiative
 - c. Diversify and intensify the agriculture sector
 - d. Expand technology, professional and business sectors
3. Strengthen Regional Connectivity
 - a. Collaborate with regional entities to build connectivity
 - b. Expand higher education connections to attract regional innovation
 - c. Building top grade infrastructure
 - d. Become a ‘Destination Location’
4. Create a Vibrant Dynamic Community
 - a. Leverage governmental collaboration and cooperation
 - b. Activate strong leadership to encourage collaboration between organizations
 - c. Promote social connectivity within the community
 - d. Foster entrepreneurship and encourage innovation

Mayor Srp commended the City Manager for being the driving force behind Vision 2030 and thanked him for all of his work.

It was moved by Fitch, seconded by Arndt, to adopt Resolution No. 18-21, A RESOLUTION OF THE WASECA CITY COUNCIL ADOPTING THE WASECA VISION 2030 VISION AND STRATEGIC ACTION PILLARS AS THE CITY’S VISION AND STRATEGIC GOALS; the motion carried 7-0.

7J **Appointing Interim City Manager**

With the current City Manager’s last day being March 23rd, the Mayor requested responses from qualified firms for the provision of Interim City Manager services for the City of Waseca. The Mayor selected three firms to conduct an interview with their proposed individual who would serve as the Interim City Manager. All three firms provided well qualified individuals, all of which brought different skills and styles.

Mayor Srp is recommending that Public Sector Professionals, LLC to selected to provide Interim City Manager services, with Duane Hebert serving as Interim City Manager.

The proposed contract would pay the firm \$75/hour plus mileage reimbursement. The total amount would be dependent on the number of hours needed to provide the services and the length of time the services are provided. The rate of pay is consistent with what other firms charge, and less than some staff has reviewed.

It was moved by Rose, seconded by Tlougan, to approve authorizing the Mayor to enter into an agreement with Public Sector Professionals, LLC for Interim City Manager services, with Duane Hebert to serve as the Interim City Manager; the motion carried 7-0.

REPORTS

8A City Manager's Report

The City Manager reported the following items:

A date has been set for the Elm Avenue Project Open House, for Thursday, April 12th from 4:00 – 6:00 p.m. at the Public Safety Building.

A date has been set for the 2nd Gaiter lake Development Open House with WSB, on Tuesday, April 17th from 4:30 to 6:30 p.m. in the City Council Chambers.

In 2017 the Waseca Fire Department had an ISO review and went from a 4 to a 3 ISO rating. This is a big step and is based on things such as dispatch operator, water access, apparatus availability and training and personnel. Waseca is in the top 10% of communities with an ISO rating of 3 or below. This would not have been possible without the Rural Fire District.

There is a meeting with David Drown & Associates tomorrow, to discuss the desired qualifications and characteristics of the new city manager. Council members will each be meeting with this consultant.

The City has been approached by Waseca Area Foundation, which is in the process of trying to standardize, and they are requesting to set up a relationship with the City, whereby the Executive Director would be an employee of the City of Waseca. Before proceeding with developing a grant, the WAF would like the Council to approve this arrangement and the City Manager asked if there are any concerns from the Council. The current Executive Director is Karen Boom.

There was a consensus from the Council to move forward with the relationship between the City and the Waseca Area Foundation.

The City Manager stated he wished to thank the Council and City staff for providing him the opportunity to serve as the City Manager. He will miss working here and thinks there are exciting years ahead for Waseca. This is a fantastic group of people to work with and for.

Mayor Srp and the Council thanked the City Manager for his work here and wished him well in his new job.

8B Commission Reports

EDA – March 14 meeting - Councilmember Fitch reported the only action item was to approve \$1000 to the Chamber for the Leadership Academy.

Planning Commission – March 13 meeting – Councilmember Arndt reported there were three Planning Commission items, two of which were approved by the Council this evening, the Schumacher Subdivision and the Utility Garage.

Discover Waseca Tourism – March 13 meeting – Councilmember Arndt stated she updated the group on the Explore MN Tourism Conference she attended, and they discussed what we are doing to promote Waseca. She was contacted last week by someone to talk about getting Waseca involved in the Governor's Fishing Opener. This would be great for the community and

would spotlight our area, but it will be a big collaborative effort involving many different groups in town.

ANNOUNCEMENTS

9 The following miscellaneous announcements were made:

Councilmember Conrath wished everyone a Happy Easter.

Councilmember Fitch requested the holiday lights on the downtown poles be removed, since it is past the holiday season. She also asked that next season there be a schedule for installing them and taking them down, and also that the lights be put on a timer.

Councilmember Fitch announced the annual Chamber Farm and City Luncheon is Thursday. This is a great event which spotlights our area farmers and a lot of people attend and there is good food. Jim Gibson will be one of the keynote speakers.

Councilmember Fitch commented that City Manager Danny Lenz has taught her a lot during his tenure with the City and he has been tremendously helpful to her. He has taken on many things as the City Manager and has shown great leadership. She expressed her appreciation to Mr. Lenz and wished him well.

Councilmember Tloutan also thanked Danny Lenz and stated he has enjoyed Danny's time here as the City Manager. Councilmember Tloutan stated he appreciated being able to stop in and discuss issues. He thanked him and stated he will be missed.

Councilmember Rose wished everyone a Happy Easter.

Councilmember Rose also thanked City Manager Danny Lenz and stated it has been a good experience to have him here and he has been a pleasure to work with.

Councilmember Rose inquired about the house across the street from Kwik Trip (506 West Elm Avenue) and whether someone could check on some of the issues there. The City Manager will discuss this property with the Code Enforcement Technician.

Councilmember Christiansen provided an update on the Boy Scout activities, with the food shelf collection coming up on Saturday, and the breakfast last Sunday with the Lions Club.

Councilmember Christiansen stated he recently participated in a Rice County Active Shooter training in Morristown, which he found to be very enlightening and educational. He gave credit to all our volunteers and response teams, and thanked Rice County for providing the training.

Councilmember Christiansen stated it was great to receive feedback on the theater and the street light issues. This is enlightening to the Council and is appreciated.

Councilmember Christiansen thanked City Manager Danny Lenz for his service as the City Manager and stated he has done a great job and has kept the Council informed. He wished him well in his new job.

Councilmember Arndt thanked City Manager Danny Lenz for all his work and wished him well.

Councilmember Arndt wished everyone a Happy Easter.

Councilmember Arndt stated he helped with the Backpack program last Sunday at his church, where they prepared 140 bags for school kids. This is a great program and he is anxious to do it again.

Mayor Srp encouraged the Councilmembers to study hard and come up with questions as to what they would like to see in our next city manager. He asked them to give it great thought as they are setting a course for the future of Waseca.

Mayor Srp announced the Waseca Chorale Spring Concert will be held on April 15th at the Starfire Event Center.

ADJOURNMENT

- 10 There being no further business to be brought before the Council, it was moved by Conrath, seconded by Arndt, to adjourn the meeting at 8:19 p.m.; the motion carried 7-0.

R. D. SRP
MAYOR

MARY BUENZOW
CITY CLERK