

**MINUTES
REGULAR WASECA CITY COUNCIL MEETING
TUESDAY, OCTOBER 18, 2011**

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
John Clemons	Cindy Coy
Larry Johnson	Mark Christiansen (arrived 7:28 p.m.)
Les Tloutan	

Staff present:

Crystal Prentice, City Manager
Russ Stammer, City Engineer
Kimberly Johnson, Planning Director
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 Coy, seconded by Rose, to approve the agenda as presented; the motion carried 6-0. (Christiansen not yet present).

VISITORS, REQUESTS AND COMMUNICATIONS

- 4a **Proclamation – Minnesota Manufacturers Week**

Mayor Srp read aloud a proclamation, proclaiming October 23-29 as Minnesota Manufacturers Week.

Mayor Srp commented the City Council appreciates all of the manufacturers in Waseca.

- 4b **Rod Searle – Waseca Community Enhancement Funds**

Rod Searle addressed the City Council on behalf of the Historical Society Board. He presented the Community Enhancement Funding Request application for the Historical Society and updated the Council regarding the many events and activities of the Historical Society. Mr. Searle stated the community of Waseca has many vital “intangibles” – library, historical center, museum, Neighborhood Service Center, etc, and they are all needed and used by many for different reasons. The Historical Society has over 537 members from many different states and countries, in addition to those from Waseca County. Mr. Searle commented the members of the Board feel the socio/cultural basics of the community are undervalued and underfunded and he requested the Council consider the overall value of these amenities. He inquired as to the history of the Community Enhancement Program, where it started and where it is now.

Mayor Srp and the Council commented on past practice regarding outside funding and how it evolved into the Community Enhancement Program. Mayor Srp agreed the program is not nearly as much as the Council would like to spend, and the entire fund has been in jeopardy with every budget cycle.

The City Manager commented the Community Enhancement Program was originally budgeted at \$48,000 and in the past two years the budgeted amount has decreased to \$25,000.

Mayor Srp stated the entire Council is taking Mr. Searle's presentation to heart and he speaks not just for the Historical Society, but for all the Community Enhancement groups as well.

The Mayor and Council thanked Mr. Searle for his presentation.

4c **Mandy Kauffman – train whistles**

Ms. Kauffman was not in attendance.

Mayor Srp 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 public comments.

PUBLIC HEARINGS

5a Project Hearing – Municipal Project #2010-02
Resolution No. 11-52 – Ordering Improvement, Preparation of Plans & Specs and Authorizing Advertisement for Bids – 2010 State Aid Street Overlay Project #2010-02

The City Engineer explained this is a repeat of the improvement hearing for Project #2010-02, the State Aid Street Overlay Project. The first project hearing was held in July 2010 and due to various circumstances the process is now being repeated. The City Engineer explained following the hearing this evening, staff will take bids on the project this fall, to allow construction to take place next year, with the final assessment hearing to be held next fall.

Mayor Srp opened the public hearing at 7:28 p.m.

The City Engineer stated he received a call from **Kevin Clemons, owner of property on 22nd Avenue NE**, who stated he would like the City to consider waiting at least a year before doing this work.

Mayor Srp read a letter objecting the special assessment from Canadian Pacific/DM&E Railroad. The letter was entered into the record.

Michael Kemmits, 907 2nd Street NW, addressed the Council and stated he is not opposed to the overlay, but has concerns about sewer backup issues in his yard. He would rather see the City fix this problem before the overlay. Mr. Kemmits stated he has contacted the City regarding this and the area has been videotaped, but no problem has been identified and water continues to back up on 2nd Street.

Mayor Srp stated the Council is now aware and would also like to see this problem fixed before the street is overlaid.

The City Engineer stated this is a bigger global picture and he will check with the residents in this area before going forward. However, he does not believe we will find the answer to the problem in that particular area of the street. Mayor Srp stated if the problem is in another area, maybe now is the time to fix it. The City Engineer explained there are several sewer lines that come together down the street. A new pump was purchased this year, and the area was also televised during the design stage of this project, but the City Engineer stated he is not aware of a defect in this particular area. Mayor Srp commented that now would be the time to take care of this issue. The City Engineer stated we will leave the curb and gutter in place and we are not in the position to address piping or underground issues at this time. Mayor Srp stated since Mr. Kemmits brought this to our attention, this issue should be reviewed.

Councilmember Clemons stated he also spoke with Kevin Clemons on the phone, and he felt this is more than just discussion of the project and waiting a year, Mr. Clemons felt the condition of this street is not as bad as others. Councilmember Clemons further stated the City crew overlaid this street a couple weeks ago. The City Manager clarified that only patching was done on this street. Councilmember Clemons stated if the patch is good enough it may be possible to wait another year or so, and he did not feel it is fair that the City makes a policy and our assessment rate is cheaper than the property owners'. The City Manager clarified the assessment rates of the Clemons property and the City's property are both the same.

The City Engineer reiterated this street is in poor condition and does need repair. It has been patched previously on several occasions, but a closer look would indicate it does need repair.

After brief further discussion, **the public hearing was closed at 7:55 p.m.**

Councilmember Christiansen thanked the City crew for patching on 5th Street SE, as this street had some bad spots.

It was moved by Johnson, seconded by Christiansen, to adopt Resolution No. 11-52, A RESOLUTION OF THE WASECA CITY COUNCIL ORDERING IMPROVEMENT, PREPARATION OF PLANS & SPECS AND AUTHORIZING ADVERTISEMENT FOR BIDS – STATE AID STREET OVERLAY PROJECT #2010-02; the motion carried 7-0.

ROUTINE BUSINESS

- 6a **Ordinance No. 973 – Introduction & set hearing date** – Amending Chapter 152 of the City Code, Sign Regulations, to allow Electronic Message Signs/Boards and Establish Related Performance Standards

Chris Waldron, on behalf of Clear Lakes Signs, is requesting an amendment to the Waseca Code of Ordinance to allow Electronic Message Signs/Boards. The Waseca Code of Ordinances Chapter 152: Sign Regulations currently prohibits Changing Signs, which are defined as “A sign or portion thereof with characters, letters, or illustrations that can be changed or rearranged without altering the face or the surface of the sign”.

The Planning Commission held a public hearing on the issue and recommended approval of the zoning ordinance. Staff is recommending Council approve the introduction of Ordinance No. 973 and set the hearing date for its adoption to November 1, 2011.

It was moved by Clemons, seconded by Rose, to approve the introduction of Ordinance No. 973, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA AMENDING CHAPTER 152 OF THE CITY CODE, SIGN REGULATIONS, TO ALLOW ELECTRONIC MESSAGE SIGNS/BOARDS AND ESTABLISH RELATED PERFORMANCE STANDARDS and set the hearing date for its adoption to November 1, 2011; the motion carried 7-0.

6b **Ordinance No. 974 – Introduction & set hearing date-** Amending Chapter 154 of the City Code, Zoning, to include Heritage Preservation Overlay Zoning Standards and to amend the Official Zoning Map

6c **Ordinance No. 975 – Introduction & set hearing date** – Rezoning of real property to HP, Heritage Preservation Overlay District (Trowbridge Bandstand)

The Waseca Heritage Preservation Commission (HPC) has recommended to the City Council that the Trowbridge Park Bandstand be designated as a local Heritage Preservation Site. The City Council, at their September 6, 2011 meeting, voted to direct the Planning Commission to amend the Zoning Code and Zoning Map to establish a Heritage Preservation Overlay district and to apply such zone to the Trowbridge Park Bandstand site. Language has been drafted to amend the Waseca Zoning Code to include a Heritage Preservation Overlay zoning district and revisions have been made to the Official Zoning Map to include a zoning designation for Heritage Preservation Overlay zones. The Official Zoning Map has further been revised to apply the HP, Heritage Preservation Overlay zone to the Trowbridge Park Bandstand property.

The Waseca Zoning Ordinance does not currently have a zoning designation for Heritage Preservation sites or districts, nor does it provide Heritage Preservation zoning district standards.

The Heritage Preservation Commission held a public hearing on August 15, 2011, and voted to recommend that the Trowbridge Park Bandstand be designated as a local Heritage Preservation Site, and that the City Council direct the Planning Commission to amend the Zoning Ordinance and Zoning Map in this regard.

The Planning Commission, on October 11, 2011, held a public hearing on the proposed text and map amendment, and on the rezoning of Trowbridge Bandstand to HP, Heritage Preservation Overlay District, and voted to recommend approval of the Zoning Ordinance and Official Zoning Map amendments and to rezone the Trowbridge Bandstand property. Staff is recommending Council approve the introduction of Ordinance No. 973 and set the hearing date for its adoption to November 1, 2011.

It was moved by Clemons, seconded by Coy, to concur with staff recommendation and approve the introduction of Ordinance No. 974, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA, AMENDING CHAPTER 154, ZONING, and set the hearing date for its adoption to November 1, 2011; the motion carried 7-0.

It was moved by Clemons, seconded by Coy, to approve the introduction of Ordinance No. 975, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA, REZONING OF REAL PROPERTY TO HP, HERITAGE PRESERVATION OVERLAY DISTRICT and set the hearing date for its adoption to November 1, 2011; the motion carried 7-0.

6d **Resolution No. 11-53** – Authorize Application to Department of Employment and Economic Development for Small Cities Development Grant Application

In 2010, the City of Waseca was awarded a sizable Small Cities Development Grant by the Department of Employment and Economic Development (DEED). The program provides federal grant funds to the City to re-lend to low and moderate income homeowners for the purpose of making necessary improvements to their homes. The City qualified eighteen participants and their projects for the 2011 program, making full utilization of program funds. The City has been invited to submit a short-form phase two application for the same program for 2012.

Based on the waiting list for the current program, which has forty-four (44) remaining names, the program administrator feels there is adequate demand for another phase. It is anticipated that 15 projects could be pursued in 2012.

The program would again require matching funds of \$2,500 per project for a total match of \$37,500 by the City. The 2010 matching funds came from the balance of a revolving loan fund established to assist with low/moderate income housing. This fund is estimated to have a fund balance of approximately \$28,000-\$30,000 after the 2011 match dollars are spent. The additional match funds would come from excess TIF dollars left after decertification of TIF #20 (Parkview Estates), which can be used for other low/moderate income housing programs.

Staff recommends that the City Council adopt Resolution No. 11-53 A Resolution of the Waseca City Council Authorizing Small Cities Development Program Application.

It was moved by Johnson, seconded by Tlougan, to concur with staff recommendation and adopt Resolution No. 11-53, A RESOLUTION OF THE WASECA CITY COUNCIL AUTHORIZING SMALL CITIES DEVELOPMENT GRANT APPLICATION;

DISCUSSION

Councilmember Rose inquired whether the loans are to be repaid or forgivable. The Planning Director stated they are forgivable if the homeowner remains in the home for ten years.

Councilmember Clemons asked if taking this money out would zero out our own revolving loan fund. The Planning Director stated that is the case. Councilmember Clemons stated this appears to be a good program. The Planning Director stated the last loan was signed today and we were able to leverage \$400,000. She felt this program has been very successful. She added there is a backlog of projects with the MVAC and this is a very slow process. Councilmember Clemons wondered if there is anything we can do to get MVAC to do our projects ahead of any others. The City Manager stated staff can look into this.

VOTE ON THE MOTION

The motion carried 7-0.

UNFINISHED BUSINESS

7 None

NEW BUSINESS

8a **Professional Audit Services firm selection**

At the September 6, 2011 meeting, Council approved a Request for Proposal (RFP) for Professional Audit Services for a three year period beginning December 31, 2011. Seven (7) proposals were received from audit firms. City staff has reviewed the proposals to determine which firm best meets the needs of the City. The review included analysis of cost and details within the proposals.

Staff has selected the lowest bidder, Abdo, Eick & Meyers, based on cost and their experience with cities that are similar in size, location and operations. In addition, the firm is currently the auditors of the Waseca Fire Relief Association.

Staff recommends Council approve Abdo, Eick & Meyers as the City’s auditors for a three year engagement beginning December 31, 2011 at the proposed price.

It was moved by Christiansen, seconded by Tlougan, to approve Abdo, Eick & Meyers as the City’s auditors for a three year engagement beginning December 31, 2011;

DISCUSSION

Councilmember Christiansen inquired whether this firm will be billing extra because of more initial work involved. The Finance Director stated the first year may be more time consuming on both ends, and that factor has been built into the proposal.

VOTE ON THE MOTION

The motion carried 7-0.

8b **Resolution No. 11-54** – Authorizing Issuance and Sale of \$975,000 General Obligation Refunding Bonds, Series 2011A

A memorandum from the Finance Director explained that an opportunity exists to refinance (refund) the General Obligation Water Revenue Bonds, Series 2001B and General Obligation Bonds, Series 2005D, resulting in a savings on interest payments without extending the term of the bond. The original proceeds of the Series 2001B Bonds were used to finance water main improvements within the City. The original proceeds of the Series 2005D Bonds were used to finance infrastructure improvements related to the City’s 19th Avenue Northwest project (Marketplace).

The Bonds have been structured to achieve relatively even annual savings. Based on current interest rate estimates, the refunding is projected to result in the City realizing an average cash flow savings of approximately \$10,000 per year. This will result in a net present value benefit to the City of approximately \$50,600. These estimates are net of all costs associated with the refunding. The outcome of this financing will rely on market conditions at the time of the sale and any projections are estimates based on current market conditions.

Staff recommends adoption of Resolution No. 11-54 – Authorizing Issuance and Sale of \$975,000 General Obligation Refunding Bonds, Series 2011A.

Doug Green, Springsted, Inc. addressed the Council and explained he is here to set the sale for refunding of two of the City’s outstanding bond issues. He will be preparing for a rating call, and stated the City’s current bond rating is very good. Mr. Green further stated he will be monitoring the market every day and if rates move the wrong direction, we can pull the sale, which will not reflect poorly on the City.

It was moved by Rose, seconded by Christiansen, to adopt Resolution No. 11-54, A RESOLUTION OF THE WASECA CITY COUNCIL AUTHORIZING ISSUANCE AND SALE OF \$975,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A; the motion carried 7-0.

8c **Resolution No. 11-55 – Approving Conditional Use Permit for Real Life Covenant Church**

Michael Behm, on behalf of Real Life Covenant Church, is requesting a conditional use permit to allow a church to occupy a warehouse building in a B-1, Central Business District. The property is located at 206 2nd Avenue SW. The church has been occupying space in the building since January of this year, and upon requesting a sign permit learned that a zoning action is required to allow them to continue occupying the space. There are no provisions in the B-1, Central Business District zone for churches or other religious institutions. The conditional use permit is being considered under Section 154.025 (D) (6) Other uses, which, in the opinion of the Planning Commission and City Council, are of the same general character as the permitted uses and which will not be detrimental to the B-1 district.

The Planning Commission held a public hearing on this request and recommended approval of the Conditional Use Permit with five conditions. Staff recommends adoption of Resolution No. 11-55, granting the Conditional Use Permit subject to certain conditions.

Councilmember Clemons stated he is not comfortable with this yet, referring to the parking situation. There may be someone in the future who may not own both buildings at the same time, and could be opposed to the parking situation. The Planning Director stated the agreement would be recorded. If they lose the parking, the Conditional Use Permit would become null and void. She added the church owner is working with the other individual to obtain more parking.

Councilmember Clemons felt it would be better to help and encourage the church to find a better location. The Planning Director stated they haven't looked elsewhere as this location meets their space needs.

It was moved by Tlougan, seconded by Coy, to adopt Resolution No. 11-55, A
RESOLUTION OF THE WASECA CITY COUNCIL APPROVING CONDITIONAL USE
PERMIT TO REAL LIFE COVENANT CHURCH FOR A CHURCH AT 206 2ND AVENUE
SW;

DISCUSSION

Councilmember Clemons reiterated that the parking issue is a red flag and he felt the Council should slow down and reconsider this before approving. Councilmember Tlougan stated the request has already been delayed by the Planning Commission two times and he did not feel this was a rushed decision. The Planning Director stated the City is required to approve or take action on a request within 60 days, so it is necessary to take action at this meeting.

VOTE ON THE MOTION

The motion carried 6-1 (nay-Clemons).

CONSENT AGENDA

- 9 It was moved by Clemons, seconded by Tlougan, to approve the Consent Agenda as presented; the motion carried 7-0 and included the following actions:
- a. Minutes – Regular City Council meeting – October 4, 2011 – were accepted and placed on file.
 - b. Payroll & expenditures – October 2011 – were authorized for payment.
 - c. Contract Construction Payment Request – Holtmeier Construction – 2011 Street Reconstruction and Waterman Improvement Project – was authorized for payment.

CITY MANAGER’S REPORT

- 10 The City Manager stated she would like to schedule a lengthy work session for the 1st or 2nd week in November to discuss the Utility Budget and the CIP. After brief discussion, it was agreed the City Manager will send out a calendar for the Council to review for a work session date.

ANNOUNCEMENTS

- 11 The following announcements were made:

Mayor Srp reminded everyone of the Brick & Block Walk on Thursday, October 27th from 4:30 – 7:30 p.m. He encouraged everyone to attend this fun and festive event.

Councilmember Clemons wished Mayor Srp a Happy Birthday.

Councilmember Coy thanked the Girl Scouts for the successful food drive last Saturday at Hy-Vee and Wal-Mart. The Girl Scouts collected 1,055 pounds of food for the Waseca Area Neighborhood Service Center, and over \$200 in donations.

The City Manager announced the Canadian Pacific/DM&E Railroad will be sending the Holiday Train to Waseca December 5th at 7:30 p.m. Mayor Srp encouraged everyone to come and to get there early. The City Manager added that Waseca is the train’s last scheduled stop for that evening.

ADJOURNMENT

- 12 There being no further business to be brought before the Council, it was moved by Coy, seconded by Tlougan, to adjourn the meeting at 8:44 p.m.; the motion carried 7-0.

R. D. SRP
MAYOR

MARY BUENZOW
RECORDS SECRETARY