MINUTES REGULAR WASECA CITY COUNCIL MEETING TUESDAY, APRIL 19, 2016

CALL TO ORDER/ROLL CALL

The regular Waseca City Council meeting was called to order by Mayor John Clemons at 7:00 p.m.

Councilmembers present:

Mayor John Clemons

Allan Rose

Fred Salsbury

Mark Christiansen

Ann Fitch Les Tlougan Daren Arndt

Staff present:

Danny Lenz, City Manager Mark DuChene, City Engineer Shelly Kolling, Finance Director Mary Buenzow, Records Secretary

MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA

3 The City Manager requested the removal of item 4B.

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

VISITORS, REQUESTS AND COMMUNICATIONS

4a **Proclamation – Historic Preservation Month**

Mayor Clemons presented a proclamation declaring May as Historic Preservation Month to Councilmember Tlougan, who read the proclamation aloud and accepted it on behalf of the Heritage Preservation Commission.

- 4b John Priebe Triathlon (This item was removed from the agenda.)
- 4c Rev. Larry Sipe, Boy Scouts of America "Cub-A-Ree" request to waive park fee Also present: Cub Scouts Daniel, Ezra, and Daniel.

Rev. Larry Sipe, 31184 W. Wilton River Road, addressed the Council and explained he is the Cub master for Scout Troop Pack 86. He stated the Scouts try to instill citizenship, patriotism, and leadership, and are always trying to recruit more boys to come into Cub Scouting.

Rev. Sipe stated every spring the Scouts hold a "Cub-A-Ree, which is a free event for new scouts to introduce them to camping. In an effort to promote our own community, they have secured

Maplewood Park for this event. Since this is a non-profit organization, there are not a lot of funds. The organization consists of volunteers and all the money raised goes toward the scouts. It is an overnight event, and, with the small budget, the scouts are not provided supper or much breakfast. Rev. Sipe asked the Council to consider waiving the fee for use of Maplewood Park.

Councilmember Tlougan asked if the scouts are just from Waseca. Rev. Sipe stated there are about 100 scouts from the Waseca, Janesville, and Mankato area. Their parents come to our community and spend money on meals and gas.

It was moved by Salsbury, seconded by Christiansen, to approve waiver of the park reservation fee for Maplewood Park for the Boy Scouts of America "Cub-A-Ree" as requested;

DISCUSSION

Councilmember Tlougan inquired as to the amount of the fee. The City Manager stated it is less than \$100. Mayor Clemons asked if the scouts have exclusive use of the park for that day. The City Manager stated they will have exclusive use of the park for the time period they applied for.

Mayor Clemons commented this is the first time the Council has received this request. He felt it would be fitting to honor the request.

VOTE ON THE MOTION

The motion carried 7-0.

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

Diane Wendland, 908 3rd Avenue SE, addressed the Council and explained she has been a resident of Waseca for over 50 years and is a retired business owner who had a business in downtown Waseca. Ms. Wendland stated she did not feel the climate for small businesses is the best at this time. There are many businesses struggling on Main Street and she does not think this is a good time for the City to discuss a city-wide sales tax. With property taxes, utilities and other prices increasing, the businesses are stressed. Ms. Wendland further stated most of the businesses on Main Street do not qualify for sales tax, and the burden will fall back on the retail stores and bars, etc. She stated she would like the council to keep the impact on businesses in mind when consider a city sales tax.

There were no other public comments.

PUBLIC HEARINGS

5a **Ordinance No. 1042** – Rezoning R-3 to R-2 Hintz-Lundholm Subdivision

When the City Council approved the changes to the Zoning Code this past January one of the edits that was included in the changes was eliminating single-family homes as a permitted use in the R-3 district, which is intended for low and medium density multi-family residential. Several weeks ago staff received a building permit application for a single-family home in the Hintz Subdivision, which is currently zoned R-3, and the single-family home would not be an allowed use. In reviewing the other properties in this subdivision, and also zoned R-3 it was determined that all but one structure currently built was single-family. This creates a situation where the

existing single-family homes are now legal, non-conforming land use, possibly restricting their ability to improve or alter their property in the future.

Based on the existing lot sizes and housing type staff is recommending the property be rezoned to R-2. The R-2 zoning is recommended instead of the R-1, which is the zoning of the property immediately adjacent, because there is an existing twin-home in the subject area. The lots all meet the minimum required lot dimensions for the R-2 and all existing uses would be legal, conforming land uses, making this zoning the most appropriate option.

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

It was moved by Christiansen, seconded by Salsbury, to adopt Ordinance No. 1042, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA REZONING R-3 TO R-2 HINTZ-LUNDHOLM SUBDIVISION; the motion carried 7-0.

5b Public Financial Assistance and Business Subsidy Development Policy

City staff has been reviewing the City of Waseca's existing Public Financial Assistance and Business Subsidy Policy based on feedback that has been received regarding the restrictive nature of the policy and complexity in understanding the requirements.

Cities are required by State Statute to have a policy addressing financial assistance and business subsidies in order to provide financial support for projects of a certain scope. More importantly, a complete policy provides guidance to City staff, residents and businesses about what sort of projects will be considered for assistance and how that consideration will be evaluated.

The City currently has a Business Subsidy Policy and a separate Tax Abatement Investment Policy. The Business Subsidy policy provides a general outline for what can qualify for a subsidy, but little guidance on the objects and evaluation process for receiving a subsidy. The current Tax Abatement Investment Policy utilizes a scoring system to determine the length of the tax abatement based on specific criteria that a project would have to meet. While the existing policy does communicate objectives of the policy through the scoring criteria, it is rigid in its requirements and provides obstacles for potentially worthy projects from receiving even the lowest level of tax abatement. The City does not currently have a policy outlining the goals and evaluation criteria for Tax Increment Financing projects, outside of the requirements established by State Statute.

The proposed Public Financial Assistance and Business Subsidy Policy outlines the objectives and evaluation criteria for any type of assistance from the City. Abatement and Tax Increment are viewed as tools that would be applied appropriately based on the needs of the projects, or the best interest of the City. The requirements and restrictions governing Abatement and Tax Increment are nested in the new policy, not as separate programs. The goals of the policy change is to provide additional flexibility in providing assistance to projects that are in the best interest of the City, while evaluating feasibility, benefit to the City and need for assistance.

While the proposed policy is less objective in its approach, staff believes that it creates the expectation of the City working with businesses and developers to create projects that are valuable to both the City and property owner and that does not create a situation where projects are approved for being design just to meet technical criteria that may not be in the best

interest of the City, or projects are denied that are valuable to the City because they are not able to meet the technical criteria.

The public hearing was opened and closed at 7:23 p.m. with no public comments.

It was moved by Tlougan, seconded by Fitch, to approve the Public Financial Assistance and Business Subsidy Development Policy as presented; the motion carried 7-0.

ROUTINE BUSINESS

6a **Resolution No. 16-14** – Granting Temporary Extension of Licensed Premises to RUSJO, LLC/dba Katie O'Leary's Beef & Brew for outdoor events

David "Rusty" Anhorn/Rusjo, LLC has submitted a request for a Temporary Extension of the Licensed Premises for Katie O'Leary's, 117 2nd Avenue NE, for two separate street dances, on June 25 and August 13, 2016.

Mr. Anhorn is also requesting closure of a portion of 2nd Avenue NE from State Street to 2nd Street NE from 2:00 p.m. to 2:00 a.m. on those dates. Music will be played in the street from 8:30 p.m. to 12:30 a.m. Mr. Anhorn will be discussing with the Police Department his plan for security and other issues.

It was moved by Rose, seconded by Fitch, to adopt Resolution No. 16-14, A RESOLUTION OF THE WASECA CITY COUNCIL GRANTING TEMPORARY EXTENSION OF LICENSED PREMISES TO RUSJO, LLC/KATIE O'LEARY'S BEEF & BREW FOR OUTDOOR EVENTS; the motion carried 7-0.

UNFINISHED BUSINESS

7a **Demolition of City-owned buildings**

The City currently owns the property located at 511 2nd St. SW that is located directly south of City Hall. In the past the property was utilized for excess storage of City equipment. With the completion of the Waseca Utilities storage facility the City no longer has need of this property. The City has had the property inspected by the City Building Inspector who has determined it to be uninhabitable. Staff's evaluation of the property is that the cost of repairing it exceeds the value and usefulness of the property. In addition, it is a single-family home but it located is zoned B-3, so repurposing the property for residential purposes is not possible.

At the January 5, 2016 City Council meeting the Council took action to purchase the property located at 812 6th Ave. NE from the State of Minnesota. The property was a tax forfeiture property that had fallen into significant disrepair. Prior to the purchase the City Building Inspector inspected the property and determined that it could not be rehabilitated and has recommended demolition. During the Council's discussion of this item they directed staff to begin planning to demolish the property once the City received the deed from the State. The deed has been received and recorded and the property is now owned by the City of Waseca.

For the property located at 812 6th Ave. NE what Waseca County Commission has agreed to split any demolition costs for the property, with the understanding that any proceeds from the sale of the property (which cannot exceed the costs of purchase and demolition) be split in the same manner.

Staff solicited three companies for quotes for demolition of the properties and received responses from two of them. The lowest quote for both properties was from Timm's Trucking & Excavating. The quotes prices are:

511 2nd St. SW: \$15,860.64
 812 6th Ave. NE: \$17,986.29

There is a \$500 mobilization discount if both properties are demolished at the same time, and the quote does include a \$1,000 environmental hazardous materials assessment allowance. If hazardous material removal is required additional charges will apply.

It was moved by Fitch, seconded by Rose, to approve demolition of City-owned properties at 511 2nd Street SW and 812 6th Avenue NE as presented; the motion carried 7-0.

Councilmember Christiansen wondered if there is a plan for the property at 511 2nd Street SW, whether a neighboring property owner would be interested in it. The City Manager stated the property will be turned into green space for now.

NEW BUSINESS

8a Amendment to Trowbridge Park Lease Agreement

On May 17th 1937 the Waseca City Council entered into a 99-year lease agreement with Independent School District No. 72 (Now ISD 829 – Waseca Public Schools) for the property know as Trowbridge Park. The lease agreement essentially gives responsibility to the City for the maintenance and operations of the park.

Part of the lease agreement requires that the City ensure that "No intoxicating liquors are to be sold, kept or tolerated on the property..." This language is inconsistent with the City's current policies regarding park use and reservations and enforcement could negatively impact the use of the park by a variety of events and activities.

Staff has reached out the Waseca Public Schools about an amendment to the lease agreement that would allow for alcohol consumption and sales in the park when accompanied by a liquor licenses approved by the City Council and in conjunction with approved event according to the City's policies. The Waseca School Board will be considering this language at an upcoming meeting.

Staff recommends a motion to authorize the City Manager to execute an amendment to the Trowbridge Park Lease Agreement that reads or is consistent with the following language: "No intoxicating liquors are to be sold, kept or tolerated on the property except by vendors with a liquor license approved by the City Council and in conjunction with an approved event according to the City's policies"

It was moved by Clemons, seconded by Fitch, to authorize the City Manager to execute an amendment to the Trowbridge Park Lease Agreement as presented; the motion carried 7-0.

8b Appointment to Park Board

There has been a vacancy on the Park Board since member Cookie Rausch completed four, 4-year terms in January 2016. An application was received from Mike Francis, who is interested in

appointment to the Park Board. Appointment of Mr. Francis will result in full membership on the Park Board.

It was moved by Tlougan, seconded by Christiansen, to appoint Mike Francis to the Park Board; the motion carried 7-0.

8c Accepting donations for 2015

Resolution No. 16-15

The Council is requested to recognize and formally accept donations received in 2015. The donations received are for specific purposes as designated by those who donate. The City has a process in place that ensures these donations are used for their intended purpose. In 2015 the City received the following donations:

| Received From | <u>Amount</u> | Donation Purpose |
|--------------------|---------------|---------------------------|
| Robert Chaffin | \$250.00 | Police - K9 Program |
| Timothy Schuell | \$100.00 | Police - Citizen Academy |
| Anon | \$500.00 | Police |
| Rosenau Family | \$669.00 | Downtown Hanging Baskets |
| Waseca Beautiful | \$646.00 | Downtown Hanging Baskets |
| VFW Post 1642 | \$1,800.00 | Fire Equipment & Training |
| CenterPoint Energy | \$2,500.00 | Fire Pagers |
| Realife Coop | \$100.00 | Fire presentation |
| Deml Ford | \$2,000.00 | Police Reserves |
| Total | \$8,565.00 | |

It was moved by Tlougan, seconded by Arndt, to adopt Resolution No. 16-15, A RESOLUTION OF THE WASECA CITY COUNCIL ACCEPTING DONATIONS TO THE CITY OF WASECA FOR CALENDAR YEAR 2015; the motion carried 7-0.

8d Approving Transfers for 2015

Resolution No. 16-16

The Council is requested to approve 2015 transfers relating to financial activity. The transfers requested have been reviewed during the budget and audit process and are listed below:

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| Account | Fund Description | <u>Transfer From</u> | <u>Transfer To</u> |
|----------------|---------------------|----------------------|--------------------|
| 604-49300-7200 | Electric Fund | 143,000.04 | |
| 101-39209-0000 | General Fund | | 143,000.04 |
| 601-49300-7200 | Water Fund | 27,249.96 | |
| 101-39208-0000 | General Fund | | 27,249.96 |
| 602-49300-7200 | Sewer Fund | 116,468.04 | |
| 101-39203-0000 | General Fund | | 116,468.04 |
| 604-49592-7200 | Electric Fund | 285,000.00 | |
| 101-39202-0000 | General Fund | | 285,000.00 |
| 651-49300-7200 | Storm Water Fund | 6,400.00 | |
| 101-39204-0000 | General Fund | | 6,400.00 |
| 101-49300-7220 | General Fund | 14,240.00 | |
| 280-39201-0000 | Fire Relief | | 14,240.00 |
| 101-49300-7270 | General Fund | 311,499.00 | |
| 390-39201-0000 | 2014A Bond | | 311,499.00 |
| 601-49300-7280 | Water Fund | 57,000.00 | |
| 346-39208-0000 | 2011A Ref Bond | | 57,000.00 |
| 602-49300-7280 | Sewer Fund | 28,000.00 | |
| 346-39203-0000 | 2011A Ref Bond | | 28,000.00 |
| 101-49300-7420 | General Fund | 150,000.00 | |
| 427-39201-0000 | Library Remodel | | 150,000.00 |
| 101-49300-7250 | General Fund | 299,468.00 | |
| 430-39201-0000 | Capital Improvement | | 299,468.00 |
| 101-49300-7395 | General Fund | 181,445.00 | |
| 602-39215-0000 | Sewer Fund | | 181,445.00 |
| 101-49300-7380 | General Fund | 460,800.00 | |
| 705-39201-0000 | Equipment Fund | | 460,800.00 |
| 430-43010-7200 | Capital Improvement | 39,498.00 | |
| 101-39210-0000 | General Fund | | 39,498.00 |

It was moved by Salsbury, seconded by Rose, to adopt Resolution No. 16-16, A RESOLUTION OF THE WASECA CITY COUNCIL AUTHORIZING CITY OF WASECA TRANSFERS FOR FISCAL YEAR 2015 AS PRESENTED; the motion carried 7-0.

8e Appointment of Nancy Tollefson to Downtown Winter Decorations Taskforce

Mayor Clemons stated Nancy Tollefson has indicated an interest in serving on the Downtown Winter Decorations Taskforce.

It was moved by Rose, seconded by Fitch, to appoint Nancy Tollefson to the Downtown Winter Decorations Taskforce; the motion carried 7-0.

CONSENT AGENDA

- 9 It was moved by Arndt, seconded by Tlougan, to approve the Consent Agenda as presented; the motion carried 7-0 and included the following actions:
 - a. <u>Minutes Regular City Council meeting April 5, 2016</u> were accepted and placed on file.
 - b. <u>Minutes Board of Review meeting April 11, 2016</u> were accepted and placed on file.
 - c. <u>Payroll & Expenditures April 2016</u> were authorized for payment.

CITY MANAGER'S REPORT

The City Manager updated the Council and the audience regarding the Tink Larson Field Grandstand. He stated some clarifications were needed and he wanted to make sure everyone is clear on the process being followed. The City Manager stated the Fire Marshal and the Police Department conducted the investigation. The City does own the property and has insurance replacement coverage of about \$300,0000. He anticipates it will cost much more than that to replace the structure, as we are only able to insure for the assessed value, which was \$200,000 and to make the facility ADA compliant and considering updated building standards, he estimated it will cost around \$1-\$1.5 million.

The City Manager stated the Fire Marshal has released the property to the City. RFP's will be sent out tomorrow, to be opened the 2nd week in May. An opportunity will be provided for the community to see the field and say goodbye to a piece of history before the demolition begins.

The City Manager provided an estimated timeframe, from design phase from May to October 2016, bids received in January 2017 and construction from April to October 2017.

The City Manager stated an Advisory Committee would be established to explore design options, seating, location of bathrooms & concessions stand, etc. He suggested the Committee consist of a Councilmember, a member of the Park Board, Tink Larson, a Baseball Association representative, School District representative and two at large members of the community, as well as himself, Mark DuChene and Mark Bartelt.

He stated RFP's for a master plan would be put out in mid-May and the Advisory Committee would meet in early June with a design selection at the first Council meeting in June. Preliminary designs would be reviewed in mid-July and final draft designs in August, with a final recommendation in August or September. The City Manager stated this is a fast timeline but necessary for construction in 2017. The Council may hold additional public meetings as needed and staff is asking for Council direction as to which avenue to pursue. The City Manager stated the Advisory Committee members can be appointed at the May Council meeting.

Councilmember Christiansen asked whether there will be temporary stands/bleachers when the building is demolished. The City Manager stated there are stands available to move in temporarily. Staff is looking at some netting as a backdrop, so the field can be used this year.

Mayor Clemons commented this is a big deal and the Council has not heard about these details until tonight. He asked the City Manager to create a focal point to channel the enthusiasm from the community for funding.

The City Manager explained the City's website contains a link to donate to B.E.S.T. of Waseca at City Hall. B.E.S.T. will then make the donation to the City, as it is a 501c3 organization.

Mayor Clemons commented he felt the Council should be the Committee and can solicit information and hold open meetings. He felt by creating an outside Advisory Committee we may be excluding someone.

There was lengthy discussion as to whether to establish a committee or have the Council act as the committee. Pros and cons of each were discussed. The City Manager stated an Advisory Committee process would be similar to the Elm Avenue project, with preliminary meetings, present design options, and final recommendations.

Councilmember Fitch stated she would prefer a separate Advisory Committee which would include members with first-hand information from people who use the facility. She felt they would be valuable in getting things done. Councilmember Christiansen agreed, stating he would value the opinions of those with years of experience with that facility.

Mayor Clemons reiterated he would prefer the Council acting as the Advisory Committee and including everyone in the process.

Councilmember Fitch commented this place matters and she felt we should take in all the different views of people on how to proceed.

Mayor Clemons asked for a consensus of the Council as to whether the Council should act as the Advisory Committee.

The City Manager stated additional staff time will be needed whether the Council acts as the Advisory Committee or a separate committee is established.

Councilmember Fitch stressed that Tink Larson should be involved in the process, as the field is his family, which is his life.

Mayor Clemons stated he felt this is one of the biggest decisions the council will make in many years.

The City Manager stated if the Council wishes to establish an advisory committee, staff will bring back appointments at the next meeting. If the Council wishes to act as the Advisory committee, staff will move forward with the RFP's.

The consensus was in favor of the City Council acting as the Advisory Committee (4-3). Nay – Christiansen, Fitch, Tlougan.

Tink Larson, 501 7th **Avenue NE**, thanked the Council for what they are doing, stating he knows they will do it right, and he appreciates their support. Mayor Clemons stated the facility will be better than it was before and will make the community proud. Mr. Larson stated he will be proud of the facility as well.

The City Manager provided additional update items:

On Thursday there will be a prescribed burn of grasses at Northeast Park. If conditions are not ideal, the Fire Department will not conduct the burn.

Two work sessions have been scheduled – May 5th to review electric power purchases and interchange plans, and May 26th for department presentations.

The City Manager presented three sample color options for the banners and asked for input from the Council. The Councilmembers generally agreed to Option 2, with slightly more color than the original blue design. The sample banners will be displayed in the City Hall and the City Manager asked the Council to let him know if they would like to see additional color options.

Councilmember Tlougan asked the City Manager to include the timeline for Tink Larson Field in his weekly City Limits.

COMMISSION REPORTS

11 The Councilmembers provided reports of the following boards/commissions:

<u>Human Rights Commission</u> - Councilmember Fitch reported the Commission reviewed a draft brochure for tenants and landlords, and will review the final draft at the May meeting.

Heritage Preservation Commission – Councilmember Tlougan reported the Commission discussed a Heritage Overlay District and mapping, May is Heritage Preservation Month and several different awards will be presented in May. The Mayor's Choice is Tink Larson Field.

Park Board – Councilmember Christiansen reported the Board heard from staff regarding a city sales tax and what projects could be done. They also discussed recreational equipment distribution and they are going through a survey of what people would use at a park when visiting the community. Other topics discussed included Oak Park tennis and pickle ball courts, and the board appointed Lori Pommerenke as their representative on the Downtown Walkway Task Force. Councilmember Christiansen also recommended everyone read the Park Department Annual Report, as it contains valuable information about our parks. The Lake Cleanup is scheduled for Saturday, April 23rd, meet at Maplewood Park. The Brush Pickup begins May 2nd. Northeast Park is almost done and the Chamber will be presenting a Progress Award in May. Councilmember Christiansen also welcomed newly appointed member Mike Francis.

<u>Planning Commission</u> – Councilmember Salsbury reported there was one Planning Commission item – the Hintz-Lundholm Subdivision, which was considered by the Council this evening.

<u>Region 9</u> - Councilmember Arndt reported the group heard a speaker from the metro area who wants to open an Osteopathic clinic in Gaylord, which he found very interesting. The Region 9 Bus tour is scheduled for June 22nd.

<u>Discover Waseca Tourism Board</u> – Councilmember Fitch reported the Board agreed not to discontinue the billboard on Highway 14 at the Waseca exit and they are also looking at revamping some efforts in order to get the best value from their money. She also recommended everyone look at the Waseca Visitors Guide.

ANNOUNCEMENTS

12 The following announcements were made:

RECORDS SECRETARY

Councilmember Christiansen thanked the Discover Waseca Tourism Board for the brochure, as he stated his youngest child is in one of the pictures, and it is nice to see local people in the brochure.

Councilmember Christiansen reported the Boy Scouts food drive yielded 1355 pounds of food and \$27.00. This is a great fundraiser and he thanked everyone who participated.

Councilmember Christiansen stated the Art Center Director has resigned and the Board has chosen to run the facility at this time. Kent Schultz is now taking over day to day operations.

Councilmember Christiansen stated he enjoyed meeting some new people recently, who were looking at locating in either Owatonna or Waseca and he strongly encouraged them to consider Waseca with all our community has to offer. He encouraged the Council and the audience to say hi to new people and let them know we are a welcoming community.

Councilmember Fitch echoed Councilmember Christiansen's comments.

Mayor Clemons commented there are many choices for ways to spend local sales tax money, including Tink Larson field, walkways, bike trails, water park, other parks, etc.

Mayor Clemons commended James Christiansen for his efforts, as he saw him walking down the street sweeping up debris recently. Mayor Clemons thanked him for his efforts and for taking pride in the community.

Mayor Clemons stated he wanted everyone to be aware of the possibility that Canadian Pacific Railroad may be abandoning the track south of town. This may present opportunities for the City and the County and he asked the Council to consider ideas for that property.

ADJOURNMENT

| 13 | There being no further business to be brought before the Council, it was moved by Tlougan, seconded by Rose, to adjourn the meeting at 8:32 p.m.; the motion carried 7-0. | | | |
|-----|---|--------------|--|--|
| | | JOHN CLEMONS | | |
| | | MAYOR | | |
| MAR | Y BUENZOW | | | |