

MINUTES
REGULAR WASECA CITY COUNCIL MEETING
TUESDAY, APRIL 5, 2016

9A

CALL TO ORDER/ROLL CALL

- 1 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	Daren Arndt
Les Tlougan	

Staff present:

Danny Lenz, City Manager
Mark DuChene, City Engineer
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 Arndt, seconded by Christiansen, to approve the agenda as presented; the motion carried 7-0.

VISITORS, REQUESTS AND COMMUNICATIONS

- 4a **Waseca Exchange Club – *Child Abuse Prevention Month***

Exchange Club members Julie Jesse, Caryn Wendt and Linda Christensen updated the Council regarding Exchange Club activities, including placing blue ribbons in the parks during the month of April. Ms. Wendt stated there is a “Believe in the Blue” event this Friday evening at the American Legion from 5:00-8:00 p.m., with burgers, wings, and dessert, and the Waseca High School Jazz Band will play. There will also be a silent auction, with proceeds going to the Backpack program.

Mayor Clemons presented Exchange Club members Caryn Wendt, Julie Jesse and Linda Christensen with a proclamation, declaring April as Child Abuse Prevention Month.

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

PUBLIC HEARINGS

- 5a Street Improvement Hearing – 2016 City MSA Street Improvement Project #2016-01
Resolution No. 16-12 – Ordering Project, Authorizing Preparation of Plans and Specs and Advertisement for Bids – 2016 City MSA Street Improvement Project #2016-01

On March 15, 2016, the City Council received and approved a Feasibility Study for the 2016 MSA Street Improvement Project, 2016-01 and set a public hearing for April 5, 2016. Notice of the public hearing was published according to Minnesota State Statute 429 and a letter with the preliminary estimated assessment amount was sent to all property owners on the proposed assessment rolls.

The MSA Street Improvement project is included in the 2016 Budget. Based on information in the feasibility report, the estimated cost and funding sources for the 2016 City MSA Street Improvement Projects is as follows:

2016 MSA Street Overlay Project Summary of Cost	
Item	Estimate
Construction Items	\$1,109,159
Contingency 10%	<u>\$110,916</u>
Construction Subtotal	\$1,220,075
Engineering 10%	\$122,007
Administration 3%	\$40,262
(3% of Construction & Engineering)	
Total Project	\$1,382,344

2016 MSA Street Improvement Project Funding Summary	
Funding Source	Amount
440 Special Assessments Fund	\$258,342
402 MSA Street Fund	\$954,207
601 Water Utility Fund	\$169,795
Total Project	\$1,382,344

Following the Public Hearing, Staff recommends the Waseca City Council adopt Resolution No. 16-12, Ordering the 2016 MSA Street Improvement Project, City Project 2016-01 and Authorizing the Preparation of Plans and Specifications and Advertisement for Bid and Preparation of Assessment Roll #279.

The City Engineer presented a power point presentation of the project, depicting the streets affected. He also explained the assessment process and stated a second hearing will be held in the Fall after the project is complete.

The public hearing opened at 7:20 p.m.

Doug Draeger, 1209 4th Street NE, addressed the Council and explained he has a backyard water issue, with ponding that occurs between RealLife and his home on 4th Street NE. He has spoken with the City Engineer about this issue and would like to see it addressed as part of this street project.

Mayor Clemons asked if Mr. Draeger’s property is listed as part of this project. Mr. Draeger stated it is. Mayor Clemons asked the City Engineer if this street project will help alleviate the water ponding problem. The City Engineer replied the City will be putting in a drain in this area as part of the project, which should hopefully take care of the majority of the problem.

Peter Fog, 204 11th Avenue NE, addressed the Council and stated his street is in good shape and there have been no problems with drainage, etc. He does not feel the City needs to do anything on this street.

Cheryl Forth, representing Dorothy Sutter, 206 11th Avenue NE, expressed concern that the residents of this area, mostly elderly, who may have difficulty accessing their property during the project. The City Engineer explained the City works with the property owners during a project to make sure they have access to their residence.

Ms. Forth inquired as to the drainage on 11th Avenue. The City Engineer stated there is drain tile in the street to allow everyone to connect their sump pump to it. There will be no new drainage improvements on this street. He added that not all the residents will be assessed at the same rate because of the different parts of the project.

The City Engineer further stated 11th Avenue is aging very well and the City is trying to do the right treatment at the right time. The condition of the street is beginning to decline and the City would like to do an overlay at this time. An overlay is very cost effective and will alleviate having to do a reconstruct or reclamation on the street before it deteriorates to that point.

The public hearing was closed at 7:45 p.m.

Councilmember Salsbury asked for an estimate on the life of the street after this project. The City Engineer stated a mill and overlay will extend the life of the street 15-20 years before another treatment is needed.

Councilmember Salsbury stated if the City does not do this project, in five years the holes will be bigger and the costs would triple. The City Engineer agreed this is a good year for this project.

It was moved by Salsbury, seconded by Rose, to adopt Resolution No. 16-12, A RESOLUTION OF THE WASECA CITY COUNCIL ORDERING PROJECT, AUTHORIZING PREPARATION OF PLANS AND SPECS AND ADVERTISEMENT FOR BIDS – 2016 CITY MSA STREET IMPROVEMENT PROJECT #2016-01; the motion carried 7-0.

ROUTINE BUSINESS

6a **Ordinance No. 1042 – Introduction & set hearing date** – 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.

It was moved by Christiansen, seconded by Arndt, to approve the introduction of Ordinance No. 1042, AN ORDINANCE OF THE CITY OF WASECA, MINNESOTA, REZONING REAL PROPERTY TO R-2, URBAN RESIDENTIAL and set the hearing date for its adoption to April 19, 2016; the motion carried 7-0.

6b **Approval of Joint Powers Agreement #1000435 Amendment #2 and Stantec Contract Change Order #2 related to Old TH 14, City Project #2015-08**

Design work continues on the Old TH 14 (Elm Avenue) Reconstruction, City Project 2015-08. Due to the scope of the project and the proposed project funding sources, temporary construction easements are required to be obtained and very specific process is required to be followed to obtain said easements. Also included are costs for environmental investigation work and completion of contingency plans based on the results of the completed Phase 1 and Phase 2 environmental investigations. This additional work allows the City to pursue state petro fund reimbursement for the removal of contaminated materials encountered during construction. City Staff and MnDOT Staff have negotiated cost splits for these processes. Note the temporary easement costs do not include actual payments to property owners for the easements. These cost splits will be handled through the cooperative construction agreement.

This work was anticipated during the original agreement developments but was excluded from the original agreement in the best interest of both parties until the extent of easement acquisition and contaminated materials could be determined. The total proposed contract change is \$338,470.60 with the City's share \$65,640.37 (19%) and the States share being \$272,830.23 (81%).

It was moved by Tlougan, seconded by Fitch, to approve the Joint Powers Agreement #1000435 Amendment #2 and Stantec Contract Change Order #2 related to Old TH 14, City Project #2015-08 as presented; the motion carried 7-0.

UNFINISHED BUSINESS

7a **Resolution No. 16-13** – Authorizing Staff to Conduct a Study into the Adequacy and Effectiveness of Existing City Ordinances and Regulations; and

Emergency Interim Ordinance No. 1043 – Establishing a Study Period and Moratorium on Tobacco Related Business and Land Uses in the City

At the March 15th City Council meeting the Council acted to table two tobacco license applications and directed staff to bring to the next meeting the necessary resolution and ordinance to establish a 6-month moratorium on the issuing of any new tobacco licenses.

The resolution presented at this time authorizes and directs staff to conduct a study into the adequacy and effectiveness of existing City ordinances and regulations to propose any additions or changes to City ordinances, regulations or amendments to the City's comprehensive plan necessary to protect the planning process and the health, safety and welfare of its citizens.

The emergency interim ordinance establishes a study period and moratorium for a period of up to one year on tobacco related business and land uses in the City. The ordinance outlines the purpose and intent, preliminary findings, moratorium declaration, study, duration (6-months), definitions and effective date.

The City Council is authorized by City Charter Section 3.06 – Emergency Ordinances to adopt emergency ordinances without a public hearing and 10-days following adoption before the ordinance becomes effective as follows:

“An emergency ordinance is an ordinance necessary for the immediate preservation of the public peace, health, morals, safety or welfare in which the emergency is defined and declared in a preamble thereto and is adopted by a vote of at least five members of the Council”

Staff recommends a motion adopting Resolution No. 16-13 authorizing City staff to conduct a study into the adequacy and effectiveness of existing City ordinances and regulations.

Staff recommends a motion adopting Emergency Interim Ordinance No. 1043 establishing a study period and moratorium for the period of up to one year on tobacco related business and land uses in the City; and

A motion to rescind the tabling of items from the March 15, 2016 City Council Meeting, Agenda items 8A and 8B, Tobacco License Applications for Theresa M. Schoolmeesters and Fahed Akram Aljabari;

A motion to table the Tobacco License Applications for Theresa M. Schoolmeesters and Fahed Akram Aljabari until such time as the moratorium imposed in the interim ordinance expires.

It was moved by Salsbury, seconded by Christiansen, to adopt Resolution No. 16-13, A RESOLUTION OF THE WASECA CITY COUNCIL AUTHORIZING AND DIRECTING STAFF TO CONDUCT A STUDY INTO THE ADEQUACY AND EFFECTIVENESS OF EXISTING CITY ORDINANCES AND REGULATIONS RELATED TO TOBACCO RELATED LICENSING;

DISCUSSION

Councilmember Fitch asked whether the City will also be scrutinizing food service business, alcohol sales, etc., or just tobacco related licenses. The City Manager stated it will be tobacco only at this time.

Mayor Clemons commented the Council takes licenses very seriously and this study could impact other areas.

Councilmember Fitch questioned why the ordinance is called an emergency ordinance. The City Manager explained it is because of the way the Council acts on it. This is a time-sensitive issue, as we have a pending application.

Councilmember Christiansen commented all the ordinances need to be cleaned up, not just tobacco. He referred to a situation in the City of Nicollet a few years ago. Councilmember Christiansen asked if an adult business were to come to Waseca, would it be allowed to locate anywhere. He would like to make sure all the ordinances are clean.

Councilmember Fitch commented she wondered if this is being done simply because we “don’t want this business here”. She is not comfortable with an emergency moratorium ordinance, as it seems aggressive and as if the City is trying to find ways not to approve the license.

VOTE ON THE MOTION

The motion carried 7-0.

It was moved by Rose, seconded by Clemons, to adopt Ordinance No. 1043, AN EMERGENCY INTERIM ORDINANCE OF THE CITY OF WASECA, MINNESOTA PURSUANT TO MN STATUTES SECTION 462.355, SUBD. 4 ESTABLISHING A STUDY PERIOD AND MORATORIUM FOR A PERIOD UP TO ONE YEAR ON TOBACCO RELATED BUSINESSES AND LAND USES IN THE CITY;

DISCUSSION

Councilmember Fitch commented she felt 6 months seems like a long time. The City Manager stated that time goes by quickly and puts pressure on staff. If it were a shorter timeframe staff would need to put off other things to work on this.

Councilmember Tlougan inquired about the wording that the moratorium is up to one year. The City Manager explained the wording is from the State, that a moratorium can be for up to one year.

Councilmember Tlougan asked if the Council would like this done in less time. Councilmember Salsbury stated if staff can get this work done in less time, they will. The City Manager added if staff gets it done in less than 6 months, he will bring it back to Council and rescind the moratorium. He felt 6 months is a reasonable time period, considering this issue will probably be discussed at a work session, brought to the Planning Commission, and two council meetings will be required to adopt an ordinance. The City Manager stated this motion requires 5 yes votes to pass.

VOTE ON THE MOTION

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

Mayor Clemons noted that one of the applicants was in the audience and wondered if they wished to address the Council.

Mohammed Abusbeih, 326 Central Avenue, Faribault, MN addressed the Council and asked what date the moratorium begins. The City Manager replied the moratorium will expire 6 months from today.

It was moved by Salsbury, seconded by Clemons, to rescind the tabling of items from the March 15, 2016 meeting, Agenda items 8A and 8B, Tobacco License Application for Theresa Schoolmeesters and Fahed Akram Aljabari; the motion carried 7-0.

It was moved by Salsbury, seconded by Clemons to table the Tobacco License Applications for Theresa M. Schoolmeesters and Fahed Akram Aljabari until such time as the moratorium imposed in the interim ordinance expires; the motion carried 6-1 (nay-Fitch).

Councilmember Christiansen temporarily left the council chambers at 8:18 p.m.

7b City Gateway Banners

At the February 2nd, 2016 City Council meeting staff presented a replacement plan for deteriorating “Discover Waseca” banners along the four primary gateways into town and in Downtown Waseca. The City Council directed staff to move forward with getting quotes for replacement of the Gateway Banners, but at that time decided to forgo replacement of the banners located downtown. The Council also expressed interest in exploring alternate configurations for the locations of the Gateway Banners, including placement so as not to have gaps where street lights do not have banners.

The City reached out to four vendors requesting quotes, with three choosing to provide quotes and one declining. The lowest quote was provided by Clear Lake Press, which came in at \$1,860, \$840 less than staff’s original estimate of \$2,700.

Staff also developed two alternate configurations for the Gateway Banners, Alternate B, which utilizes the same number of banners, but condenses them to all the light poles right at the entry point of each gateway leg, and Alternate C which keeps the same beginning and end point for the current layout, but fills the gaps in-between with each street light having a banner attached. The current configuration, shown in Alternate A, and Alternate B both require 30 banners. Alternate C would require 70 banners.

The cost of purchasing 70 banners is \$4,305, which is approximately \$1,600 more than staff’s original estimate for the 30 Gateway Banners.

The Council may want to consider whether they want to change the configuration or increase the number of the Gateway Banners.

The City Council included \$10,000 for marketing in the Administration budget for 2016.

Staff presented the following alternatives for Council consideration:

1. Alternate B: Maintain the current number of Gateway Banners at 30 but change the configuration by condensing them to a smaller location.
2. Alternate C: Expand the number of Gateway Banners to 70, placing banners on all street lights between the current starting and ending point.

Staff recommends a motion to direct staff to pursue Alternate A, B or C Gateway Banner configuration.

Councilmember Tlougan asked what the existing configuration consists of. The City Manager stated the banners are located on every 3rd pole. Councilmember Tlougan commented he would prefer to see banners on every other pole, which would probably require about 55 banners. The City Manager stated that is an option, and it is about the Council’s aesthetic preference.

Councilmember Arndt commented he felt putting the banners close together doesn't look good, and suggested every other or every 3rd pole. Councilmember Fitch asked whether we have to choose the same option for all four zones. She felt the south gateway probably needs more aesthetics than coming in on the Clear Lake side.

Councilmember Christiansen returned to the Council Chambers at 8:23 p.m.

Councilmember Salsbury wondered if the Chamber or businesses might be interested in purchasing banners and putting their names on banners, as a way to share in the costs.

Mayor Clemons agreed with Councilmember Fitch about putting more on the south side. He indicated he is not in favor of allowing people to put anything they want on the banners. Councilmember Salsbury stated there would need to be restrictions on what can be placed on the banners. Mayor Clemons stated if the Chamber would like to buy banners, they could be placed anywhere.

Mayor Clemons asked if these are Discover Waseca banners. The City Manager commented this is replacement of the Discover Waseca banners coming in to the gateways of town. He stated the Council may be interested in a different design for filling in the gaps.

Councilmember Tloughan inquired whether filling in the gaps meant in the downtown area. The City Manager explained it would be placing banners on the poles that currently do not have a Discover Waseca banner on the gateways into town.

The City Manager suggested we could try banners on every other pole on the south side of town or we can always order more banners. The price from Clear Lake Press is very competitive. There are replacement banners built into this order amount.

It was moved by Clemons, seconded by Tloughan, to purchase 70 gateway banners from Clear Lake Press, and not put them all up right away;

DISCUSSION

Councilmember Christiansen commented he was glad we got local quotes and it was a good step. He thanked the owner of Clear lake Press for providing a quote. He tried to contact some other local vendors to let them know of the opportunity to submit a quote.

Councilmember Christiansen stated he emailed Bernie Gaytko and Kim Foels to let them know the Council would be discussing this issue tonight.

Mayor Clemons commented the Chamber is welcome to buy some banners, and they would also be welcome to change the logo.

Mayor Clemons stated the blue Discover Waseca banners are hard to see, as you look at them against the sky. He wondered if it is time to change the color. Councilmember Christiansen explained the committee chose blue to tie into our lakes. He felt the Mayor's comment makes sense, but is not sure what color we would change them to.

The City Manager stated that other colors can be considered to make the banners stand out, however to discuss a re-branding effort involves a lot of time and money and would be a big

process. Councilmember Tlougan agreed, stating that businesses and the schools have incorporated that logo and it is more than just the City.

VOTE ON THE MOTION

The motion carried 7-0.

NEW BUSINESS

8a Appoint George Hagge to Downtown Walkway Taskforce

It was moved by Christiansen, seconded by Fitch, to appoint George Hagge to the Downtown Walkway Taskforce; the motion carried 7-0.

8b Appointment to Planning Commission

It was moved by Tlougan, seconded by Christiansen, to appoint Lori Pommerenke to the Planning Commission; the motion carried 7-0.

8c Final Payment – Waseca Public Library Remodel Phase II Project #2015-06

It was moved by Tlougan, seconded by Christiansen, to approve Final Payment for Waseca Public Library Remodel Phase II Project #2015-06 as presented; the motion carried 7-0.

The Council agreed the library remodel turned out beautifully and is a great addition to the community.

8d Introduction & set hearing date – 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.

Staff recommends a motion to introduce and set a public hearing for April 19th for the City of Waseca Public Financial Assistance and Business Subsidy Development Policy.

It was moved by Tlougan, seconded by Arndt, to approve the introduction and set the hearing date for the Public Financial Assistance and Business Subsidy Development Policy; the motion carried 7-0.

CONSENT AGENDA

- 9 It was moved by Fitch, seconded by Arndt, to approve the Consent Agenda as presented; the motion carried 7-0 and included the following actions:
- a. Minutes – Regular City Council meeting – March 15, 2016 – were accepted and placed on file.
 - b. Payment No. 5 – NE Park Pavilion Project – was authorized for payment.
 - c. Payroll & Expenditures – March 2016 – were authorized for payment.

CITY MANAGER’S REPORT

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

- The Chamber has appointed Bernie Gaytko as the Chamber representative on both the Downtown Walkway and Downtown Decorations Taskforces.
- The annual Lake Cleanup has been scheduled for Saturday, April 23rd. More information will be forthcoming on this event.
- Pursuant to Council discussion regarding exploring a local sales tax, the City sent a survey out with utility bills, and there is also an online forum on the City’s website, where residents can answer the survey online.

ANNOUNCEMENTS

11 The following miscellaneous announcements were made:

Councilmember Christiansen reminded everyone the Waseca Arts Council Concert Series Part 2 will be Saturday, April 9th. Tickets are \$15.00 and available at the Art Center.

Councilmember Christiansen stated he wished to thank the Lions Club for the breakfast on Sunday at the American Legion to help raise money for the Boy Scouts. It was a great turnout and he thanked everyone who attended and supported the Boy Scouts.

Councilmember Christiansen reminded everyone of the Exchange Club fundraiser this Friday evening at the American Legion from 5-8:00 p.m.

Councilmember Christiansen also reminded the Council of the Board of Review meeting on Monday, April 11th.

Councilmember Christiansen commented he recently met with Jim Gibson of B.E.S.T., who discussed the concept of “creation of wealth”. Councilmember Christiansen stated he had a great discussion with Mr. Gibson. There are a lot of great people in Waseca and he would like to see this community moving forward.

Councilmember Fitch stated she has been asked to urge residents, with nicer weather coming, to be considerate of others who may not appreciate loud cars, and to be respectful of them.

Mayor Clemons commented that Molly Kopischke came to the last Council meeting representing Waseca Pageants, regarding the Easter Egg Hunt. He asked what the City decided to donate to this event. The City Manager replied the City donated \$250. Mayor Clemons thanked Ms. Kopischke for her efforts in coordinating this event for the youth in the community.

Mayor Clemons stated the Waseca County News recently published a “Portraits” edition, which included an article about one of the City’s employees, Mary Buenzow. He stated it was a very nice article and he is pleased to see good things written about people in the community.

Mayor Clemons stated he heard from a resident who recently did business at CarQuest and was very complimentary about the nice people working there. He felt it is great to have businesses in town that people appreciate. He further stated it is important to observe people and give “shout outs” at the council meetings.

ADJOURNMENT

12 There being no further business to be brought before the City Council, it was moved by Arndt, seconded by Tlougan, to adjourn the meeting at 8:55 p.m.; the motion carried 7-0.

JOHN CLEMONS
MAYOR

MARY BUENZOW
RECORDS SECRETARY