

**MINUTES OF THE
WATERTOWN CITY COUNCIL
Regular Meeting Tuesday, April 12, 2011**

1. CALL TO ORDER AND ROLL CALL

Pursuant to due call and notice thereof, the regular meeting of the Watertown City Council was called to order at 6:30 p.m. on **Tuesday, April 12, 2011** by Mayor K. J. McDonald in the Watertown City Hall Council Chambers.

Upon roll call the following Council Members were present: McDonald, Stephen Crowder, Nicholas Hoese, Rick Mann and Michael Walters.

The following staff members were present: City Administrator Luke Fischer, City Engineer Dave Martini and Finance Director/City Clerk-Treasurer Steven Wallner.

Also present were: Charlotte Johnson and Ned Schroeder.

2. ADOPT AGENDA

Fischer asked to have Items 6G (Mutual Aid Agreement) and 6H (Personnel Matter) be added to the agenda.

CROWDER MOVED, MANN SECONDED A MOTION TO ADOPT THE AGENDA. MOTION CARRIED 5-0.

3. REVIEW OF CONSENT AGENDA

- A. Motion to approve minutes from March 22, 2011 regular City Council meeting
- B. Motion to award Riverpointe Trail rehabilitation contract and authorize staff to proceed with coordination
- C. Motion to approve waste haulers ordinance
- D. Motion to approve waste haulers application and permitting process
- E. Motion to hire Logan Pysick as seasonal summer employee
- F. Motion to authorize staff to notify residents about downtown street improvements
- G. Motion to authorize sale of 2001 sixty inch Exmark, 2005 seventy-two inch Exmark and purchase of new gas powered 60 inch and 72 inch Exmark mowers
- H. Motion to approve state agreement for Farmers Market banner
- I. Motion to approve Hoff, Barry & Kozar pay request
- J. Motion to approve Melchert, Hubert, Sjodin pay request
- K. Motion to approve MNSPECT pay request
- L. Motion to approve final payment to Gridor Construction for construction of berm
- M. Motion to approve Enterprise license agreement with Carver County

HOESE MOVED, MANN SECONDED A MOTION TO ADOPT THE CONSENT AGENDA. MOTION CARRIED 5-0.

4. OPEN FORUM

5. CELEBRATE WATERTOWN

6. NEW/OLD BUSINESS

A. Downtown Redevelopment Bond Authorization

Wallner and Paul Donna of Northland Securities gave the Council the background on the events leading up to the \$1,230,000 bond issue which was priced April 6, 2011 at Northland Securities. The average coupon yield for the bonds maturing 2014-2030 came in at 3.73% and the all-inclusive cost, including cost for issuance, was 4.04%. Earlier estimates had the average coupon yield at 4.04% and all-inclusive cost at 4.36%. The actual rates provided for a \$50,000 decrease in actual interest expense. The decrease in interest expense allows the City to restructure the principle repayment from an earlier model so that more principle is being repaid earlier in the life of the bonds. The proceeds of this bond will be used to pay for property acquisition, infrastructure improvements, site preparation and fees and other expenses associated with the downtown redevelopment project. The City received an A1 rating March 24, 2011 from Moody's Investor Services. The rating is instrumental in helping the City obtain needed financing for projects at an attractive interest rate.

MCDONALD MOVED, CROWDER SECONDED A MOTION TO AUTHORIZE CITY STAFF TO REQUEST CERTIFICATION OF TIF DISTRICT NO. 5 MOTION CARRIED 5-0.

CROWDER MOVED, WALTERS SECONDED A MOTION TO ADOPT RESOLUTION 2011-04-12-2 ACCEPTING PROPOSAL ON THE SALE OF \$1,230,000 GENERAL OBLIGATION TAX INCREMENT REVENUE BONDS, SERIES 2011a, PROVIDING FOR THEIR ISSUANCE, PLEDGING TAX INCREMENTS FOR THE SECURITY AND LEVYING A TAX FOR THE PAYMENT THEREOF. MOTION CARRIED 5-0.

HOESE MOVED, CROWDER SECONDED A MOTION TO AUTHORIZE CITY STAFF TO EXECUTE THE CONTRACT WITH WM MUELLER & SONS IN THE AMOUNT OF \$936,206.75 FOR THE DOWNTOWN REDEVELOPMENT INFRASTRUCTURE PROJECT. MOTION CARRIED 5-0.

B. Call for Public Hearing on TIF District 6

The Watertown EDA has had discussions with local businesses about relocating to the Industrial Park. In these discussions, the EDA has offered the possibility of utilizing tax increment financing. As part of the process, the Council would need to hold a public hearing on the possibility of creating Development District No. 3 and TIF District No. 6. Development District No. 3 would include the remaining lots in the Industrial Park and TIF District 3 (within Development Dist. 3) would comprise the three lots at the end of the cul de sac on Industrial Boulevard facing Hwy. 25. This would require hiring a consultant to create a TIF plan. Estimated cost would be \$4,000 to \$6,000.

MCDONALD MOVED, MANN SECONDED A MOTION TO ADOPT RESOLUTION 2011-04-12-3 CALLING A PUBLIC HEARING AT 6:30 P.M. TUESDAY, MAY 24, 2011 ON THE ESTABLISHMENT OF DEVELOPMENT DISTRICT NO. 3 AND ESTABLISHMENT OF TIF DISTRICT NO. 6. MOTION CARRIED 5-0.

C. Downtown Street Lighting Proposals

The Council reviewed three quotes received to install a municipally owned and operated street lighting system on the Lewis Avenue extension portion of the downtown redevelopment project. Design Electric, Roy's Electric and EIM submitted quotes. EIM did not provide all of the information requested. Roy's Electric also quoted an LED alternative. Capital costs were lower in the city owned and operated model as compared to Xcel Energy by over \$10,000. Design Electric's quote was \$40,256. Roy's Electric's quote was \$41,433.20 for Lumec fixtures and \$46,033.20 for LED fixtures. The advantage of the LED lights is they require less energy and less maintenance than the standard street lights.

MANN MOVED, CROWDER SECONDED A MOTION TO ACCEPT ROY'S ELECTRIC QUOTE OF \$46,033.20 FOR EIGHT LED LIGHTING FIXTURES. MOTION CARRIED 5-0.

D. Delinquent Utility Billing

Wallner presented the Council with the list of delinquent accounts who are due to have their water shut off. Most of these accounts have received two or three past due utility bills prior to receiving a shut-off notice. If approved, the city staff will contact those on the list April 13 and give them until noon Thursday, April 14 to make payment or the water will be shut off.

MCDONALD MOVED, CROWDER SECONDED A MOTION TO APPROVE THE SHUT-OFF LIST. MOTION CARRIED 5-0.

E. Watertown Chamber of Commerce Electronic Sign

1. Lease Agreement

The Chamber is working on placing an electronic sign for the intersection of Lewis Avenue and Territorial Street in the location of the existing community sign. The Chamber would own, operate and maintain the sign the City would provide the site and electricity. The draft lease agreement stipulates that the Chamber would pay the City one dollar each year and provide the City with one announcement slot per cycle.

MANN MOVED, HOESE SECONDED A MOTION TO APPROVE THE ELECTRONIC SIGN LEASE AGREEMENT WITH THE WATERTOWN CHAMBER OF COMMERCE WITH THE CHAMBER TO SUPPLY A FINAL SITE PLAN PRIOR TO INSTALLATION FOR COUNCIL APPROVAL. MOTION CARRIED 5-0.

2. Sign Proposal

The Chamber of Commerce proposed electronic sign is consistent with the city's sign ordinance. Total size of the sign is 61 square feet. The size of the sign copy is 16 square feet. The height of the sign is 5.75 feet.

WALTERS MOVED, HOESE SECONDED A MOTION TO APPROVE THE SIGN PROPOSED BY THE WATERTOWN CHAMBER OF COMMERCE FOR THE INTERSECTION OF LEWIS AVENUE AND TERRITORIAL STREET. MOTION CARRIED 5-0.

F. Classic Car Show during Rails to Trails Festival

Huns Vanderlinde, Darwin Roy and David Mandt have requested that a classic car show be held during the Rails to Trails Festival. They have coordinated with a number of community groups to support the show and have asked the City for assistance in providing staff time, equipment and postage to mail postcards; print flyers; advertise on the city's web site, Channel 12 and city newsletter; allow streets to be closed for car show and provide barricades to close the streets. Estimated cost for the city is \$262. Staff recommended that the Council consider the request.

Hoese stated that he was concerned that this would set a precedent for other groups or individuals to ask for financial support from the City.

WALTERS MOVED, MANN SECONDED A MOTION TO ACCEPT THE REQUEST FROM THE ORGANIZERS OF THE CLASSIC CAR SHOW FOR CITY ASSISTANCE IN PROMOTING THE EVENT DURING THE RAILS TO TRAILS FESTIVAL. MOTION CARRIED 4-1 (HOESE VOTED NAY).

G. Mutual Aid Agreement

The Watertown Fire Department has traditionally participated in an Intrastate Mutual Aid plan which allows statewide fire jurisdictions to share resources in emergency situations. The City of Watertown routinely uses mutual aid from neighboring jurisdictions to supplement local response and firefighters.

HOESE MOVED, WALTERS SECONDED A MOTION TO ADOPT RESOLUTION 2011-04-12-4 AUTHORIZING DISPATCH AND USE OF WATERTOWN FIRE DEPARTMENT EQUIPMENT AND SERVICES BY THE FIRE CHIEF FOR MUTUAL AID CALLS AND AUTHORIZING PARTICIPATION IN THE MINNESOTA STATE FIRE CHIEFS ASSOCIATION FIRE SERVICE INTRASTATE MUTUAL AID PLAN. MOTION CARRIED 5-0.

H. Personnel Matter

The Council held a closed workshop prior to the council meeting to discuss the six-month evaluation for City Administrator Luke Fischer. Walters stated that Fischer has exceeded the expectations of the Council and by wrapping up his current schooling for his master's degree; he will add more worth to his position. Another review would take place in a year's time. Hoese stated that he would rather wait for a full year to pass before making a decision on Fischer's salary. McDonald stated that Fischer started at a salary lower than the norm to see if he would meet the city's expectations. He stated that an increase after six months is not out of line.

WALTERS MOVED, CROWDER SECONDED A MOTION TO APPROVE A SALARY OF \$70,000 FOR CITY ADMINISTRATOR LUKE FISCHER. MOTION CARRIED 4-1 (HOESE VOTED NAY).

- 7. **COMMITTEE REPORT**
- 8. **CONSULTANTS' REPORT**
- 9. **MAYOR'S REPORT**
- 10. **COUNCIL MEMBERS' REPORT**
- 11. **STAFF REPORTS**

A. Administrator

- 1. Fischer stated that the city had a goal-setting session April 9 and a full report would be made at the next council meeting. He also stated that the city has applied for \$13,000 in grant money for rehabilitation of the Riverpointe Trail that was damaged by storms and flooding.

D. Finance Director

- 1. Approve Claims Roster/Voucher List

WALTERS MOVED, MANN SECONDED A MOTION TO APPROVE THE CLAIMS ROSTER/VOUCHER LIST. MOTION CARRIED 5-0.

12. **ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 7:34 PM.

ATTEST:

Steven Wallner
Clerk-Treasurer

KJ McDonald
Mayor