

**MINUTES OF THE
WATERTOWN CITY COUNCIL
Regular Meeting Tuesday, January 12, 2010**

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, on **Tuesday, January 12, 2010** by Mayor K. J. McDonald at 6:30 PM in the Watertown City Hall Council Chambers.

Upon roll call the following Council Members were present: McDonald, Rick Mann, Steve Duske, Earline King and Dan Geiger.

The following staff members were present: City Engineer David Martini of Bolton & Menk, Inc., Senior Planner Crystal Foust, Public Works Supt. Doug Kammerer and Acting Administrator/City Clerk-Treasurer and Finance Director Steven Wallner.

Also present was: Deb Bogema, T. J. Bogema, Mary Jane Horton, Marc Kinger, Rich Lerew, Darren Lazan, Jim Sandquist, Katy Boone, Tom Burandt, Michelle Brassington, John Neaton.

2. ADOPT AGENDA

Wallner asked to have the following items added to the agenda: Item 6A, Tuscan Agreement; Item 6B, Introduction of new night time deputy; and Item 6C, Recognize Park and Rec member Michelle Brassington. Item 6A, Commission on Aging presentation, was moved to 6D.

DUSKE MOVED, KING SECONDED A MOTION TO ADOPT THE AGENDA AS AMENDED. MOTION CARRIED 5-0.

3. REVIEW OF CONSENT AGENDA

- A. Council Minutes for December 8, 2009 meeting
- B. Council Minutes for December 22, 2009 special meeting
- C. Planning Commission Minutes for October 8, 2009
- D. Approval of Lawful Gambling Permit for Watertown Rod & Gun Club
- E. Pay Request from Community Development Consultant – MK Land Corporation
- F. Approval of 2010 Animal Control Contract with Country Kennels
- G. Pay Request from City Building Inspector – MNSPECT, Inc.
- H. Pay Request from City Attorney – Melchert, Hubert, Sjodin, PLLP

GEIGER MOVED, KING SECONDED A MOTION TO ADOPT THE CONSENT AGENDA. MOTION CARRIED 5-0.

4. OPEN FORUM

- A. Deb Bogema, manager of Watertown Stop N Go, asked the Council to make sure their business has an access for its customers during the County Road 20 construction this summer. She stated that it will be difficult to continue the business they have established with the construction going on this summer. Martini stated that the city recognizes that there is an issue with their business being so close to the

construction zone. He stated that the city will work with their business to make it as painless as possible. He stated that there will be a staging workshop in February for all property owners affected by the construction.

5. CELEBRATE WATERTOWN

- A. Wallner thanked the Public Works Department for their excellent work of removing snow during the major storm at Christmas time.

6. NEW/OLD BUSINESS

- A. Tuscany Agreement

Kim Kozar of Hoff, Barry & Kozar informed the Council that she had been in contact with the attorney for Lakeland Construction Finance about the agreement that was presented to the city in an attempt to get Tuscany Village moving toward completion. She presented the obligations and consequences of signing the agreement to the Council. She asked the Council for direction as to the terms of the agreement and offered to work with city staff in negotiating with Lakeland's attorney. Kozar also stated that she was presented with a letter from R. J. Holding LLC stating that they are the rightful owner of site, building and architectural plans and whoever the city is dealing with must purchase the plans from them. Darren Lazan of Landform stated that the R. J. Holding letter is unfounded and is a civil matter which does not belong in this conversation.

Kozar stated that the agreement gives the city the ability to withhold certificates of occupancy until the public improvements have been finished. She stated that the city has made a demand on the letter of credit to complete the improvements but Lakeland's attorney says the city doesn't have a legitimate claim since the city hasn't expended any money for the improvements. Kozar stated that Lakeland's attorney says there isn't enough money to pay everyone it owes. Secured creditors will be paid first and unsecured creditors (including the city) would be last. The city would receive its money after the public improvements have been completed. Kozar stated that if Lakeland can't pay the city, the city's only remedy is to sue Lakeland.

Lazan stated that \$10,000 would be put in escrow for each of the nine units to be completed and that the \$10,000 would be paid to the city for each unit at the time of closing. Kozar stated that this is not written into the agreement but can be adjusted to include that statement. Geiger stated that changes need to be made to the agreement to incorporate the original intent of the Council discussed at its November 24, 2009 meeting.

Lazan stated that the current agreement should address the nine units and that Lakeland would come back with another plan for developer's agreement and escrow for the rest of the project, which includes 37 more units.

Duske stated that even though Lakeland paid the city enough money to balance the original escrow, there are still engineering costs and attorney costs associated with the agreement for the nine units. Rich Lerew, vice president of Lakeland, stated that they were willing to pay reasonable fees for the engineer and attorney fees.

DUSKE MOVED, MANN SECONDED A MOTION TO AUTHORIZE KIM KOZAR TO REVISE THE AGREEMENT WITH LAKELAND CONSTRUCTION FINANCE SO THAT IT PROTECTS THE CITY'S INTEREST AND REFLECTS THE INTENT OF THE COUNCIL DISCUSSED NOVEMBER 24, 2009.

MCDONALD MOVED, MANN SECONDED AN AMENDMENT DIRECTING CITY STAFF TO SEND BILLS ASSOCIATED WITH THE PROJECT TO LAKELAND CONSTRUCTION FINANCE.

THE MOTION AND AMENDMENT BOTH PASSED 5-0.

- B. Watertown Deputy Greg Gowan introduced the new night deputy Steve Dascher to the Council and public.
- C. The Watertown Council honored Park and Recreation Commission member Michelle Brassington for her five years of service on the commission.
- D. Commission on Aging survey presentation.

Katy Boone of the Carver County Office of Aging presented information to the Council on the survey conducted last year with members of the community who were of the Baby Boomer generation.

7. COMMITTEE REPORT

8. CONSULTANTS' REPORTS

A. City Engineer

1. County Road 20 Underpass

The Council reviewed the information presented at the workshop preceding the council meeting about the project. Members of the Watertown-Mayer School Board were at the workshop. Duske stated at the council meeting that he disagreed with making the underpass any part of the bidding process. He is concerned about water accumulating in the culvert that would be installed as an underpass for pedestrian traffic under Co. Rd. 20. He stated that the location of a possible underpass at Paul Avenue is in the wrong location. He stated that it should be located further east.

GEIGER MOVED, MANN SECONDED A MOTION TO ONLY INCLUDE THE CULVERT (UNDERPASS) AS AN ALTERNATE IN THE BIDDING PROCESS FOR THE COUNTY ROAD 20 PROJECT. MOTION CARRIED 4-1 (DUSKE VOTED NAY).

2. Projects update

3. Pay Request

GEIGER MOVED, KING SECONDED A MOTION TO APPROVE THE PAY REQUEST FROM BOLTON & MENK, INC. FOR \$28,984.80. MOTION CARRIED 5-0.

9. **MAYOR'S REPORT**

10. **COUNCIL MEMBERS' REPORT**

11. **STAFF REPORTS**

A. City Administrator

1. Organizational Resolution

Wallner presented the organizational resolution for adoption. Additions were made to the resolution as follows: Acting Mayor – Steve Duske; Committee Assignments.

DUSKE MOVED, MANN SECONDED A MOTION TO ADOPT RESOLUTION 2010-01-12-1 RELATING TO THE ORGANIZATION OF THE CITY OF WATERTOWN FOR 2010. MOTION CARRIED 5-0.

B. Senior Planner

1. Building Permit Incentive Program Extension

Foust updated the Council on the building permit incentive program. She stated that four new home permits were issued in 2009 with this program which was approved in May 2009 for 10 homes city wide. The Planning Commission recommended the program be extended to June 30, 2010. The developments currently participating in the program are Forest Hills and Kings Highland.

MANN MOVED, GEIGER SECONDED A MOTION TO EXTEND THE BUILDING PERMIT INCENTIVE PROGRAM UP TO JUNE 30, 2010. MOTION CARRIED 5-0.

2. 2010 Census Resolution

GEIGER MOVED, KING SECONDED A MOTION TO ADOPT RESOLUTION 2010-01-12-2 ACKNOWLEDGING APRIL 1, 2010 AS "NATIONAL CENSUS DAY," ENCOURAGING RESIDENTS TO PARTICIPATE IN THE 2010 CENSUS. MOTION CARRIED 5-0.

3. Reminder of Community Park Workshop at 5:30 p.m. Tuesday, January 26.

C. Public Works update on snow removal and policy by Public Works Supt. Doug Kammerer

D. Finance Director

1. Request for approval of voucher list/claims roster

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

12. **ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 8:24 PM.

ATTEST:

Steven Wallner
Clerk-Treasurer

K.J. McDonald
Mayor