

Councilpersons:
 First Ward: Gallenberger, Gibson
 Second Ward: Schmidt, Hiers
 Third Ward: Meurer, Bricher

Mayor: John Meisch
 City Attny: Peter Ekstrand
 City Adm: David Schmidt
 City Clerk: Susan Schamaun

Date: December 7, 2010

PROCEEDINGS OF THE CITY COUNCIL

The regular meeting of the City Council of the City of Wabasha was held on Tuesday, December 7, 2010 and was called to order at 7:00 pm by Mayor John Meisch.

Roll call found Councilpersons Gallenberger, Gibson, Schmidt, Hiers, Bricher, Meurer, and Mayor Meisch present.

Many City residents were present.

Mayor Meisch called for citizen petitions, hearing none he moved to the consent agenda.

Councilpersons Gallenberger and Hiers moved to approve the following consent agenda: Adopted by the following vote:

Ayes: Gibson, Schmidt, Hiers, Bricher, Meurer, Gallenberger, Mayor Meisch

Nays: None

Approved the November 9, 2010 Regular Council minutes and December 1, 2010 Special Meeting minutes.
 Approved the following warrants as presented:

Mayors	General Fund	\$5,859.73
Legal	"	\$3,437.78
Fire Dept.	"	\$3,198.75
Police	"	\$3,004.86
Ambulance	"	\$3,894.35
Park	"	\$1,963.49
Pool	"	\$334.88
Streets	"	\$4,141.33
Harbor	"	\$56.69
Planning & Zoning	"	\$711.49
Emergency Management	"	\$7.05
Safe Driving Class	"	\$75.00
Engineering Fees	"	\$28,425.00
Miscellaneous	"	\$1,666.45
Elections	"	\$377.25
Total		\$57,154.10

4.1 Public Hearing – Truth-In-Taxation:

Mayor Meisch explained to the public that every year the Council certifies a higher levy in September due to the fact that the final levy that needs to be certified in December cannot be higher than the September amount but it can be lower. He further explained Council knew it would have to certify a lower levy in December and Council has met and made cuts and adjustments to lower the levy. Mayor Meisch also stated the City has not raised the levy in three years. He explained there is a committee made up of Mayor-elect Rollin Hall and Councilpersons Gibson, Bricher and Hiers that is looking at employee job descriptions and personnel assessments and they will be meeting with all department heads and this will be on-going moving forward.

David Schmidt, City Administrator, explained Mr. Mike Bubany, who is doing a financial assessment for the City, has determined that in 2010, the City of Wabasha was at 44% compared to the region and if the proposed levy is passed, the City will be at 56% compared to the region, which is still under most cities in the area.

At 7:15 pm, Mayor Meisch opened the Public Hearing.

Mr. Ray Henningsen, Coffee Mill condominiums, came forward and stated he had a 40% increase in his taxes and wondered if any full-time employees have gotten a raise in the last two years. He also questioned why the City needs a Planning Commission and Engineering department and felt Wabasha has been the same size for the eleven years he has been here and stated let go of those departments and let the City Manager take care of those duties. He also wondered why the City couldn't have another meeting after the right assessment goes out to the people.

Mayor Meisch stated employees have had their wages frozen and have also taken a two-week furlough.

Judith Scott, 217 Second Street East, came forward and stated she is not against paying her fair share of taxes and stated her tax increased by 65%. She stated the value of her property is at \$154,000 and in talking with 4 regional realtors, they have valued her property at \$125,000, which is a \$15,000 difference in which the City portion shows a \$800 difference. She stated she felt the City needs to cut expenses in a way that doesn't cut services. She stated Kellogg has a 2.0% increase, Lake City has a 4.3% increase, Plainview has a 5.6% increase, Red Wing has a 2.0% increase and Winona has a 4.6% increase. She questioned if a part of the property tax increase included a levy for the Port Authority. Mayor Meisch answered that yes, part of the tax levy includes a state mandated Port Authority levy which is \$39,948.00 for 2011 and Ms. Scott wondered why her tax statement doesn't show it under Other Taxing Districts. David Schmidt stated the County prints out the tax statements and they are responsible for entering the City's tax amounts into their system for printing. Mayor Meisch stated the law states there is a minimum levy that the Port Authority must levy each year and it is based on value. She asked if in the future, all the levied tax amounts could be listed and David Schmidt stated that every year in the September Council packet, all the levied tax amounts are listed and packets go out to the paper and the Library as well as Eagle's Nest Coffee House. She also asked why the value she has received from realtors varies \$20,000 from what the City values her property. Mayor Meisch explained the City hires the County to do the assessments and they send out the tax statements. He further explained that residents can come to the assessment hearings every April and appeal and an Equalization Board will hear the appeal and make a recommendation to the County Assessor. The Equalization Board is made up of three Councilpersons and the Mayor. If the resident disagrees with the Equalization Board, they can appeal to the County and if you disagree with the County, the resident can appeal to the State level.

Jim Roemer, 100 Bruegger Valley Road, came forward and stated he questioned the difference in percentages for everyone. He stated when he was on Council the City should have moved forward in selling the unused parcel of ground next to St. Elizabeth's Hospital that the City acquired on trade from the nursing home and also stated there had been a potential buyer. He also felt this parcel of land is valued at between \$250,000 and \$500,000.

Mayor Meisch stated he didn't think in the four years he has been here that a formal proposal came to Council for buying that parcel of land but felt it should be an agenda item for discussion if the new Council chooses to explore this idea.

Jim Roemer also felt if the levy increase is passed, foreclosures will go up and encouraged Council to think about people on fixed incomes.

Dave Fisk, 308 Skyline Drive, came forward and stated that he felt in the current economic environment the City should not raise taxes at all and further stated he would propose cutting taxes by 10%. He stated probably the services from the City have been too good and people are used to something they can't afford.

Richard Fuller came forward and stated this is going to happen year after year and doesn't think the City realizes the depth of the trouble of this economy and what is solved today will come up again next year. He further stated he has given the City a proposal that involved General Mills coming and taking over the National Eagle Center and make a tourist attraction out of it. No one contacted him on that idea. He passed out a salary sheet on City employees and suggested cutting the top 4 or 5 jobs and also cutting everyone else to a 32 hour week. He also stated the children of Wabasha should be Council's number 1 concern.

Dr. Kent Jeffery, 1018 Broadway Avenue, came forward and thanked Council for the work they do and asked what is it we can do to make certain we can strike a balance in moving forward. He further asked if there was an opportunity to anticipate this situation sooner so increases could have been phased in earlier and asked what the City has learned. He concluded by stating he is ok with the tax increase as long as Council is proactive in the future so to minimize the risk of this recurring and also that Council has taken careful evaluation of what is needed or essential and what is not needed.

Councilperson Schmidt stated he went to the Wabasha County Auditor's office and their staff remarked the City knew this was coming the last four years and should have started preparing for it four years ago. He further stated he doesn't know if the City should have taxed on what might happen but the City has been taxing below neighboring communities as far as the City's ability to tax and now the City needs to get in the game and when the 2011 rates come out, the City of Wabasha will still be low. The City has been good to its residents the last few years and now the City has to catch up and you could argue the City could have taxed a little at a time or do it when you have to.

Terry Dennis, 1611 River Drive South, came forward and stated they moved here three years ago and they love it here. He stated in the Budget Workshop it was stated the City had a substantial amount of reserve or discretionary money in the bank and wondered why the City couldn't use it for the deficit.

Mayor Meisch stated those reserves have to carry the City through July and auditors have advised the City to have at least 50% in reserves. If the City figures in an amount for LGA, which would buy the City more time, it would also be faced with making cuts or taking from reserves if the LGA is not received. No matter what is done, there will still be 2,600 people that need services.

Mayor Meisch also gave kudos to the Street Department for the great job they did after the snow fall.

Hardy Schierts, 606 11th Street, came forward and asked who figured out the values and percentages for the tax sheets. Mayor Meisch stated the County does the calculations after the City certifies an amount for taxes in which Hardy stated he would like to be present when the County does the tax calculations.

Brian Yenter, business owner, came forward and stated his tax statements for the last three years on his downtown parcels and stated the City's portion has raised the most and he is currently paying twice the tax rate as a building across the street and wondered why he's paying so much more. He further stated businesses can't continue to absorb all the increases and costs.

Mayor Meisch directed Brian Yenter to go before the Equalization Board to review his taxes compared to the properties across the street. He further stated the County assessor rotates every four years.

Marty Wagner, County Road 10, wanted to confirm that the taxes will go up 28% or 22%. David Schmidt stated it will be approximately 28%. Marty also stated after reading the article in the Post Bulletin, there are 78 different cities evaluated and 87% were below 10% projected increases and wondered if those cities are all wrong and Wabasha is right. He felt a 28% tax increase is ridiculous and he thinks the City should go into a mode of survival rather than trying to protect whatever you have.

Mayor Meisch stated you have to also look at the three previous years because the City of Wabasha has not had increases for three years.

Carrie Fairchild, 6300 Bruegger Valley Road, came forward and asked what the City does for her at Bruegger Valley Road. She stated the police do not come up to Bruegger Valley Road. She stated the City does not maintain her road, does not plow her road, she does not have sidewalks, no sewer or water, no park and no curb and gutter. She stated a lot of jobs in the area are only getting a 2% raise so she is wondering how that justifies a 28% tax increase. David Schmidt also recommended Carrie Fairchild go to the Equalization Board meeting in April.

Sharon Burke came forward and stated she is a brand new home owner and wondered if Council has thought about the double impact on Main Street. She pointed out a tax increase will affect her ability to patronize local businesses as often as well as other residents ability.

John Evers, Dill Company and Gerken's, came forward and stated as a businessman, he wonders if the City has made enough cuts. He stated salaries is the biggest part of the City's budget and thinks there are some departments that could have more cuts.

At 8:35 pm, Mayor Meisch called once, twice, three times for anyone to come forward and speak in regards to the budget. Hearing none, he announced there would be a recess.

At 8:42 pm, the meeting reconvened.

After discussion, Councilpersons Bricher and Meurer moved to adopt a resolution for the 2011 levy at 28% as proposed.

Councilperson Bricher stated he sat down with David Schmidt, City Administrator, and the City Clerk and went through the budget line by line and made adjustments which reduced another \$37,000 from the budget.

Councilperson Schmidt stated he appreciated Charlie's efforts.

Councilperson Gallenberger stated the City has met over the past couple of years and has cut every possible thing they could cut and the only thing left to cut is employees, which is where the big money is. She also stated since the City Administrator's contract is up on June 30th, she would recommend not renewing the contract and also look at the Utilities Superintendent's position and combine Planning and Zoning and eliminate the Zoning department and also look at eliminating one person from each department and where there is only one person in a department, look at combining with another department.

Councilperson Hiers felt the idea has some merit but it can't be done until Council can look at what everyone does, which tasks they perform can be transferred to what other employee, how you are going to shift the work around to make it work. She stated that is the purpose of the employee assessment committee.

Mayor Meisch stated Council could consider receiving 25% of the LGA, which would be approximately \$171,000, and it would buy six months of time.

Councilperson Gallenberger stated Council needs to adopt a budget that is far less than what is proposed and then Council needs to make it work in the coming months by cutting employees, tapping the reserves etc.

Councilperson Meurer stated he felt Council also needs to look at the pool and summer rec.

The motion failed by the following vote:

Ayes: Hiers, Bricher, Meurer
Nays: Schmidt, Gallenberger, Gibson, Mayor Meisch

Councilpersons Gallenberger and Schmidt moved to approve 8% over 2010 total levy amount of \$931,428 to come off of the special levy amount to be worked out with the employee assessment committee in the coming months. The motion died by the following vote:

Ayes: Gallenberger, Schmidt
Nays: Hiers, Bricher, Meurer, Gibson, Mayor Meisch

Mayor elect Rollin Hall stated maybe Council should buy some time and find a combination that everyone could live with and promised for the first six months to work hard to raise revenue sources and explore alternative sources of revenue and then invite the people back who spoke tonight to expand on their ideas.

Councilpersons Hiers and Bricher moved to approve a 2011 Levy amount of \$1,128,132.00, which is approximately an 18% increase, based on receiving \$60,000 in LGA. Approved by the following vote:

Ayes: Bricher, Meurer, Gibson, Schmidt, Hiers, Mayor Meisch
Nays: Gallenberger

5.1 Transfer Funds from 2010 budget to 2011 Budget:

The following funds were brought forward from the 2010 budget to transfer to the 2011:

	<i>2010 to 2011</i>
<i>Park Improvements 100-490-45400-527</i>	<i>\$4,147.00</i>
<i>Beautification Projects 100-490-45400-541</i>	<i>\$25,917.40</i>
<i>Downtown Revitalization 100-490-45400-461</i>	<i>\$44,319.00</i>
<i>Street Dept. Carry-over (for Street maintenance)</i>	<i>\$10,000.00</i>

2010 Equipment Replacement Carry-over to 2011:

- Ambulance \$ 58,048.26
- Pool \$ 89,623.96
- Police \$ 25,477.89
- Fire \$271,954.28
- Street \$111,255.21
- Park \$ 85,277.13
- City Hall \$ 9,908.00
 - Computer Replacement Fund
- Police \$ 16,122.27
 - Computer Replacement Fund

David Schmidt asked Street Superintendent, Tony Johnson, to come forward and explain the \$10,000 carry-over for street maintenance. Tony explained his department should be \$10,000 to \$15,000 under budget and in the next few years the city has to implement a new sign policy to reflect the new federal mandated reflectivity requirements, and will need funds to be in compliance with this new policy. He stated the City will have to start replacing stop and yield signs first and then move to yellow warning signs and then move to the rest of the street signs.

Councilpersons Meurer and Gibson moved to approve transferring the following funds from the 2010 budget to the 2011 budget: Adopted unanimously.

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6.1 Road Constructor's Discussion:

Mayor Meisch announced residents Jim and Donna Schade had been at a previous meeting and following the meeting, staff contacted the City Engineer and also informed Schade's they could speak with the City Attorney in reference to a water break in front of Schade's property. David Schmidt stated he spoke with City Engineer, Bill Anderson, in which he replied via e-mail there have been a couple rare occasions where an old service has leaked after being disturbed, especially if they are flared copper fittings and it can also happen with lead joint water main.

Attorney Peter Ekstrand stated if someone or a group wanted to file a claim, all parties would have to consider the total cost because expert testimony would have to be hired and the total cost spent might be more than what the damages were worth.

Councilperson Meurer suggested the City giving the Schade's the option to pay their bill over a period of time and it was determined that would be permitted.

6.2 Pay Equity Discussion:

David Schmidt stated he just recently was given notice the City has until the end of January 2011 to submit pay equity information.

8.1 Donations:

Mayor Meisch announced the following donations:

- Athletic Field Dugout Donations: Norm & Kathleen Bussian - \$33.72
- Combined Drive – VFW Post #4086 - \$100.00
- X-mas Lights – American Legion Post #50 - \$250.00
- John & Shari Olson – Wabasha Library - \$200.00

Round Table:

Mayor Meisch stated Mayor elect Rollin Hall will be holding a team building meeting for Council on Friday, December 17th from 3:00 – 6:00 pm at the AmericInn. Due to the possibility of a quorum, it will be considered a special meeting. Councilpersons Bricher and Hiers moved to approve the team building special meeting on Friday, December 17th from 3:00 to 6:00 pm at the AmericInn. Adopted unanimously.

Councilperson Meurer stated the County took down the 45 mph speed sign by the Wabasha-Kellogg school and he has received calls from parents. He stated he would like the City of Wabasha to send a letter to the County requesting the sign be put back in place and would also like the Police Chief to get a record of all accidents there. Mayor Meisch directed Police Chief Dave Kruger and City Administrator David Schmidt to work together on this project.

Councilperson Meurer thanked Mayor John Meisch and Councilperson Melody Gibson for their four years of service.

Councilperson Bricher stated back in March Council moved and approved going out for RFP's for all City contract services and wondered if it couldn't be put on the next agenda and suggested Council consider Rubbish removal RFP's as well. Mayor Meisch stated he would encourage that for 2011 after more clarification and discussion and that would be something for the new Council.

Councilperson Schmidt stated when working on future budgets, before anything goes out to the public, to find a way to better explain the preliminary and final budget/levy process and how Council is arriving at the numbers.

Councilperson Gibson stated the employee assessment committee is not to assess the staff's jobs or performances. The committee is looking at is strictly the job description or position not the person.

Councilperson Gallenberger stated she would like a closed session to discuss an employee misusing city time on city's computers.

Attorney Peter Ekstrand stated a closed session can be called at a later date and the employee will have to be notified.

Mayor Meisch closed the meeting stating on and off over 24 years it has been a honor and privilege to serve as the Mayor of Wabasha. He stated he served over 1/3 of his entire life and 1/2 of his adult life trying to serve the City. During that time he had the pleasure and privilege of working with a host of Council members who didn't always agree with him but always had the best interest of Wabasha at heart. He stated he too has always had the best interest of Wabasha at heart. He thanked each person he has worked with on the Council and at the City level. He stated the City currently has an outstanding group of employees and they carry-on the tradition of the people he's had the opportunity to work with. He concluded by thanking his wife for her patience and tolerance and thanked his family for allowing him to do this.

Having no other business, Mayor Meisch and Councilperson Schmidt moved to adjourn at 10:01 pm. Adopted unanimously.

Susan Schamaun, City Clerk