

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

Mayor: Rollin Hall
City Attny: Peter Ekstrand
City Adm: David Schmidt
City Clerk: Susan Schamaun
Date: June 6, 2011

PROCEEDINGS OF THE CITY COUNCIL

The regular meeting of the City Council of the City of Wabasha was held on Monday, June 6, 2011, and was called to order at 5:30 pm by Mayor Rollin Hall.

All present stood and recited the Pledge of Allegiance.

Present: Councilpersons Gallenberger, Schmidt, Hiers, Bricher, and Mayor Hall. Councilperson Meurer arrived at 6:39 pm. Councilperson Friedmeyer was absent.

Guest Presentation: Mayor Hall welcomed and introduced Ms. Veronica Hemmingsen, the new director of the Wabasha-Kellogg Chamber/CVB. Ms. Hemmingsen came forward and reported she lived in Wabasha all her life, went to college and came back and felt fortunate to be able to find a job here in Wabasha. She concluded by stating if anyone had any questions, to please stop by the Chamber office on Main Street or to give them a call.

Public Comments: Mr. Richard Fuller, 128 Main Street West, came forward and stated the economy is desperate today and feels the City should do the following:

- Reduce staff to a 4 day work week – 32 hours so employees can retain benefits.
- Let go of top four high paying positions of the City.

Changes or Additions to Agenda: Mayor Hall stated he wanted to move agenda item 10.1 up to between agenda items 4 & 5. Council concurred.

10.1 2011 Street Projects Discussion – Mr. Mike Bubany: Mr. Mike Bubany came forward and gave a presentation on Capital Financial Planning in reference to the 2011 Street Project.

The following information was presented:

- Tax Capacity = Tax Base
- 2010 Wabasha City Tax Rate = 44% compared to an average in the mid 50's by comparable cities.
- When adding school and county, the City Tax Rate is still below average.
- Tax Rate = Total levy of City divided by whole Tax Base (\$500,000 levy divided by \$1M Tax Base = 50% City Tax Rate) That percentage gets applied to each parcel's tax base to determine their taxes.
- Tax Base = Look at each parcel's market value (based on County and State calculations)
- City Taxes on a parcel = Tax Base X Tax Rate
- State of MN pays Market Value Homestead Credits so the taxpayer doesn't pay the whole tax amount.
- LGA – City has done better than average regionally
- Wabasha Median Household Income – lower than cities regionally
- Wabasha Water Rates for 5,000 gallons is approx. \$10.00 and regionally it is \$22.00 so Wabasha's Water Rate is low.
- Wabasha Sewer Rates for 5,000 gallons is approx. \$55.00 and regionally it is averaged at \$36.00 so Wabasha's Sewer Rate is high.
- Overall, Wabasha's Water/Sewer Rates average slightly below cities regionally.
- In 2010, a Wabasha Resident would have paid \$1,440.00 for taxes, water and sewer bills. For comparable regional cities, they averaged \$1,515.
- In 2011, Wabasha made a sizable levy increase and budgeted for only \$68,000 in LGA.
- Pointed out that Wabasha is many steps ahead of other communities in Minnesota.
- For 2011, with an increase in taxes, the City of Wabasha's total cost for a resident for taxes and water and sewer bills would be \$1,565 compared to regional cities at \$1,590.
- Debt Per Capita = Total amount of outstanding debt and divide by population.
- Debt Per Capita for the City:
 - GO (General Obligation) Debt
 - Revenue Debt (water/sewer supported)
- Most cities in Minnesota try to have a fund balance in their general fund at the end of the year that is equal to or greater than 50% of their anticipated expenditures (based on the fact that property taxes are collected twice a year).
- Wabasha's Fund Balance is 120% of expenditures which is more than a year's worth of reserves but Council has to keep in mind that there are other funds of the City that owe the General Fund money such as Tax Increment Financing (TIF) and the National Eagle Center and the two buildings purchased down town. So, the money from the taxes from the condominium project is paying down this debt.
- He reiterated the fact that the City should raise their water rates.

- For a resident in 2011 who owns a house assessed at \$150,000 and uses 5,000 gallons of water a month, this resident would expect to pay \$ more than in 2010.
- Total Debt Per Capita in 2011(after payments of principal this year) would be about \$2,000 Debt Per Capita which puts the City in the low category for Debt.
- Pointed out that delaying certain projects may end up costing the City more in the long run. Right now we are in a market where the interest rates are low. Think of inflation as an interest cost. We can either pay for things now and pay interest on a bond. Or we can delay a project but the cost of the project goes up due to inflation which becomes an interest expense and if that cost goes up, the construction can go up a lot more than normal. So it would be more fiscally responsible to go with the lower interest rate and pay for the project now while the rates are lower.
- Recommends bonding over a 10-year period versus 15 or 20 years. He stated he likes to see cities pay things off as quickly as they can because as additional needs come up then bonds can overlap.
- He explained call dates can be put on bonds. When cities go out and issue municipal debt, investors buy it. Those investors expect those investments to be good for at least a certain period of time. In order to attract them, a provision needs to be put in saying you would not pay off for a period of time. In today's market that provision is approximately 7 years and if a city opts for less time than that, then a higher interest rate is typically charged.
- On a \$1.7M project with no assessments, there would be a \$12-\$13 increase in taxes per month on a \$150,000 house.
- There are two ways to get to 0% assessments to allow to issue debt:
 - Vote – special election (referendum)
 - Street Reconstruction Authority 475 (bifurcate the deal – separate it out: street piece/utility piece)
- In order to allocate costs, the cost of the utility side isn't just the pipe. There is digging to get to the pipe and replace the street also. The City can identify those costs and put more of the costs on the utility side to get a lower assessed number for the street side of the project. The utility part of projects does not have to be assessed.

Dave Vosen, Utilities Superintendent, stated for the 3 street segments that were bid out, Eighth Street just has a water project and Alleghany doesn't have any water or sewer projects.

Attorney Peter Ekstrand stated this meeting was not to determine the assessment. This meeting was to go ahead with the project, award the contract, and the City can decide the assessment at any time until the assessment hearing.

It was determined staff would direct City Engineer, Mr. Bill Anderson, to forward utility estimates for all eight street segments to Mr. Mike Bubany and to also allocate or proportion funds as discussed. Mr. Bubany stated he would run the figures two ways to get assessment percentages for the \$1.7M 3 Segment Project and also for all eight segments.

After discussion, Councilpersons Bricher and Meurer moved to award the contract for doing the 2011 Street Project for the 3 segments that were bid and move forward with the project with assessing 20% of the street portion of the project and also bonding at 20%. The motion failed by the following vote:

Ayes: Bricher, Hiers, Meurer, Mayor Hall
Nays: Gallenberger, Schmidt

Mr. Mike Bubany concluded by stating he would draft a final report based on doing a \$3.7M Street Project in 2012 and pointed out it doesn't mean the City will do the project, it is just the plan that has been agreed upon by Council at this point in time.

Mayor's Presentation: Mayor Hall announced the following:

- The Wabasha-Kellogg's Baseball team is in the finals of the district at Austin, Minnesota, and if they win, they will go the State Tournament again.
- Radio Station out of Red Wing, MN, has bought the local license for a local radio station in Wabasha and possibly will have a first broadcast by the end of June.

Committee Reports and Wabasha Good News:

Councilperson Hiers, stated the Park Board will be meeting this coming week with the Summer Rec and Pool directors. She stated the pool opens Saturday, June 11th.

Councilperson Meurer, stated he would like to add 10.5 Street Repairs to the agenda. Council concurred.

Councilperson Schmidt, reported the Utilities Commission discussed the possibility of lining some sewer lines that are being considered for repair versus replacing sewer lines in an effort to cut costs and asked Mr. Dave Vosen, Utilities Superintendent, how soon he would know what the cost difference would be.

Mr. Dave Vosen stated they just finished televising areas that were identified as problem spots for infiltration and will be talking to Mr. Bill Anderson, Yaggy Colby Assoc., in the next few days and he will come up with

footage and will get information from a company that does this type of work in reference to costs per sq. foot will be for relining. At that point, determinations could be made in whether or not it would be a cost saving option.

Councilperson Bricher, reported the Street Commission recommended to the Council to fix streets and Council should determine how to pay for them. The next issue discussed was a Children At Play sign on Rustic Lane. He stated a family with six children moved to Rustic Lane from Coulee Way and requested to have the Children At Play sign also moved from Coulee Way to Rustic Lane. This request was granted by the Street Commission.

Mayor Hall, reported Port Authority members, Vicki Moore, Marty Wilson and himself met with Thomas Industries and Covidien this past month. He stated they were both very good meetings and people appreciate the visits.

Administrator's Report: David Schmidt reported the following:

- The final application has been submitted to SE Minnesota Initiative Foundation for \$200,000 on behalf of the Rebound/Archer House to reopen the Anderson House. It is anticipated to create 20 jobs. A lot of credit to Attorney Mark Jarstad to try to get that funding.
- The City of Wabasha is part of the Hiawatha Transit bus line and the Wabasha bus replacement has been funded at 80% which requires a 25% match from the City in the amount of \$13,200. He stated in looking back, the City has funded this and used funds from the General Fund.
- Interviews for Legal have been set for Friday, June 10th from 12:00 noon to 6 pm and interviews for Engineering Services have been set up for Thursday, June 23rd from 9:00 am to 3 pm.
- Ambulance Director interviews have been set for Wednesday, June 8th.

Councilpersons Meurer and Bricher moved to approve the following consent agenda: Adopted by the following vote: Adopted unanimously.

Approved the May 3, 2011 Regular Council minutes and May 16, 2011, Special Council minutes
 Approved Request for Donation – Fireworks Display
 Approved Wabasha-Kellogg Chamber of Commerce Application for Temporary On-Sale Liquor License for Riverboat Days
 First Reading: Zoning & Shoreland Ordinance Proposed Amendments
 First Reading: Interim Ordinance (Moratorium) within the Wellhead Protection Area
 Approved the following warrants as presented:

Mayors	General Fund	\$4,701.52
Anderson House/Archer House Escrow	"	\$400.50
Legal	"	\$3,587.78
Engineering	"	\$1,549.99
Dog Pound	"	\$97.45
Fire Dept.	"	\$2,383.69
Park	"	\$6,062.13
Miscellaneous	"	\$3,187.78
Streets	"	\$11,304.49
Pool	"	\$1,218.07
Planning & Zoning	"	\$185.81
Police	"	\$1,606.51
Ambulance	"	\$3,594.42
Safe Driving Class	"	\$500.00
2011 Flood Expense	"	\$3,900.97
Wabasha Clinic Tax Abatement	"	\$9,557.57
2011 Proposed Street Project (Eng.)	"	\$70,194.82
Total		\$124,033.50

9. Public Hearing: None

10.2 2nd Reading – Amendment to Zoning Ordinance – 911 Phelps Avenue requested by Mr. Terry Dennis: Molly Patterson-Lundgren came forward and stated Mr. Terry Dennis is requesting 911 Phelps Avenue be rezoned from R-2 Residential to HC Highway Commercial. This property is directly adjacent from the Eagle Valley Café. Mr. Dennis also owns the adjoining property and he is looking to construct a pottery workshop and art gallery and hold classes. The Planning Commission instructed Mr. Dennis he would have to rezone and recommended the Highway Commercial which would provide the general commercial use. The Planning Commission held a Public Hearing on May 10th and voted in favor of the amendment to the Zoning Ordinance.

The issue that came up at the Planning Commission meeting is that this property is in the Wellhead Protection Area and the City's Wellhead Protection Plan adopted by Council last September, does identify the need to do some additional land use planning in analysis of what types of land uses we will allow within that Wellhead

Protection Area. The Planning Commission and Utilities Commission have discussed the Interim Ordinance (Moratorium) within the Wellhead Protection Area which is on tonight's agenda under the Consent Agenda.

After discussion, Councilpersons Bricher and Hiers moved to approve a change in the Wabasha Zoning Ordinance Map outlined as Lot 6, Block 192 of the original platted City of Wabasha from R-2 Residential to HC Highway Commercial as presented. Adopted unanimously.

10.3 Resolution-Participation ARMER 800 MHz Public Safety Radio System: David Schmidt reported the ARMER 800 MHz has been federally mandated and the City has received grants to cover some of the costs of switching to the new Public Safety Radio System. He stated the Resolution to participate in the ARMER program and is necessary so the City can be interoperable with the County's system.

Police Chief Kruger stated the County is planning on switching over in August, 2011.

After discussion, Councilpersons Gallenberger and Meurer moved to adopt the following resolution: Adopted unanimously.

RESOLUTION :

Participation ARMER 800 MHz Public Safety Radio System

WHEREAS, the delivery of public safety radio communications is important to the health and welfare of citizens and communities within Wabasha County, Minnesota; and,

WHEREAS, 2-way public safety radio communications are currently performed with Wabasha County are primarily conducted on VHF and UHF radio communications frequencies; and,

WHEREAS, the Federal Communications Commission (FCC) requires that licensees operating systems below 512 MHz must "narrow band" their systems not later than January 1, 2013; and,

WHEREAS, the State of Minnesota through its Department of Public Safety, Office of Emergency Communications Networks, has established the statewide ARMER (Allied Matrix for Emergency Response) 800 MHz radio system; and,

WHEREAS, Wabasha County has evaluated its options for radio communications and resolved that a migration to ARMER for 2-way communications is warranted; and,

WHEREAS, Wabasha County has adopted an ARMER full participation plan which has been approved by the Minnesota Statewide Radio Board; and,

WHEREAS, Wabasha County has taken steps to install equipment with the County's 9-1-1 dispatch center which is capable of operating the 2-way ARMER system, existing VHF/UHF radio systems, and the equipment which must be converted to narrow band operation prior to January 1, 2013; and,

WHEREAS, Wabasha County is eligible for significant financial assistance in the deployment of ARMER capable communications equipment; and,

WHEREAS, participation on the ARMER 800 MHz public safety radio subsystem will provide the City of Wabasha with full interoperable communications with public safety agencies in the County as well as with participants in the regional system; and,

WHEREAS, Wabasha County will take steps to convert selected VHF equipment to narrow band operation to be used for pager and outdoor warning siren activation; and,

WHEREAS, to complete the transition to and programming of the ARMER system, it is necessary to determine the ways in which communities will participate in the ARMER subsystem; and,

WHEREAS, the County and participating communities would intend to enter into an agreement that will define the rights and obligations of the County and the City of Wabasha with respect to the cooperative and coordinated implementation, operation, and maintenance of the ARMER system.

NOW, THEREFORE, BE IT RESOLVED, That the City of Wabasha hereby agrees to participation in the ARMER 800 MHz Public Safety Radio System; and,

BE IT FURTHER RESOLVED, that the cooperative agreement be brought to the Wabasha City Council for approval; and,

BE IT FURTHER RESOLVED, that the City Administrator/Mayor communicate the City's intention to the County.

ATTEST: _____

Susan Schamaun, City Clerk

Mayor Rollin Hall

David Schmidt, City Administrator

10.4 Application for Transient Merchant License:

A representative from N.C.I. Netherton Construction Inc. came forward and stated when the National Weather Survey lists a storm area, insurance companies give homeowners two years to file a claim from hail, high wind and tornadoes. He stated N.C.I. goes in and goes door to door and gives free property inspections to check for damage. The homeowner is given a report and then it is up to them if they want to move forward. N.C.I. will also negotiate on behalf of the homeowner with their insurance company. If their insurance company denies the claim, then N.C.I. will submit a bid with the homeowner and it is up to the homeowner if they want to move forward with fixing the damage.

Police Chief Kruger did not do an investigation as he was out. Discussion was held on the fact that Wabasha has many qualified local contractors than can provide this type of service.

After further discussion, Councilperson Gallenberger stated she would deny the application based on the fact that this application was not checked out by the Police Department, there are other qualified contractors in this area, and we do not know the background of this company.

Councilpersons Bricher and Meurer moved to approve the Transient Merchant License submitted by N.C.I. Netherton Construction, Inc. Denied by the following vote:

Ayes: None

Nays: Gallenberger, Bricher, Schmidt, Hiers, Meurer and Mayor Hall

Councilperson Bricher stated there would be nothing wrong with N.C.I. Netherton Construction Inc. advertising their services in the local newspaper. Council concurred.

10.5 Street Repair: Councilperson Bricher stated he would like to give Tony Johnson, Street Superintendent, direction with the street repairs as well as designate funds.

Tony Johnson came forward and stated he doesn't think the City should patch or sealcoat if Council can say for sure that next year streets will get fixed. If Council can assure him of that, he will just put the bare minimum into the streets to get by for another year.

After discussion, Councilpersons Meurer and Hiers moved to approve allocating funds not to exceed \$30,000 for Street Repairs at the discretion of Tony Johnson, Street Superintendent. Adopted by the following vote:

Ayes: Gallenberger, Bricher, Hiers, and Meurer

Nays: Schmidt and Mayor Hall

Councilperson Schmidt stated he would like Council to have a meeting on Tuesday, June 21st to give the public satisfaction in knowing Council will be fixing all 8 streets next year and the City will bond for 20% and hopefully we will know what that number will be at that meeting. Councilperson Bricher stated the estimates will not give people an exact number.

After discussion, Councilpersons Gallenberger and Meurer moved to have a Council meeting on Tuesday, June 21st at 7:00 pm to review street project numbers from Mr. Bill Anderson and Mr. Bubany and if numbers are not ready, the meeting may be cancelled. Adopted unanimously.

11. Donations:

Councilperson Hiers read the following donations:

- Fireworks Donation – Rotary Club of Wabasha - \$500.00
- Fireworks Donation – Wabasha Firemen's Relief - \$750.00
- Fireworks Donation – Kellogg's FireDept Relief Assoc. - \$500.00
- Fireworks Donation – VFW Burkhardt-Roemer Post 4086 - \$500.00
- Fireworks Donation – American Legion Post 50 - \$500.00
- Riverboat Days – VFW Burkhardt-Roemer Post 4086 – \$500.00
- Summer Rec – VFW Burkhardt-Roemer Post 4086 – \$500.00
- Library Summer Reading Program – VFW Burkhardt-Roemer Post 4086 - \$250.00

Having no other business, Councilpersons Bricher and Meurer moved to adjourn at 8:50 pm. Adopted unanimously.

Susan Schamaun, City Clerk