

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: July 5, 2011

### ***PROCEEDINGS OF THE CITY COUNCIL***

The regular meeting of the City Council of the City of Wabasha was held on Tuesday, July 5, 2011, and was called to order at 7:00 pm by Mayor Rollin Hall.

All present stood and recited the Pledge of Allegiance.

Present: Councilpersons Gallenberger, Friedmeyer, Schmidt, Hiers, Bricher, Meurer and Mayor Hall.

**Guest Presentation:** Mr. Michael Johnson, Pool Director, came forward and stated his position has been a rewarding opportunity and felt since opening in June, it has been a smooth successful time. He stated they have been doing the best they can with lesson scheduling. He pointed out he has a concern with WSI staffing for the future. He stated WSI training usually entails going to Rochester or a bigger city and it is costly. He stated the pool will close for the season on August 17<sup>th</sup>. Mayor Hall thanked Mr. Johnson for attending the meeting.

**Public Comments:** Mr. Richard Fuller, 128 Main Street West, came forward and stated he felt the presentation at the Anderson House was nicely done. He also stated the Anderson House is crucial to the viability of this town. He stated at the presentation he asked for a prospectus and they didn't have one but they did follow up and call him later. He asked each councilmember if they had driven down and seen any of Rebound Enterprise's other hotels and felt it was important they do so.

Mr. Don Jacoby, Port Authority Member, came forward to give the following National Eagle Center Capital Campaign update:

- City gave the Wabasha Port Authority \$900,000 as an interim loan to build the National Eagle Center.
- As of June 1<sup>st</sup>, only \$155,000 is left to pay after the June payment of \$120,000.
- Every month the National Eagle Center does pay the City interest on the money.
- Brings 90,000 visitors to the City every year.
- Anderson House is another attraction that draws people to the City.

**Changes or Additions to Agenda:** Councilperson Bricher asked if 10.5 Police Staffing and 10.6 Police Union Contract should be held in Closed Session. Attorney Peter Ekstrand stated if 10.5 Police Staffing is about coverage hours it can be held in Closed Session and the 10.6 Police Union Contract can also be held in Closed Session due to it being union negotiations. It was determined 10.5 and 10.6 would be held in Closed Session.

**Mayor's Presentation:** Mayor Hall announced the following:

- Thanked everyone who participated in Wabasha's Fireworks on July 4<sup>th</sup>. It was a good time in Wabasha.
- City Administrator, David Schmidt, was successful in securing a \$99,999 RBEG Grant for the City of Wabasha out of 17 applicants. This will be used to start the City's first revolving loan fund for the City and will be administered by Wabasha's Port Authority. This grant will most likely be an important key in the reopening of the Anderson House.

**6. Committee Reports:** Councilperson Friedmeyer reported the Ambulance Committee was looking forward to the new Ambulance Director, Mr. Ryan Marking, starting on July 11<sup>th</sup>.

Councilperson Bricher reported the Street Commission met and discussed parking along Lawrence Boulevard and still came to the previous determination that it is a public street so parking should not be restricted. He also stated the Street Department wants to realign the alley behind Eighth Street as some private property is encroaching on the alley right-of-way so the alley is not full width anymore. Letters were prepared and are being reviewed by Attorney Ekstrand. He also stated the federal government is mandating cities to replace all signs to be compliant with new reflectivity guidelines.

Councilperson Hiers, Park Board Member, reported they met with parents of the summer rec baseball program. The parents are in the process of forming a parents' group that will form and take on and run the baseball program for the kids. There will be more parent involvement and ultimately they will do fundraising and it will be better for the kids and parents and the whole City.

The Park Board has also decided to get together and improve the appearance of Heritage Park. There will be a community wide pot luck on Thursday, July 7<sup>th</sup>, from 6-8 pm to clean up the bushes, tear up old fabric, get new mulch spread out and just improve the whole park. She encouraged people to come down and bring a shovel, rake or hoe and food to work and have fun.

City Clerk reported the Utilities Commission met and approved preparing plans and specs and going out for bid on phases 1 & 2 of the sewer relining project. They held off on phase 3 due to being part of the street project that may be done in 2012.

Councilperson Gallenberger wondered why some city street lights weren't on very early in the morning and wondered if they were on timers. It was stated City staff would look into it.

**7. Administrator's Report:** David Schmidt reported the following:

- Mr. Ryan Marking starts on July 11<sup>th</sup> as the City's new Ambulance Director. He will work on billing first whereby he will train with Xpert T Billing onsite.
- Police Reserve Program is currently serving the community.
- City was approved for the Rural Business Enterprise Grant (RBEG) for the Anderson House.
- He has submitted with Rebound Enterprises a loan for \$200,000 to Southern Minnesota Initiative Foundation for the Anderson House.
- He and City Planner, Molly Patterson-Lundgren, have applied for a \$200,000 loan from Southern Minnesota Initiative Foundation for K & C Fisheries.
- Also helped K & C Fisheries apply for \$280,000 from Minnesota Investment Fund (MIF) to aid in their start up operation. (These funds are passed through the State and when they are repaid, they go back into the City's revolving loan fund).
- Wabasha Port Authority, under direction of President Mr. Marty Wilson, continues to do business site visits and this month they are visiting Loon Lake Decoy and T-Bones Grill and Bar.

**5. Consent Agenda: Councilpersons Hiers and Friedmeyer moved to approve the following consent agenda: Adopted by the following vote: Adopted unanimously.**

Approved the June 21, 2011 Council minutes  
 First Reading: Transfer of U.S. Cable  
 Approved the following warrants as presented:

|                      | General Fund |                    |
|----------------------|--------------|--------------------|
| Mayors               |              | \$2,085.10         |
| Pool                 | "            | \$3,769.76         |
| Legal                |              | \$3,587.78         |
| Dog Pound            | "            | \$14.39            |
| Park                 | "            | \$4,362.19         |
| City Clean Up        | "            | \$6.75             |
| Streets              | "            | \$3,433.71         |
| Planning & Zoning    | "            | \$12.94            |
| Police               | "            | \$1,928.60         |
| Ambulance            | "            | \$3,800.26         |
| Fire Department      | "            | \$2,747.04         |
| Emergency Management | "            | \$7.39             |
| Summer Rec           | "            | \$1,561.53         |
| <b>Total</b>         |              | <b>\$27,317.44</b> |

**9.1 Public Hearing:** Interim Ordinance (Moratorium) with the Wellhead Protection Area: Molly Patterson-Lundgren came forward and stated the purpose for the Interim Ordinance is to prohibit certain types of land uses within the Wellhead Protection Area until such a time that the Planning Commission (PC) has an opportunity to study the situation and determine more long term appropriate land uses within that area. This would protect against land uses that would allow pollutants to seep down into the drinking water and anything that has chemicals associated with it like gas stations, repair shops, farming operations, etc. She stated the Planning Commission recommends adopting the Moratorium for up to a year to give them sufficient time to study the situation more.

At 7:29 pm, the Public Hearing was opened to consider an Interim Ordinance (Moratorium) within the Wellhead Protection Area.

Mayor Hall called once, twice, and three times for the public to speak on the Interim Ordinance (Moratorium) within the Wellhead Protection Area.

At 7:31, the Public Hearing was closed.

Councilperson Gallenberger questioned the Wellhead Protection Area marked on a map and wondered if that area was set by law. Molly stated the area was determined by a geologist for the Department of Health.

**After discussion, Councilpersons Bricher and Hiers moved to approve the Interim Ordinance (Moratorium) within the Wellhead Protection Area whereby the adoption of this Interim Ordinance (Moratorium) limits the development of new uses allowed within the Emergency Response Area of the Wellhead Protection Area. Adopted unanimously.**

**9.2 Public Hearing: US Cable Franchise Agreement:** David Schmidt reported that with the end of the US Cable Franchise Agreement, both parties have agreed to a 10-year agreement and US Cable has also stated they will install a server either at City Hall or off-site. This will allow an internet access point where programs can be upgraded. The Franchise Fee is also being changed from 3% to 5%.

At 7:35 PM, the public hearing to amend the US Cable Franchise Agreement.

Mayor hall called once, twice, and three times for anyone to speak for or against amending the US Cable Franchise Agreement.

At 7:36 the public hearing was closed to amend the US Cable Franchise Agreement.

**After discussion, Councilpersons Hiers and Bricher moved to approve the Amended US Cable Franchise Agreement for a 10 year period. Adopted unanimously.**

**9.3 Public Hearing: HBCI Franchise Agreement:** David Schmidt reported HBCI, Inc. has also agreed to a 10 year renewal period and amending the franchise fee from 3% to 5% and maintaining their current services that they provide to the City of internet access.

At 7:40 pm, the Public Hearing to consider amending the HBCI Franchise Agreement was opened.

Mayor Hall called for public input.

Mr. Marty Wilson, Coffee Mill Heights, asked Council if they knew how much the increase from 3% to 5% would raise. David Schmidt stated currently he thought the City received approximately \$14,000 in franchise fees from HBCI so it would be a 2% increase from that.

Mayor Hall called two more times for public comments.

At 7:42 pm, the Public Hearing was closed to consider the amending of the HBCI franchise agreement.

**After discussion, Councilpersons Schmidt and Meurer moved to approve the amended HBCI Franchise Agreement for a 10 year period. Adopted unanimously.**

**10.1 Safety Fence for NEC Property:** Mr. Jeff Worrell, National Eagle Center Director, came forward and stated he wanted to clarify a couple issues. First, he has been asked why so much space required for weather eagles? He stated eagles in the center on display are very different than eagles that go out to weather. When they are outside, they need every bit of elbow room they can get, as it benefits them. They need to be able to move around which requires ample space. He stated the NEC is very open to design and fence options. They want this area to look nice.

**Councilpersons Meurer and Hiers moved to approve the request from the National Eagle Center to install a safety fence as outlined.**

Mr. Worrell stated they met with Xcel Energy and after further review, they feel they would put the fence behind the transformer and just put some plantings in front of it.

Councilperson Meurer stated he had concerns about using a chain-link fence so a view of the river could still be maintained. Thinks having a fence for safety reasons is a good idea.

David Schmidt stated he was directed after the last Council meeting to ask local realtors about costs that might be charged for this type of area and use. He stated he only got one reply in which it was conveyed the property should be charged at little or no charge until the City determines a better use for that property.

**After discussion, Councilpersons Meurer and Hiers amended their motion as follows: Approve the request from the National Eagle Center to install a temporary black chain link fence under 6' contingent upon a Use Agreement stating the specific purpose of weather eagles and no other purpose, stating insurance limits, and returning the premises to its condition as it existed at the time of commencement of this Use Agreement at a consideration of \$1.00/year. Adopted by the following vote:**

**Ayes: Meurer, Schmidt, Hiers, Bricher, Mayor Hall**

**Nays: Gallenberger, Friedmeyer**

**10.2 Rural Business Enterprise Grant (RBEG):** David Schmidt stated the City of Wabasha was successful in obtaining a \$99,999 grant from the Rural Business Enterprise (USDA). He further stated the City was among 17 other applicants. The application was built with the Wabasha Port Authority to be used as matching funds for a revolving loan fund and this application was geared towards opening the Anderson House. This would create the first revolving loan fund for the City of Wabasha. It was conveyed the Wabasha Port Authority strongly recommends the City Council dedicate \$100,000 of the \$120,000 repayment of the NEC Loan from the Port Authority to be used as the matching funds for the RBEG Grant. He pointed out the City of Wabasha's \$100,000 reinvestment would accomplish the following goals:

- Reopen the historic Anderson House Hotel and Restaurant
- Create as least 18 FTE jobs not including management
- Permit the investment of \$1,750,000 – most of which will be local contracting and employment
- Create the first revolving loan fund for the City of Wabasha
- Indirectly greatly assist the Wabasha Chamber of Commerce and CVB through room taxes.
- Show the leadership necessary to make a clear community goal a reality.

**After discussion, Councilpersons Hiers and Bricher moved to transfer \$100,000 to the Wabasha Port Authority to be designated as matching funds for the RBEG Grant whereby repayment will be directed to the City's Revolving Loan Fund.**

Discussion:

Councilperson Schmidt asked what the Port Authority currently has for funds in which it was stated they have \$145,000 as of May 31<sup>st</sup>. He questioned why they couldn't put the matching funds toward the project in which David Schmidt stated the Port Authority is looking at other Minnesota Investment Fund (MIF) that will require the likelihood of matching funds and working with the Army Corps. in reference to the Industrial Park and it took the Wabasha Port Authority six years to acquire \$145,000.

Mr. Jon Lineweaver, Port Authority member, stated the Port Authority has been trying to build up their funds to have a meaningful amount for a revolving fund to expand the Industrial Park, provide assistance if we need to in reference to the Business Park and other types of businesses that come in. He further stated the ability of the Port Authority to levy and the amount that is acquired is roughly \$38,000-\$39,000. It is a small amount compared to other communities and it has taken 5-6 years to get to \$145,000. That amount doesn't go far when you are trying to attract businesses and you are competing against Red Wing and Winona.

Councilperson Friedmeyer stated opening the Anderson House could revitalize that end of town. Long-term, looking at what Rebound Enterprises has done in other communities with the Archer House and Hotel Winnieshiek, this is an easy sell. They have thriving operations in other communities.

Councilperson Schmidt stated two years down the road if the Anderson House closes down, all the City will have is used kitchen equipment in lieu of the City's \$100,000.

Councilperson Hiers stated she felt the Anderson House project is a good project. She stated she didn't feel stripping the Port Authority down to nothing to work with is a good idea. She stated this project will bring another great restaurant to the community and not only benefits tourists but it benefits the people who live here also.

Councilperson Bricher stated this project will bring jobs in.

The motion passed by the following vote:

Ayes: Friedmeyer, Bricher, Hiers, Meurer, Mayor Hall

Nays: Gallenberger, Schmidt

**10.3 RFP's for Engineering:** David Schmidt stated the Engineering Subcommittee interviewed candidates and voted 7-2 to hire BDM as the City's Engineer. Some reasons offered for selecting BDM were:

- No charge for attending project meetings
- No travel charge until they reach Wabasha
- Proven Grant Experience
- Clear ability to communicate with the committee was an asset

Councilperson Bricher stated the following was considered when making their selection of an engineering company:

- 4 companies were selected based on qualifications
- Were they successful in grant writing for street projects, etc.
- Checked into billing policies
- Charges for attending meetings
- What technologies do they use
- Do they provide any architectural services
- Working with MNDot
- How would they handle the transition

**Councilpersons Schmidt and Friedmeyer moved to appoint BDM as the City's Engineer effective immediately. Adopted by the following vote:**

**Ayes: Meurer, Schmidt, Hiers, Bricher, Gallenberger, Friedmeyer, Mayor Hall**

**Nays: None**

**10.4 RFP's for Legal:** David Schmidt reported the Legal Subcommittee interviewed the candidates for City Attorney and voted 4-3 to retain Attorney Peter Ekstrand. He stated he was asked to provide summary reasons and the 3 nay votes were for a combination Wabasha County for criminal and Flaherty & Hood for civil.

**Councilpersons Schmidt and Hiers moved to appoint Attorney Peter Ekstrand as the Wabasha City Attorney.**

Councilperson Gallenberger stated she would abstain from voting as she believes it is a conflict of interest as he is her personal attorney.

It was reported there were nine total RFP's and six firms were interviewed.

Councilperson Schmidt stated he was on the Legal Subcommittee and the vote was 4-3 to retain Attorney Peter Ekstrand. He further stated in reference to Flaherty & Hood, they had a 37 page document and only one quarter of one page outlined their charges. He stated in reference to cost Flaherty & Hood would cost approximately \$20,000 less but felt the City may be billed for a lot of extras that were not addressed. He stated he was 100% against using Flaherty & Hood for civil cases. He also stated Flaherty & Hood were from outside the Twin Cities and didn't feel they would come to the Council meetings as they wanted to monitor our meetings electronically.

Attorney Ekstrand stated he is currently making around \$41,200.00 per year for his retainer plus an amount to cover health.

The motion was adopted by the following vote:  
Ayes: Friedmeyer, Bricher, Schmidt, Mayor Hall  
Nays: Hiers, Meurer  
Abstain: Gallenberger

**8.1 Donations:** Councilperson Friedmeyer announced Kwik Trip donated \$200.00 for the City's fireworks.

David Schmidt announced City Police Chief Kruger would like to discuss police staffing as it relates to times of coverage as it relates to public safety and also police union negotiations.

At 9:03 pm, a three minute recess was called.

**10.5 Police Staffing and 10.6 Police Union Contract:** At 9:06 pm, Councilpersons Bricher and Hiers moved to go into Closed Session to discuss Police Staffing and Police Union Contract Negotiations.

**At 9:29 pm, Councilpersons Schmidt and Gallenberger moved to come out of Closed Session.**

There was discussion held on police staffing as it related to public safety concerns.

It was determined City Administrator, David Schmidt, would submit the City's counter offer to the Police Union.

At 9:30 pm, Councilpersons Schmidt and Meurer moved to adjourn. Adopted unanimously.

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Susan Schamaun, City Clerk