

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: July 06, 2010

PROCEEDINGS OF THE CITY COUNCIL

The regular meeting of the City Council of the City of Wabasha was held on Tuesday, August 3, 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.

Mayor Meisch announced several requests were received to address Council on various matters. He called the following people present:

Mr. Blaine Marcou: Mr. Marcou, Chief Manager of Big Jo Limited, the development company for the Grand Eagles Hotel and realtor/broker of Marcou Realty, came forward and stated they are still working on this project and reviewing their options with equity partners, bank financing and bonding options. He stated they continue to be excited about this project and feels it will be good for the community

Mr. Chris Fancher: Mr. Fancher, Director of the Chamber of Commerce and Visitor's Bureau, came forward and asked Council to consider adding City advertising funds to the 2011 City budget. In the slow economy, the Chamber is going to try to continue to market the community as close to the current level as possible to maintain the presence among the many travel destinations that we are all competing for. The advertising that the Chamber does benefits all businesses in Wabasha and losing the City's advertising funds amounts to 25% of the Chamber's budget and would result in the Chamber having to reduce the amount of marketing done to keep our City as a tourism and travel destination. The majority of the marketing the Chamber does qualifies for marketing grants through Explore Minnesota Tourism and these grants provide 40% match for each dollar spent. The Chamber is also taking steps to generate additional income for future budgets. They are looking at fundraising as well as offering social memberships to solicit to members of the community and also encourage more community involvement in Chamber events.

Mr. Norm Bussian: Mr. Bussian came forward and stated watching his grandkids and other kids play ball, he is bothered that there are no dugouts at the Athletic Field. He stated he is trying to get a couple dugouts constructed. He distributed a letter that he sent out to seven businesses asking for donations to construct the dugouts. He stated he is informing Council of his intentions and he would like their blessing on this project. He spoke with Mayor Meisch last week and also talked with Mr. Keith Hough, Park Superintendent, and also some Park Board members. If the businesses come through with the funds, he has volunteer labor lined up to construct the dugouts. Mayor Meisch stated he felt this is a noble effort and he has no objections. Councilmember Meurer stated he would donate \$50.00 to the cause and challenged each Councilperson to do the same. Mayor Meisch stated he would also donate \$50.00. Mr. Bussian asked if they could use some City equipment if it is needed in which City Administrator, David Schmidt, stated yes. Councilperson Gallenberger commended Mr. Bussian on his outstanding effort and stated she appreciated what he was doing.

Molly Patterson-Lundgren, City Planner, came forward and introduced four new Walking Tour Brochures that were just recently completed. She stated the project was done as a collaboration between the Historic Preservation Commission, Wabasha FitCity, and the Wabasha Chamber of Commerce. She stated the project was completed with volunteer staff time and the printing and the purchase of brochure racks was completed with grant funds. Grant funds were received from the Doffing Foundation acquired from the Chamber of Commerce and the Certified Local Government Program that was accessed by the Historic Preservation Commission. She also stated they received help from the Library on this project as well as other volunteers from the community. She stated brochures and flyers are available at the Chamber of Commerce, City Hall, the National Eagle Center and St. Elizabeth's Medical Center.

Mr. Dave Ochsner – 225 Lawrence Boulevard East, came forward and thanked the Wabasha Police Department. He stated about one week ago, two of their bikes were stolen from the condo unit basement garage. After calling the police, and Officer Wagoner showed up immediately. He stated he was driving around seeing if he could find the bikes and the police were driving around and knocking on doors also. At 8PM last night, Police Chief Kruger called him to report that both bikes were found in Rochester. He stated he appreciated the Wabasha Police Department.

Mayor Meisch stated he was making a modification to the agenda in which he was moving 3.5 Health Care Provider Modification to 5.7 as it will be discussed in Closed Session.

Mayor Meisch called for citizen comments.

Mary Giuliani, 427 Lawrence Boulevard West, came forward and stated Xcel took out a street light yesterday on Lawrence Boulevard between Slippery's and Arch Avenue and Xcel told her it was not going to be replaced. She stated this is a path where hundreds of people walk and now it is pitch black without that street light. There is a lot of traffic due to Slippery's and she feels it is very dangerous.

David Schmidt stated that due to construction in this area and water and sewer being relocated in that area, the street light was removed but it will be replaced somewhere in the general area. He further stated he is working

with Xcel Energy and they are working with Lumens dealing with light patterns, and the street light will be put back in the same general area.

Mr. Brian Yenter, business owner of Flour Mill Pizzeria, came forward and stated he feels the Chamber has done a lot of good things in terms of being our most cost effective advertising tool. The majority of his customers come from their business exposure through the Chamber of Commerce. He stated business owners cannot afford higher memberships and further stated the Chamber has talked about a lot of different measures to generate revenue but small businesses are strapped just like the government. He stated when the Council is considering budgeting advertising funds, they should consider a pro-business climate that encourages people to look at this City. He also stated the Chamber has a phenomenal website. He concluded the Chamber is his most cost effective advertising tool and helps their business.

Mr. Richard Fuller, 1211 Rustic Lane East, came forward and distributed materials to Mayor Meisch from his July 6th presentation to the Council. He reiterated the fact that he feels Council should meet more than once a month and further stated Council should meet four times a month. He also stated he has copies of the petition with 235 signatures to keep the lot between the condos and the National Eagle Center green space. He felt Council should reconsider the petition because, in his opinion, eventually there will be a class action suit.

Councilpersons Bricher and Schmidt moved to approve the following consent agenda: Adopted by the following vote:

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

Nays: None

Approved the July 06, 2010 Regular Council minutes.

Approved Amending Resolution #765 Appointing Election Judges to add two new judges.

Approved calling for Public Hearing on September 7, 2010, for Amendment to Street Light Utility Ordinance.

Approved the following warrants as presented:

Mayors	General Fund	\$2,671.66
Legal	"	\$2,150.00
Debt Service Funds (TIF)	"	\$1,805.00
Fire Dept.	"	\$8,613.96
Police	"	\$2,013.81
Ambulance	"	\$820.11
Park	"	\$1,823.44
Pool	"	\$3,854.51
Streets	"	\$7,053.00
Planning & Zoning	"	\$2,023.21
Miscellaneous	"	\$1,093.09
CleanUp Day Costs	"	\$2,005.33
Summer Rec	"	\$337.68
Safe Driving Class	"	\$225.00
Sternberg Lanterns, Inc.	Paid through Insurance Claim	\$3,478.00
John Lauber & Co.	(Reimb. Through Grant)	\$3,166.80
Total		\$43,134.60

Councilperson Gallenberger questioned the bill from CMS for building inspections. It was determined a list of building permits could be e-mailed out to Council.

5.1 Respectful Workplace Policy Discussion: Mayor Meisch explained this comes about due to some actions that have taken place at some of our commission meetings. There have been a couple of contentious discussions between commission members and people who are coming to the meetings. The League of Minnesota Cities has a model policy to review. A policy for a Respectful Workplace would cover Council members and Commission members. It was determined a subcommittee should meet to draft a Respectful Workplace Policy and bring back to Council for review and/or adoption.

After discussion, Councilpersons Gibson and Meurer moved to approve and authorize a subcommittee of Attorney Peter Ekstrand, City Administrator, David Schmidt, and Councilpersons Bricher and Hiers to draft a Respectful Workplace Policy. Adopted unanimously.

5.2 Financial Plan Presentation – Mr. Andy Berg – Abdo, Eick & Meyers: Mr. Andy Berg presented the benefits of having a Financial Plan prepared for the City by Abdo, Eick & Meyers. He explained that having a financial plan in place can actually give the City a better bond rating if the City chooses to get rated. He stated they would manage the fund and cash balances, tax management and levy, reserve planning, capital project planning, resource allocations and risk management. The fee for a Financial Plan is \$8,000.00.

5.2 Five Year Engagement Letter – Mr. Andy Berg – Abdo, Eick & Meyers: Mr. Berg presented a five-year engagement letter for auditing services through the year 2014. The five-year agreement reduces the cost 6% from 2009 with a 0% increase for 2011 and a 3% increase for years 2012-2014:

<u>Year</u>	<u>City Audit</u>
2010	\$23,650
2011	\$23,650
2012	\$24,360
2013	\$25,100
2014	\$25,850

Mr. Berg stated a five-year audit agreement benefits the City as well as Abdo, Eick & Meyers. It allows both parties to budget for coming years.

Attorney Peter Ekstrand stated he wanted to note the five-year agreement does bind future councils out five years although there is a termination provision in the agreement letter that states "if at any time during this period the Council is dissatisfied with our services for any reason whatsoever, our services may be terminated." Attorney Peter Ekstrand stated he would like to see more language that states the City could terminate anytime during the year and then also addresses out it would be billed out when terminated.

Mr. Berg stated an annual engagement letter would still be submitted each year. Attorney Ekstrand stated he wanted to make sure there would be no penalty to the City if termination would happen mid-way through the year.

After discussion, Councilpersons Bricher and Gallenberger moved to approve the Five-Year Audit Engagement Letter with Abdo, Eick & Meyers contingent upon a termination clause giving the City the right to terminate without penalty and direct Mayor Meisch and City Administrator, David Schmidt, to complete and sign the agreement for the following years and rates:

Year	City Audit
2010	\$23,650
2011	\$23,650
2012	\$24,360
2013	\$25,100
2014	\$25,850

Adopted by the following vote:

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

Nays: None

5.4 142 2nd Street West – Lease Discussion: Mayor Meisch stated the current lease is with Mr. Terry Dennis for \$200.00 per month with the lessor paying for all utilities. He stated the City has been contacted by two interested parties in leasing the property.

Councilperson Gallenberger questioned whether it would be more fair to go out for bids or advertise to see if there is any more interest out there. Councilperson Bricher concurred.

8:05 Recess called.

8:09 Meeting reconvened.

Mayor Meisch stated whether or not the City should call for bids was being discussed before the recess and felt the length of the lease, amount of the lease and any conditions put on the lease should be considered also.

After discussion, Councilpersons Bricher and Schmidt moved to authorize City Administrator, David Schmidt, to contact local realtors in determining a lease amount or minimum lease amount and collaborate with City Attorney Peter Ekstrand to draft a one-year lease and go out for bids by advertising in the paper and also putting on the City's website. Adopted unanimously.

5.5 Budget: Mayor Meisch stated the City does not know how future LGA cuts will affect the City. He further stated Council may have to look at two different budgets. One being a budget with no state aid and the second budget with the maximum tax levy operation. He stated the more the State takes away and pushes to the local level, the more taxes have to go up at the local level. The budget will also reflect \$10,000 put back in for the Chamber advertising for the City. The budget will reflect no furloughs with no pay increases for employees. Mayor Meisch stated that once the preliminary budget is passed, it cannot be raised. You can lower a budget but you cannot raise the budget. He recommended to Council that when they get the budget and go through it, to please contact David Schmidt or himself with any and all questions. Councilperson Bricher recommended department heads be present with Council when the budget is reviewed.

In conclusion, it was determined Council would meet on Tuesday, August 17th, to have a budget workshop with department heads. David Schmidt stated he will get some additional information from the Wabasha County Auditor's Office and then will e-mail the budget to Council.

5.6 Financial Plan: David Schmidt stated one of the first questions asked on a bond rating questionnaire is "Do you have a financial Plan". That helps with the bond rating and if the City does road projects, the City will be borrowing money. He also stated a financial plan provides the Council with the ability to say "what if". It was stated that Mr. Mike Bubany, David Drown Associates, indicated that updates would be included in their fee of \$5,000.

After discussion, Councilpersons Gallenberger and Bricher moved to proceed forward in setting up a contract for a Financial Plan with David Drown Associates in the amount of \$5,000 with updates included at no charge for three years and then bring back to Council. Approved by the following vote:

Ayes: Hiers, Bricher, Meurer, Gallenberger, Gibson, and Schmidt

Nays: None

Abstain: Mayor Meisch

8.1 Donations: Mayor Meisch thanked the Kellogg Fire Department Relief Association for their \$500 donation for fireworks. He also thanked the American Legion Post #50 for their \$500.00 donation towards the Library Summer Reading Program, Wabasha Friends of the Library for their \$406.00 donation towards the Library Summer Reading Program, and Susan Schiert's \$150.00 to the Library Summer Reading Program in Memory of David Pratt.

Round Table

Councilperson Meurer asked if his phone number could be added to the City's website. Also, he asked if repairs would be made to the shoulder of Prospect Avenue. Mayor Meisch stated it will be looked into and David Schmidt will e-mail the information out to Council.

Closed Session:

At 8:45 pm, Mayor Meisch announced Council would be going into Closed Session to discuss a privacy data issue as it relates to health insurance.

At 8:50 pm, Councilpersons Gallenberger and Hiers moved to come out of Closed Session. Adopted unanimously.

Mayor Meisch stated the City will be switching to Preferred One on September 1st for health insurance coverage which leaves Attorney Peter Ekstrand, a contract employee, in need of insurance. The City has been made aware of two options: BlueCross Options Blue and Minnesota Care. Under Minnesota Care, his wife would not be covered for a pre-existing condition for 6 months unless he can apply for a waiver. It is unclear at this point whether he can acquire the waiver. Attorney Peter Ekstrand stated the agent informed him his wife may not be accepted for BlueCross Options Blue.

It was determined City staff would look into possibly making Attorney Peter Ekstrand an employee until the insurance issues are resolved and City staff will work with the insurance agent in seeing if a waiver can be acquired for Minnesota Care.

It was determined healthcare would be added to the August 17th Council workshop meeting.

Having no other business, the meeting unanimously adjourned at 9:06 pm.

Susan Schamaun, City Clerk