

**MINUTES OF THE  
WATERTOWN CITY COUNCIL  
Regular Meeting Tuesday, December 13, 2011**

**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 at 6:30 p.m. on **Tuesday, December 13, 2011** by Mayor K. J. McDonald in the Watertown City Hall Council Chambers.

Upon roll call the following Council Members were present: McDonald, Stephen Crowder, Nicholas Hoese, Rick Mann and Michael Walters.

The following staff members were present: City Administrator Luke Fischer, Finance Director/City Clerk-Treasurer Steven Wallner, Senior Planner Crystal Paumen and City Engineer David Martini.

Also present: Leon Fritzke, Mike Loehrs, Kara Anderson, Bryan Carlson, Paul Prenevost, Tom Ronnkvist

**2. ADOPT AGENDA**

**MANN MOVED, HOESE SECONDED A MOTION TO ADOPT THE AGENDA. MOTION CARRIED 5-0.**

**3. REVIEW OF CONSENT AGENDA**

- A. Motion to approve minutes from September 15, 2011 City Council Workshop
- B. Motion to approve minutes from November 22, 2011 City Council Workshop
- C. Motion to approve minutes from November 22, 2011 Regular City Council Meeting
- D. Motion to approve Personnel Policy updates
- E. Motion to approve advertisement of Public Services Superintendent position opening
- F. Motion to approve separation payment
- G. Motion to approve temporary pole agreement amendment
- H. Motion to approve 2012 Carver County Sheriff's contract
- I. Motion to approve 2012 animal control agreement
- J. Motion to approve purchase of AutoPulse
- K. Motion to approve Ordinance 364 repealing Ordinance 309 relating to electrical inspections
- L. Motion to approve Park Commission call for applications
- M. Motion to reappoint Ben Maas to the Park Commission
- N. Motion to approve Planning Commission call for applications
- O. Motion to reappoint James Rivord to the Planning Commission
- P. Motion to reappoint Howard Reinhard to the Planning Commission
- Q. Motion to approve Hoff, Barry, Kozar pay request
- R. Motion to approve MNSPECT LLC pay request
- S. Motion to approve MK Land pay request
- T. Motion to approve waste hauler license for Mumford Sanitation
- U. Motion to receive River Crossing Supplement Study
- V. Motion to approve hiring of warming house attendants

**MANN MOVED, CROWDER SECONDED A MOTION TO ADOPT THE CONSENT AGENDA. MOTION CARRIED 5-0.**

**4. OPEN FORUM**

**5. CELEBRATE WATERTOWN**

- A. Recognize Leon Fritzke for 22 years of service to the city in Public Works Dept.

## 6. NEW/OLD BUSINESS

### A-1. Review and Approve 2012 Budget

Wallner presented information on the 2012 budget

McDonald recessed the city council meeting at 6:57 p.m. to open the public hearing for the 2012 budget.

There was no public comment. McDonald closed the public hearing at 6:59 p.m. and reopened the city council meeting.

Hoese stated that the Council trimmed the budget without jeopardizing any services to the community. Mann stated that it is a good budget and even though certain amounts are budgeted they do not have to be spent. McDonald stated that the Council needs to keep the reserve fund viable and provisions have been made for that.

**CROWDER MOVED, WALTERS SECONDED A MOTION TO ADOPT RESOLUTION 2011-12-13-1 ADOPTING THE FINAL 2012 GENERAL FUND BUDGET OF \$1,666,509. MOTION CARRIED 5-0.**

### A-2. Consider COLA for City Employees

Fischer stated that during the 2012 budget process, the Council reviewed step increases and Cost of Living Adjustments (COLA) for city employees. Both increases are in the budget but not authorized for disbursement. The total General Fund impact of a COLA is \$7,972.

McDonald stated that it is not easy to discuss this topic. He stated that the purchasing power of the dollar has decreased 20% over the last decade in addition to the cost of living increases. He stated that it is a difficult decision to make, to keep taxes low and pay employees their true worth. Mann stated that the COLA is 2.2% but the employees higher up on the pay scale receive a larger increase than employees who are lower on the pay scale. He stated that if the city would continue on this track it would price the employees out of the budget. McDonald stated that the employees have taken a setback in their salaries when the Council required them to pick up more of the cost of their health insurance. Mann stated that on the other hand the Council agreed to put \$700 into the HSA accounts for each employee which he said most businesses would not do. Hoese stated that is difficult to keep the city affordable to the taxpayers and justify raises for its employees. He stated that he was in favor of holding off on COLA for now.

Walters and Crowder favored giving employees the 2.2% COLA. Walters stated that his decision was based on employees not receiving a COLA since 2009 and didn't think it was fair for employees to go more than three years without an increase. He stated that the 2.2% COLA is far below the computer price index which the Federal Government deems as appropriate for a salary increase. He stated that it was good that the Council was able to show the taxpayers that they reduced the budget and still able to recognize its employees for their work. Crowder stated that the Council has been able to make reductions in the budget because of the suggestions from employees and from what was saved in the budget; the \$7,972 in COLA is a good payoff.

McDonald stated that he was really torn between giving dedicated employees raises when he hears of people who have difficulty in paying their bills because they have less money or are out of a job. Mann stated that if he had been on the personnel committee the COLA would not have come up for discussion. He stated that he doesn't think the employees are being short changed. He stated that he wondered if the employees' salaries were published would the public agree to the increases. He stated that he favored a merit pay system.

**HOESE MOVED, MANN SECONDED A MOTION TO NOT AUTHORIZE COST OF LIVING ADJUSTMENT INCREASES FOR 2012. MOTION PASSED 3-2 (CROWDER AND WALTERS VOTING NAY).**

A-3. Review and Approve 2012 Final Levy

Wallner presented information on the final levy. The proposed final levy for 2012 is \$1,733,677. This is a decrease of 4.67% from the preliminary levy in September. This is a 2.74% increase from the 2011 final levy.

**MANN MOVED, CROWDER SECONDED A MOTION TO ADOPT RESOLUTION 2011-12-13-2 ADOPTING THE 2012 LEVY OF \$1,733,677. MOTION CARRIED 5-0.**

A-4. Review and Approve 2012 EDA Levy

Wallner presented information on the 2012 EDA levy. Funds received through this levy will allow the Watertown EDA to seek economic development and redevelopment opportunities for the city.

**MANN MOVED, HOESE SECONDED A MOTION TO ADOPT RESOLUTION 2011-12-13-3 ADOPTING THE 2012 EDA LEVY OF \$46,798. MOTION CARRIED 5-0.**

6B. Discuss and Consider 2012 Fee Schedule

Wallner presented updates to the fee schedule to the Council. Major changes involved the building permit fees which were modified to conform to the building inspection services agreement with the City of Delano. Other major changes included an update to the utility rate study for a three percent increase in the usage rates for water and sewer.

Hoese asked if there would be a time when the rates would level out or decrease due to increase in housing. Wallner stated that with growth come increases in expenses.

**CROWDER MOVED, HOESE SECONDED A MOTION TO ADOPT ORDINANCE 363 ESTABLISHING A UNIFORM SYSTEM OF FEES, CHARGES, COSTS AND RATES FOR CITY LICENSES, PERMITS, APPLICATIONS, INFORMATION, SERVICES AND OTHER MATTERS. MOTION CARRIED 5-0.**

6C. Consider Decertifying TIF District No. 4

Wallner stated that the Council approved March 27, 2001 the creation of TIF Dist. No. 4 for collecting tax increment for nine years for the Riverbend Plaza project. According to the TIF plan, the required decertification by statute is Dec. 31, 2011. Wallner stated that the Council needs to adopt a resolution to decertify the district and the City Clerk needs to file all documents with the county and state.

**CROWDER MOVED, MANN SECONDED A MOTION TO ADOPT RESOLUTION 2011-12-13-4 DECERTIFYING TAX INCREMENT FINANCING DISTRICT NO. 4. MOTION CARRIED 5-0.**

6D. Review 709 Jefferson Avenue SW Site Plan

Paumen stated that the City received a site plan for 709 Jefferson Ave. SW (Hooked on Classics and West Star Dance Studio). The property owner has a prospective tenant for the middle bay of the building. The plan includes improvements to the site that meet the City Code. The city staff has proposed the concept of a phasing plan. City Code requires structures in industrial districts to incorporate a minimum of 30% brick, stone or similar material in the overall building design. The City has received a request for a waiver from the building design

standards City Code Section 52-213. The applicant has proposed to reside the building utilizing insurance proceeds. The Watertown Planning Commission reviewed the site plan and waiver request and voted unanimously to recommend that the Council approve the site plan and waiver request with conditions. The applicant stated at the Planning Commission meeting they plan to reside the building with steel vertical panels starting this winter. The colors would be Surrey Beige and the bottom three feet would be Charcoal. All of the improvements are to be completed by July 1, 2012. Upon receiving a Letter of Credit in a form satisfactory to the City and in an amount which is 125% of the estimated total cost of Site Plan improvements as approved by the City Engineer and the agreement signed, the building can be occupied.

**CROWDER MOVED, MANN SECONDED A MOTION TO ADOPT RESOLUTION 2011-12-13-5 APPROVING THE SITE PLAN, WAIVER REQUEST AND LETTER OF CREDIT (CONTINGENT UPON APPLICANT SECURING BIDS FOR EACH ITEM COVERED IN THE AGREEMENT) FOR 709 JEFFERSON AVENUE SOUTHWEST. MOTION CARRIED 5-0.**

6E. Review Waste Haulers RFP

Fischer stated that the City has a contract with Waste Management for exclusive rights to provide residential garbage service in the community. The contract was approved in 2009 after a competitive Request for Proposal process and is scheduled to expire Feb. 29, 2012. Prior to seeking new proposals, the city staff reviewed the current contract and noted adjustments for the next RFP requests. This would include language requiring weekly recycling pick-up and yard waste pick-up April through October. Staff recommends cancelling the city's service as of Feb. 29, 2012 with Waste Management, approving revised contract and authorizing Request for Proposals. Proposals will be reviewed by the Council Jan. 23, 2012.

**MCDONALD MOVED, CROWDER SECONDED A MOTION TO APPROVE THE LETTER CANCELLING THE CITY'S RESIDENTIAL WASTE HAULING SERVICE WITH WASTE MANAGEMENT AS OF FEBRUARY 29, 2012, APPROVING A REVISED WASTE HAULERS CONTRACT AND AUTHORIZING THE REQUEST FOR PROPOSALS. MOTION CARRIED 5-0.**

7. **COMMITTEE REPORT**

- A. Walters stated that the Park Commission has recommended that 14 informational signs, with current park and recreational facilities listed, be placed in city parks and on city trails.
- B. Crowder stated that the Planning Commission was busy with the site plan for 709 Jefferson Ave SW and dealing with terms for members. There is currently an opening on the Planning Commission.

8. **CONSULTANTS' REPORT**

- A. City Engineer
  - 1. Projects Update
  - 2. Carver County pay request for Hwy. 25 project

**WALTERS MOVED, HOESE SECONDED A MOTION TO APPROVE REQUEST PAYMENT FROM CARVER COUNTY FOR \$150,454.89 FOR COUNTY ROAD 10 AND HWY. 25 PROJECT. MOTION CARRIED 5-0.**

- 3. Wm. Mueller & Sons Pay Request No. 7 for Downtown Redevelopment Project

**MANN MOVED, WALTERS SECONDED A MOTION TO APPROVE PAY REQUEST NO. 7 FROM WM. MUELLER & SONS FOR \$6,036.80 FOR WORK COMPLETED ON DOWNTOWN REDEVELOPMENT PROJECT. MOTION CARRIED 5-0.**

4. Chard Tiling and Excavation Pay Request No. 10 for Co. Rd. 20 Project

**HOESE MOVED, CROWDER SECONDED A MOTION TO APPROVE PAY REQUEST NO. 10 FROM CHARD TILING AND EXCAVATION FOR WORK COMPLETED ON COUNTY ROAD 20 PROJECT. MOTION CARRIED 5-0.**

**9. MAYOR'S REPORT**

McDonald gave a report on the surgery he had December 2 after being diagnosed with Stage 4 Metastatic Melanoma. He stated that he is regaining his strength and was pleased with the results of his recovery so far. He stated that he was very pleased with the prayers, cards and calls he received from everyone.

**10. COUNCIL MEMBERS' REPORT**

**11. STAFF REPORTS**

D. Finance Director

1. Approve Claims Roster/Voucher List

**CROWDER MOVED, HOESE SECONDED A MOTION TO APPROVE THE CLAIMS ROSTER/VOUCHER LIST. MOTION CARRIED 5-0.**

2. Approve Second Half Claims

**MCDONALD MOVED, CROWDER SECONDED A MOTION TO AUTHORIZE THE FINANCE DIRECTOR TO PAY THE SECOND HALF DECEMBER 2011 CLAIMS ON DECEMBER 28, 2011 AFTER HAVING PROVIDED THE COUNCIL WITH A CLAIMS ROSTER ON DECEMBER 21, 2011. MOTION CARRIED 5-0.**

**12. ADJOURNMENT**

**THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 8:28 PM.**

**ATTEST:**

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Steven Wallner  
Clerk-Treasurer

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K.J. McDonald  
Mayor