

**MINUTES OF THE
WATERTOWN CITY COUNCIL
Regular Meeting Tuesday, December 14, 2010**

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, on **Tuesday, December 14, 2010** by Mayor K. J. McDonald at 6:30 PM in the Watertown City Hall Council Chambers.

Upon roll call the following Council Members were present: McDonald, Dan Geiger, Earline King, Steve Duske and Rick Mann.

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

Also present were: Charlotte Johnson, Holly Weiss, Stephen Crowder, Michael Walters and Frank Speedling.

2. ADOPT AGENDA

Fischer asked to have Item 6F (Sheriff Office Scheduling Report) put at the end of the agenda and add Item 11a (Downtown Project update) to the agenda.

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

3. REVIEW OF CONSENT AGENDA

- A. Motion to authorize advertisement for Park Commission vacancies
- B. Motion to review Tuscany Village report
- C. Motion to review EDA minutes from November 18, 2010
- D. Motion to approve hiring warming house attendants
- E. Motion to approve Swimming Pool Ordinance 354
- F. Motion to approve Fence Ordinance 355
- G. Motion to approve park naming policy
- H. Motion to approve pay request for Hoff, Barry & Kozar
- I. Motion to approve pay request for Melchert, Hubert and Sjodin
- J. Motion to approve pay request for MK Land Corporation
- K. Motion to approve pay request for MNSPECT
- L. Motion to approve Sommerfeld liquor license request
- M. Motion to approve Regional Safety Group agreement
- N. Motion to authorize claims for the second half of December
- O. Motion to approve regular meeting minutes from November 23, 2010

Duske asked to have Item 3G pulled for discussion.

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

4. OPEN FORUM

5. **CELEBRATE WATERTOWN**

- A. McDonald stated that the Christmas tree lighting ceremony was well attended.
- B. Fischer thanked the Public Works staff for their excellent job of removing snow after the huge storm that hit the area over the weekend.

6. **NEW/OLD BUSINESS**

- A. Public hearing on General Fund Budget

McDonald recessed the council meeting and opened the public hearing at 6:37 p.m.

Wallner did a presentation on the budget. The proposed 2011 budget has revenues and expenditures of \$1,668,399 which is 1.53% lower than the 2010 general fund budget of \$1,694,286.

During the public hearing, Duske went to the podium as a resident and stated that he and his mother-in-law had increases in their taxes and that the city was the only government agency with an increase in the tax rate. He asked the council to look into ways to further reduce the budget for 2011. Wallner gave examples of commercial and residential properties that had decreases for 2011. McDonald asked Wallner why some properties will see increases and others decreases in their taxes. Wallner stated that it depends on how much their property value decreased. McDonald read an article from the Sunday Tribune that stated Watertown was the only city in Carver County where overall taxes were decreasing.

McDonald closed the public hearing at 6:54 p.m. and reopened the council meeting

Mann stated that even though the city has made reductions in the budget, services have not been sacrificed. He stated that he was in favor of a tight budget with accountability for spending. Geiger stated that the city is doing well at operating with less money and the Council stepped up to make cuts that were needed.

- B. Consider 2011 General Fund Budget

Duske gave a personal historical report of what took place at the workshop meetings leading up to the budget hearing. He stated that he was against the tax rate being 46% and would like it to be closer to 44%. He recommended that the Council reduce the budget by \$7,000 for proposed work on 30th Street and \$9,805 for contingencies in the general reserve fund. He stated that he had never seen a line item to increase the general reserve fund. Mann stated that there shouldn't be step increases or COLAs for staff in the budget. Geiger stated that he would hate to see the budget reduced any further. McDonald stated that he didn't see any need for further reductions in the budget. He added that even if money is budgeted, it doesn't mean it has to be spent.

MCDONALD MOVED, MANN SECONDED A MOTION TO ADOPT RESOLUTION 2010-12-14-1, ACCEPTING THE GENERAL FUND BUDGET AS PRESENTED WITH REVENUES AND EXPENDITURES OF \$1,668,399.

DUSKE OFFERED AN AMENDMENT TO REDUCE THE GENERAL FUND BUDGET BY \$7,000 FOR ROAD WORK ON 30TH STREET AND \$9,805 FOR CONTINGENCIES. THE MOTION DIED FOR A LACK OF A SECOND.

THE ORIGINAL MOTION CARRIED 4-1 WITH DUSKE VOTING NAY.

C. Consider 2011 General Levy

The proposed general levy is \$1,687,396, including \$1,196,228 for general fund levy, \$92,169 for market value debt levy and \$398,999 for debt service levy.

MANN MOVED, KING SECONDED A MOTION TO ADOPT RESOLUTION 2010-12-14-2, SETTING THE 2011 TAX LEVY OF \$1,687,396. MOTION CARRIED 4-1 WITH DUSKE VOTING NAY.

D. Consider 2011 EDA Levy

The proposed 2011 EDA levy is \$50,998. This will allow the EDA to seek economic development and redevelopment opportunities for the city.

GEIGER MOVED, MANN SECONDED A MOTION TO ADOPT RESOLUTION 2010-12-14-3, SETTING THE 2011 EDA LEVY AT \$50,998. MOTION CARRIED 5-0.

E. Discuss Permit Incentive Program

Foust presented the information on the building permit incentive program that was approved by the Council in May 2009 for 10 city lots. All 10 permits have been issued under the program. At the Council meeting in November, builder Frank Speedling requested that the Council consider extending the program. Staff recommended that the Council not extend the program and wait until the utility rate study is complete and assess the city's ability to provide an incentive at that time.

Speedling spoke to the Council at this meeting, asking for an extension of the program to cover the model home he is building in Forest Hills. Duske stated that he would rather have the new council re-examine the program after the utility rate study is complete. Geiger agreed with Duske. McDonald stated that if the Council approved one more permit under the program, he didn't see where it would adversely affect or change the utility rate study. Duske stated that he worried about the next person who would come along and want the same incentive. Fischer stated that the city would have fewer funds available in the water and sewer funds.

MCDONALD MOVED, KING SECONDED A MOTION TO ALLOW ONE MORE PERMIT UNDER THE BUILDING PERMIT INCENTIVE PROGRAM. MOTION FAILED 2-3 WITH MCDONALD AND KING VOTING AYE AND MANN, DUSKE AND GEIGER VOTING NAY.

7. **COMMITTEE REPORT**

A. Mann and Fischer gave an update on the EDA meeting

8. **CONSULTANTS' REPORT**

A. City Engineer

1. Projects Update

- a. Final pay request Wm. Mueller & Sons for Hwy. 25 project

DUSKE MOVED, MANN SECONDED A MOTION TO APPROVE PAY REQUEST NO. SIX FROM WM. MUELLER & SONS FOR WORK COMPLETED ON THE HIGHWAY 25 PROJECT IN THE AMOUNT OF \$4,386.71. MOTION CARRIED 5-0.

- b. Pay Request No. 6 from Chard Tiling & Excavating for work completed on Co. Rd. 20 project in the amount of \$112,969.68.

GEIGER MOVED, KING SECONDED A MOTION TO APPROVE PAY REQUEST NO. SIX FROM CHARD TILING & EXCAVATING FOR WORK COMPLETED ON THE COUNTY ROAD 20 PROJECT IN THE AMOUNT OF \$112,969.68. MOTION CARRIED 5-0.

2. Pay Request from Bolton & Menk, Inc.

GEIGER MOVED, KING SECONDED A MOTION TO APPROVE THE PAY REQUEST FROM CITY ENGINEERING FIRM BOLTON & MENK, INC. MOTION CARRIED 5-0.

9. MAYOR'S REPORT

McDonald presented a poinsettia to Steve Duske on behalf of the city and council for his 10 years of service to the city and military service during the Vietnam War.

10. COUNCIL MEMBERS' REPORTS

- A. King reported on the Commission on Aging meeting she attended. She stated that the free dinner for seniors was well attended.
- B. Duske thanked all council members, city staff and citizens for their help during his 10 years on the Council.

11. STAFF REPORTS

A. City Administrator

1. Fischer gave an update on the downtown redevelopment project.

- a. Joint Powers agreement

MCDONALD MOVED, MANN SECONDED A MOTION TO AUTHORIZE STAFF TO FINALIZE LANGUAGE IN THE JOINT POWERS AGREEMENT AND EXECUTE DOCUMENT WITH THE DNR. MOTION CARRIED 5-0.

- b. Land swap with DNR

DUSKE MOVED, MANN SECONDED A MOTION TO AUTHORIZE STAFF TO PROPOSE LAND SWAP WITH DNR AS PRESENTED. MOTION CARRIED 5-0.

- D. Finance Director

- 1. Approve Claims Roster/Voucher List

DUSKE MOVED, MANN SECONDED A MOTION TO APPROVE THE CLAIMS ROSTER/VOUCHER LIST. MOTION CARRIED 5-0.

- E. Office of the Sheriff

MANN MOVED, GEIGER SECONDED A MOTION TO RECESS THE COUNCIL MEETING AND ENTER INTO EXECUTIVE SESSION TO DISCUSS THE SHERIFF'S OFFICE SCHEDULING REQUEST. MOTION CARRIED 5-0.

DUSKE MOVED, KING SECONDED A MOTION TO CLOSE THE EXECUTIVE SESSION AND REOPEN THE COUNCIL MEETING. MOTION CARRIED 5-0.

GEIGER MOVED, MANN SECONDED A MOTION TO REJECT THE SCHEDULING REQUEST FROM THE CARVER COUNTY SHERIFF'S OFFICE. MOTION CARRIED 5-0.

12. ADJOURNMENT

THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 8:45 PM.

ATTEST:

Steven Wallner
Clerk-Treasurer

K.J. McDonald
Mayor