

**Clearwater City Council
Regular Council Meeting Minutes
Clearwater City Council Chamber
May 2, 2016**

CALL TO ORDER

Mayor Edmonson called the regular council meeting of May 2, 2016 to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Everyone joined in the pledge of allegiance.

ROLL CALL

- Present: Mayor Edmonson, Council Members Crandall, Ritzer, and Lange.
- Absent: Member Ranum.
- Staff present: Administrator Kress.
- Public Present: Vern Scott, Dan Niehoff, Jim Lanes, Wendy Lemke, Dennis Lozinski, Molly Wiemann, Sarah Tasa, and Betty Moffitt.
- Others Present: Kevin Bittner – Bolton-Menk, Deputy Becker – Wright County Sheriff’s Office, and Ken Francis – Citizen-Tribune.

A quorum was declared present.

APPROVAL OF AGENDA

**MOTION by Crandall, seconded by Ritzer, to approve the agenda with the addition of “Consent Agenda” item h. Discussion on Resolution 2016-18 On-Sale Liquor.
Motion carried unanimously.**

PUBLIC COMMENT

None.

CONSENT AGENDA

MOTION by Lange, seconded by Crandall, to approve the following Consent Agenda items:

- a. Claims/Accounts Payable
- b. Approval of 4-04-16 Regular City Council Meeting Minutes
- c. Approval of 4-18-16 Local Board of Appeals and Equalization Minutes
- d. Approval of Field Lease Agreement with St. Cloud Rugby
- e. Approval of Resolution 2016-16 Approving Step Wage Increase Mike Flynn
- f. Approval of Resolution 2016-17 Approving Step Wage Increase Jack Helget
- g. Approval of Change from Local Board of Appeal and Equalization to Open Book
- h. Approval of Resolution 2016-18 Temporary On-Sale Liquor License for Clearwater Lions

Motion carried unanimously.

WRIGHT COUNTY SHERIFF DEPUTY REPORT

Deputy Becker addressed the Council on criminal activity within the City. Becker reported numerous tickets for distracted driving. Becker cautioned that with warmer weather there may be increased criminal activity.

OLD BUSINESS

- a. Discussion on Water and Sewer Rates

Mayor Edmonson addressed the Council on the possibility to extend the current Public Facility Authority (PFA) loan an extra 10 years. Edmonson also presented some materials from the yearly audit that showed the City could potentially use some reserve funds in attempt to lower the City's annual debt payment requirements. Residents Weimann and Tasa expressed their concerns about how high their water and sewer bills were. They encouraged the Council to find a solution to lower the utility rates. Kress gave an overview of the Council Action Request that was in the Council packet. Kress explained that refinancing may be justified if the City cannot comfortably pay the annual debt service payments without creating too much stress on the sewer rate structure. In this case, the PFA loans could be refinanced to extend the debt payments out another 5 or 10-years beyond the current final maturity date of 8-1-27. The "new" debt may have lower annual debt payments, but at a higher interest rate than either 2.08% or 1.70%. Mr. Kress stated that the PFA does not typically allow borrowers the option to extend/restructure their existing loans. But, in rare circumstances, when a City comes to them and tells them they will likely default on their future payments, they may take a look at restructuring the existing loan(s). Kress added that the borrower (City) must send the PFA an official letter requesting the restructuring along with the reason for the request and the proposed remedy. The PFA will then run some calculations to see if it is even possible to extend the loan (must financially qualify for 30 years using MHI, number of users, costs, etc.). If the City does qualify, then the City will need to work with their financial advisor to come up with cash flows to justify how having a 30 year loan will remedy the situation. The City then makes a presentation to the PFA board members who will accept or reject the restructuring request. The Bond Counsel will also need to get involved to draft up the new bond documents and to cancel /revise the old ones. The process typically takes around 6-9 months to get things done. Restructuring usually results in a higher interest rate on the new loan so something to think about. Mr. Kress stated that if the Council feels restructuring the existing loans is the only way to alleviate the cash flow deficits, then restructuring may be a worthy solution. Refinancing does not guarantee that the rates will be lower, the PFA will require our fees be enough to satisfy the loan requirements.

b. Discussion on Lions Club and Food Shelf Agreements

The Council briefly reviewed the sample Lions Club and Food Shelf agreements that were included in the Council packet. Mayor Edmonson informed the Council that the Lions Club and Food Shelf were in agreement that a lease was desired. Mr. Kress was asked to follow up with the two organizations to develop a final lease document for the Lions building.

NEW BUSINESS

a. Discussion on Domestic Partnership Ordinance (agenda request)

Wendy Lemke addressed the Council in regards to developing a Domestic Partnership Ordinance. Lemke explained that there is about 20 cities in Minnesota that currently have an ordinance for domestic partnership. A domestic partnership ordinance allows for a couple who qualifies as a domestic partnership to register with their local municipality. In return the applicant receive a certificate stating they meet the requirements. The couple can then present the document to their employer in an attempt to receive health care benefits, as the employer is not required to supply benefits to persons in a domestic partnership. Mr. Kress stated that an ordinance could be drafted and reviewed by the City Attorney. Following the review the City's fee schedule would need to be amended.

MOTION by Ritzer, seconded by Crandall, to have city staff create a domestic partnership ordinance and review by the city attorney.

Motion carried unanimously.

b. Discussion on Waiving Fees for Lunch Bunch at Lions Pavilion (agenda request)

Jim Lanes addressed the Council for the consideration of the "Lunch Bunch" event. The event is a free lunch for area kids. Mr. Lanes added that there were discussions about partnering with the food shelf

team. Mr. Lanes requested that the rental fee of \$50/\$100 deposit be waived to allow for charitable event to take place. Lanes added that Lunch Bunch events are expected to take place in June, July, and August. Mr. Kress stated the following terms should be met to satisfy the public purpose expenditure requirement:

- (1) It benefits the community as a whole;
- (2) It is directly related to function of government;
- (3) It does not have as its primary objective the benefit of a private interest.

Kress added that whether something constitutes a “public purpose” is subject to interpretation and that Council would have to make that judgement. Kress stated he didn’t recommend waiving the damage deposit as it is reimbursable.

MOTION by Lange, seconded by Crandall, to waive the rental fees only, and require the \$100 damage deposit for Lunch Bunch events.

Motion carried unanimously.

c. Discussion on Waiving Fees for Kayleen Larson Legacy Foundation

Council briefly reviewed the request for waiving fees and purchasing 3 porta potties from the Kayleen Legacy Foundation included in the Council packet.

MOTION by Lange, seconded by Crandall, to waive the sign and event fees only, and require damage deposit of \$100 if applicable for Kayleen Legacy Foundation events.

Motion carried unanimously.

d. Discussion and Update on North Area Street and Utility Project

Mr. Bittner addressed the Council regarding the North Area Street and Utility Project. Bittner informed the Council that he had met with the project contractor as well as the Mayor and City Administrator regarding the knock-down curb issue. A letter was hand delivered requesting residents to choose whether or not a knock-down curb was desirable. Bittner explained that of the 106 driveways in the project area 42 requests had been made to receive knock-down curb. Bittner added that the 42 did not include driveway entrances that required repair. Bittner proposed that the City cover \$18-\$20,000 of the work if the Council desired to allow for driveway entrances to be replaced with the knock-down option. The remaining bills would be handled by Bolton and Menk and the contractor. Council was in favor of allowing for residents that requested the knock-down option to receive the desired option. Bittner was advised to draft a letter requiring residents to opt-in or opt-out of the knock-down curb option. Council also asked that the letter require a signature confirming the resident’s choice.

e. Discussion on Annexation

Kendra Lindahl was present to walk the Council through a discussion on annexation. Lindahl advised the Council that they should revise the agreement with Clearwater Township. Mayor Edmonson and Administrator Kress will work with the township to start a preliminary discussion about revising the agreement. Lindahl asked the Council if they would be interested in developing a comprehensive utility plan to determine what upgrades are required to facilitate annexation. Council was in agreement that a utility plan would be beneficial for long term planning. Engineer Bittner was asked to prepare a bid for completing a comprehensive utility plan. The plan will lay out what is required for waste water treatment, water distribution and other infrastructure costs.

REPORTS

- a. **Mayor and Council** – Mayor Edmonson informed the Council that the bond request for sewer upgrades was added to the legislature and will need to pass through the house.

Edmonson handed out a Clearwater Business Connections invite to staff and Council for an upcoming event. Edmonson and Ritzer asked Administrator Kress to discuss curb side pickup with the garbage hauler as an option to discontinue Clean-Up Day.

b. **Boards** – There was a brief discussion regarding the Parks Commission. The Park Commission submitted a document requesting changes to the Park Ordinance that was included in the Council packet. The Park Commission is working on developing a comprehensive list of wanted and needed upgrades to City parks. Council was in favor of exploring the installation of a playground system in Eldorado Park.

c. **Staff** – Kress presented his staff report to Council that was included in the Council packet.

7. **Other** – Mayor Edmonson informed the Council he would be sending thank you cards out to those who helped with Clean-Up Day.

a. **Next Meeting – Monday, May 16th, 2016**

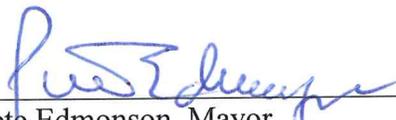
ADJOURN:

MOTION by Ritzer, seconded by Lange, to adjourn the council meeting, at 9:08 p.m.

Motion carried unanimously.



Kevin Kress, City Administrator



Pete Edmonson, Mayor

5-16-2016
Date Approved