

**Clearwater City Council
Regular Council Meeting Minutes
Clearwater City Council Chamber
June 1, 2015**

CALL TO ORDER

Mayor Edmonson called the regular council meeting of June 1, 2015 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, Lange, and Ranum.
 - Absent: Member Ritzer
 - Staff present: Administrator Kress
 - Public Present: Vern Scott, James Theisen – Flinstones Lounge, Dan Niehoff, Maria Sizer, William Schindele – American Legion Riders
 - Others Present: Justin Wilmes of the Wright County Sheriff's Department, Kevin Bittner – Bolton-Menk, Zack Lingl – Bolton-Menk, and Ken Francis – Clearwater Tribune
- A quorum was declared present.

APPROVAL OF AGENDA

**MOTION by Crandall, seconded by Lange, to approve the agenda as submitted.
Motion carried unanimously.**

PUBLIC COMMENT

James Theisen was present to let Council know a motorcycle run will be taking place on Sunday, June 7th.

CONSENT AGENDA

ITEMS “e, f, g, h, and i” WERE PULLED FROM THE CONSENT AGENDA.

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

Claims/Accounts Payable

Approval of 5-4-15 Local Board of Appeals and Equalization Minutes

Approval of 5-4-15 Regular City Council Meeting Minutes

Approval of 5-18-15 City Council Committee's Work Session Minutes

Resolution 2015-28 Authorization to Accept Otto Bremer Foundation Grant

Motion carried unanimously.

Kress gave an overview of the step increase program and the wage increases as noted in the Resolutions. Kress explained he was recommending a \$50 per month cell phone stipend for the Deputy Clerk for use of her personal cell phone.

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

Resolution 2015-24 Approve Step Increase for John Schmidt

Resolution 2015-25 Approve Step Increase for Deb Petty

Resolution 2015-26 Approve Step Increase for James Kirchenbauer

Resolution 2015-27 Approve Step Increase for Duane Christianson

Approval of Cell Phone allowance for Deb Petty, Deputy Clerk

Motion carried unanimously.

WRIGHT COUNTY SHERIFF DEPUTY REPORT

Deputy Wilmes was present to give an overview of criminal activity in the City. There was also a written report that was distributed to Council members. Wilmes noted that residents should remember to lock garage and car doors. Member Lange thanked the Deputy for his report. Lange questioned the National Night Out procedure. Other Council members confirmed that this process was already taking place. Wilmes will follow up with staff on the process for National Night Out.

OLD BUSINESS

a. Discussion on New Loader for Public Works

Kress opened the discussion in regards to whether or not this item was budgeted for. Kress informed the Council that the investments have not been earmarked for any purchases in years prior. Ms. Holthaus informed the Council that the City has adequate reserves for Capital purchases. Holthaus suggested updating the Capital Improvement Plan to outline what the priorities are. Supervisor Schmidt presented the proposed purchase of a loader for \$141,020. Kress questioned whether the money would be funded from reserves or from investments. The loader would arrive approximately September of this year.

MOTION by Ranum, seconded by Lange, to approve the purchase of the new loader for \$141,020.00 per the specifications from Ziegler Inc.

Motion carried unanimously.

b. Discussion on Growth Incentive Program

Mayor Edmonson recused himself from the discussion and sat in the crowd to speak as a resident on the matter. Edmonson asked that Member Crandall initiate the conversion as Acting Mayor Ritzer was absent. Crandall opened the floor for discussion. Kress gave an overview that the staff's interpretation was that the program was designed to cover WAC/SAC charges and the cost of the 2nd water meter up to \$10,000.00. Kress also noted past minutes and meetings as presented in the Council packet. Edmonson asked that he be able to speak on the issue. Edmonson gave background on the program and how it was intended to function. It was also noted that in January of 2015 the Council passed this motion, "Authorizing the Growth Incentive Program (GIP) for 2015; Subsidizing \$10,000/New Housing Unit in SAC, WAC and Other City Fees for the First Three Housing Units Constructed in the City in 2015" as part of the Consent Agenda. Edmonson's interpretation was that the WAC/SAC, second meter and other fees up to \$10,000.00 would be covered by the City. It was noted that if the charges didn't reach \$10,000.00 that the City would not be reimbursing for any monies left over. Member Lange and Crandall were in consensus with Edmonson. Member Ranum's interpretation was that the WAC/SAC and second meter was what the program was intended for. There was a brief discussion on going back to prior years to reimburse applicants for other fees. Attorney Brown stated that the City can do as they please in regards to the program. Brown noted that the City may get into a legal situation based on the facts that were presented. He informed the Council they should clarify what is being covered from year to year. Kress questioned if \$30,000.00 was budgeted to cover these expenses. Council confirmed that that was indeed the case.

MOTION by Lange, seconded by Crandall, to approve the Growth Incentive Program for the first 3 homes up to \$10,000.00 including other City fees and be retroactive to 2014.

Motion carried 2-1 (Ranum – Nay).

- c. Discussion on Administrators Contract and Addendums – *This item was combined with item "e" (Discussion on City benefits) found under New Business. The discussion is below.**

Mr. Kress provided a summary on how to amend the employee handbook in regards to PTO. Kress mentioned that adding Vision and Dental coverage to the City's health plan would be beneficial for employee recruitment and retention. There was also a brief discussion on establishing a Health Reimbursement Account to supplement the health insurance provided. This would mean allocating a certain dollar amount for the City's employees on a use-it or lose-it basis from year to year. There was a discussion on establishing a Health Savings Account. Kress then discussed the percentage that the City covers for its employee's Family coverage. The City currently covers 0% for its employee's Family coverage. An excel spreadsheet was presented to show comparisons of other cities of similar size. Members discussed what the budget impact would be to year end based on current staffing. The impact ranged from \$5,000 up to \$30,000 depending on who decided to join the plan and their age. There was a brief discussion on covering a higher percent. The discussion then transitioned into the Administrator Contract and Addendums. Council discussed paralleling Section 2.2 and 2.3 of the contract with the Employee manual. Kress urged the Council to change the percentage for family coverage based on the discussion and the proposed impact of \$15,000 to year end. It was also noted that the City has been behind the mark in comparison to other City's that provide family coverage. Council asked that staff research the budget impact, discuss with staff and report back to Council who would participate. Addendum A of the contract was amended to eliminate the Automobile allowance. It was also requested to have section 3 of Addendum A to parallel the Employee Handbook.

MOTION by Crandall, seconded by Ranum, to change the PTO schedule for Full-Time employees in the Employee Handbook.

<u>Years of Service</u>	<u>PTO Accrual Rate Per Year</u>	<u>Maximum Accrual Per Year</u>
0 – 90	40 hours	40 hours
91 days – 1 year	80 hours	120 hours
1 year up to 2 years	120 hours	200 hours
2 - 5 years	160 hours	240 hours
6-10 years	200 hours	240 hours
11 + years	240 hours	240 hours

Motion carried unanimously.

MOTION by Ranum, seconded by Crandall, to change the PTO schedule for Part-Time employees in the Employee Handbook.

<u>Years of Service</u>	<u>Vacation Accrual Rate Per Year</u>	<u>Maximum Accrual Per Year</u>
0 – 89 Days	0 hours	0 hours
90 Days to 1 Year and Beyond	32 hours accrued at 90 Days thereafter, average Hours worked in a week based on the past 26 pay periods, as recalculated each 26 pay period cycle	32 hours

Motion carried 3-1 (Lange – Nay)

MOTION by Lange, seconded by Crandall, to move into a contract with the City Administrator with the specifics to be determined by Council.

Motion carried 3-1 (Edmonson – Nay)

**MOTION by Lange, seconded by Crandall, to review the Administrator Contract and Addendums to be approved at the next Council meeting.
Motion carried unanimously.**

NEW BUSINESS

a. Discussion on waiving fees for the American Legion Riders (agenda request)

William Schindele was present to discuss the City refunding the Special Event the American Legion Riders held on May 9th and waiving 4 Special Event fees per year moving forward. He informed the Council that the American Legion Riders is a 501c3 Nonprofit. Edmonson questioned what the criterion is for the City waiving fees. Kress directed the Council that it was the Council's decision on who and what fees would be waived. Attorney Brown informed the Council of the differences between a Nonprofit and a 501c3. Brown noted that a 501c3 is tax exempt whereas, a Nonprofit may not be tax exempt. Edmonson questioned why fees are being charged if there is no financial impact on the City.

**MOTION by Lange, seconded by Crandall, to refund \$25 to the American Legion Riders for the Special Event that took place on May 9th.
Motion carried unanimously.**

b. Discussion and update on North Area Street and Utility Project

Mr. Bittner noted that the project is running ahead of schedule. Mr. Kress noted that there are concerns with elevation for some of the driveways that have been installed. Mr. Kress and Supervisor Schmidt will be meeting with City Engineer Cody Holmes in the morning to address the issues. Kress also noted that there was an issue with a tree owned by Mr. Dan Niehoff. Bittner noted that the driveways had to be retrofit as they were existing homes. Kress also asked that the street width on Lower Bluff be extended to 16' 8" gutter-to-gutter to allow for City plows to navigate. Project Inspector Lingl informed the Council that the contractor was concerned for the safety of its workers in regards to several trees on Mr. Niehoff's property. The contractor would like to remove several trees to complete the work near Mr. Niehoff's property. Mr. Niehoff noted that he does not have an issue with the trees being removed but would like to be compensated for doing so. Council members were in favor of replacing the trees. Members questioned what happened in the past in regards to replacing trees both private and city-owned trees. There was a brief discussion on what is going to be done with the trees that are located in Eldorado Park. Council consensus was that the trees required removal for safety concerns. Members questioned how residents were compensated in the past and if there were more private trees that require removal. There was also some discussion on if a tree would be warrantied and for how long. Council will discuss replacing trees at the next Council meeting. Lange questioned if the city will reimbursed for fire calls in relation to the project. Mr. Lingl informed the Council that he believes the contractor is responsible for satisfying those payments. Mayor Edmonson informed the Council that the contractor and Fire Department are working together to square away the payments. Supervisor Schmidt asked that North Walnut Street be decreased from 30" to 26" wide which is standard width. Ranum asked that there be better communication to residents. Lingl said he would work with the contractor to resolve the issue. Bittner said he would emphasize the need for communication at the next construction meeting. Maria Sizer addressed the Council about her water bill. Ms. Sizer would like to have the stump grinded on the City easement located near her property. Staff will follow up with Ms. Sizer.

**MOTION by Crandall, seconded by Ranum, to approve narrowing North Walnut Street to 26' wide and Lower Bluff Street to 16' 8".
Motion carried unanimously.**

c. Quarterly financial presentation by AEM Financial Solutions

Ms. Holthaus from AEM gave a presentation on the City's 1st Quarter report. Holthaus informed the Council that they have significant reserves available for investment. Holthaus emphasized the need for a Capital Improvement fund and policy update. A copy of the quarterly report can be obtained at the City Hall. Mr. Kress will work with Ms. Holthaus on investing city funds and updating the Capital Improvement Plan. Council agreed to have a Workshop session on Monday, June 15th at 6:00 p.m. with Ms. Holthaus in attendance.

d. Discussion on abandoned cars in the City (Requested by Council Member Lange)

Member Lange presented information about other Cities that have a problem with abandoned cars. Sauk Rapids has established a property maintenance code in an attempt to clean up their city. Lange noted that there are several vehicles that are currently abandoned in the City of Clearwater. Lange would like an ordinance that addresses property maintenance requirements. When a complaint is received on an abandoned vehicle Mr. Schmidt investigates the vehicle and Deb Petty follows up with a letter of non-compliance. Kress informed the Council that the process is different for private and public property. Council looked for clarification on the process for abandoned vehicles on public and private property. Council asked Mr. Brown what the process would be for vehicles on private property. Mr. Brown explained he would have to research the issue in regards to private property. Brown suggested researching the League of Minnesota Cities and contacting other cities to see what they do.

e. Discussion on City benefits – *This item was combined with item “c” (Discussion on Administrators Contract and Addendums) found under Old Business.

REPORTS

a. Mayor and Council – NONE.

b. Boards – NONE.

c. Staff -- There was a brief discussion in regards to Ms. Petty's staff memo on the Bloody Mary Law in effect in Minnesota. Council consensus was to follow State Statute as outlined in the current ordinance. Kress mentioned that a resident was interested in providing free tennis lessons. Attorney Brown suggested obtaining a release document from the resident removing the City from any liability. Council agreed to have staff research getting a release document and once obtained the lessons could take place. Kress asked Council to attend the Annual Clerks Conference from June 24-26th in Duluth. Supervisor Schmidt informed the Council that he would like to advertise for a Public Works employee. Kress mentioned that if there was someone who interviewed prior that was well qualified the City would not have to advertise per the League of Minnesota Cities.

MOTION by Crandall, seconded by Lange, to allow the City Administrator to attend the Annual Clerks Conference in Duluth at a cost not to exceed \$700.00.

Motion carried unanimously.

MOTION by Crandall, seconded by Ranum, to review past applicants for the Public Works position and advertise as needed.

Motion carried unanimously.

2. Other

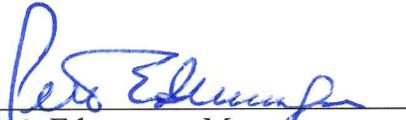
a. Next Meeting – Monday, June 15, 2015

ADJOURN

**MOTION by Ranum, seconded by Lange, to adjourn the council meeting, at 9:33 p.m.
Motion Carried unanimously.**



Kevin Kress, City Administrator



Pete Edmonson, Mayor

6-15-15
Date Approved