

CLEARWATER CITY COUNCIL MEETING MINUTES
REGULAR CITY COUNCIL MEETING
APRIL 13, 2020

1. Call to Order: 7:00 p.m. via Zoom Web Conference

- Mayor Lawrence called the Clearwater City Council to order Monday, April 13, 2020 at 7:00 p.m. via Zoom Web Conference. Members present were Mayor Lawrence, Council Members Petty, Scott, Crandall, and Kruchten. Also present were members of the Public, Staff and Press.

2. Approval of Agenda

- Staff requested two changes to agenda: 1) pull Public Forum item 3.a. as the requestor is unable to attend the meeting and 2) change claims amount to \$215,384.48, as there is a Fire Department item that needs to be removed (paid by Fire Relief), and additional claims paid with the addition of the EFT batch.
- **MOTION** by Crandall to approve the agenda with the two requested changes, seconded by Petty, all voted aye. **MOTION CARRIED.**

Mayor Lawrence skipped down to the Sheriff's Report so Deputy Linn would not have to wait.

3. Public Forum

a. Election Judge Pay – Donna Mae Heaton

- Pulled from agenda.

b. 2019 City Audit Review

- Christopher Hall from the city's auditing firm Bergan KDV gave an overview of the 2019 audit report. There were some questions from Member Petty. In response to these, Hall explained that the city's Library Fund is not considered a Fiduciary Fund under new accounting standards, so it is being absorbed into the city's General Fund with its own department code. The debt service for the sewer fund is not shown as an expense on our financial statements, as these payments reduce the recorded debt on our accrual statements. However, this payment can be seen in the actual cash statements. Regarding the audit finding on segregation of accounting duties, we will likely always have this finding. The city would need to add 3-4 accounting staff to be able to sufficiently segregate accounting duties to eliminate this finding. For cities our size, the costs for the additional staff are simply not feasible. Our best practice is to segregate as much as we can and to have as many layers of oversight as we can.

c. City Engineer Memo – Spring Street

- Engineer Kannas summarized the update in the newsletter related to the SE Area Street Project, which has been sent out to residents. There are still some punch list items to be completed this spring and the city has retainage to cover those costs.
- In response to complaints this spring about standing water, Kannas is working with Public Works to see if there are specific areas of concern. After ice came out of the ground this spring, most areas of standing water had drained. They will revisit the area after rain events. If there is still standing water a couple of days after rain events, they will look at specific problem areas to see what other mitigation might help address those issues.

- He also noted that this neighborhood does not have a storm sewer system. The council opted not to add storm sewer in this area due to costs. He suggested that to add storm sewer along with the necessary downstream infrastructure could cost an estimated \$500,000. Council Member Kruchten questioned this amount, as he recalled the Council being given a number closer to \$200,000 during the original project discussion. Kannas explained that the \$500,00 is an estimate based on other similar projects. To give a better estimate, he would need to conduct additional measurements and analysis, which the council has not yet asked for. He was unsure about the amount given by the previous engineer but stated it likely did not include the downstream connections, but just the piping for this neighborhood. There was additional discussion among members about the costs of the project, but the overall consensus was that the council and residents that were present during the initial discussion were in agreement that the cost to add storm sewer to the project were more than they wanted to spend at the time.
- Kannas stated that residents who continue to have issues should contact him or Public Works Supervisor Schmidt, and they will work with the resident to address the issues.

4. Consent Agenda

- a. **Claims/Accounts Payable in the Amount of \$182,949.72**
- b. **Approval of 03-09-2020 Regular City Council Meeting Minutes**
- c. **Approval of 03-18-2020 Emergency City Council Meeting Minutes**
- d. **Approval of 04-06-2020 Special City Council Meeting Minutes**
- e. **Res 2020-25 – Approving 3.2 Off Sale Liquor License for Coborn’s, Inc.**
- f. **Approval of 2019 City Audit**
- g. **Res 2020-27 – Approving Reclassification of Library Fund**
 - Item a pulled due to changes – considered below.
 - **MOTION** to approve items b-g by Petty, seconded by Crandall, all vote aye. **MOTION CARRIED.**
 - Item a. was amended by removing one claim payment of \$434.00 and adding two EFT batches of \$701.78 and \$32,166.98. New claims total is \$215,384.48.
 - **MOTION** to approve claims in the amount of \$215,384.48 was made by Crandall, seconded by Scott, all voted aye. **MOTION CARRIED.**

5. Wright County Sheriff Deputy Report

- Deputy’s report given after item 2 above so Deputy Linn could get back to his regular duties.
- Deputy Linn provided a review of the monthly calls report. Member Scott asked what was happening a few nights earlier when there were spotlights out late at night. Deputy Linn was not aware of any details. Members did not have any other questions.

6. Old Business

- a. **COVID-19 Emergency Team Update**
 - Mayor Lawrence updated that the COVID-19 Emergency Team had met via TEAMS to test the software. We had also discussed how working remotely is going and were awaiting updates from the governor.
 - Smythe explained that the governor had issued additional orders following our TEAMS meeting. The new orders extend the Stay at Home orders until May 4. Given that the original Council emergency staffing measures were to be revisited after updates from the governor, Smythe would like Council to consider options for extending our remote working plans. Right now, we have some staff that are paid on call when not in the office due to remote working limitations.

- Members had questions about the current process. Smythe explained that Public Works are working staggered schedules in order to comply with social distancing. Office staff are working remotely and stopping in weekly to check mail, messages, etc. Some work done by part-time staff must be done in the office, as they don't have remote access, and we alternate schedules so we're not all there the same days. One staffer is "paid-on-call" when not at work because they don't have a remote connection that works well with our accounting system. This was intended to be a temporary measure for the first couple of weeks, but now the shut-down has been extended.
- Members had concerns about paying workers to not work. However, they would also like to maintain our staffing and keep good employee relations. There was some question of whether part-time employees who are paid on call would prefer a temporary furlough for financial reasons rather than having hours cut. Council would like to give the employee the option.
- **MOTION** by Kruchten to give part-time employee option to be paid for actual hours worked, but end paid-on-call, or request to be temporarily furloughed, and refer any necessary negotiations to Emergency Team, seconded by Scott, all vote aye. **MOTION CARRIED.**
- Smythe also noted that there will be further discussions at the May meeting about how the shut-down is impacting our city finances.

b. Discuss Growth Incentive Program/Economic Assistance Program

- Smythe informed the council that staff had questions about the application of the Growth Incentive Program also known as the Economic Assistance Program. It is currently providing a credit on all new home building permits of approximately \$2,700. The funds are being pulled from the EDA fund on an annual basis during the audit. Because of the large number of new homes being built, the EDA fund balance continues to decline each year. Staff question whether this is being applied according to the original intent of the program. The last meeting minutes on this topic do not have all details of the program that were approved by the council, and audio of the meeting is no longer available as it is past its retention period.
- There was some discussion about our current lack of an EDA Board and what amounts had been budgeted through the EDA budget for the program. Finance Director Lindrud explained that the program ran over budget for 2019. Member Kruchten was concerned about what incentive the program provides and suggested we would be better served to eliminate the program and reconsider the total fee amounts for WAC/SAC.
- **MOTION** by Kruchten to suspend the program. **MOTION FAILED FOR LACK OF A SECOND.**
- Some members thought the program was no longer needed, as we have had a fair number of new homes built over the last several years. There were also questions about the equity of the program, as it only applies to residential permits.
- **MOTION** by Scott to suspend the program and leave the WAC/SAC fees as shown on the fee schedule, seconded by Kruchten.
- Discussion on the motion included questions about the 2020 budgeted amount, whether a dollar cap should apply, if we have sufficient data to end the program, and what other cities are doing with their incentive programs. Smythe noted that Cokato had ended theirs for 2020 but did not have data on other cities. Some members thought this program was something the EDA, when reconvened, should consider and make a recommendation to the council.
- **VOTE ON THE MOTION** – voting aye were Scott and Kruchten. Voting nay were Lawrence, Petty, and Crandall. **MOTION FAILS 3-2.**
- **MOTION** by Petty to keep the program for 2020, cap the amount of total incentive at the amount allocated in the 2020 EDA budget for the program, and have the EDA revisit/make a

recommendation for 2021, seconded by Crandall. Voting aye were Lawrence, Petty, Crandall, and Scott. Voting nay was Kruchten. **MOTION CARRIES 4-1.**

c. Authorization to Bid I94 Water Main Loop Project

- Given uncertainty about city finances because of the COVID-19 shut-down, there was consideration given to deferring this project.
- Engineer Kannas explained that the project was ready to be bid, and our application for funding to PFA has been submitted. He explained that, if approved by PFA, but the project is deferred, we would still be on the project list (IUP List) to be funded next year.
- **MOTION** by Lawrence to defer decision on bidding the project until August 2020, seconded by Kruchten, all voted aye. **MOTION CARRIED.**
- Lawrence stated for the record that she is not opposed to the project, just concerned about how COVID-19 may impact city finances.

7. New Business

a. Cancellation – City Clean-up Day

- **MOTION** by Scott to cancel the city clean-up day scheduled for April 25, 2020 and reschedule for fall, seconded by Crandall, all voted aye. **MOTION CARRIED.**

b. Res 2020-26 – Calling for Public Hearing TIF District 1-1

- Member Scott had questions about the TIF proposal for the Mississippi Ridge apartments project. He wanted to know if the project will have to meet a “but-for” test, will it require low-income apartments, and how long will the district go. Smythe explained that it does have to meet statutory but-for requirements for TIF assistance, it does not require low income apartments, and the length of the district will be determined by the city council. Petty noted that this resolution is only calling the public hearing, and that project-specific questions will be addressed at the public hearing.
- **MOTION** by Crandall to approve Resolution 2020-26 calling a public hearing, seconded by Petty, all voted aye. **MOTION CARRIED.**

c. Authorizing 2019 City Contribution to Clearwater Fire Relief Association

- The 2019 budgeted contribution amount was \$12,000, and making the payment in 2020 will result in this account being over budget for 2020.
- **MOTION** to approve the 2019 payment to the Fire Relief Association was made by Crandall, seconded by Kruchten, all voted aye. **MOTION CARRIED.**

d. Animal Ordinance Discussion

- Members have received some questions from residents about having chickens in city limits during COVID-19. Our current ordinance does not allow farm animals in city limits. Members discussed pros and cons to changing ordinance. Some had concerns about making long-term ordinance amendments in response to a short-term emergency. Others are concerned about enforcement. Member Petty pointed out that we perform enforcement on a complaint basis. The overall consensus was that it was premature to consider an amendment in this situation unless a resident brings a request for an amendment to the city council.

8. Committee Reports

a. Mayor and Council

- Mayor Lawrence noted that there had been some Zoom meetings, such as CVBC, but most meetings have been cancelled for now.

- Member Kruchten stated that he had some agenda item requests to add at the end of the meeting. Mayor Lawrence stated that was fine, but also pointed out that members can reach out to staff to request agenda additions at any time.

b. Boards

- Member Petty noted that the attached minutes were from the March meeting and that April’s meeting was cancelled.

i. FYI - Draft Minutes from March 9, 2020 Park Commission Meeting

c. Staff

- Administrator Smythe informed the council that staff are working on several new development projects, including a small plat that just came in, along with a couple of business site plans.

9. Other Business

a. Next Meeting Date

- The next regular meeting is scheduled for May 11, 2020 at 7:00 p.m.
- There will be a special meeting on May 28, 2020 at 7:00 p.m. for the TIF Public Hearing.

b. Other Items

- Member Kruchten asked that the following items be added to the May agenda for discussion: 1) Fire Department Fundraising, 2) Ash Street and Main Street Road Conditions, 3) Pesola Code Enforcement Status. Smythe responded that the road projects are already on the agenda, as staff have been in discussions to get cost estimates for some repairs. We expect to have that data for the next meeting. Smythe asked if the Fire Chief needed to come to the May meeting. Petty noted it might be better to have someone from Fire Relief, as they would be the ones to lead any fundraising efforts due to restrictions on cities. Smythe noted that the Pesola matter is with the city attorney. She will try to get a status update.
- Member Petty asked about potholes on Main Street near the golf course. Smythe stated that this stretch is also on our road project list for the May meeting. He also wanted to know if there was a Right-of-Way permit pulled by Arvig for work being done near the TO Plastics building. They have equipment parked on the bike trail. He also noted that TO Plastics has been parking vehicles on the trail. Staff will check on Arvig’s permit, and TO Plastics is on our code enforcement list.

10. Adjournment

- **MOTION** to adjourn by Kruchten, seconded by Scott, all voted aye.
- Meeting adjourned at 9:25 p.m.

ATTEST



Annita M. Smythe, City Administrator

APPROVED



Andrea Lawrence, Mayor