

**MINUTES OF THE CITY COUNCIL MEETING
OCTOBER 11, 2016**

CALL TO ORDER

Pursuant to due call and notice thereof, the regular meeting of the City Council was called to order at 5:00 p.m. by Mayor Deiss in the Council Chambers, located in the City Administrative Center.

MEMBERS PRESENT

Mayor George Deiss, Council Members Bruce Uselman, Don Niles, Deb Wiese and Gillette Kempf.

OTHERS PRESENT

Brad Swenson, Dean Uselman, Tim Booth, Eric Robb, Dave Evans, Dan Kovar, Sharon Domier, Anna Erickson from the Wadena Pioneer Journal, Phil Martin from Bolton & Menk, Inc., and Council Candidates Toby Pierce & Wade Miller.

CONSENT CALENDAR

Motion was made by Niles, second by Wiese to approve the following items on the consent calendar:

A. Minutes of the City Council meeting held September 13 & October 4, 2016

B. Claims as Presented for payment:

1. September 01, 2016.....	\$4,997.91
2. September 01, 2016.....	\$755.61
3. September 02, 2016.....	\$273.52
4. September 02, 2016.....	\$11,130.01
4. September 07, 2016.....	\$3,526.68
5. September 08, 2016.....	\$82,617.23
6. September 09, 2016.....	\$1,260.14
7. September 09, 2016.....	\$109,041.61
8. September 09, 2016.....	\$7,518.91
9. September 15, 2016.....	\$24,757.59
10. September 15, 2016.....	\$24.38
11. September 16, 2016.....	\$318.28
12. September 16, 2016.....	\$3,722.56
13. September 19, 2016.....	\$386,679.42

14. September 20, 2016.....	\$51,434.00
15. September 22, 2016.....	\$44,103.54
16. September 22, 2016.....	\$5.42
17. September 23, 2016.....	\$421.40
18. September 23, 2016.....	\$55.42
19. September 23, 2016.....	\$8,5950.01
20. September 26, 2016.....	\$3,017.81
21. September 26, 2016.....	\$355.67
22. September 28, 2016.....	\$571.91
23. September 29, 2016.....	\$81.43
24. September 30, 2016.....	\$5,264.32
25. September 30, 2016.....	\$472,248.13

- C. City Administrator’s Monthly Report for September 2016
- D. WHRA Meeting Minutes for August 23, 2016
- E. WDA Meeting Minutes for September 8, 2016
- F. Planning é Zoning Meeting Minutes for September 30, 2016
- G. Park Advisory Board Meeting for October 3, 2016
- H. Library Board Meeting Minutes for July 19, 2016
- I. Police Department Activity Report for September 2016
- J. Fire Department Meeting Minutes for August 3 é September 7 é October 5 2016
- K. Senior Citizens Center Financial Report for September 2016
- L. CVB Meeting Minutes for September 12, 2016

Upon voting Mayor Deiss declared the motion carried, all members voting aye.

**PUBLIC HEARING – TAX INCREMENT FINANCING DISTRICT 1-18 RESOLUTION
10-01-16 AT 5:00 PM**

The Public Hearing was opened at 5:05 pm by Mayor Deiss.

Dean Uselman gave a recap of the proposed Tax Increment Financing District 1-18 for the Assisted Living Facility Project.

Paul Abzug informed the City Council that the Assisted Living Facility would consist of 49 units of licensed assisted living located just north of Greenwood Apartments facing Hemlock Ave NW and 1st St NW. It would be a single story construction with courtyard, trees, and nicely landscaped grounds to be aesthetically pleasing. It would be an approximate 37,000 square foot facility on 4 acres with onsite storm water management plan. It will employ between 20-25 people equaling about 15-18 FTE. It would provide many living wage jobs with a good benefit package. The 4 acres are currently farmed and produce \$90.19 in tax revenue. It is proposed to use TIF in the amount of \$1,274,313.00 for 25 year term or just less than \$51,000.00 averaged annually. It is proposed to use the City of Wadena as a conduit to sell tax exempt bonds to finance construction. It is projected that the real estate taxes will be over \$50,000.00 annually in today’s dollars once the TIF district is de-certified. The projected economic impact to the area is

\$1,121,144.00 annually, \$865,875 in wages, based on 18 FTE. Due to the demographics of the area and the aging population, the projected percentage of Medicaid reimbursements is expected to be approximately 50% vs. approximately 15% to 18% as an average in the industry, which is the primary reason for the need for TIF. They will not turn down low income residents.

Michaela Huot, Consultant at Springsted Incorporated, gave a recap of how tax increment financing works and why it is being asked for with the Assisted Living Facility.

Joel Beiswenger, President/CEO at Tri County Healthcare, stated he feels there is a need for this and he supports this project.

Maria Marthaler, Housing Program Manager at Wadena Housing é Redevelopment Authority, stated that she works with a lot of elderly and disabled persons and that when it is time for more care in this community it is really hard to find and most families have to take their elderly or disabled family members elsewhere. She also stated that she supports this project.

Mayor George Deiss read a letter dated October 5, 2016 that he received from Lee Westrum, Superintendent at Wadena Deer Creek School, in support of the proposed TIF District for the Assisted Living Project.

Dean Uselman was asked by the County Auditor to attend the County Board Meeting to give them more information about this project. Dean stated that there were no objections from the County Board Members.

Motion by Niles, second by Uselman to close the Public Hearing portion of the meeting at 5:21 pm.

Upon voting Mayor Deiss declared the motion carried. All members voting aye.

Deb Wiese stated that she supports TIF funding 100% for this project. She is concerned where her parents as well as anyone else would go when the time is needed.

Gillette Kempf stated that she learned at an Elected Official Conference that we (City Council Members) can work towards more affordable housing and that to get projects like this in place they need programs like TIF.

Don Niles stated that this is an exciting project. He also thanked Dean Uselman and Jim Kraemer for all their efforts with this project. He feels this is good news for Wadena.

Bruce Uselman stated that there is no doubt an extreme need for this in our community. He does feel that 25 years is tough to swallow for TIF.

Mayor George Deiss stated that he has received numerous calls, emails and letter all in support of this project.

Motion by Niles, second by Wiese to adopt Resolution 10-1-16 Establishing Tax Increment Financing District No. 1-18 within Development District No. 1 and Approving the Proposed Tax Increment Financing Plan.

Upon voting Mayor Deiss declared the resolution adopted. All members voting aye.

PETITION FOR REZONING – SCOTT PETTIT – ORDINANCE NO 201, 3RD SERIES

Dean Uselman gave a recap on Scott Pettit’s petition for rezoning on Becker Addition, All of Block 2 from R-1 to C-1. He also stated that the Planning Commission met on this.

Mayor George Deiss stated that he has talked to the residents in this district and no one is opposed.

Dean Uselman stated that he has not heard of anyone opposed.

There was discussion on how the property would be taxed as it is used.

Motion by Kempf, second by Wiese to adopt ordinance No. 201, 3rd Series.

Upon voting Mayor Deiss declared the ordinance adopted. All members voting aye.

**TAX EXEMPT BOND SALE – PUBLIC HEARING – ASSISTED LIVING FACILITY
RESOLUTION 10-02-16 AT 6:00 PM**

The Public Hearing was opened at 6:05 pm by Mayor Deiss.

Stefanie Galey, Partner at Faegre Baker Daniels, gave a recap on the Tax Exempt Bond Sale for the Assisted Living Facility. The total dollar amount of the project is \$5,700,000.

Brad Swenson inquired about no obligation to the City and if by chance the Assisted Living Facility defaults how it would affect the City’s Bond Rating. Stefanie answered that it would have no impact on the City’s Bond Rating. Brad Swenson gave an example of a past situation where it shows in the audit. Stefanie answered that the Auditing Standards years ago included it in their notes of the Financial Statement.

Motion by Niles, second by Wiese to close the public portion of the Public Hearing at 6:10 pm.

Upon voting, Mayor Deiss declared the motion carried. All members voting aye.

Brad Swenson stated that Jeff Pederson has been involved in getting this but he isn’t present to share his opinion as our City Attorney.

Motion by Niles, second by Wiese to adopt Resolution 10-2-16 Authorizing the Issuance of Health Care Facility Revenue Bonds (HADC Wadena LLC Project) Series 2016.

Upon voting, Mayor Deiss declared the resolution adopted. All members voting aye.

EAGLE SCOUT PROJECT – TRAVELER’S é BN PARK – ADARIUS PETE

Adarius Pete shared with the City Council pictures of what he would like to do for his Eagle Scout Project at Traveler’s é BN Park in the spring of 2017.

Dan Kovar stated that the Park Board agrees and they recommend approving this project.

Adarius Pete is looking for funding help from Peterson Foundation and from Polmans Transfer.

Motion by Niles, second by Uselman to approve Adarius Pete’s Eagle Scout Project as presented.

Upon voting, Mayor Deiss declared the motion carried.

JIM MERICKEL – MERICKEL APARTMENTS – BACK BILL OFF PEAK RATES

Dave Evans gave a recap of how several years ago Jim Merickel changed heating systems which disqualified these buildings to be on our off peak rate. This didn’t get changed in our billing system until it was recently found and corrected. Jim Merickel is owing \$2,823 for the past year. It is in the City policy that we can go back one year to collect what is owing as well as to pay out what we owe.

Jim Merickel informed the City Council about his 12 month leases and how he charges a set amount based on his utility bills. He also reminded them that he has been a good customer paying approximately \$22,000 a year for his utilities and would like this reduced. He is also planning on putting in heat pumps.

Brad Swenson stated that 3 or 4 times a year we find errors in either direction due to our recent conversion with new meters some errors have been found.

Don Niles does not want to see the policy changed.

Deb Wiese feels that this error is not only the City of Wadena’s fault but Jim Merickel’s fault as well.

Motion by Niles, second by Wiese to reduce his total bill of \$2,823 by 25%.

Mayor George Deiss stated that he would rather see a 50/50 split.

Voting in favor: Niles é Wiese. Voting opposed: Uselman, Kempf é Deiss. Motion failed.

Motion by Niles, second by Wiese to reduce his total bill of \$2,823 by 50% which is due right away.

Upon voting Mayor Deiss declared the motion carried. All members voting aye.

MEETING OPEN TO PUBLIC – 6:30 PM

No one was present to give any comments.

DENO MICHAEL ORSELLO – ABOMINATION TATTOO STUDIO LICENSE

Brad Swenson informed the City Council that Deno Michael Orsello has applied for a tattoo license for his business which is named Abomination Tattoo Studio License to be located at 14 Bryant Ave SE and that Police Chief Naomi Plautz completed the background check and found no issues. Deno Orsello had a license years ago and there were no issues during that time. Deno Orsello is needing his certificate of insurance, state license and state inspection needs to be completed as well. We would have to approve this contingent upon the State approving his license.

Motion by Uselman, second by Kempf to approve the Abomination Tattoo Studio License contingent upon getting the certificate of insurance.

Upon voting, Mayor Deiss declared the motion carried. All members voting aye.

SE PROJECT CHANGE ORDER – STORM POND CONSTRUCTION

Phil Martin gave an update from the last Special Council Meeting on the Storm Pond Construction in regards to their bid not including a cost for providing and placing the amended soils. To move forward, we need to get the stormwater ponds completed since they were an important aspect of why the City received grant funds. We have been working with the contractor to identify acceptable material sources and estimate a cost for the amended soils to be placed.

Phil stated that the City has the following options to consider:

Option 1 - Proceed with Change Order for Soil Amendment per Original Contractor Proposal.

On September 20, 2016, Contractor proposed a cost of \$88.50 per cubic yard to complete this work, including providing all materials from their suppliers. At 2,444 cubic yards, the cost would be \$216,290.

Option 2 – Proceed with Change Order based on City/Contractor Proposal.

Our staff has identified an acceptable compost source and nearby acceptable sand sources that would allow the cost to be reduced significantly. Under this plan, the City would direct purchase the compost material and work the City staff or the Contractor to haul in sand from local sources. In addition, machine/labor/equipment times would be paid on an hourly basis. Based on similar original hour efforts to blend and place the material, we believe this option would cost \$110,000 to \$135,000. Since the sand and topsoil

quantities wouldn't quite meet the desired quality, we would recommend that a drain tile system be installed within the amended soil material, so the bio-retention areas can be drained, if necessary, to assure the ponds function appropriately and plant communities thrive.

Option 3 – Pursue Competitive Bidding of Soil Amendment Placement.

The City could submit a plan to potential contractors to complete and conduct a competitive bid process for the blending and placement of the amended soils. It appears that a reasonable cost per cubic yard will be about \$50 per cubic yard based on our evaluation of material sources. For 2,444 cubic yards, that cost would be about \$125,000. With this option, we would recommend consideration of a drain tile system in the bio-retention areas so the City can optimize their performance and life.

Phil's recommendation is to proceed with Option 2 and direct his office and City staff to negotiate the placement of amended soils on an actual time basis with the City purchasing the compost material directly and working to utilize a local sand source. In addition, we would negotiate with the Contractor to place the drain tile in the bio-retention areas of the pond.

Brad Swenson informed the City Council that they will need to approve this change order sometime in the future so if they have any questions ask them now. There were no questions.

LICENSE é FEES RESOLUTION FOR 2017 – RESOLUTION 10-03-16

Brad Swenson reviewed the license and fees schedule for 2017 with the City Council and stated that in the past these have been approved at the end of the year but this year we are doing this ahead of time so that the fees can be in place and ready effective January 1, 2017.

Motion by Wiese, second by Kempf to approve Resolution 10-03-16 approving licenses and fees for 2017.

Upon voting Mayor Deiss declared the resolution adopted. All members voting aye.

SET PUBLIC HEARING DATE FOR SPECIAL ASSESSMENTS – RESOLUTION 10-04-16 SE PROJECT, COMMUNITY CENTER DRIVE PROJECT é MISC. ASSESSMENTS

Brad Swenson informed the City Council that we need to set a public hearing date for special assessments and to set the interest rate for those.

Motion by Uselman, second by Niles to set the interest rate at 3% for the SE Project, Community Center Drive Project and for Misc. Assessments.

Upon voting Mayor Deiss declared the motion carried. All members voting aye.

Motion by Uselman, second by Niles to adopt Resolution 10-04-16 to set the public hearing date for November 22, 2106 at 6:00 pm.

Upon voting Mayor Deiss declared the resolution carried.

BEYOND THE YELLOW RIBBON PROGRAM COMMITTEE

Brad Swenson gave a recap of Beyond the Yellow Ribbon Program and stated that they are looking for City Council Members to be on the committee. The next meeting is scheduled for October 18, 2016 at the Armory. Anyone interested should let Brad or George know.

PLANNING COMMISSION BOARD MEMBER DON SIMMONS RESIGNATION

Dean Uselman received a letter of resignation from Don Simmons dated September 26, 2016

Motion by Wiese, second by Niles to accept Don Simmons resignation, effective immediately, with gratitude from the Planning Commission after 22 years.

Upon voting Mayor Deiss declared the motion carried. All members voting aye.

**STREET DEPT – HEAVY EQUIPMENT OPERATOR/MAINTENANCE POSITION
HIRING RECOMMENDATION**

Dan Kovar received 14 applications for the Heavy Equipment Operator/Maintenance Position and of those he and Brad Swenson interviewed the top 6 candidates. They recommends hiring David Waln at Step 2 of the pay scale at \$18.46 as he has 20+ years of experience.

Motion by Uselman, second by Wiese to hire David Waln as recommended by Dan Kovar and Brad Swenson.

Upon voting Mayor Deiss declared the motion carried. All members voting aye.

EMPLOYEE STEP INCREASE – JEREMY ZAIC, LISA ANDERSON, NAOMI PLAUTZ

Dan Kovar has completed Jeremy Zaic's evaluation and is recommending a step increase from Step 2 to Step 3 at \$19.54 effective October 1, 2016.

Eric Robb has completed Lisa Anderson's evaluation and is recommending a step increase from Step 1 to Step 2 at \$17.59 effective October 1, 2016

Brad Swenson has completed Naomi Plautz's evaluation and is recommending a step increase from Step 3 to Step 4 at \$ 34.37 effective October 22, 2016.

Motion by Wiese, second by Kempf to approve the employee step increases as recommended.

Upon voting Mayor Deiss declared the motion carried. All members voting aye.

BOARD OF REVIEW CERTIFIED MEMBERS

Brad Swenson explained the process of getting certified for Board of Review and stated that he would like this to be completed as soon as possible.

Council Members Bruce Uselman and Deb Wiese plan to get certified.

WEST CENTRAL DRUG é VOILENT CRIMES TASK FORCE JOINT POWERS AGREEMENT AMENDMENT RESOLUTION 10-05-16

Mayor George Deiss explained the changes to West Central Drug é Violent Crimes Task Force Joint Powers Agreement Amendment Resolution 10-05-16 and stated that the only change was adding the city of Detroit Lakes.

Motion by Kempf, second by Wiese to adopt Resolution 10-05-16.

Upon voting, Mayor Deiss declared the resolution adopted. All members voting aye.

QUOTES FOR LANDSCAPING ALONG COLFAX AVENUE BY VFW LOT

Brad Swenson gave a recap of the landscaping along Colfax Ave by VFW lot.

Dan Kovar received 2 quotes for planting trees, installing grates around the trees and to install porous pavers between the trees. Both landscapers provided quotes using the same requirements and materials.

Pete’s Nursery bid \$11,000.
Youngbauer’s Landscaping bid \$15,652

Dan’s recommendation is to hire Pete’s Nursery to complete this project in its entirety and this would be charged to the SE Project.

Motion by Wiese, second by Uselman to hire Pete’s Nursery as recommended.

Upon voting, Mayor Deiss declared the motion carried. All members voting aye.

DEANN GODDARD MASSAGE LICENSE

Brad Swenson informed the City Council that Deann Goddard has applied for a massage license. Police Chief Naomi Plautz has completed the background check with no issues found.

Motion by Niles, second by Wiese to approve Deann Goddard’s massage license contingent upon receiving insurance.

Upon voting, Mayor Deiss declared the motion carried. All members voting aye.

DEPARTMENT REPORTS

STREET, SEWER & PARKS DEPARTMENTS

Dan Kovar reported that he received a grant from NJPA for Driver Safety Training Course that was held October 10, 2016 and he received very positive feedback from those employees that attended.

Dan Kovar reported that he received a letter from a resident requesting that the center lines be painted on city streets. Dan stated that we presently do not paint the center line and that we only paint the crosswalks and center turn lanes.

Bruce Uselman suggested talking to Police Chief Naomi Plautz to see if there is a need to paint the center lines.

Deb Wiese inquired about the letter being sent to SE area residents for tree replacement with the SE Project.

ELECTRIC & WATER DEPARTMENTS

Dave Evans reported that the street lights on Community Center Drive are up and working.

LIQUOR STORE

Tim Booth reported that the liquor store has had a couple of increased weekend sales recently.

WDA/PLANNING & ZONING/FIRE DEPARTMENT

Dean Uselman thanked everyone for their support of the Assisted Living Facility.

Dean Uselman reported that there are a lot of projects going on they are progressing well with WDA.

Dean Uselman reported that Planning & Zoning has been busy with a lot of permits, public hearings and amendments to zoning maps and thanked everyone for their support for the rezoning amendment.

Dean Uselman reported the Fire Department has been pretty quiet and also informed the City Council that the Open House on October 10 had a great turnout.

POLICE DEPARTMENT

Police Chief Naomi Plautz was not present.

WELLNESS CENTER

Eric Robb reported that renting out rooms at the wellness center is doing very well this year.

Eric Robb reported that his part time staff is doing a great job and feels they are all doing more than their part to help out.

Eric Robb reported on email advertising and stated that they are also using Constant Contact as well.

CITY ADMINISTRATOR

Brad Swenson reported that there is a possibility of an FBO/Airport Manager at the Airport. He is working with an individual on terms and will bring to City Council when ready.

Brad Swenson informed the City Council that a couple years ago we agreed to do a market or wage study before the next wage negotiation. Brad did an RFP and sent out proposals and so far has received 4-5 back. There should be a recommendation by next meeting.

Brad Swenson reminded the City Council that Eide Bailly will be here November 1, 2016 for the liquor store audit.

COUNCIL REPORTS

Gillette Kempf has nothing to report.

Deb Wiese has nothing to report.

Bruce Uselman has nothing to report.

Don Niles reported that the Kitchigami Library Board is having an issue with whether or not to admit Crosby Library into the region. It's been a budget issue because the Crow Wing County

will not put more money into the system if Crosby is put into the region. Brainerd Library is opposed to this.

Don Niles reported that the Broadband Task Force is meeting monthly now.

Don Niles commented about the lights and paved roads on Community Center Drive and how nice it is going to football games.

Don Niles commented about the overlay in the SW area looking good.

Don Niles reported that he was approached by someone in regards to the Annual Lions Event at BN Park and that maybe there could be some consideration of a permanent structure put up for events since some events are hindered by weather.

Don Niles wished Brad Swenson a happy birthday.

MAYOR'S REPORT

Mayor George Deiss reported that he attended a banquet in St. Cloud for the Initiative Foundation celebrating 30 years and wanted to give a shout out to Wadena State Bank for sponsoring the table for himself é Julie Deiss and for Brad é Julie Swenson to sit at.

Mayor George Deiss reported that he attended a legislative meeting on October 4, 2016 at the Work Force Center. Local representatives were invited to attend.

ADJOURNMENT

Motion was made by Uselman, second by Niles to adjourn at 7:20 p.m.

Bradley A. Swenson
City Administrator

George Deiss
Mayor