

**MINUTES OF THE CITY COUNCIL MEETING
JANUARY 12, 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 Don Niles, Gillette Kempf, Deb Wiese and Bruce Uselman

OTHERS PRESENT

Brad Swenson, Dan Kovar, Dave Evans, Eric Robb, Tim Booth, Dean Uselman, Sharon Domier, Phil Martin from Bolton & Menk and Anna Erickson from Pioneer Journal.

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 meetings held December 8, 22 & 30, 2016

B. Claims as presented for payment:

1. December 03, 2015	\$43,904.91
2. December 03, 2015	\$33,929.36
3. December 04, 2015	\$875.32
4. December 04, 2015	\$5,618.67
5. December 08, 2015	\$2,089.08
6. December 08, 2015	\$2,546.41
7. December 10, 2015	\$1,234.64
8. December 10, 2015	\$425.00
9. December 11, 2015	\$294,345.62
10. December 11, 2015	\$5,361.26
11. December 15, 2015	\$524.89
12. December 15, 2015	\$17,665.95
13. December 17, 2015	\$38,895.92
14. December 18, 2015	\$9,979.55
15. December 21, 2015	\$1,429.07
16. December 21, 2015	\$65,138.22
17. December 22, 2015	\$276,864.25
18. December 23, 2015	\$1,052,142.37
19. December 24, 2015	\$9,205.20
20. December 28, 2015	\$235.69

21. December 29, 2015	\$700,000.00
22. December 30, 2015	\$126.00
23. December 31, 2015	\$783.14
24. December 31, 2015	\$40,383.74
25. December 31, 2015	\$1,806.00
26. December 31, 2015	\$251,317.03
C. City Administrator’s Monthly Report for December 2015	
D. WHRA Meeting Minutes for November 24, 2015	
E. WDA Meeting Minutes for November 12, 2015	
F. Park Advisory Board Meeting December 7, 2015	
G. Police Department Activity Report for December 2015	
H. Fire Department Meeting Minutes for December 2, 2015	
I. Senior Citizens Center Financial Report for December 2015	
J. CVB Meeting Minutes for October 12, 2015	

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

CITY EMPLOYEE YEARS OF SERVICE AWARDS PRESENTATION

No one present to review their Years of Service Awards or Chamber Bucks.

HIGHWAY 10 PROJECT PUBLIC HEARING 5:00 PM – RESOLUTION 01-09-16

Public Hearing for the Highway 10 Project was opened at 5:00 p.m. Claudia Dumont with MnDOT gave an overview of the Highway 10 Project scheduled for 2018 for the Public Hearing. The proposed project will put in 2 lanes but will provide wide shoulders, the 2 lanes can be restriped and made into 4 lanes after the project is completed, sidewalk, curb & gutter, opportunity to replace utilities, new street lights and new traffic signals and also provide new interconnect between the rail crossing and the traffic signals. They layout includes a raised concrete median, which studies have shown provide a reduced crash rate.

Don Niles is curious about the County Representative’s reaction with this project and it if makes sense to keep 2nd St NE open if the proposed County Road 4 Project happens.

Mayor Deiss commented that leaving that open gave emergency response vehicles a quicker route for going north.

Ryan Odden talked about the emergency response vehicles and how often that route is used. With the proposed moving of County Road 4 they still wouldn’t have a good route to get to that part of town.

Marlin Martin is concerned about the truck traffic in the SE part of town by the Uptown.

Brad Swenson talked about Dayton Ave or Aldrich Avenue being the designated truck routes and that Colfax isn’t a designated truck route on the SE Project. He also talked about the Committee for this project that met to discuss the raised median and that they are in full support of the

drawing. It shows Highway Crossing at 1st St SE & NE as closed off. There will be a planning committee to talk about the 1st St Rail Crossing and the possibility of putting it somewhere else. This is just a start of putting together how the layout will end up and it could change in the next couple years.

Bruce Uselman asked about layout 1A and why 2nd St can't stay open if we allow crossing at 1st St.

Claudia Dumont answered that when they looked at allowing a restricted access to go south on 1st St from Hwy 10 they had to develop a westbound left turn lane so that vehicles that are wanting to turn left and go south on 1st would have a place to get out of the through traffic and wait for a gap in the oncoming traffic to turn left and 1st St does have a high number of left turning vehicles coming from Hwy 10. In order to develop that left turn lane we had to provide adequate stacking and to do that they had to extend the median back through 2nd St so that made us have to close 2nd St.

Motion by Kempf, second by Uselman to close the public hearing on the Hwy 10 Project at 5:15 p.m.

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

Don Niles stated that he is excited to see this project moving forward and thanked MnDOT for all their hard work.

Bruce Uselman commented that all involved in this project have put in a lot of hours but that everyone is at a good understanding that this is an important step and this is where 4 lanes of traffic is important as well.

Motion by Kempf, second by Uselman to accept layout as presented by MnDOT.

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

Claudia Dumont thanked the Council and voiced appreciation for all their hard work and thoughtful considerations.

RESOLUTION 01-01-16 – DESIGNATING PIONEER JOURNAL AS OFFICIAL NEWSPAPER

Motion by Uselman, second by Niles to adopt Resolution 01-01-16 Designating Pioneer Journal as official newspaper.

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

RESOLUTION 01-02-16 – SETTING DAY & TIME FOR COUNCIL MEETINGS IN 2016

Motion by Kempf, second by Wiese adopt Resolution 01-02-16 Setting day & time for City Council Meetings in 2016 for the 2nd Tuesday of every month at 5:00 pm in the Council Chambers located in the City Administrative Center.

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

RESOLUTION 01-03-16 – APPOINTING ACTING MAYOR

Motion by Wiese, second by Uselman to adopt Resolution 01-03-16 appointing Don Niles as Acting Mayor in absence of Mayor George Deiss.

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

RESOLUTION 01-04-16 – DESIGNATING OFFICIAL DEPOSITORIES FOR CITY FUNDS

Motion by Niles, second by Uselman to adopt Resolution 01-04-16 designating Official Depositories for City Funds.

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

RESOLUTION 01-05-16 – DESIGNATING CITY PROSECUTING ATTORNEY

Motion by Wiese, second by Niles to adopt Resolution 01-05-16 designating City Prosecuting Attorney Jeff Pederson.

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

REVIEW OF CITY INVESTMENT POLICY

Brad Swenson explained that the City Investment Policy needs to be reviewed and approved annually at the 1st City Council Meeting in January.

Motion by Wiese, second by Kempf to approve continuation of practices for the City Investment Policy.

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

CITY COUNCIL BOARD APPOINTMENTS

Mayor George Deiss stated that he had previously talked with all City Council Board Members and he is recommending approving the City Council Board appointments.

Motion by Uselman, second by Niles to approve the City Council Board appointments.

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

BOARD RE-APPOINTMENTS – LIBRARY BOARD, HOUSING BOARD & PLANNING COMMISSION

Brad Swenson informed the City Council that all of the present Board Members have expressed interest in being re-appointed to the Library Board, to the Housing Board & to the Planning Commission.

Motion by Wiese, second by Niles adopt Resolution 01-06-16 to re-appoint Malcolm Whynott & Maria Marthaler to the Library Board effective February 1, 2016 for 3 year terms expiring on January 31, 2019.

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

Motion by Wiese, second by Niles to adopt Resolution 01-07-16 to re-appoint Toby Pierce to the Housing & Redevelopment Authority Board effective February 1, 2016 for a 5 year term expiring on December 31, 2021.

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

Motion by Wiese, second by Niles to adopt Resolution 01-08-16 to re-appoint Robert Grendahl to the Planning Commission effective February 1, 2016 for a 3 year term expiring on January 31, 2019.

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

UTV ORDINANCE REVIEW

Police Chief Naomi Plautz handed out a map of the City showing the recommended prohibited routes for UTVs except for work related use and stated that a permit & fee would be required for use on prohibited routes.

Brad Swenson is concerned with waiting to adopt the 1st part until after the 2nd part is finalized as well as setting fees and repeal & amend existing ordinance. He feels we need to review Sections 829 & 830 closer. He also mentioned that the recreational use will be discussed in the future.

Bruce Uselman mentioned that this proposed ordinance is using LMC's Ordinance as a model to go by.

Motion by Uselman, second by Niles to table this until next City Council Meeting on February 9, 2016 to allow the Council to review and prepare a resolution for the map and to repeal and amend the existing ordinance and to make other changes.

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

PARTNERS FOR A HEALTHY WADENA – TEMPORARY LIQUOR LICENSE AT DEPOT

Brad Swenson gave an overview of the temporary liquor license at the Depot for Partners for a Healthy Wadena. He stated that they have done this a few times in the past and all paperwork is in order.

Motion by Kempf, second by Wiese to approve the Temporary Liquor License at the Depot for Partners for a Healthy Wadena.

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

MEETING OPEN TO THE PUBLIC – 6:30 PM

No one present.

SE PROJECT CHANGE ORDERS – REVIEW AND APPROVAL

Brad Swenson and Phil Martin reviewed Change Order #5 Costs associated with 54” Storm Pipe Crossing of RR Track along Franklin Ave easement resulting in an increase of \$2,500.00. Change Order #8 Costs for valley gutter construction at on-street angle parking areas for St. Ann’s, Methodist Church and Humphrey Manor resulting in an increase of \$19,638.40. Change Order #9 Cost for curb casting and installation at Park Building per City direction resulting in an increase of \$605.71. Change Order #10 Cost for installing 1 ½” Water Service at the Cedarcrest Apartments resulting in an increase of \$693.95. Change Order #11 Cost for installing sewer service to Methodist Church on 1st St SE resulting in an increase of \$7,734.04.

Motion by Niles, second by Uselman to approve Change Orders #5 through #11.

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

MRES – ELECTRIC SERVICE CONTRACT AMENDMENT RESOLUTION

Dave Evans gave an overview of the Electric Service Contract Amendment Resolution for MRES. He stated that Joni Livingston was present at the Special Council Meeting that was held in regards to MRES. He commented that this is due to legislative changes to get the power to the City of Wadena and MRES would like to extend our contract to be on the same terms as some long term loans they are applying for or have already received to build hydro power down in Iowa. There are 3 steps to this process. The first step is to approve the resolution stating that you agree to the terms of the new contract. Then our City Attorney needs to review this and we need to sign the resolution agreeing to the terms of the new contract and at the next City Council Meeting approve these minutes.

Motion by Wiese, second by Niles to approve the MRES Electric Service Contract Amendment Resolution.

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

LOT PROMOTION COMMITTEE – ADVERTISING SIGN ON ELECTRIC & WATER BUILDING

Brad Swenson gave an overview of displaying an advertising sign on the Electric & Water Building to help advertise our Lot Promotion Program. It would either be 4'x8' or 5'x10' and displayed for the remainder of the year. The funds would come from Lot Promotion Budget.

There was some discussion as to whether or not this would open up the door to other people wanting to advertise on buildings.

Don Niles commented that he would like to see the missing letters replaced as well on the Electric & Water Building.

Motion by Wiese, second by Niles to approve displaying sign advertising for the Lot Promotion on the Electric & Water Building.

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

EMPLOYEE STEP INCREASES – BRANDON PEARSON & EVAN LACHOWITZER

Police Chief Naomi Plautz is recommending a step increase for Brandon Pearson from Step 4 at \$27.40 to Step 5 at \$28.17 effective 1-26-16.

Motion by Uselman, second by Kempf to approve the step increase for Brandon Pearson.

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

Dave Evans is recommending a step increase for Evan Lachowitzer from Step 4 at \$25.88 to Step 5 at \$26.90 effective 1-22-16

Motion by Niles, second by Wiese to approve the step increase for Evan Lachowitzer.

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

BOLTON & MENK PROPOSAL FOR ENGINEERING SERVICES FOR HWY 10 PROJECT, QUIET ZONE & ACCESS STUDY

Phil Martin with Bolton & Menk gave an overview of the preliminary proposal for the engineering services for the Hwy 10 Project and the Quiet Zone Project. This includes City utility infrastructure impact, railroad whistle quiet zone development, and future transportation planning along the reconstructed Hwy 10 corridor.

Brad Swenson talked about the infrastructure portion of this and stated that we need to get going on that so that we are ready to incorporate our infrastructure along with MnDOT working on design. The Quiet Zone has been talked about for years and it makes sense to tie it into this project and the Council has been budgeting for this for the last couple years to go towards this. The Hwy 10 Access and Local Circulation Planning portion of this project the committee has talked about this and it started with discussions with the County's Proposal on County Road 4 and does it make sense to go across there to tie into SE and move the crossing or does it make sense to move it somewhere else. There are about 4 different options at this time and pros and cons to each. That part of the project may or may not happen with this project but it would be a good time to start discussing it. Brad also stated that he feels we should use the same committee that has been in place for Hwy 10 Project for all three of these proposals.

Bruce Uselman talked about the Quiet Zone and that it is not only for the whistle but also makes the crossings safer.

Motion by Niles, second by Wiese to approve proposal from Bolton & Menk for the Hwy 10 Project, Quiet Zone & Access Study.

Upon voting Mayor Deiss declared the motion carried. All in favor voting aye.

Don Niles is very happy that we are moving forward with this. We have been budgeting for the Quiet Zone for several years and in a couple more years we will have 100% of the funds. Having this all in the mix and trying to make sure the dollars are in place makes a lot of sense.

Gillette Kempf thanked Phil Martin for his forward thinking on this project.

Deb Wiese talked about access points on the east and west side of town.

SECURITY BENEFIT RESTATEMENT OF THE CITY OF WADENA – DEFERRED COMPENSATION 457 PLAN RESOLUTION

Brad Swenson reviewed with the Council the Security Benefit Deferred Compensation 457 Plan which started in 1981. For the past few years the City has been contributing a maximum of \$300 per year per employee. There are two different plans available that the City offers to their employees. The current agreement has since had a couple amendments. This amendment will provide more robust and flexible plan options, such as allowing us to include or exclude certain classes of employees and the ability to expand distribution options and more.

Motion by Kempf, second by Niles to adopt this resolution for the Security Benefit Restatement of the City of Wadena – Deferred Compensation 457 Plan Resolution.

Upon voting Mayor Deiss declared the resolution adopted. All in favor voting aye.

AIRPORT PROJECT APPROVAL – USDA STUDY – CITY PAY 100%

Brad Swenson gave an overview of the Airport Project. It started off we did an RPF for consultants to do a Wildlife Hazard Site Visit of the airport so that we could meet requirements with the FAA to be able to rebuild our deer fence. We did that and we received proposals from USDA and two private consultants that gave us proposals. USDA was considerably cheaper and they have done several plans in the state of Minnesota. Our engineering is recommending we go with USDA. The Council approved that back in 2014 and like everything with FAA you do these approvals and you apply for the grant after that. The City applied to FAA for the grant to pay for the majority of the study. In the meantime one of the private consultants cried foul and is stating that in the federal rules we cannot hire a public agency over a private agency when there is comparable products and prices. FAA agreed with that and told us we couldn't hire USDA. Our engineer and Brad decided that they would talk to state aeronautics and see if they would fund this. Originally they said they would fund it. The next step was to make sure if funded and USDA was hired if FAA would accept the study based on their previous decision. We went back to the State and they told us the fund money was gone and no longer available. The project cost is \$1,900. If we do more studies they project cost will most likely increase. Brad is recommending that the City cover 100% of the project costs and not use grant funds for this study.

Motion by Niles, second by Kempf to approve the payment of \$1,900 for the airport project.

Upon voting Mayor Deiss declared the motion carried. All in favor voting aye.

Brad Swenson commented that in the meantime the FAA rules and regulations have since changed. Now instead of the fencing costing roughly \$500,000 that our Engineer Benita is guessing that it is going to cost anywhere from \$800,000 – 1,000,000 which is usually 90-95% funded. They have also changed specifications like the fence needing to be 12-18" below ground to avoid animals burrowing underneath it.

WATER TOWER LEASE – 4th AMENDMENT – AT&T LEASE

Dave Evans gave an overview of the Water Tower Lease Amendment. AT&T actually wanted to do a 4th Amendment to our Lease Agreement. They currently leases space on our tower for cellular service as well as Verizon Wireless. They have done 3 amendments in the past for adding equipment. Every time they add equipment the lease amount increases. They wanted to lower the annual rent and the annual increases. There has been a 3rd party calling us and other tower site owners and they want to buy up the lease and give us the money upfront and tell cellular customers they are raising rent. The rents have gone up drastically. Dave, Brad and Jeff reviewed and negotiated this 4th Amendment and got them to hold the rent at the level that it was and rather than decreasing the annual rent we have agreed to the same rent but we would charge it at the end of a 5 year term at 15% instead of 3% annually. They will have a rental rate freeze for about 4 years but after that we will be back on the same track. They also wanted to clarify some language in the 2nd Amendment that was misstated on how they would pay us rent for the generator site. They wanted this Rental Stream Offer (item #3) so that if we do get a 3rd party contacting us to buy up the leases and they would deal with the cellular sites instead of us and

they would want to have the option of being able to buy the lease instead of the 3rd party buying it.

Phil Martin added that there are usually additional costs incurred with accelerated wear and more difficulty cleaning the equipment and tower and there is usually some language added so that we incur those costs but we deny that.

Dave Evans talked about additional fees and studies that are required and paid for by AT&T. Motion by Niles, second by Uselman to approve the 4th Amendment to the AT&T Water Tower Lease.

Upon voting Mayor Deiss declared the motion carried. All in favor voting aye.

MESSAGE LICENSE – ADRIA ERICKSON

This item is tabled.

ANNEXATION PROCESS – LORENTZ FARM

Dean Uselman stated that Jeff Pederson asked him to get Council approval to hire Jeff to do the paperwork on the Annexation Process for the Lorentz Farm.

Motion by Uselman, second by Kempf to hire Jeff Pederson.

Upon voting Mayor Deiss declared the motion carried. All in favor voting aye.

DEPARTMENT REPORTS

STREET, SEWER & PARKS DEPARTMENTS

Dan Kovar reported that it has been quiet and he has nothing to report.

ELECTRIC & WATER DEPARTMENTS

Dave Evans reported that he has talked to Brad about changing the utility billing dates to match that of Missouri River Energy power bill dates so that they coincide. Especially now that we have seasonal rates and the rates change in June, July & August. It would be nice and fairer to our customers if they were read out on the same day as the city meters. So that when those higher rates take effect it is for the kilowatt hours that they actually used during those high rates. We are able to do this at this time because the AMI System is 90% deployed and when we have that fully deployed we will be able to read all meters in one day rather than a week or two prior. This should eliminate anyone getting a significantly larger or smaller bill than it should be.

Don Niles asked about how long it would take shifting this and how customers will be effected. Dave figured it would take about a 3 week shift and that they would try to gradually transition all customers so that they don't have that significant change from the transition.

Gillette Kempf asked how it would change customers on budget billing. Dave said that the only thing that would change is the due date.

LIQUOR STORE

Tim Booth reported that the new security system is installed and within one week a shoplifter was caught on camera.

WDA/PLANNING & ZONING/FIRE DEPARTMENT

Dean Uselman reported that the advertising is pretty well in place for the K Line Project and it is on schedule for opening bids on February 18, 2016. Final details are being worked out. He also reminded the Council that the WDA Meeting is this Thursday.

Dean Uselman reported that the Planning & Zoning has had a busy year with a number of permits issued but not necessarily a high growth in dollars but that was a nice growth year for the community.

Dean Uselman stated that he doesn't have anything to report for the Fire Department

POLICE DEPARTMENT

Police Chief Naomi Plautz reported that there was a theft at the Elks Club and they posted it on social media which has had a lot of hits.

WELLNESS CENTER

Eric Robb reported that that the school district will be leasing the gym for T, W, T & F for their dance team and that Monday is leased to Just for Kix. Minnesota Valley Irrigation will have their large vendor meeting there again as well.

CITY ADMINISTRATOR

Brad Swenson mentioned the Coalition's upcoming Legislative Action Day on March 16, 2016 and that if anyone wants to attend let him know so reservations can be made.

Brad Swenson also mentioned that a group of Department Heads met to talk about Phase 2 on the SE Project. There will be another open house February 17, 2016 at 5:00 pm. We will send out a letter to all property owners effected by this.

Brad Swenson also mentioned possibly having a special meeting for the Convention Visitors Bureau. The Council picked February 1, 2016 as their first choice and January 28th as their second choice.

COUNCIL REPORTS

Bruce Uselman commented that it is nice to see a resolution for the Hwy 10 Project.

Don Niles commented about the Hwy 10 Project and said that he talked to Judy Taves and she thought that now would be the time to talk to the county about Hwy 4.

Don Niles also wants to compliment the police on the arrest of November vandalism.

Deb Wiese has nothing to report.

Gillette Kempf has had some questions arise about the Wellness Center's scholarships and rates. She also stated that there has been some confusion at the front desk about membership options.

Gillette Kempf also said that she has received many "thank you's" for leaving the holiday lights up longer on Jefferson Street.

Gillette Kempf also reported that she had her first meeting as an alternate with the Kitchigami Committee.

MAYOR'S REPORT

Mayor George Deiss stated that he has been meeting monthly with area Mayors and that they are inviting Representatives and Senators to come to the February Meeting.

ADJOURNMENT

Motion was made by Uselman, second by Niles to adjourn at 7:03 p.m.

Bradley A. Swenson
City Administrator

George Deiss
Mayor