



Watertown City Council
Regular Meeting

Mayor Michael Walters
Kay Thul
Adam Pawelk
Fred McGuire
Dan Schuette

5/9/2023 - Minutes

1. Call To Order And Roll Call

Pursuant to due call and notice thereof, the regular meeting of the Watertown City Council was called to order in the Council Chambers of City Hall at 6:30 p.m. on Tuesday, May 9, 2023, by Mayor Mike Walters.

Councilmembers present: Mike Walters, Fred McGuire, Adam Pawelk, and Kay Thul.

Councilmembers absent: Dan Schuette.

City Staff present: City Administrator Jake Foster, Administrative Services Director Margaret Reisdorf, Andrew Budde City Engineer, and Public Works Superintendent Mike Dressel.

Others Present: Tammy Omdal, Northland Securities. Jack Brooksbank, City Attorney, Campbell Knutson.

2. Adopt Agenda

COUNCILMEMBER THUL MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCILMEMBER MCGUIRE SECONDED. MOTION CARRIED 4-0.

3. Consent Agenda Discussion And Approval

COUNCILMEMBER PAWELK MOVED TO ADOPT THE CONSENT AGENDA AS PRESENTED. MCGUIRE SECONDED. MOTION CARRIED 4-0.

3.A. April 25, 2023 City Council Meeting Minutes

3.B. April 25, 2023 City Council Workshop Meeting Minutes

3.C. Summer Seasonal Hires

3.D. Kennan Resignation

3.E. Lions Club Liquor Events

3.F. Hiring AV Employee

3.G. 3G - Minnesota DNR Trail JPA

4. Open Forum

5. New/Old Business

5.A. THC Products Discussion

Foster introduced this item to the City Council. He informed that staff has been monitoring the ever-changing landscape and levels of legislation of THC products in the State of Minnesota. He informed that in 2022, the State legislature passed a measure that included the legalization of the sale of cannabis-derived products that contain up to 5 mg of THC. He stated that more recently, the Minnesota State House of Representatives and Minnesota State Senate have passed legislation that would legalize cannabinoid/THC products in their entirety.

Foster explained that staff has been working with the City Attorney on monitoring the process and to proceed forward if changes are made. Foster stated that the City Attorney has recommended waiting and seeing what happens at the state level. Foster stated that the City Attorney informed that there are multiple steps in the process that need to be completed before the city should react.

Brooksbank informed that before the laws come into effect, they must go through the conference committee process. He added that both versions of the bill currently contemplate an effective date of January 1, 2024 and so the city has some time to work through any law changes. Brooksbank discussed the option of issuing a moratorium and what that process means and looks like.

Brooksbank recommended that the City Council wait to enact any changes until more is known at the state level.

He stated that currently it looks like the licensing process will be driven and done at the state level and not the local level. He informed that the city would have more control within zoning regulations. He stated that more will be known in the next few weeks.

Pawelk thanked Brooksbank for coming out to speak with the City Council and for providing a summary and guidance on the topic.

Thul asked how other cities are currently navigating the potential law change.

Brooksbank informed that most cities are waiting to see what happens.

McGuire asked if cities could add requirements onto the licensing process to have more control at the local level.

Brooksbank informed that there is not a lot that the city can do to place limits on the sale of the products. He explained that alcohol and tobacco use are currently regulated in public spaces. He said that we must wait and see if this is as well. He stated that most control would come from zoning code regulations and possibly the ability to cap the number of licenses within the city. He said, however, that the city will not be able to deny it being allowed within city limits.

McGuire asked if the city was allowed only one moratorium period.

Brooksbank answered yes and that the moratorium period essentially works as a "research period" for

the city to decide how to legally approach the law change.

Walters asked what would happen if a business asked to be able to sell these products right away.

Brooksbank stated that businesses are not allowed to sell these products until January 1, 2024, as that is when licenses would become available. He explained that selling it would still be a punishable crime until then.

Walters asked if there are methods to test people who have been using these substances and who have been driving.

Brooksbank informed that there are blood tests but that the testing is not as simple or straightforward as alcohol testing. He stated that the process will likely include officer discretion for some time because better testing options become available. He said there is still a lot of data testing and research going on in this area.

Foster asked about specific zoning code regulations the city would be able to put in place.

Brooksbank stated that the city needs to have a location that allows the sale of the products, such as standard commercial areas. He informed that there may be two different types of licenses: one for low potency and high potency.

The City Council agreed to wait and see what happens at the state level as far as legislation changes and bring it back to another meeting soon.

5.B. 5B - Finance Plan, Street Reconstruction Plan, And Bonding Actions

Foster introduced this item to the City Council. He introduced Tammy Omdal, the city's financial debt advisor, with Northland Securities. He stated that throughout the 2023 budget process, the City Council and staff discussed the financing of a large street Mill and Overlay project that would take place in 2023. He informed that the City had identified the project as being one that could be financed through bonds as the city is seeing current debt "fall off" the schedule. Foster said that issuing debt for the project allows for the City to adequately finance the large and necessary project, while keeping tax levies relatively flat because of how debt schedules are aligned.

Foster added that as part of the city's capital projects within the water utility system, the need to construct a second water tower is set to occur in 2023. He said that the financing of this project would also require bonding.

Foster informed that part of the discussion with the City Council at this meeting would be the city's finance plan to fund these projects. He explained that Omdal developed a Finance Plan as part of the process in issuing the General Obligation Bonds (Series 2023A) for both the street project and water tower project.

Omdal introduced herself to the City Council and stated that she has been working with the City of Watertown on debt issuance since 2011. She explained the process of cities issuing bonds to finance city projects and the associated requirements that must be fulfilled.

She informed that as part of the 2023A Bonding process, the City Council must create a Street Reconstruction and hold a public hearing on the plan as a way to solicit comments on the document. Omdal added that in conjunction to the public hearing, the city must allow for a reverse referendum period that allows a specific number of residents to submit a petition requesting a vote on the question of issuing the bonds for the street project. She said the petition must be submitted within 30 days of the public hearing and signed by 5% of the voters.

Omdal reviewed the drafted Street Reconstruction Plan. She informed that as part of the bond

issuance, the City Council needs to hold the public hearing and must pass Resolution 2023-32 formally approving the plan.

Omdal went over the process for the sale of the bonds. She explained that in order to finance the street project and water tower project, the City Council would need to consider the adoption of Resolution 2023-33 that would authorize the competitive negotiation sale of the General Obligation Bonds, Series 2023A, not to exceed \$9,130,000. She reviewed the bond issuance timeline.

Omdal stated that the repayment of the bonds would be with property tax levy (streets) and with user fees (water tower). She discussed the city's recent bond rate increase from A1 to AA3.

Walters stated that the city has been strategic with debt issuance and that the issuance of this debt was done when the city knew other debt was falling off. He said that the City Council and staff also took into consideration the cost savings and efficiency of combining two years' worth of street projects into one year. Walters thanked Omdal for her expertise and guidance.

PAWELK MOVED TO OPEN THE PUBLIC HEARING AT 7:10 PM CALLING FOR THE SALE OF BONDS FOR THE STREET AND WATER TOWER PROEJCTS AND SOLICIT BIDS. MCGUIRE SECONDED. MOTION PASSED 4-0.

No Comments.

PAWELK MOVED TO CLOSE THE PUBLIC HEARING AT 7:11 PM CALLING FOR THE SALE OF BONDS FOR THE STREET AND WATER TOWER PROEJCTS AND SOLICIT BIDS. MCGUIRE SECONDED. MOTION PASSED 4-0.

MCGUIRE MOVED TO APPROVE RESOLUTION 2023-32 APPROVING THE STREET RECONSTRUCTION PLAN AND AUTHORIZING THE ISSUANCE OF STREET RECONSTRUCTION BONDS. PAWELK SECONDED. MOTION PASSED 4-0.

MCGUIRE MOVED TO APPROVE RESOLUTION 2023-33 AUTHORIZING THE COMPETITIVE NEGOTIATION SALE OF GENERAL OBLIGATION BONDS, SERIES 2023A. PAWELK SECONDED. MOTION PASSED 4-0.

5.C. Authorize Plans And Quotes Pond & Draintile

Budde introduced this item to the City Council. He informed that the Carver County Watershed Management Organization (CCWMO) has the authority within the watershed district to ensure that stormwater infrastructure is meeting their requirements. He informed that the CCWMO performs periodic checks on infrastructure throughout the district to ensure compliance. He informed that over the last several years, the CCWMO have been reviewing two ponds within the City of Watertown and have found them to need maintenance/adjustments to bring them back to a full functioning level.

Budde reviewed that Riverpoint Pond, constructed in 2005, needs two adjustments including:

1. The outlet pipe below the infiltration area was connected to the wrong side of the weir in the outlet control structure.
2. The PVC cleanouts are broken off and do not extend far enough up the slope of the pond so that they can be accessed for inspection during times of high water.

Budde informed that Kings Highland Pond, constructed in 2005, and its infiltration infrastructure, is not working as intended. He stated that the original design provided for a riprap berm between the inflow water and infiltration media. Budde explained that the pond was pumped down in 2022 and that it was determined that the riprap berm was not constructed properly.

Budde explained that the Forest Hills Draintile issue is within an area of land that is surrounded by

homes that front Poplar Lane, Bur Oak Lane, Aspen Circle and Butternut Lane. He informed that the area often has prolonged periods of wet areas in the rear of the lots due to water weeping out of the hillside. He said that staff receives ongoing complaints and has met with many property owners over the years. Budde explained that staff has not been able to find a definitive source of the weeping water and therefore hasn't been able to provide a good solution to property owners. Budde stated that staff is recommending that the city help the residents install a draitile system in the existing rear lots that would connect into the city storm sewer system.

Budde said that the three separate projects together are estimated to cost below \$175,000 in construction costs. He explained that if the City Council were to approve the projects, that the work plans would be completed by the middle of June, quotes would be solicited in late June and quotes approved by July. He anticipated the best time to complete the work to be late summer/fall when weather conditions are dry.

Budde explained the following budget impact.

He anticipated that the total project costs would be under \$130,000, but that a better understanding will be known as staff performs the final designs.

He explained the funding sources within the Capital Improvement Plan.

Pawelk stated that he is against the Forest Hills project as a city project. He explained that he felt this to be a private property issue and not a city issue. He referenced other areas in the city in the past that have had to correct their own issues. He expressed worry about setting a precedent. He stated that it was unfortunate that the property owners were having issues, but that the owners need to come together and find a collective solution. He recommended the city to provide guidance, but not doing the project.

Thul agreed.

McGuire asked if the city could go back to whomever constructed the Riverpoint pong incorrectly and hold them responsible.

Pawelk agreed that the incorrect construction is frustrating, but because it has been so long, it would be unlikely the city could hold the contractor responsible today. He stated that is a lesson learned in proper inspections and to not allow contractors to cut corners.

Walters agreed that the city should not do the Forest Hills project. He agreed to provide guidance and support to the property owners.

Budde asked for clarification. He asked if the City Council was ok with the redesign of the two ponds. He informed that the first step would be to design the plans and specifications for the two ponds and then solicit quotes.

Budde stated that staff could provide guidance to the property owners on how to connect into the city storm sewer line. He informed that the city wants to provide guidance to ensure that the lines are connected properly.

WALTERS MOVED TO AUTHORIZE THE PREPARATION OF FINAL PLANS AND SPECIFICATIONS FOR THE RIVERPOINT POND AND KINGS HIGHLANT POND AND TO ALLOW STAFF TO SOLICIT QUOTES. THUL SECONDED. MOTION PASSED 4-0.

Dressel introduced this item to the City Council. He informed that the soccer fields at Oak Grove Community Park are heavily used by the High School soccer teams and the Grove River Soccer Club and as result causes dirt patches in front of the soccer nets. He said that the bare spots turn into mud when it rains and during the irrigation process. He added that along with the bare spots in front of the goals, it can be challenging to maintain the grass under the goals as well. Dressel recommended that installation of artificial turf in front and under the goals on the two fields to prevent bare spots and to make the goal maintenance more efficient.

Pawelk asked how large the artificial turf pieces would be.

Dressel estimated it to be an area of 8-10 feet in front of the goal, 2 feet on each side of the goal and 4 feet from the back of the goal.

Pawelk asked Dressel to make that the vendor provides expertise in how to address the issues.

Dressel agreed that the vendor would have expertise in how to address the issues. He estimated the project cost to be about \$20,000.

Pawelk asked if excavation would be needed, if any drain tile would be needed, and if irrigation would have to be moved.

Dressel stated that the city would be looking for something that is like real grass, did not think that drain tile would be needed (but would look into it), and that some of the irrigation heads may need to be relocated.

Pawelk stated that he felt the project was a good idea to address ongoing issues.

Walters asked staff to talk with the teams to see how they feel and what they think about the artificial grass. He said he was in favor of soliciting references from those who have done similar projects.

WALTERS MOVED TO APPROVE THE SOLICITATION OF QUOTES FOR ARTIFICIAL TURF FOR 4 SOCCER GOALS. MCGUIRE SECONDED. MOTION PASSED 4-0.

5.E. 5E- Space Needs Analysis - Solicitation Quotes

Foster introduced this item to the City Council. He informed that storage within the public services department has been starting to become an ongoing issue. He explained that staff had to store some equipment outside, exposing it to harsh weather conditions. Foster stated that accessing equipment that is stored inside has also been inefficient and unnecessarily challenging since items are so packed in.

Foster stated that staff is looking to do a space needs analysis to determine the scope of the issue, identify some alternatives for addressing it, while considering the longer-term needs of the City and the public services division.

Foster informed that the study is part of the city's capital improvement projects for 2023 and is estimated to be about \$10,000.

Thul asked who generally performs these studies.

Foster answered that different firms can do the studies, including architecture, engineering, and design firms.

Pawelk said that he is "torn" because he is not a fan of studies. He explained that they become

outdated quickly. He wondered if staff could do a review in house to come up with a solution.

Foster agreed and stated that staff has been reviewing potential ongoing options to address the storage concerns. He said that one option was taking a wall out at the current public services building and putting on an addition. Foster explained that studies generally provide a more comprehensive look at current and potential future issues. He said that they offer realistic options to address short-term and long-term issues.

Pawelk stated again that studies can become obsolete so quickly and stated that he believed staff could do a better analysis in-house. He said that he trusted staff to be able to effectively identify solutions better than an outside company.

Walters agreed.

Pawelk explained he would like to see staff try and come up with a solution first and that if one is not found that the City Council could discuss doing a study again at a later date.

6. Other Reports

Pawelk informed that, weather dependent, the Park Commission would be doing its annual park clean up event at Rick Johnson Park on May 17, 2023.

Thul informed that the Commission on Aging met on May 3, 2023, and discussed the 2020 census data related to seniors within the community and housing. She informed that the city is currently having trouble with affordable transitional housing options for seniors and as such seniors are having to leave the community. She stated that the Commission on Aging will be asking the City Council and other commissions to consider senior housing as a priority.

Foster informed that the Planning Commission meeting scheduled for May 11, 2023 has been cancelled at this time and that the public hearing would be rescheduled for a later date.

Walters informed that Reisdorf and he met with the city's insurance representative to discuss upcoming insurance renewals.

7. Claims

7.A. 7A - Claims Packet 5.9.23

McGuire asked about an invoice from Hollywood Hearing and Air.

Foster explained that there was a sensor repair that we needed at City Hall.

McGuire asked about an invoice from Lockridge.

Foster stated that Lockridge is the lobbyist firm that is working on behalf of the city at the state to acquire funding for the city's new water tower.

THUL MOVED TO APPROVE THE MAY 9, 2023, CLAIMS PACKET. MCGUIRE SECONDED. MOTION PASSED 4-0.

8. Adjournment

PAWELK MOVED TO ADJOURN THE MEETING AT 8:05 PM. MCGUIRE SECONDED. MOTION PASSED 4-0.

309 Lewis Avenue South; P.O. Box 279, Watertown, MN 55388

Mike Walters, Mayor

ATTEST: _____

Margaret Reisdorf, Admin. Services Director