

**City of Wadena
Regular City Council Minutes
Tuesday, February 14, 2023**

1. Call to Order

The Wadena City Council held a regular meeting on Tuesday, February 14, 2023. Mayor Deiss called the meeting to order at 5:00 p.m.

A. Pledge of Allegiance

2. Roll Call

Comprising a quorum of the City Council, the following members were present: George Deiss, Jessie Gibbs, Wade Miller, and Dan Sartell. Council member Lunde was absent.

3. Consent Calendar

Notice to public – All matters listed in the consent calendar are considered routine by the Council and will be enacted by one motion. There will be no separate discussion of these items unless good cause was shown prior to the time the Council votes on the motion to adopt the consent calendar.

- A. Claims as Presented for Payment
- B. City Administrator's Monthly Financial Report
- C. Resolution No. 2023-08: Designating City Representative with Missouri River Energy Service
- D. Resolution No. 2023-09: Designating City Representative with Western MN Power Agency
- E. Resolution No. 2023-10: Confirming Mayor's Appointment of Birch Ries Pettow to HRA Board
- F. Resolution No. 2023-13: Confirming Mayor's Appointment of Marlin Martin to Planning Commission Board
- G. City Council Meeting Minutes:
 - 1. September 27, 2022, Special Meeting
 - 2. October 25, 2022, Special Meeting
 - 3. December 13, 2022, Regular Meeting
 - 4. January 10, 2023, Regular Meeting

Action Motion: Approve the consent calendar items, passed by unanimous vote.

Moved by:	Gibbs	Seconded by:	Sartell
Roll call vote:	Gibbs, Miller, Sartell, Deiss		

4. Unfinished Business

5. Public Hearing

Item A – WDA - Folkestad East Housing Project Tax Abatement

Mayor George Deiss opened the public hearing at 5:03 p.m.

WDA Director Dean Uselman expanded on the need for additional buildable lots and explained the project summary. The preliminary engineering cost estimate is \$2,686,700; sanitary sewer \$751,800, watermain \$689,000, storm sewer \$516,100 and street \$729,800.

Due to inflation, increased project costs and lack of State and Federal programs to address housing development and infrastructure, additional funding is needed locally. A funding gap exists up to \$1,500,000, depending on actual bid results.

Cities are increasingly avoiding use of special assessments for infrastructure, using tax abatement instead to fill in funding gaps. Special assessments are not attractive to buyers.

WDA hired Mikaela Huot of Baker Tilly to provide financial projections showing three \$1,500,000 debt service scenarios: 1) with developers and 22 twin home builds 2) with developers 22 twin home builds and 10 further home developments within 5 years and 3) with all lots residentially developed. Scenario 1 being the most conservative and 3 being best case.

All three taxing entities need to approve tax abatement in order for the project to proceed.

WDA is requesting the City approve tax abatement up to 20 years with a maximum \$1,500,000 internal fund loan from the electric fund and 2.5% interest.

Uselman is working with the County and School to hold public hearings and approve tax abatement resolutions at their upcoming meeting(s).

Action Motion: Close public hearing at 5:22, passed by unanimous vote.

Moved by:	Miller	Seconded by:	Gibbs
Roll Call Vote:	Gibbs, Miller, Sartell, Deiss		

6. New Business

Item A – Action Memorandum 23-05: WDA, Folkestad East Housing Project, Consider Tax Abatement, Interfund or External Loan

WDA Director Dean Uselman notes conversations held with Utility Superintendent Dave Evans, Administrator Kim Schroeder, and Mayor Deiss regarding an interfund loan from the electric fund. An interfund loan avoids issuance and other costs associated with external loans. Also allows for no penalties for early payments should the development revenues exceed estimates. Once all three taxing entities are approved staff will work with attorney Pederson to draw loan documents and schedule.

Action Motion: Approve an electric interfund loan to WDA for a maximum of \$1.5 million with a 2.5% interest rate, passed by unanimous vote.

Moved by:	Sartell	Seconded by:	Miller
Roll Call Vote:	Gibbs, Miller, Sartell, Deiss		

Item B – Resolution No. 23-11: Folkestad East Tax Abatement

Mayor George Deiss stated this covers the city's portion to be abated; the school and county will complete their own tax abatement process.

Action Motion: Adopt Resolution No. 23-11, passed by unanimous roll call vote.

Moved by:	Miller	Seconded by:	Gibbs
Roll Call Vote:	Gibbs, Miller, Sartell, Deiss		

Item C – Resolution No. 2023-12: Approving County Project within Municipal Corporate Limits

Wadena County Engineer Darin Fellbaum expanded on the CSAH 20 mill and overlay project planned summer of 2023 in NW Wadena including ADA improvements.

Action Motion: Adopt Resolution No. 2023-12, passed by unanimous roll call vote.

Moved by:	Sartell	Seconded by:	Gibbs
Roll Call Vote:	Gibbs, Miller, Sartell, Deiss		

Item D – Action Memorandum 23-06: Consider SEH Architect/Engineering Agreement, Airport Beacon Replacement

Action Motion: Approve SEH Architect/Engineering agreement, passed by unanimous vote.

Moved by:	Sartell	Seconded by:	Miller
Roll Call Vote:	Gibbs, Miller, Sartell, Deiss		

Item E – Action Memorandum 23-07: Consider Utilities Department Truck Purchase

Utilities Superintendent David Evans shared history of attempt to order a ¾ ton truck for 2022. Ford or Chevrolet have had no trucks available in the 2022 state bid process. Three state bid contracts were requested with only one dealer responding, the other two unable to guarantee order of a truck. Recommendation to purchase a 2023 Dodge Ram 1500 4x4 SSV package for \$37,278 plus tax through Dodge of Burnsville.

Action Motion: Approve purchase of a 2023 Dodge Ram 1500 4x4 SSV for \$37,278 plus tax, passed by unanimous vote.

Moved by:	Gibbs	Seconded by:	Sartell
Roll Call Vote:	Gibbs, Miller, Sartell, Deiss		

Item F - Action Memorandum 23-08: Consider Alternate Wage for Billing Clerk/Administrative Assistant/Customer Service Position

Clerk/Administrative Assistant/Customer Service Position
City Administrator Kim Schroeder shared at the time of hire this position's wage decision was based on 2022 rates and didn't include any consideration of 2023 increases. Given the employees work history and experience, along with taking on additional tasks and duties such as payroll backup not originally included in the current job description, request is to increase her pay to Step 1 \$20.40/hr, from the Start step. Office staff was consulted about the change and provided support with no opposition.

Council member Wade Miller had resistance due to setting a precedence.

WDA Director Dean Uselman expanded on previous wage increases approved for part-time firemen and police officers. Recommending a comparable worth study to determine if job descriptions match pay rate since it has not been done for a number of years and a lot of job duties have changed for various positions. Also stating current contract wage agreements are in the third year. That the study should be part of the wage negotiations to be fair to all employees before the next agreements are established.

County Commissioner Bill Stearns stated Wadena County recently hired David Drown Associates to study job descriptions and pay rates. Sourcewell also shared in the cost to complete the study.

Action Motion: Approve increasing the Billing Clerk/Admin Asst/Customer Service pay rate to Step 1 \$20.40 of the 2023 PT wage scale retro-effective 1/1/2023, passed by unanimous vote.

Moved by:	Sartell	Seconded by:	Gibbs
Roll Call Vote:	Gibbs, Sartell, Deiss		
Opposed:	Miller		

Item G – Action Memorandum 23-09: WDA, Business Park Purchase Agreement, Overland Group

Overland Group
WDA Director Dean Uselman expanded on an agreement with Overland Group to purchase two lots in the business park to build a retail store. Due to elevation and shape of the lot issues, Overland Group thought it would be cost prohibitive to move forward with the purchase of those

Action Motion: Approve sale of the south 4,645 square feet of Lot 4 Block 2 for \$5,574 to Hunke's Fuel Station LLC and sale of Wadena Business Park Addition Lot 3 and remaining Lot 4, Block 2 for \$25,000 and \$28,000 respectively to Overland Group, passed by unanimous vote.

Moved by:	Sartell	Seconded by:	Miller
Roll Call Vote:	Gibbs, Miller, Sartell, Deiss		

Item H – Action Memorandum 23-10: Daniel Whitney, Appeal Dog at Large Citation
Daniel Whitney was not present. Council discussed and took no action. Citation remains as is.

Item I – Action Memorandum 23-11: FD, Hire Reserve Firefighter

Fire Chief Cody Yglesias recommends hiring Jason Wright. Jason served on the Wadena fire department for approximately 20 years.

Action Motion: Approve hiring Jason Wright as part-time Reserve Firefighter effective 2/14/2023, passed by unanimous vote.

Moved by:	Gibbs	Seconded by:	Sartell
Roll Call Vote:	Gibbs, Miller, Sartell, Deiss		

7. Meeting Open to the Public at 5:53 pm

No one from the public spoke.

8. Department Reports

Item A – Public Works Department – Dan Kovar

Dan Kovar was absent.

Item B – Utilities Department - Superintendent David Evans

- The overhead line on Greenwood Ave was moved.
- Tri-County Hospital is testing generators for the hospital.
- Tree trimming is almost complete.
- Capacitor banks are being installed to assist with overload from running air conditioning units forming transformers to work harder.
- Verizon Wireless is installing the antennas back on the water tower.

Item C – Wadena Development Authority & Planning and Zoning – Dean Uselman

WDA

- Thanked the council for support.
- In absence of the economic development contact for Wadena County, worked with Brittany Rosecrans to secure a small business loan approved in Sebeka.

P & Z

- A public hearing will be held February 28, 2023 to consider a variance request for a garage construction not meeting side yard setback requirements.
- Has been working with Tri-County Hospital on plat planning for the existing property on Hwy 71 North. Preparing reuse of that property.

Item D – Police Department – Naomi Plautz

Naomi Plautz was absent.

Item E – Fire Department – Cody Yglesias

Cody Yglesias was absent.

Item F – Wadena Liquor Store - Tim Booth

- A wine salesman through the liquor store provided samples at the Wine & Chocolate Event. It was well attended with 75 people.

Item G – Maslowski Wellness and Research Center – Lisa Anderson

- Looking into new club management software. Thanked Council member Wade Miller for his assistance.
- Memberships are steadily climbing and near pre-Covid numbers.

Item H – Whitetail Run Golf Course – Kevin Ross

Kevin Ross was absent.

Item I – City Administrator – Kim Schroeder

- Updated the council the city has received an appeal notice from residents involved with the TCHC project assessments. Schroeder is working with attorney Pederson through the process.

Item J – Council Reports

Dan Sartell had nothing to report.

Wade Miller had nothing to report.

Mark Lunde was absent.

Jessie Gibbs had nothing to report.

Item K – Mayor's Report – George Deiss

- Spoke of Monday's with the Mayor.
- Thanked Wadena Elks for their donation to the library and thanked Elks member Dan Sartell for securing the grant.

Upcoming Meetings

A. March 14, 2023, Regular Meeting

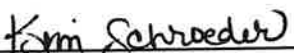
B. April 19, 2023, Local Board of Review and Adjustment

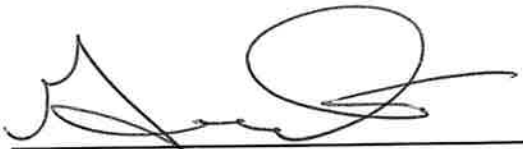
Adjournment

Action Motion: Adjourn at 6:08 p.m. by unanimous vote

Moved by: Gibbs
Roll call vote: Gibbs, Miller, Sartell, Deiss

Seconded by: Sartell


Kim Schroeder, City Administrator


George Deiss, Mayor