

October 10, 2016

CITY OF WASHBURN COMMON COUNCIL MEETING

5:30PM Washburn City Hall

Present: City Council Members:

Mary McGrath, Kristy M. Jensch, Jennifer Maziasz, Jeremy Oswald, Linda S. Barnes, Mary Nowakowski

Municipal Personnel:

Mayor Scott A. Griffiths, City Administrator Scott J. Kluver, City Attorney Siegler, Assistant City Administrator Dan Stoltman

Excused Absence:

Robert Arquette

Call to Order - Meeting called to order at 5:30PM by Mayor Griffiths. Roll call attendance depicted six (6) of seven (7) members of the Common Council in attendance. Quorum of the Council recognized.

Approval of Minutes – City Council Meeting September 12 & 14, 2016 – Nowakowski pointed out a typo to the September 12 minutes under the Resolution #16-009 item, the word “tem” should be “ten”. Nowakowski moves to approve the minutes of City Council Meeting September 12 & 14, 2016, second by Maziasz. Motion carried unanimously.

Approval of Expenditures- A motion to approve the monthly expenditure vouchers made by Nowakowski, second by Maziasz. Motion carried unanimously on roll call vote of all six (6) councilors in attendance.

Public Comment – John Baregi spoke on the Historic Society’s Memorial Park Picnic. He gave thanks to Tetzners and the businesses that provided picnic baskets: Hugo’s Pizza, Checkers, North Coast Coffee, Patsy’s, The Snug, The IGA, Harbor Town Sweats, Time Out, and GoodTymes. Mr. Baregi then thanked those who provided silent auction items: Homestead Gardens, Chequamegon Bay Book & Coffee, Superior Drifting, and Carlons. **Eric Iverson** spoke on the boat launch at Thompson’s West End Park. Mr. Iverson asked how long a boat can be docked at that boat launch. Mr. Iverson sited two boats that have been docked there for multiple months, the Molasses Reef and The Islander, and wanted know if you needed a special permit to dock a boat for an extended period of time. Mr. Iverson stated that it is a public dock, and the Molasses Reef owners were not nice people and rude to the kids of North Coast Community Sailing. A response was given, stating that if you are camping at West End you can dock at the launch, but the City will have to look into if there is a limit as to how many days you can dock while camping. **Richard Avol** spoke in opposition of the City’s attempt to buy the property known as the Brokedown Palace. Mr. Avol read a prepared speech detailing his opposition to the potential acquisition of the property.

Mayoral Announcements, Proclamations, Appointments – A position on the BART Board is still available.

Discussion and Action on Waterfront Residential Site Plan Review for Shed Roof Addition at 800 Memorial Park Drive, David and Raelyn Pearson – Petitioners – No discussion took place. A motion was made by McGrath to approve the site plan for a Shed Roof Addition at 800 Memorial Park Drive, David and Raelyn Pearson, second by Jensch. Motion carried unanimously.

Presentation, Discussion, and Action on Selecting Alternative to Usage of Invasive Phragmites at the Wastewater Treatment Plant – Mr. Chad Abel spoke on the report and answered questions from City Council. Mr. Abel stated that the EPA would cover the cost of replacing the nonnative Phragmites with native in the reed beds. Nowakowski asked about the maintenance of the native reed beds over the nonnative Phragmites. It was stated that the native reed beds are more susceptible to invasions by pests and undesirable weed growth during the first couple of growing seasons, and staff would have to manage that. A discussion took place on the removal and disposal of the nonnative Phragmites. It was stated by Mr. Abel that he is hopeful the EPA will provide funding for a contractor to maintain the new reed beds until they are self-sufficient. A motion was made by Jensch for the City

of Washburn's intention is to move forward with the option of using native Phragmites to replace nonnative Phragmites, pending the approval of the EPA funding, second by Oswald. Motion carried unanimously.

Discussion and Action on 2017 General Fund, Capital, and Debt Service Budgets – Kluver gave an overview of the budget and stated that this was the time for Council to discuss what is proposed. He stated this would be the tentative budget that would be published prior the November Public Hearing on the tax levy. Nowakowski reviewed items that the Finance Committee had been discussing. Nowakowski stated that City hasn't been utilizing the allowable levy amount on the past. Nowakowski stated that the Washburn School District will be lowering their tax levy, and this could be a good time for the City to increase its tax levy, while not having a great adverse impact on the people. A discussion took place on eliminating the designated refuse fund, and transferring those funds to the general fund. A motion was made by McGrath to transfer the designated refuse fund to the general fund, second by Jensch. Motion carried unanimously. A motion was made by Nowakowski to raise the Levy Limit based on borrowing direction, and bring the levy increase figures to the November meeting for consideration, second by McGrath. Motion carried unanimously. Kluver discussed the reason behind raising the Tax Levy, stating the City has many Capital Improvement projects that could use funding such as Fire Department equipment. Barnes suggested that funds for the AC unit needed for the Library be added to the 2017 Library budget. Kluver explained that the City cannot tell the Library Board how to spend their budget allocation, but has asked the Library Director to see if they can find money in their current budget. Kluver stated that the Library Board can come to the City for a special request. Clarification was given on various line items. A motion was made by Barnes to tentatively approve the 2017 General Fund, Capital, and Debt Service Budgets, second by McGrath. Motion carried unanimously.

Discussion and Action on Ordinance #16-014 Allowing for Case-by-Case Basis to Allocate Special Assessment Costs for Sidewalk Placement and Replacement – Kluver stated that he didn't have a great amount of direction on this topic from the last Council meeting, and listened to the recording to get a better understanding as to why it was tabled the last meeting. Kluver discussed what the purpose of the ordinance is. He stated the ordinance allows the City to not fully assess property owners for sidewalk improvements. Oswald stated he likes having the option that the ordinance gives the City. Mayor Griffiths stated that the concern at the last meeting was the precedence the ordinance could have, and was that something the City wanted to set. Maziasz stated she doesn't feel like it's precedence setting, and some situations will call for the City to incur some cost. A motion was made by Maziasz to approve Ordinance #16-014 Allowing for Case-by-Case Basis to Allocate Special Assessment Costs for Sidewalk Placement and Replacement, second by Barnes. No vote was had. Jensch stated that she would like to see specific conditions in the ordinance that detail when the City would share in the cost, such as when done for the safety of citizens. Attorney Siegler stated that it could be argued on both sides as to what is considered for the safety of citizens if that language is used in the ordinance. Siegler stated that language could be added to the ordinance that requires Council to state the reasons for the City to share in the cost of that particular sidewalk project. A motion was made by Nowakowski to table Ordinance #16-014 Allowing for Case-by-Case Basis to Allocate Special Assessment Costs for Sidewalk Placement and Replacement, until November when clarification of the language can be added to the ordinance, second by Oswald. Motion carried unanimously.

Discussion and Action on Structural Assessment Report as it Relates to the Purchase of ORIG TOWNSITE OF WASHBURN LOTS 8-10 & 2' ON SW SIDE OF LOT 11 BLOCK 45 IN V.1138 P.618 534, Tax ID 33221, Old Brokedown Palace LLC – Attorney Siegler spoke on where the City currently is at in this process. Siegler stated that the City has a contract to buy the property and the only contingency written onto that contract is the findings in the report, and the only grounds for not continuing with the purchase, is if the findings in the report are deemed by the Council as being a defect. Jensch stated that based on the report, she is very worried of proceeding forward with deal. Jensch stated that she feels there are tremendous costs involved in remedying the structural situations detailed in the report. Barnes stated her concerns with the defects are the issues relating to the defects that were not seen. Barnes stated she doesn't feel good moving forward with the purchase. McGrath stated she is in favor of the City owning the building, but doesn't know where her threshold is on the cost. A motion was made by Maziasz to open the floor, second by Jensch. Motion carried unanimously. Richard Avol spoke. Avol stated he didn't want the City to go into closed session to discuss the property. Mayor Griffiths responded stating closed session would only before negotiation purposes. Oswald stated that the structural report was worse than he

had expected, and is afraid of the City buying the building. Nowakowski stated that she isn't of the same mind set as those who are concerned about the report. Nowakowski stated that the report indicates the building isn't going to fall down. Nowakowski stated that the roof is in fact a problem, but if the city doesn't do something about the building, who will? **Mr. Englehard** spoke. Mr. Englehard stated that he would like to know what the City plans on doing with the building if the City purchase it. Kluver gave an overview of the reasoning behind the purchase and the intended goal. Kluver stated that goal was to put money into projects that enhance the City and help spur growth, by which increasing the City tax base. A discussion took place on what is a defect. Attorney Siegler gave Council the definition of a defect. **Don Jenicek** spoke. Mr. Jenicek asked why the City would risk tax payer money on property, and feels the City should have had public hearings or a referendum on it before the City would take on such a project. No motion was made on the item at this time. It was stated this item would be revisited in closed session. A motion was made by Oswald to close the floor, second by Jensch.
Motion carried unanimously.

Discussion and Action on 2017 Stormwater Utility Budget – No discussion took place. A motion was made by McGrath to tentatively approve the 2017 Stormwater Utility Budget, second by Barnes. Motion carried unanimously.

Discussion and Action on 2017 Harbor Commission Budget – Oswald asked where in the budget shows the fees collected for using the travel lift at the marina. Kluver stated that those fees are part of the marina operations budget. Kluver discussed that the City has a contract with the marina operator for profit sharing. Kluver stated that slip fees are the only direct revenue the City receives from the marina. Mayor Griffiths stated that the City has consistently seen profits from the marina. Maziasz asked about the marina profits and the Harbor Commission using those profits to reinvest in the marina. Nowakowski gave an explanation of the how the Harbor Commission has been reinvesting those profits into the marina. Maziasz asked if the City needed to use those marina profits for other City uses, can the City take those dollars from the Harbor Commission. Kluver stated that he believes under state law if there is not an obligation for its revenue, it is possible for those dollars to go back to the general fund. A motion was made by Nowakowski to tentatively approve the 2017 Harbor Commission Budget, second by McGrath. Motion carried unanimously.

Discussion and Action on 2017 Fee Schedule – A discussion took place on the fee for both Fall and Spring Clean-up. A motion was made by Nowakowski to approve the 2017 Fee Schedule, second by Barnes. Motion carried unanimously.

Discussion and Action on Contract with Bowmar Appraisal, Inc. for 2017-18 Assessor Services – No discussion was had. A motion was made by McGrath to approve the Contract with Bowmar Appraisal, Inc. for 2017-18 Assessor Services, second by Jensch. Motion carried unanimously.

Discussion and Action on Writing Off Uncashed Checks – No discussion was had. A motion was made by Nowakowski to approve Writing Off Uncashed Checks in the amount of \$756.70 General Operating and \$2.40 Water Utility, second by Barnes. Motion carried unanimously.

Alcohol Licensing Matters - Bartender License Applications – #52 though 54 – 18 – No discussion took place. A motion was made by Barnes to approve Bartender License Applications – #52 though 54 – 18, second by Jensch. Motion carried unanimously. **Issuance of a Class “B” Beer and “Class C” Wine License to Kevin Stifter Inc.; dba Washburn Table, at 905 W. Bayfield Street, Kevin Stifter Agent** – No discussion was had. A motion was made by Nowakowski to approve Class “B” Beer and “Class C” Wine License to Kevin Stifter Inc.; dba Washburn Table, at 905 W. Bayfield Street, Kevin Stifter Agent, contingent on the sale of the property and sellers permit license, second by Jensch. Motion carried unanimously.

Deliberating and Negotiating Property Purchase - ORIG TOWNSITE OF WASHBURN LOTS 11 Less 2' ON SW SIDE & LOT 12 BLOCK 45 IN V.828 P.734 & V.1079 P. 934 535 & 536, Tax ID 36604, William Rohling – Administrator Kluver explained that this is the property adjacent to the Brokedown Palace and would

be of interest to the City if the City purchases the Brokedown. Kluver stated that the assessed value of the property is \$15,000 and the owner is asking \$37,000. No motion was had.

Closed session - A motion was made by Barnes to go into closed session at 7:45pm pursuant to Wisconsin State Statute §19.85(1) (e) deliberating or negotiating the purchasing of public property and for competitive reasons; following which the Council may reconvene in open session to take any action that may be necessary on the closed session items, Deliberating and Negotiation based on Structural Assessment Report as it Relates to the Purchase of ORIG TOWNSITE OF WASHBURN LOTS 8-10 & 2' ON SW SIDE OF LOT 11 BLOCK 45 IN V.1138 P.618 534, Tax ID 33221, Old Brokedown Palace LLC and Deliberating and Negotiating Property Purchase - ORIG TOWNSITE OF WASHBURN LOTS 11 Less 2' ON SW SIDE & LOT 12 BLOCK 45 IN V.828 P.734 & V.1079 P. 934 535 & 536, Tax ID 36604, William Rohling, second by Oswald. Motion carried unanimously by roll call vote.

Open Session – A motion was made by Oswald to reconvene in open session at 8:50pm, second by Maziasz. Motion carried unanimously.

Discussion and Action on Structural Assessment Report as it Relates to the Purchase of ORIG TOWNSITE OF WASHBURN LOTS 8-10 & 2' ON SW SIDE OF LOT 11 BLOCK 45 IN V.1138 P.618 534, Tax ID 33221, Old Brokedown Palace LLC – A motion was made by Oswald to provide the seller the notice of defect and the City will be making another offer on the Brokedown Palace, second by McGrath. Motion carried 5-1 Barnes opposed. Mayor Griffiths stated that the other closed session item was tabled in closed session.

Adjourn – A motion was made by Maziasz to adjourn at 8:55pm, second by Barnes. Motion carried unanimously.

Dan Stoltzman
Assistant City Administrator

FINANCE COMMITTEE MEETING 4:30PM

Committee Members Mary McGrath and Mary Nowakowski reviewed monthly expenditure vouchers.