

**MINUTES
CITY OF ISANTI
CITY COUNCIL
NOVEMBER 15, 2011
ISANTI CITY HALL**

Mayor Wimmer called the meeting to order at 7:00 p.m.

The Pledge of Allegiance was recited.

Members Present: Mayor George Wimmer, Councilors Jim Kennedy, Sue Larson, Steve Lundeen and Ross Lorinser

Members Absent: None.

Staff Present: City Administrator Don Lorsung, City Attorney Clark Joslin, Human Resources/Deputy City Clerk Karissa Henning, Economic Development Director Sean Sullivan, Chief Ron Sager, and City Engineer Brad DeWolf

Motion by Larson, second by Kennedy to approve the agenda as presented. Motion carried unanimously.

E. Proclamations/Commendations/Certificate Awards

None.

F. Approve City Council Minutes

Motion by Larson, second by Lundeen to approve the minutes of the November 1, 2011 City Council Meeting. Motion carried unanimously.

G. Citizens Input

Randy Melland, from Hillock Court, explained that when his road was re-done about 4 or 5 years ago, all but one person who lived on his road signed a petition stating they did not want sidewalks. They were told because of City Ordinance that they had to have sidewalks – so sidewalks were put in. Now, the newly refinished roads have no sidewalks. Melland inquired why sidewalks were not made with the new roads. Mayor Wimmer explained in the new road project, the yards were very small and many trees were close to the edge of the street. Due to this, maintaining the lot size for citizens and trying to keep as many trees as possible, along with considering the low level of traffic through the area, it was decided not to put sidewalks in. Mayor Wimmer continued that sidewalks are placed in high traffic areas for safety. Melland stated that a lot of kids are south of Main Street and there should be sidewalks. Mayor Wimmer explained it had been decided for now, to only place sidewalks in high traffic areas for safety.

Melland also made comment about plowing markers on Hillock Court's cul-de-sac for snow plowing. Melland noted that he himself had placed markers up before but the snow plow last year wrecked the markers. Mayor Wimmer directed the issue of stakes being plowed over as well as consideration for Public Works regarding plowing the cul-de-sac to Public Works Committee.

H. Announcements

Announcements were read.

I. Council Committee Reports

Councilor Larson reported on:

- **Anoka Ramsey Advisory Council**
 - Managing high-tech training
- **Isanti County Friends**
 - Presentation on keeping the outreach services in Isanti
 - With budget cuts it is still desired to keep the links site open
 - E-books now available
- **Liquor Committee**
 - Inventory is being done in sections so the Liquor store does not have to close down for inventory
 - Sales up for the 3rd month in a row
 - October there was a gross profit of 26.9%
 - Beyond the Yellow Ribbon Website
- **Community Education Advisory Council for the School District**
 - Equal Isanti and Cambridge representation is needed
 - A little heavy on the Cambridge side currently
 - High attendance for annual youth programs
- **Downtown Committee and Chamber Connections**
 - Christmas Village decorating had a great turn out
 - Santa day is Dec 3rd 9:00 a.m. to 12:00 noon at the Spirit River Community Center in 'The Place to Be' restaurant side
 - Town tree decorating follows at 2:00 p.m. which is located in open space by Family Pathways
 - Snowmobile ATV parade is January 1, 2012 with the line up at 3:00 p.m. at the Isanti Middle School, the parade starts at 3:30 p.m. and ends at the Community Center with a free Chili feed and awards to follow
- **Ice Arena**
 - Holding a new year's bash with open staking

J. Public Hearings

None.

K. Business Items

1. Discussion on Long Term Financial Planning

Mayor Wimmer displayed a presentation to the City Council on some of the changes the City is looking at and is asking City Council to give thumbs up or thumbs down on whether the City is on the right track.

What spurred the presentation was that the City had originally planned for a 2 – 3 % reduction in property values in the community. It has been found out that there is going to be a 22% reduction, across the board, in property values which has created a significant financial impact on City finances.

In the presentation Mayor Wimmer had a graph showing a year by year outlook, up to the year 2018, on how to absorb the current 22% reduction in property values. Below are the highlights Mayor Wimmer touched upon:

- Taking a look at 2012 and 2013, there is a related additional 10% reduction in property values for 2013.
- The City has stayed within 50% of the fund reserve, which is the City policy not to dip below that 50%.
 - Cutting costs for several years has built up the fund reserve for the City
 - Many communities are under 50% of their fund reserves, some are at 30%
 - The Park and Recreation dedication fund interest will be placed in the City general fund reserve
 - City Council is able to use the Park and Recreation interest.
However, the principal has to be used for new park equipment and new park land acquisition
- The plan is to not increase taxes and to keep collecting the same dollar amount, this will remain constant for the years to come, but allow the levy percentage to float with that, meaning the levy percentage will go up but the dollar amount will not.
- For the first year, 2012, the City will be using \$252,000 of the shortfall so the City will not have any negative balance going forward
 - The \$252,000 represents the amount of reduced property values and the MVHC shift.
 - With that \$252,000 the City has seen, on average, residential properties savings of \$150 dollars on single family homes.
- The Economic Development Director ran business numbers to estimate new revenue coming into the City which includes a reduction for Spectacular Events.
- The TIF district has an expiration coming up in 2013 and another in 2017 so the City will be collecting those dollars directly instead of refunding that back, this will assist the City as well.
- The Cops grant expires in 2012 but the City's obligation continues for an additional year.
- Positive numbers mostly from the fund reserve.
- The City tried to split the difference with the anticipated reduction in property values but there is too big of a gap to fill.

- For the next four years there is a small budget deficit.
- Next year there will already be a reduction in the deficit because the City's insurance numbers came out to be \$14,000 under what was originally estimated.
 - This could mean that next year the City is looking at only a \$10,000 difference.
- The total deficit in the last two years is bigger because the fund reserve amount is not there. In 2015, when there are still two years going forward to 2016 – 2017, hopefully things will have changed for the better. If things have not, the City might need to think of changing things from a systemic stand point.

Mayor Wimmer showed a graph from 2004 – 2014, a bell curve was shown on the graph, of property evaluations, the bell curve shows that the City is at 50% of where it was in 2009.

- Mayor Wimmer made comment that in 2008 and 2009 the property evaluations continued to go up, which gave a false perception of how much money the City had to spend. Noting the curve should have been much more gradual.
- With the \$14,000 savings from the City's insurance for 2012, the levy has been set at 62%, the numbers for the initial planning was at about a 10% shortfall.

Mayor Wimmer quoted the Economic Development Director who had said it takes \$9 million dollars in commercial industrial expansion, not using TIF, to generate \$100,000 to the City's bottom line. Currently, this past year the City has generated about 3 million in commercial industrial expansion.

Mayor Wimmer announced that Council needs to address some serious items in the goal setting session, and that a time needs to be set up that all Council members can meet. The meeting is very important.

Mayor Wimmer stated there are a few items that need to be addressed at the goal setting session:

- The Park and Recreation interest
- Fund reserves for municipal buildings, currently there is \$314,000 in the reserve for maintenance on the buildings
- The Isanti Community Center which the City has lost a lot of money on
- Employee levels

Mayor Wimmer showed one last chart, a five year projection, which was made in 2009, for the estimated fund balances in the years to come.

- The estimated fund balance in 2009 was almost \$2 million and it was estimated that in 2011 the City was supposed to be down \$116,000 in the fund balance
- Mayor Wimmer noted the City did a lot of changes and heavy lifting which explains why the City is still at the \$2 million dollar level. A lot of costs were cut.
- In 2015, the City was estimated to be in the hole \$4 million dollars – now the City is less than \$100,000 in the hole

Larson asked when Council could start looking at setting a date for the goal setting session. Mayor Wimmer replied looking at available times and days should start to be looked at now. Larson asked if staff could start letting Council members know dates and times that would work for them soon, and if Council members could have their days and times in mind for the goal setting session so a date can be set at the next Council meeting.

There was discussion on holding the goal setting session in the day versus the evenings.

Mayor Wimmer asked if there were any questions on the presentation. Lorinser made comment that the Council has a lot of work to do.

There was a consensus that a decision needs to be made on what will happen with the Community Center this year.

2. Resolution No. 2011-262 Calling for a Public Hearing to Vacate Drainage and Utility Easements on City Owned Property Located Within Rum River Meadows Park

Lorsung reported that the City had purchased three lots adjacent to the existing Rum River Meadows Park property for future Park expansion. Each of the lots were platted for single-family residential development. The required drainage and utility easements are located along the front, rear, and both side property lines. Staff had contacted Gopher State One to verify the location of utilities extending to the property. There are utilities extending into the drainage and utility easement along the front property line of each of the lots. The City's Public Works Director indicated that water/sewer had also been stubbed into each of the lots. However, there does not appear to be any utilities located in the rear or side yard easements.

This item was looked at by the Park and Recreation Board well as the Planning Commission for review and recommendation. It is recommended that each side and rear drainage and utility easements be vacated for the lots – while the front easements are to be maintained. Also, that drainage and utility easements be vacated for those newly purchased lots within Rum River Meadows Park. A public hearing would then need to be called to be held on December 20th for all abutting property owners.

Motion by Lorinser, second by Kennedy to approve Resolution No. 2011-262 and to call a public hearing for December 20, 2011 as presented. Motion carried unanimously.

3. Resolution No. 2011-263 Adopting the Electronic Bulletin Board Policy for Public Access Channel 10 and Authorization to Acquire Cable Ready TV and Required Connection

The City of Isanti has free access to an Electronic Community Billboard on Public Access Channel 10 from Mid-Continent Cable. Development Advisory Committee has met and recommend adoption of the Electronic Bulletin Board Policies for the Cambridge- Isanti Public Access Channel 10 and to acquire and install a cable ready TV to monitor the bulletin board in an amount not to exceed \$100.

Motion by Kennedy, second by Lorinser to approve Resolution No. 2011-263 as presented. Motion carried unanimously.

4. Resolution No. 2011-264 Approving Participation in a Joint Venture for the Minnesota Department of Public Safety – Office of Traffic Safety to Allow Participation in the Safe and Sober Grant Program with the Grant Partners of Isanti, Kanabec and Pine Counties for the Duration of October 1 ,2011 – September 2012

The City of Isanti has allowed the Police Department to participate in the Safe and Sober Grants that are sponsored by the Minnesota Department of Public Safety for many years. Grant money given to the City offsets expenses for Peace Officer's to provide enhanced enforcement of traffic laws as well as many free items to the City such as driving school tuitions, squad cameras and metal detectors.

Motion by Kennedy, second by Lundeen to approve Resolution No. 2011-264 as presented. Motion carried unanimously.

5. Resolution No. 2011-265 Authorizing Minnesota Deferred Compensation 457(b) Plan (MNDCP) to Offer a Roth Option

As of January 1, 2012 MNDCP has the ability to offer an after-tax contribution option called a Roth. The Finance Committee has met and recommends offering this option to employees.

Motion by Kennedy, second by Larson to approve Resolution No. 2011-265 as presented. Motion carried unanimously.

L. Approve Consent Agenda

1. Accounts Payable in the Amount of \$1,922,469.43 and Payroll in the Amount of \$67,683.76
2. 2011 Watermain Improvements Partial Pay Estimate No. 1
3. Automatic Meter Reading System Partial Payment Estimate No. 2
4. Well House No. 1 Partial Pay Estimate No. 2
5. 2011 Street and Utility Improvements Partial Pay Estimate No. 3
6. **Resolution 2011-266** Approving Dj's Bar and Grill's Name to be Changed to 'The Place to Be' under the Captains of Long Lake Corporation Liquor License
7. **Resolution 2011-267** Approving Application for an Exempt Gambling Permit for the Isanti County Sportsman Club
8. **Resolution 2011-268** Accepting the Resignation of Reserve Officer Jason Sievert
9. **Resolution 2011-269** Authorizing Staff to Include a Link to Isanti County's Beyond the Yellow Ribbon Program on the Isanti Liquor Store Website
10. **Resolution 2011-270** Approving US Bank's Proposal for Credit Card Processing Services

Motion by Kennedy, second by Lundeen to approve the Consent Agenda as presented. Motion carried unanimously.

N. Closed Session

1. City Administrator Performance Review

a. Closed Session 7:40 p.m.

b. Open Session 8:02 p.m.

Joslin provided a summary of the closed session whereas City Administrator Lorsung is doing a fine job and there was discussion on some of the strengths he brings to the position. Mayor Wimmer made comments regarding City Administrator Lorsung's good performance and service to the City of Isanti.

Adjournment

Motion by Kennedy, second by Lundeen to adjourn. Motion passed unanimously.

Meeting adjourned at 8:06 p.m.

Respectfully Submitted,

Karissa Henning
Human Resources/Deputy City Clerk