

**MINUTES
CITY OF ISANTI
CITY COUNCIL MEETING
TUESDAY, FEBRUARY 05, 2008**

Mayor Wimmer called the meeting to order at 3:00 p.m.

The Pledge of Allegiance was recited.

Members Present: Mayor George Wimmer, Council Members Alan Duff, Jeffrey Kolb, Ralph Johnson and Sue Larson.

Members Absent: none.

Staff Present: City Administrator Don Lorsung, Administrative Assistant Trudi Breuninger, City Attorney Clark Joslin, City Engineer Bryan Oakley, Finance Director Rita Pierce, Community Development Director Carla Vita, Police Chief Ron Sager, Liquor Store Manager Shari Harker and Public Works Director Pat Meyer.

Motion by Larson, second by Duff to approve the agenda as modified. Motion carried unanimously.

E. Proclamations/Commendations/Certificate Awards

There were none.

F. Approve City Council Minutes

Motion by Larson, second by Kolb to approve minutes from:

1. January 15, 2008 – City Council Work Session
2. January 15, 2008 - Regular Meeting of the City Council
3. January 15, 2008 – Closed Session of the Regular Meeting
4. January 28, 2008 – Goal Setting Session of the City Council

Motion carried unanimously.

G. Citizens Input

There were none.

H. Announcements

Announcements were read.

I. Council Committee Reports

- Larson reported on the Arena Board saying they discussed repairs that needed attention and ideas to boost rental of ice times and concession times. Also discussed were youth opportunities such as holding a dance at the arena.

- Larson reported on the EDA Subcommittee stating they wanted to define the downtown loop and make it more welcoming from County Road 5. They also discussed how to get more businesses involved.
- Larson reported the Liquor Committee had met with the Architect firms relating to the expansion of the Liquor Store.
- Larson reported the Trunk Hwy 65 Coalition had met and there was discussion on the 2008 and 2009 projects that are scheduled. Isanti and Kanabec Counties narrowed down top priority projects to CH 30 north of Cambridge to 107 including the 107 interchange. Anoka County also picked their top priorities. There will be a resolution for communities to sign to support the top priority projects.
- Larson also reported on the Isanti Community Involvement Team stating the Snowflake Skate will be held on February 24th and is sponsored by Landmark Bank and on March 8th there will be an Old Time Dance at the Community Center.

J. PUBLIC HEARINGS

J.1. Application for a Grant Under the State of Minnesota Investment Fund Program for a Business Loan

Mayor Wimmer opened the public hearing at 3:08 p.m. EverCat Fuel, LLC representatives Larry and Marie McNeff were present. There were no comments from the public; Mayor Wimmer closed the hearing at 3:08 p.m.

a. Consider Resolution No. 2008-017, a Resolution Authorizing the Submission of an Application for a Grant Under the State of Minnesota Investment Fund Program and the Making of a Business Loan to Ever Cat Fuels, LLC

Motion by Duff, second by Larson to approve Resolution 2008-017 authorizing the submission of an application for a grant under the State of Minnesota Investment Fund Program and the making of a business loan to Ever Cat Fuels, LLC. Motion carried unanimously.

BUSINESS ITEMS

K.1. Consider Resolution Awarding Architectural Services for the Liquor Store

Lorsung presented the staff report stating the City received three proposals for architectural services that included costs for design and construction services. Johnson stated the Liquor Committee intensely interviewed the firms and discussed the pricing for the design / build option. The architects had stated there would be a savings doing the project as a design / build and that many of their projects are done that way. The expansion provides for a side entry on the north and a modification to the existing cooler instead of purchasing a new cooler. The renovation of the cooler would be a savings of \$60,000.

Duff questioned the construction costs; if they would still be \$500-600,000. Johnson responded that he did not think they would be that high, especially with the refrigeration savings. Wimmer stated that there would have to be something done with the refrigeration system whether the City determined to go ahead with this project or not. Johnson stated the first step is to get the plan done and out for bids.

Johnson stated the Cambridge liquor store has increased their sales about 10% a month since the addition to their store.

Kolb stated he thinks it's senseless to spend another \$16,000 on the liquor store without knowing what it is going to do for sales. Kolb stated he would like to see sales reports for Princeton, St Francis and Cambridge to see how their improvements helped their sales. Kolb further stated he would like to see this item tabled until additional information can be gathered.

Wimmer attested to the numbers being stated by Johnson but agreed that he would like to see them in front of him as well; and believes the costs are going to increase as the project progresses.

Duff stated he was looking at it as a return on investment; and looking forward to the next two years the city is going to have some financial challenges ahead of them. Duff stated he is not sure if he agrees the City should tie up a half million dollars on the liquor store improvement when there are other issues such as the water plant that are more important.

Wimmer stated it is difficult to consider the project with the Cambridge store doing above average profit in the state with a 10% profit and with our store goal being 7-8%. Wimmer said our store is currently doing well and is debt free; if we start to burden it and use up the cash to offset general operations of the City, this may put the City in a bind in the next couple years.

Larson reminded all present that the liquor store finances projects all year, so she thinks that those dollars would go towards the drawings or expansion. Larson stated that Council has to remember how much the City has taken from the liquor store budget to offset taxes. Larson stated the track record for the liquor store and what it has meant to the community speaks for itself, and in the future it will pay for the expansion and continue to help with special projects within the City.

Wimmer stated he is very cognizant of the dollar amount put in the budget from the liquor store this year and previous years and what the City will need in the next couple of years. The City has seen building permit fees go from over \$600,000 and drop down by \$4-500,000 and LGA cut by 21%. Wimmer stated that cash is incredibly important to the City. A study of \$16,000 would take \$200,000 in sales to pay for it.

Motion by Kolb, second by Larson to table the Architectural Services until information is received on what percentage of increase the Cambridge Liquor Store has seen, and what their traffic count is, as well for the Princeton and St. Francis Liquor Stores.

Duff asked questions to Shari Harker, Liquor Store Manager as to what is the current status of the equipment. Harker stated the coolers are currently working due to the cooler weather; the compressors aren't running as much and hard. Duff inquired if there an immediate attention needed? Harker responded not today.

All in favor: Kolb and Larson. Nay by Duff, Johnson and Wimmer. Motion failed.

Motion by Johnson, second by Larson to move forward with the Resolution awarding Architectural services for the Liquor Store.

All if favor: Johnson, Larson. Nay by Duff, Kolb and Wimmer. Motion failed.

K.2. Consider Resolution No. 2008-018, A Resolution Authorizing the Purchase of Population and Business District Signs for TH 65

Vita presented the staff report stating the State is planning to remove the business district signs as well as the individual business signs when the proposed construction project at CSAH 5 and Highway 65 takes place this year. The cost to replace the four signs would be allocated from the EDA Marketing budget. Otherwise MN DOT would be updating the signs in 2010/2011 when the census numbers are released.

Motion by Duff, second by Larson to approve Resolution 2008-018 Authorizing the purchase of population and business district signs for TH65. Motion carried unanimously.

K.3. Isanti Home Show

Vita provided Council with the Isanti Home Show times and asked for volunteers to assist at the Home Show Booth saying the help would be appreciated.

K.4. BMX Association

Vita presented the staff report stating the Rum River BMX Association is requesting approval of \$1000 towards the tarring of the walking paths to the top of the starting hill at the BMX Track site. The BMX Association is also requesting consideration of a revised agreement between the City and the BMX Association relating to Community Night at Rum River BMX event.

a. Consider Resolution No. 2008-019 a Resolution Approving the Agreement between the City of Isanti and the Rum River BMX Association for the 2008 Community Night Policy

Motion by Larson, second by Kolb to approve Resolution 2008-019 approving the agreement between the City of Isanti and the Rum River BMX Association for the 2008 Community Night Policy. Motion carried unanimously.

b. Consider Resolution No. 2008-020, a Resolution Allocating \$1,000 from the 2008 Budget to the Rum River BMX Association.

Motion by Larson, second by Kolb to approve Resolution 2008-020 allocating \$1,000 from the 2008 Budget to the Rum River BMX Association. Motion carried unanimously.

K.5. Consider Resolution No. 2008-021, A Resolution Approving the Geo-Caching Policy

Vita provided the background for the Geo-caching Policy: Geo-caching is a recreational pursuit that brings together nature and technology. Geo-caching is initiated by an individual hiding a cache, normally a waterproof container with trade items and a logbook inside. The location is recorded with a GPS along with the description of the cache on the Geo-caching Website. Police Chief Sager has reviewed the policy and has no issues with the policy. It was requested that a picture of the geo-cache unit be submitted as a part of the application process.

Motion by Larson, second by Kolb to approve Resolution 2008-021 approving the Geo-caching Policy. Motion carried unanimously.

K.6. Consider Resolution No. 2008-022, a Resolution Accepting State Bid for a Squad Car for the Police Department.

Chief Sager presented the request for purchase of a squad car; stating the 2008 Budget provides for replacement of a squad car. The quotes received for the vehicle followed the city purchasing policy and were obtained from the Minnesota Materials Management Division website. Sager is requesting the purchase of the Dodge Charger Police Package Hemi. Sager stated he should be able to keep the cost of the new squad car and related equipment within the budgeted amount.

Motion by Duff, second by Larson to approve Resolution 2008-022 accepting state bid for a squad car for the Police Department for the purchase of a 2008 Dodge Charger Hemi for the amount of \$22,256. Motion carried unanimously.

K.7. Consider Resolution No. 2008-023, a Resolution Offering Employment with the City for Police/School Resource Office Position to Mr. Adam Gau

Wimmer stated this item was pulled off the consent agenda to allow for discussion, and asked that it be tabled until the contract with the Police Department is settled and the City knows what the total cost of the position would be.

There was brief discussion on the School District funding for the School Resource Officer portion of the position and what is being requested in the contract negotiations and how this might affect funding the position.

Sager stated his concern was that the position was budgeted for in 2007 and the position is still vacant. Sager stated he doesn't feel the community should be punished just because the Officers and the City are still in labor negotiations. Sager also stated the City has a contract with the School District to provide a School Resource Officer.

Wimmer asked how much flexibility is in the Police Budget to accommodate some of the costs if the school ends the program. Sager said that if there is such a financial concern they could take another look at his budget and see where cuts can be made.

Kolb asked how the position is being filled currently. Sager stated he or the day officer are covering the position if there are no emergencies to contend with. Kolb asked if the School District had raised any issues about not having an officer there that they are paying for. Sager responded no, but it may be brought up.

Larson stated she believes it is important to continue to have the presence of an officer on site at the schools.

Motion by Larson, second by Kolb to approve Resolution 2008-023 offering the Police Officer/School Resource Officer Position to Mr. Adam Gau. Motion carried unanimously.

K.8. Consider Resolution 2008-024, a Resolution Approving the Plans for the 2008 Street Improvement Project and Ordering Advertisement for Bids.

Oakley presented the schedule and background of the 2008 Street and Utility Improvement Project. Oakley stated the primary purpose of this project is to remove existing sanitary and storm sewer bottlenecks. The areas include the following streets and rights-of-way: 2nd Ave from Spirit Brook to Elizabeth; Elizabeth Street from 2nd Ave to BNSF, Alley west of BNSF, Broadway at alley intersection and 1st Avenue south of Elizabeth. Oakley also went over the project costs; total cost is estimated from \$655,000 to \$681,000. Oakley stated there were a few remaining items that include obtaining the permit from the railroad and an easement from an adjacent property owner. Oakley stated one business owner had questioned the use of fly ash in bituminous as a cost savings. Oakley stated MNDOT has not come up with a standard on that and more importantly after checking with local suppliers they feel it would not be a cost savings here. The purpose of fly ash is to reduce the cost of mineral filler in bituminous.

Wimmer questioned the schedule on why the neighborhood meeting and Council awarding bids are to be on the same night. Oakley stated the neighborhood meeting is not a required meeting and it is done by the City as a courtesy to inform the property owners what will be happening and get feedback based on the assessment rolls that would be sent out to the affected properties. The schedule is based on the advertising of the bids; advertising bids could be delayed if requested by Council but it will cut into the construction season.

Motion by Larson, second by Kolb to approve Resolution 2008-024 approving the plans for 2008 street and utility improvement project and ordering advertisement for bids. Motion carried unanimously.

K.9. Consider Resolution 2008-025, a Resolution Accepting Quote for the Public Works Equipment Purchase

Meyer presented a staff report stating the current equipment the department uses for clearing sidewalks does not match the width of the sidewalks, therefore causing some issues with damaged lawns. The proposed purchase of a tractor/blower would have a 47" width and would allow for additional room on the sidewalks that will assist with the issue of grass being dug up.

Motion by Johnson, second by Larson to approve Resolution 2008-025 accepting quote from Isanti County Equipment, 233 Cajima Street, Isanti MN in the amount of \$18,150 for a tractor and accessories for the Public Works Department. Motion carried unanimously.

K.10. Consider Resolution 2008-026, a Resolution Awarding Newsletter Publication Quote

Lorsung presented the memo regarding the publication of the Isantian. Wimmer stated the cost savings not only include equipment and staff time, but that City costs would also be offset by selling advertisements in the newsletter. He stated he has already heard from a number of people interested in purchasing ads. Wimmer also stated the final product would be much better in the quality of print and paper used.

Motion by Larson, second by Duff to approve Resolution 2008-026 accepting quote for publication of the City Newsletter for year 2008. Motion carried unanimously.

K.11. Consider Resolution 2008-027, a Resolution Extending Refuse Contract with ACE Solid Waste

Lorsung presented the memo stating the current contract with ACE Solid Waste for refuse service expires on March 31, 2008. The city wide clean up date is scheduled for April 26th. Staff finds that the current March 31st expiration date of a refuse contract does not allow the necessary time to schedule the clean-up day event with the company that the City may be contracted with. Therefore staff is requesting the current contract held with ACE Solid Waste be extended to May 31, 2008 and that all future contracts for refuse service start on June 1st and end on May 31st. The contract period would still remain 2 years.

Motion by Johnson, second by Larson to approve Resolution 2008-027 extending the Refuse Service Contract to May 31, 2008 with Ace Solid Waste. Motion carried unanimously.

K.12. Consider Resolution 2008-028, a Resolution Relating to Pawnshop License Renewal

Lorsung presented the memo regarding the Pawnshop License extension and the license fees.

Because the cost to the City exceeds the fees collected for the license and transactions, Wimmer questioned the dollar amount the license fee or transaction fees would need to be increased due to the deficit. Pierce stated the license fee would have to increase to compensate for the loss. If the Council wanted to break even on the use, the license fee would have to be \$4,355.00.

Joe Niles, owner of Northern Pawn, Inc. stated he prefer the transaction fee go up versus the annual license fee. Niles stated he felt blindsided by this issue as he does not have the numbers in front of him on how much business they have done and suggested the transaction fee be raised by 50 cents.

Lorsung stated there is legislation coming up that may be putting a limit on what a city can charge per transaction to a pawn shop, but that is an option.

Niles stated a per transaction fee is easier to re-coop and can take that into consideration when buying merchandise.

Wimmer asked Chief Sager regarding the costs. Sager stated there were some up front costs that they incurred. Sager also stated that he waited a couple of months to allow for the business to get going before he was charged any fees.

Pierce stated that the transaction fee would have to go from \$1.50 to \$2.50 per transaction to keep the annual license fee at \$1500.

Niles asked if this could be open for discussion in the future years because of the costs incurred up front to get it going. Wimmer stated that he just wanted to make sure the costs are being covered and not be a deficit.

There was general discussion on who should be making the request to review fees.

Motion by Johnson, second by Larson to approve Resolution 2008-028 authorizing the License renewal of Northern Pawn Inc.; to increase the transaction fee to \$2.50; and that the transaction fee shall be reviewed again in 2009. Motion carried unanimously.

K.13. Consider Approval of Welchlin Communications Services

Lorsung presented the memo requesting management training by Welchlin Communications for the Liquor Store management staff.

Motion by Johnson, second by Larson to approve the Welchlin Communications Strategies management training. Motion carried unanimously.

K.14. Consider Acceptance of Engineers RFP's and Authorize Interviews

Lorsung stated the City received 15 proposals from engineering firms for City Engineering Services. The Public Works Committee reviewed the proposals and have recommended four that should be interviewed.

Motion by Larson, second by Kolb to authorize interviews with BDM, P.L.C, Bolton & Menk, MFRA and Wenck to be held on Tuesday, February 19, 2008 from 4:00-6:00 p.m. Motion carried unanimously.

L. Approve Consent Agenda

Motion by Kolb, second by Duff to approve the consent agenda items:

1. Accounts Payable in the Amounts of \$393,194.65 and Payroll in the Amount of \$63,168.01
2. Approving the Animal Control, Kennel & Refuse Specifications
3. **Resolution 2008-029**, a Resolution Approving Exempt Gambling Permit to Rum River Quality Deer Management Association
4. **Resolution 2008-030**, a Resolution to enter into a Site Use Agreement Between the City of Isanti and Catholic Charities
5. Resolutions Offering Employment with the City as follows:
 - a. **Resolution 2008-031**, a Resolution Offering the Police Department Part-Time Data Entry Clerk Position to Ms. Linda Goldben
 - b. **Resolution 2008-032**, a Resolution Offering the Receptionist/Utility Clerk Position to Ms. Anna Vick
 - c. **Resolution 2008-033**, a Resolution Offering the Liquor Store Clerk II Position to Mr. Troy Johnson
6. **Resolution 2008-034**, a Resolution Adopting the Minnesota General Records Retention Schedule for Cities
7. Appointing Councilmember's Kolb and Johnson to Community Center Committee
8. Approval of the Following Minutes:
 - a. November 27, 2007 Park & Recreation Board
 - b. November 27, 2007 EDA
9. **Resolution 2008-035**, a Resolution Accepting Planning Intern Leila Paye's Letter of Resignation

Motion carried unanimously.

Adjournment

Motion by Duff, second by Kolb to adjourn. Motion carried unanimously.

Meeting adjourned at 4:25 p.m.

Respectfully submitted,

Trudi Breuninger
Administrative Assistant