

**MINUTES
CITY OF ISANTI
CITY COUNCIL
March 04, 2008**

Mayor Wimmer called the meeting to order at 7:02 p.m.

The Pledge of Allegiance was recited.

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

Members Absent: None.

Staff Present: City Administrator Don Lorsung, Assistant City Administrator/City Clerk Irene Bauer, City Attorney Clark Joslin, City Engineer Bryan Oakley, Finance Director Rita Pierce, and Community Development Director Carla Vita

Motion by Kolb, second by Larson to approve the agenda as amended. Motion carried unanimously.

E. Proclamations/Commendations/Certificate Awards

There were none.

F. Approve Minutes

Motion by Larson, second by Duff to approve the February 19, 2008 City Council Work Session and the February 19, 2008 Closed meeting minutes as presented; and the February 19, 2008 Regular Meeting minutes as amended. Motion carried unanimously.

G. Citizens Input

There was none.

H. Announcements

Announcements were read.

I. Council Committee Reports

Councilmember Larson reported on the following committees and meetings she had attended:

- Police Committee
- Arena Board Meeting
- Transportation Seminar held at the University of MN
- Community Involvement Team:
 - Olde Tyme Dance to be held on March 8th
 - Pet Clinic scheduled for March 26th

Councilmember Johnson gave a report on the February Fire Board Meeting he had recently attended.

Councilmember Kolb updated Council on the status of working with the Cable Commission and School District on placing and operation of cameras in the Council Chambers.

Mayor Wimmer gave a report on a meeting he had attended with the City of East Bethel and the Township of Athens relating to future growth in the area.

J. PUBLIC HEARINGS:

There was none.

BUSINESS ITEMS:

K.1. Consider Resolution No. 2008-047, a Resolution Approving the Minnesota Public Facilities Authority Application for a Loan from the Drinking Water Revolving Fund

Pierce gave a staff report whereas in June 2007 the City Council authorized the submittal of an application for a low interest loan to the MN Department of Health. The loan will provide funding for the construction of a Water Treatment Plant that is necessary based on the levels of radium, iron and manganese levels in the City's water system. The Minnesota Public Facilities Authority (PFA) has approved the 2008 Intended Use Plan that was required to receive funding from the Drinking Water Revolving Fund.

Motion by Larson, second by Kolb to approve Resolution No. 2008-047 as presented.
Motion carried unanimously.

K.2. Consider Resolution No. 2008-048, a Resolution Accepting Plans and Specifications and Authorizing Submittal of Plans and Specifications to the Minnesota Department of Health (MDH) for the Construction of the Water Treatment Facility

Oakley presented the Plans and Specifications for the Water Treatment Facility (WTF) and further stated the Plans and Specifications are ready for submittal to the Minnesota Department of Health (MDH). The submittal deadline is March 5, 2008 for projects to receive low-interest loans for construction in year 2008.

Oakley provided an overview of the plans and reviewed the project schedule.

There was discussion on the schedule and Oakley stated it is dependent on when comments are received back from the MDH based on their review of the plans for the WTF.

Motion by Larson, second by Kolb to approve Resolution No. 2008-048 as presented.
Motion carried unanimously.

K.3. Presentation by Friends of the Library – Consider Resolution No. 2008-049, a Resolution of Support of a Library in the City of Isanti

Susie McCune and Tina Voss presented results of the Isanti Area Library Needs Assessment. The areas of the needs assessment presented were Demographics, Environment, Community Input, Library Comparisons, Future Library Space Needs, Site Analysis, Construction Funding Options and Estimated Costs.

Johnson stated he did not see any businesses listed as being a part of the Interview Participants and Ms. McCune stated this was an oversight when preparing the list of participants.

Duff questioned why the resolution stated the City ‘reiterates its support’; that this language makes it appear there was already past support. There was brief discussion that the City had supported the concept in a past resolution.

Motion by Larson, second by Johnson to approve Resolution No. 2008-049 as presented.
Motion carried unanimously.

K.4. Discussion on Professional Engineering Services

Wimmer provided a brief overview whereas Wenck and Associates withdrew their proposal to provide engineering services to the City and opened it up for discussion on who to select for professional engineering services.

Johnson stated he supports MFRA; that they have done a good job; Johnson further stated he knows there has been some problems, but feels they have made progress in addressing those problems and the communication issues that had developed.

Motion by Johnson, second by Larson to retain MFRA as the City Engineer.

Based on the motion there was much discussion. Duff stated he has the same concerns he had at the last Council meeting and stated he felt Wenck had a very strong proposal and that Bolton and Menk did an exceptional job at the interview; Duff stated he felt Bolton and Menk should be selected. Kolb commented that he agreed with Duff’s comments that there have been communication issues with MFRA; and further Kolb stated that the City should move on and work with a new company to provide the engineering services needed by the City.

Two people from the public voiced their support for Oakley and MFRA. The first was Steve Lindell, 802 Winsome Way NE. Lindell stated that he supports retaining MFRA. Lindell stated there were many issues that arose as the east side of Highway 65 was developed, and there were strong personalities that had to be dealt with. Lindell stated he

dealt with Bryan Oakley on a daily basis and always found that the communication and professionalism was very good; from minor details to larger issues. Lindell stated that when the lift station was installed he was literally cut off, but with good communication from Oakley and the contractor, that issue and other issues were always addressed and solved. Lindell stated that he and Oakley did not always agree, but he always provided professionalism and good communication on the issues. Lindell stated he feels Oakley does a good job for the City.

Byron Westland – Woodland Development – stated that they support retaining MFRA as the City Engineer. Westland stated he has worked with Oakley on two projects and have had very good relationships. Westland stated communications with Oakley was very good and requested Council consideration to continue to support MFRA as the City Engineer.

Wimmer stated the City knows what we have with MFRA; however the City holds a high standard of expectations from an engineer. After the City was informed Wenck was withdrawing their proposal, Wimmer stated he took the time to speak with Oakley of MFRA, and Brad DeWolf of Bolton & Menk as to their interest to be considered to provide their services to the City.

Both Bryan Oakley of MFRA and Brad DeWolf of Bolton and Menk were given the floor to speak on their behalf.

After hearing from Oakley and DeWolf, Wimmer called for a count of votes based on the initial motion by Johnson to appoint MRFA as the City Engineer with a second by Larson. The motion failed with a 2-3 vote (Wimmer, Duff & Kolb opposed).

Motion by Duff, second by Kolb to appoint Bolton and Menk as the City Engineer for the City. Motion carried 3-2 (Johnson and Larson opposed).

K.5. Consider Resolution No. 2008-050, a Resolution Approving the Subordination Agreement and Environmental Indemnification Between the City of Isanti and Ever Cat Fuels, LLC

Vita gave a staff report whereas the bank financing the Ever Cat Fuels, LLC project is requesting an Environmental Indemnification and Subordination Agreement before they will close the loan on the property. City Attorney Joslin assisted in preparation of the Environmental Indemnification and Business Subsidy Agreement and Attorney Deike assisted in the preparation of the Subordination Agreement along with the Bank's attorneys.

Motion by Larson, second by Kolb to approve Resolution No. 2008-050 as presented. Motion carried unanimously.

K.6. Consider Resolution No. 2008-051, a Resolution Authorizing Staff to Apply for FY09 Federal Funds for the Construction of the Pedestrian Bridge

Vita gave a staff report whereas the City has the opportunity to apply for Federal funds for year 2009 through the Subcommittee on Transportation for the Pedestrian Bridge. The Funding Request Form was reviewed by Council. Duff recommended a modification to the funding request by moving a paragraph from one location to another within the request form.

Motion by Duff, second by Larson to approve Resolution No. 2008-051 as presented and directed staff to amend the letter as discussed. Motion carried unanimously.

K.7. Consider Resolution No. 2008-052, a Resolution Approving the Request from Byron Westland, Representing Woodland Development, for an Extension to the Preliminary Plat for Woodland Commercial Park

Vita gave a staff report whereas Byron Westland, Woodland Development had received Preliminary Plat approval for Woodland Commercial Park on April 3, 2007. The developer has one year from the date of approval to file the Final Plat; otherwise, the Preliminary Plat shall be considered void unless an extension is received by the developer. Westland has provided a written request for an extension of one year on his preliminary plat for Woodland Commercial Park.

Motion by Larson, second by Duff to approve Resolution No. 2008-052 as presented. Motion carried unanimously.

K.8. Consider Ordinance No. 432, an Ordinance Amending Ordinance No. 397, an Ordinance Regulating the Outdoor Parking and/or Storage on Residentially Zoned Property of Vehicles, Boats, Trailers, PODS, Roll-Off Bins, and Fishhouses

Vita gave a staff report whereas the initial Ordinance No. 397's intent was to have the words "per year" on the exhibit column for Time Allowed; it was omitted on the exhibit at the time of its approval. The amending ordinance brought before Council on this date provides that the words "per year" are placed on the exhibit to Ordinance No. 397. City Attorney Joslin recommended the wording is amended to read "per calendar year".

Larson and Kolb stated they had received an e-mail from a resident that had an issue with the ordinance. There was discussion that this resident should receive written communication why the specification as established in the ordinance has been made.

Motion by Duff, second by Kolb to adopt Ordinance No. 432 with the amendment as stated above as recommended by Joslin and directed staff to respond by letter to the resident who had issue with the ordinance. Motion carried unanimously.

K.9. Creation of a Revolving Loan Fund

Vita gave a staff report whereas at the January 28, 2008 City Council Goal setting session, the Council discussed a Revolving Loan Fund (RLF) as a tool for economic development purposes.

Based on the goal of a RLF, a sub-committee of the Isanti City Partnership (ICP) is working on a RLF policy.

At their February meeting the EDA recognized that the ICP is developing a RLF policy; the EDA made a recommendation to the City Council that a Revolving Loan Fund is created that will provide that the current funds in the land acquisition fund in the amount of \$67,416, and the funds in the Unreserved Fund Balance in the amount of \$62,584, are moved to a newly created fund. The development of a RLF policy will establish how the funds can be used.

Motion by Larson, second by Kolb to direct staff to continue development of a RLF policy and bring the policy back for Council consideration along with a resolution that creates and moves the above stated funds to a Revolving Loan Fund. Motion carried unanimously.

K.10. Consider Request by MNDOT of Interest on Property

Vita gave a staff report whereas the City received communication from MnDOT that they are considering the purchase of property owned by Knife River for the purpose of constructing a maintenance facility on the property. MnDOT stated they only need a portion of the property and has inquired if the City is interested in purchasing the remaining portion of the property.

There was discussion on the matter; there was consensus that this is not a good time to purchase property and that there are not the financial resources to obtain the property.

Motion by Kolb, second by Larson to direct staff to send a letter to MNDOT to inform them this is not a good time for the City to move forward in the purchase of the property. Motion carried unanimously.

K.11. Discussion on Comprehensive Economic Development Survey (CEDS)

Vita gave a staff report whereas a letter was received from East Central Regional Development Commission (ECRDC) requesting the City complete a survey. The survey is used to identify projects in the region that may be eligible for funding from the Economic Development Administration (EDA). Projects must be included in the plan in order to be considered for federal funds.

The ICP recommended two projects as the City's CEDS projects: 1) a rail to serve the industrial park, and 2) downtown redevelopment.

There was brief discussion on having a side rail in the area.

Motion by Wimmer, second by Larson to approve the Comprehensive Economic Development Survey with the two projects as stated above. Motion carried unanimously.

K.12. Consider Resolution No. 2008-053, a Resolution Approving a Stormwater Easement on Public Property in Mattson Park

Vita gave a staff report whereas in 2006 the Council authorized by resolution an agreement to work with staff on an easement for a stormwater pond west of Park Brook, east of the property in the general location of the SE quadrant of County Roads 23 and 5 for a future stormwater pond for the site when it develops. This was based on the need to have right-of-way easements for turn lanes, medians, and traffic lights that were required by the County; and the property owner provided the required easements that resulted in less property for the location of a stormwater pond.

An easement has been developed for a stormwater pond site that would be required for the development of the property; whereas the easement is from the City of Isanti to the property owner.

Motion by Larson, second by Johnson to approve Resolution No. 2008-053 as presented. Motion carried unanimously.

K.13. Review of TIF 8 and 10 Reports

Vita gave a staff report whereas it was found that due to State laws, tax increments from TIF 8 and TIF 10 will not generate the tax increment revenues necessary to pay all the assessments on the obligations within the Development Agreements. It was determined that special assessments last longer than the time provided for within the Development Agreements. Legal opinion was received from the City's TIF attorney Mr. Deike. Deike stated that the Development Agreements have numerous areas to ensure that if TIF money is not available, that repayment does not have to occur. However, the intent of the City was that repayment shall occur to all development using TIF. To meet this intent, it was determined that tax abatement can be used to ensure this takes place. The options for tax abatement for the current TIF Properties are: 1) Amend the current development agreement adding tax abatement to begin after the TIF time period has ended; 2) Have a separate development agreement on tax abatement to begin post TIF time period has ended.

The TIF shortfall was reviewed and discussed at the ICP and EDA meetings. The EDA is recommending that the City use tax abatement with the terms to be decided.

Lorsung stated that tax increment funds could be used to develop the tax abatement documents.

Motion by Larson, second by Duff to direct staff to develop tax abatement documents for the affected TIF Development Agreements. Motion carried unanimously.

L. Consent Agenda

Lorsung stated that Council should consider removing a claim from the Accounts Payable list to the Isanti County Sheriff in the amount of \$5,819.69.

The following consent agenda was considered:

1. Accounts Payable in the Amounts of \$177,525.01 and Payroll in the Amount of \$65,929.22
2. Resolutions Approving On-Sale and Sunday Liquor License Renewals:
 - a. **Resolution No. 2008-059** - Creamery Crossing
 - b. **Resolution No. 2008-060** - Rum River VFW Post 2735
3. Travel Request for Councilmember Sue Larson
4. **Resolution No. 2008-054**, a Resolution Approving Exempt Gambling Permit to Ducks Unlimited-Rum River Chapter
5. **Resolution No. 2008-055**, a Resolution Approving Renewal of a Gambling Premise Permit for Community Charities
6. Approval of Specifications for Portable Toilet Rental Services
7. **Resolution No. 2008-056**, a Resolution Offering Employment to Nicholas Graziani as Part-Time Liquor Store Clerk
8. Approval of January 22, 2008 Park & Recreation Board Minutes
9. Approval of January 22, 2008 EDA Minutes
10. **Resolution No. 2008-057**, a Resolution Authorizing the Issuance of Dog License at a Dog Clinic
11. Authorize Going out for RFP's for Health Benefits
12. Sidewalk Snow Removal and Billing
13. Approval of Community Meeting
14. Approval of Labor Management Training
15. **Resolution No. 2008-058**, a Resolution Approving Consumption and Display Permit for the Isanti Lions Club

Motion by Larson, second by Duff to approve the above stated Consent Agenda with the removal of the claim to Isanti County Sheriff in the amount of \$5,819.69. Motion carried unanimously.

M. Other Communication

Other communication was reviewed as presented.

N. Closed Session

Update on Status of LELS Labor Contract Negotiations

At 8:27 p.m. Mayor Wimmer announced there will be a five minute recess prior to going into closed session.

Summary of Closed Session

The Council came out of Closed Session at 8:50 p.m. City Attorney Joslin provided the following summary of the closed meeting:

The following were present at the Closed Session: Mayor Wimmer, Councilmember's Duff, Johnson, Kolb, and Larson. Also present were City Attorney Clark Joslin, City Administrator Don Lorsung, City Clerk Irene Bauer, and Finance Director Rita Pierce.

Joslin stated in closed session there was discussion on the status of the negotiations on the contract for the LELS Union for the Police Officers. Council was informed that based upon the Unions determination on the last offer made by the City; it was not acceptable to them. The Union did request mediation through the Bureau of Mediation Services and Council was informed the negotiation team will be proceeding with that process. Discussion of the closed meeting ensued as to Council's perception and direction to the negotiation team as to what the City's position should be and consensus was that the negotiation team should proceed in line with the prior discussions as to the wages and benefits that will be offered during the mediation process. The meeting was re-opened for this summary at approximately 8:50 p.m.

Adjournment

Motion by Duff second by Larson to adjourn. Motion passed unanimously.

Meeting adjourned at 8:52 p.m.

Respectfully Submitted,

Irene J. Bauer
Assistant City Administrator/City Clerk