

**MINUTES
CITY OF ISANTI
CITY COUNCIL
APRIL 15, 2014
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 Sue Larson, Adam Johnson, Steve Lundeen and Dan Collison

Members Absent: None

Staff Present: City Administrator/City Clerk Don Lorsung, City Attorney Clark Joslin, Finance Director/Assistant City Administrator Sarah Cotton, Human Resources/Deputy City Clerk Karissa Henning, Police Chief Gene Hill, Economic Development Director Sean Sullivan, Community Development Director Roxanne Achman, Public Works Director Nick Fleischhacker, Liquor Store Manager John Jacobi, Community Events and Parks Coordinator Josi Wood and City Engineer Brad DeWolf

D. Adopt Agenda

Addendum:

Add New K.11 Resolution Offering the Position of Public Works Maintenance Technician to Jacob Pudlick

Renumber Remaining Business Items K. 12 through K. 13

Add New L.10 Resolution Approving to Advertise to Fill the Vacant Planning Commission Seat

Motion by Johnson, second by Larson to approve the agenda with the addendum as presented. Motion carried unanimously.

E. Proclamations/Commendations/Certificate Awards

F. Approve City Council Minutes

Motion by Lundeen, second by Larson to approve the minutes of the April 1, 2014 regular meeting of the City Council. Motion carried unanimously.

G. Citizens Input

Jim Harris, 439 - 3rd Avenue N, asked the City Council if they had filled out their questionnaire that he had provided them with at the February 5, 2014 City Council meeting. Mayor Wimmer responded the City Council did not fill out the survey and that the Council has to be fair and consistent about filling out surveys. The Council has determined due to the number of surveys

requested of them, that they will not fill out surveys. Harris made comment that he is a taxpayer and requested the questionnaire be filled out. Harris passed out additional copies of the survey to the City Council, City Administrator, City Attorney and Police Chief. Harris again brought to the Council's attention his continuing concern with the City not doing anything about his case he had filed alleging police brutality and that he feels the City is blowing him off. Harris noted that people cannot be blown off all of the time.

H. Announcements

Announcements were read.

I. Council Committee Reports

Councilor Larson reported on:

- **Upcoming Events**
 - Bluebird 5K
 - Farmers' Market
 - Street Dances
 - City Wide Clean-Up Day
- **League of Minnesota Cities - Elections Task Force**
 - Standardize both State and City to 30 days residency requirement for voting
- **Community Education Advisory Committee**
 - New GED Requirements
- **School Make-Up Day**
 - June 5th
- **Cambridge-Isanti Educational Center**
 - Customer Service Training for Small Businesses

J. Public Hearings

None.

K. Business Items

1. Resolution 2014-069 Accepting the 2013 Annual Financial Report and Management Letter

Matthew Vos was present from Abdo, Eick, and Meyers, LLP the City's Auditing Firm and reviewed the 2013 management letter.

Vos stated the City does a great job with checks and balances and their financial reporting. Vos stated the following points regarding the findings of the 2013 audit:

- Adjustments were made to correct the receipt coding of a donation to revenue from the fund balance.
- There was a decrease in the unassigned fund balance from 70% in 2012 to 59% in 2013.

Mayor Wimmer noted the City does not budget for Local Government Aid (LGA) money, and if it is received, the money is then used in the following year.

- The largest revenue variance is within intergovernmental revenues, which was \$318,556 more than budgeted. This is primarily due to \$313,359 received for Local Government Aid (LGA), all of which was unbudgeted.
- Within revenues from taxes there was an increase from 2012 to 2013, this was due to an excess of TIF received and a collection of delinquent taxes.
- Public safety expenses have increased from 2011 to 2013, largely related to increases in personnel services within the police department.

Mayor Wimmer stated the City spends on average of 20% less on administrative costs than peer cities.

- Within the major project fund, it shows a deficit in the 2013 Railroad Avenue and Walk Improvements fund - this will be covered by future Municipal State Construction Aid.
- There was an increase in the Capital Replacement fund of \$120,000 as a result of a donation restricted to future improvements at the Community Center.
- For over 75% of the assets pledged by the City, around $\frac{3}{4}$ is already covered.
- For 2013 the net debt per capita was 485, significantly lower than in years past.
- It is recommended that rates for water & sewer utilities be reviewed annually to ensure they are sufficient to cover operating costs, annual scheduled debt payment, and planned project costs.
- In 2013 there was a gross profit of 26.1% in the Liquor Fund; this is respectively above the statewide average.
- The City's debts to assets are on average lower than peer cities.

Mayor Wimmer noted the taxes per capita and expenditures per capita are also below peer cities.

Motion by Larson, second by Lundeen to approve Resolution 2014-069. Motion carried unanimously.

2. Public Works Equipment Purchase

- Resolution 2014-070 Authorizing the Replacement of Snow Plow Truck/ Equipment**
- Resolution 2014-071 Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code**

Mayor Wimmer noted this item is for the purchase of a snow plow truck and to allow the City to use bond proceeds to reimburse cash used in advance of borrowing. Ultimately the bond payments for the purchase of the 2014 plow truck will be made out of the General fund.

Motion by Collison, second by Larson to approve Resolution 2014-070. Motion carried unanimously.

Motion by Larson, second by Lundeen to approve Resolution 2014-071. Motion carried unanimously.

3. Resolution 2014-072 Accepting Quotes for Capital Improvement Projects for the Isanti Community Center

Larson asked if other options besides carpet were considered for the main entrance in the Community Center. Larson stressed her concern about the carpet being ruined and costly fees for maintenance of the carpet during the winter months with all the salt and snow. Wood stated that other options were looked into, including tiling, however with the layout of the building tiling adds a lot of noise to the facility, and the cheapest way to cut out noise within a building is by adding carpet. Wood stated there will be rugs in the main entrance area to keep the carpet in good condition. Wood also noted she had found through reviewing studies from other facilities that adding carpet to the main entrance would actually be cheaper for maintenance over time than VCT tiles.

Larson questioned the demoing of the current wainscoting paneling on the walls in the main hallway and replacing it with wallpaper. Wood replied there is a lot of damage to the wainscoting and a majority of it would need to be replaced. Wallpapering is a cheaper way to replace this than to replace the current paneling.

Mayor Wimmer stated that the cost of the project will not exceed \$152,000, noting that this is above the donation amount from the Ruby Johnson Trust. The remaining balance of \$22,000 would come from the 2013 carryover funds, and then \$10,000 would be set aside to make sure the City has enough to take care of any unforeseen issues. Mayor Wimmer noted the parking lot would be done with the City money, and not the money donated.

Larson stressed a concern about the soil borings in the parking lot. Mayor Wimmer stated that it would be tackled and addressed if needed.

Larson asked for a start date. Wood stated currently she is looking at starting the project the second week in June in attempt to displace the least amount of renters. Larson stated as soon as Wood knows the exact date, she would like to know. Wood will inform Larson of a confirmed start date.

Motion by Larson, second by Johnson to approve Resolution 2014-072. Motion carried unanimously.

4. Engineering Proposal for Storm Water Retrofits

DeWolf stated this is part of the grant proposal for using the Legacy funds. The City received funds to better clean the City's storm water. The design would be completed in 2014 with construction in 2015. The total cost of the project is \$155,000, the grant requires the City to match 25%, and therefore the City's cost is \$38,750 for this project and the rest is funded through the grant.

Motion by Lundeen, second by Larson to approve the proposal for storm water retrofits. Motion carried unanimously.

5. Request from SMR Acquisitions Company, LLC, on Behalf of the Mille Lacs Oil Company, for a Variance to the Required Number of Trees, the use of sod, the Requirement of Ornamental Ground Coverage and the Amount of Impervious

Surface within the Parking Perimeter for the Property Located at 391 Cherrywood Street NE

Mayor Wimmer stated this was voted down in Planning Commission.

Motion by Lundeen, second by Larson to approve Resolution 2014-073 denying the variance. Motion carried unanimously.

6. Ordinance 578 Amending Ordinance No. 445 Zoning, Section 17 Off-Street Parking and Loading, Subdivision 10 Number of Required Parking Spaces, Specifically School Parking

Motion by Lundeen, second by Larson to approve Ordinance 578. Motion carried unanimously.

7. Resolution 2014-074 Approving the Conditional Use Permit (CUP) and Site Plan/ Building Appearance for the Art and Science Academy to be Located on the Property at 903 6th Ave Ct NE, Legally Described as Lot 2, Block 1 Fairway Greens

Motion by Larson, second by Johnson to approve Resolution 2014-074. Motion carried unanimously.

8. Consider City Participation in Rum River BMX Project

Representatives from Rum River BMX have approached the City of Isanti and have asked to partner on a project at the Rum River BMX site.

The proposed project consists of a 72,900 square foot metal building to enclose the existing BMX track and seating for spectators. The new facility would also include a concessions area and permanent public and private restroom facilities that are currently not available at Bluebird Park. The proposed building type would have the ability to open doors during nice weather in the summer months and have them closed during the cool months. The project would hook up to the City Sewer, Water and Storm Water system. Preliminary project cost estimates are 1.5M based on information provided by Rum River BMX to the City of Isanti.

City Staff has done some preliminary research on the project to better define its scope. Taxable status, operation of the facility, review of projected cash flow, general lease terms and information specific to the building and parking are items that the City have been reviewing to get a vision for the project. Upon proposed completion of the project in 2015, Rum River BMX would be able to operate year round and would be the only indoor track in the region. This would give it a competitive advantage and with that a better opportunity for success.

Rum River BMX has asked the City to build the facility utilizing city bonding authority and lease it to the organization. Rum River BMX would commit revenues in a lease to cover the cost of the debt service, city operating costs and administration and potentially the funding of a capital improvement fund for the facility.

Mayor Wimmer stated the City would have a long term lease with BMX and the facility for 20-30 years. The City would be able to pay the debt within 10 years and BMX would be able to pay the City back with lease money in 20 years.

Mayor Wimmer pointed out that the ice arena was backed by the City as well.

Mayor Wimmer noted that USA BMX has agreed to not allow any other indoor BMX arena be built near Isanti's arena.

Mayor Wimmer noted that if this project fails, alternative uses for the building have been looked into and staff has found other potential uses for it.

Mayor Wimmer noted that this project has the potential to bring more commerce to the City of Isanti. A major goal of the City is to bring a hotel to Isanti and this project would certainly help make the City more marketable to investors in hospitality. Participants, spectators and affiliated organizations will be in town more often if this project is successful. The indoor winter riding options will also bring riders to Isanti from areas of the state that currently do not come here. Construction of a parking lot, shared restroom facilities would be an upgrade for the Bluebird Park area. This project, paired with Vision Wake Park, certainly serves as a unique marketing attribute for the community.

Larson stated concern with the parking lot. Mayor Wimmer noted that the parking lot being built would be able to serve Bluebird Park as well and that many parking spaces will be available.

Aaron Zdon, 709 Bergman court, stated BMX is very excited and very motivated and that they have the numbers to make this happen.

Kevin Riedemann, Rum River BMX Track Operator and President of the BMX Association, thanked the Council for their time and consideration of the project. Riedemann discussed the strategic plan of the BMX and noted they will be implementing a STEM (science, engineering, technology and math) program to the track this summer.

Motion by Johnson, second by Larson to approve City participation in the Rum River BMX project:

- a. To authorize the City Engineer to prepare a performance specification and design plans for the BMX building, parking lot, and public works facility improvements.
- b. To direct staff to work with bond counsel and financial advisors on financing for the improvements.

Motion carried unanimously.

9. Ordinance 579 Repealing in its Entirety City Code Chapter 295, Tobacco and Replacing it With New Provisions

Motion by Larson, second by Johnson to approve Ordinance 579. Motion carried unanimously.

10. Resolution 2014-075 Authorizing the Replacement of Liquor Store Register Computers

Motion by Larson, second by Lundeen to approve Resolution 2014-075. Motion carried unanimously.

11. Resolution 2014-076 Offering the Position of Public Works Maintenance Technician to Jacob Pudlick

Motion by Johnson, second by Larson to approve Resolution 2014-076. Motion carried unanimously.

L. Approve Consent Agenda

1. Consider Accounts Payable in the Amount of \$198,733.06 and Payroll in the Amount of \$82,628.50
2. Final Minutes of the March 11, 2014 Planning Commission Meeting
3. Final Minutes of the March 4, 2014 Economic Development Authority Meeting
4. **Resolution 2014-078** Approving Funding for Certified Park Safety Inspector Training Through the National Recreation and Park Association
5. **Resolution 2014-079** Rejecting Bids and Authorizing to Enter into a Contract for Window Washing Services
6. **Resolution 2014-080** Awarding Quote for Outsourcing the Mowing of Nuisance Weed/Grass Abatement Lots
7. **Resolution 2014-081** Approving to Enter into a Three Year Contract with G&K Services for All City Departments and Municipal Buildings Using the State Bid Pricing for the Services
8. **Resolution 2014-082** Approving an Open Process the Police Lieutenant Search and Amending the Police Lieutenant Job Description
9. **Resolution 2014-083** Offering the Position of Part-Time Liquor Store Clerk to Ms. Amanda Gagnon
10. **Resolution 2014-084** Approving to Advertise to Fill the Vacant Planning Commission Seat

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

M. Other Communications

1. Draft Minutes of the April 8, 2014 Planning Commission Meeting
2. Draft Minutes of the April 1, 2014 Economic Development Authority Meeting
3. March Building Permit Report
4. March Police Department Report
5. March Community Service Officer's Report
6. April Engineering Project Status Report

At 7:59 p.m. Mayor Wimmer announced that the Council would go into a brief recess to clear out the Chambers and that Council would then go into closed session to discuss considering an offer and asking price for the potential sale of 236 Broadway Street SE

At 8:00 p.m. City Council went into closed session.

N. Closed Session

1. **Consider Offer and Asking Price for Potential Sale of 236 Broadway Street SE**

O. Open Session

At 8:05 p.m. Council came out of closed session. Mayor Wimmer requested City Attorney Clark Joslin provide a summary of the closed session.

Joslin stated that during the closed session the City Council reviewed and held discussion on an offer for City owned property, 236 Broadway, and discussed the pros and cons of accepting or rejecting the offer to sell the property.

Business Items (Continued)

11. Consider Offer for Purchase of 236 Broadway Street SE

Motion by Larson, second by Collision to reject the sale of property on 236 Broadway Street and to notify the individual that made the offer on the property if the property is available for rent in the future, or if the City decides to put the property up for sale. Motion carried unanimously.

12. Consider Resolution 2014-077 Approving General Lease for 236 Broadway Street SE

Motion by Lundeen, second by Johnson to approve Resolution 2014-077. Motion carried unanimously.

Adjournment

Motion by Lundeen, second by Johnson to adjourn. Motion passed unanimously. Meeting adjourned at 8:07 p.m.

Respectfully Submitted,

Karissa Henning
Human Resources/Deputy City Clerk