

**MINUTES  
CITY OF ISANTI  
CITY COUNCIL MEETING  
TUESDAY, APRIL 16, 2019 – 7:00 P.M.  
CITY HALL**

**II. Agenda**

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

The Pledge of Allegiance was recited.

Members Present: Mayor Jeff Johnson, Councilors: Ross Lorinser, Steve Lundeen, Dan Collison and Paul Bergley

Staff Present: City Administrator Josi Wood, Human Resources/ City Clerk Katie Brooks, Assistant City Administrator/ Special Projects Don Lorsung, City Attorney Clark Joslin, Finance Director Mike Betker and Assistant City Engineer Jason Cook

Others Present: Rod Barrows, Tara Barrows, Warren Thunstrom, Brett Thunstrom, George Hemen and Elizabeth Anderson

**A. Adopt Agenda**

City Administrator Wood shared that there are no agenda modifications or addendums, but a clarification typo on K.2 of consent agenda. Wood further shared that there was an incorrect number listed on the agenda and the correct payment is \$13,175.01. Wood stated that this number was correct on the contractor pay request AP batch, but was incorrect on the agenda.

Motion by Lundeen, second by Collison to approve the agenda. Motion passed 5-0. Motion carried.

**B. Proclamations/Commendations/Certificate Awards**

None

**F. Approve City Council Minutes**

1. April 2, 2019 - Regular Meeting of the City Council
2. April 2, 2019- Economic Development Authority Meeting

Motion by Lundeen, second by Lorinser to approve minutes as presented. Motion passed unanimously 5-0. Motion carried.

**G. Announcements**

1. Park, Recreation, & Culture Board Meeting
2. Good Governance Meeting
3. City Council Meeting
4. EDA Meeting

Tuesday, April 23, 2019 at 6:00 p.m.

Tuesday, May 7, 2019 at 5:00 p.m.

Tuesday, May 7, 2019 at 7:00 p.m.

Tuesday, May 7, 2019

*(Immediately following the City Council Meeting)*

## **H. Council Committee Reports**

None

## **I. Public Hearings**

1. Resolution 2019-105 Adopting Assessment for 1990-91 Palomino Road Improvement (Clark Joslin)

City Attorney Clark Joslin stated the purpose of the public hearing which was for an assessment for improvements that occurred in 1990-1991 which was in the amount of \$10,007.23. Joslin stated that at the March 5, 2019 meeting upon review of the information it was appropriate to grant a hearing in order to consider implementing these assessments. Joslin shared that the hearing was set for this evening and the documentation has been reviewed and indicates that the assessments were based on the front footage of the property. The formula that was in place for levying the assessments on each of the benefited properties was followed and the information is set forth in the assessment. Joslin further shared that the City Engineer has reviewed and appears to be a reasonable determination based upon the appropriate amount of the assessment based on the policies that were in place at that time. The original assessment was to be spread over 15 years and the current resolution before the council being considered would also spread the assessment over 15 years with interest accrual beginning now and not back in 1991 with interest accruing at the same rate.

Mayor Johnson opened up the hearing at 7:08 p.m. George Hemen stated that the procedure for special assessment was done incorrectly in 1991 where he was informed incorrectly. Hemen further shared that he received the notice that he was going to be assessed the day his 30-day appeal was over at 8:30 p.m. Hemen further shared that he did not receive paperwork from the 1991 file until the night of the hearing. He stated that he cannot even argue the amount of his assessment tonight because he has not even had time to look over it. Hemen continued to share that the resolution abating the taxes did not have a time limit. Hemen stated that if council decides to assess he would like the opportunity to argue the set price of the assessment. Mayor Johnson closed the Public Hearing at 7:40 p.m.

After the hearing was closed, Council held discussions regarding the assessment.

Lorinser stated that he will not make a motion on this tonight. A motion was made by Bergley, second by Lorinser to assess 1990-1991 Palomino Road Improvement. Motion passed 5-0. Motion carried.

## **J. Business Items**

1. Resolution 2019-106 Accepting the 2018 Audit and Financial Statement and Presentation of 2018 Annual Financial Report and Management Letter (AEM, LLP (Steve McDonald/ Justin Nilson))  
Steve McDonald shared a presentation of the 2018 audit and Financial Statement to the City Council. The Council Members were provided with hard copies of the full audit to review. Mr. McDonald shared that there was one finding for legal compliance and that was there is a requirement for pledge collateral for City's deposits and at the end of December it was out of compliance.

Mr. McDonald shared that the City's General Fund balance had gone down in 2018. McDonald continued to share that the expenditures were over budget by approximately \$803,000 in the General Fund. Mayor Johnson asked if the General Fund balance drops significantly due to \$850,000 business subsidy to the hotel using water and sewer funds that is set to be repaid through taxes over the next 10 years. McDonald agreed and stated that is his understanding. Mayor Johnson stated that this is a huge problem. Fortunately, there is ways to fix this. City Council further discussed this matter.

Mr. McDonald continued with the Enterprise Fund, made up of the Water, Sewer, Storm Water, and Liquor Funds. McDonald further shared that both the Water and Sewer funds have healthy cash balances and good operating margins. McDonald continued with Storm Water has grown over the past 4 years and has improved each year. McDonald stated that the Liquor store does well and when looking at the

gross profit margin. The surpasses state wide average of 25% with the City Liquor store achieving 27.6%.

Motion by Lorinser, second by Lundeen to approve and accept the resolution as presented. Motion passed 5-0. Motion carried.

2. Resolution 2019-107 Approving Brewer Off Sale, Brewer Tap Room and Sunday Liquor License Application for First Draft Brewery (*Warren Thunstrom*)  
Councilmember Lorinser asked Thunstrom when the first time he appeared at a City Council meeting for this matter was for conditional use permits. Thunstrom stated that it was a year ago in November. Lorinser asked if that is when Thunstrom started this process with the state. Thunstrom stated that you have to have a lease or building with a permanently legal address before you can start the proceedings with the state.  
Motion by Lundeen, second by Lorinser to approve the resolution as presented. Motion passed 5-0. Motion carried.
3. Overlay District Zoning and Ordinance Discussion (*Paul Bergley*)
4. Resolution 2019-108 Policy for Police Officer Presence at Meetings  
Motion to approve resolution with the removal of Park, Recreation and Culture meeting by Lundeen, seconded by Bergley. Motion passed 5-0. Motion carried.
5. Resolution 2019-109 Approving Employee Demotion  
Mayor Johnson shared that upon further review of the findings in the investigation he personally felt that the position of Police Officer is not an appropriate position for this individual. He continued to share that the City does not have any positions within the police department that would be appropriate. The findings of the investigation include status as Brady/Giglio and improper release of evidence contrary to the BCA's directive. Mayor Johnson made a motion to rescind the prior motion taken on March 5, 2019 to discipline by demotion, seconded by Bergley. Motion passed 4-1 with Lorinser voting Nay. Mayor Johnson motioned to give a 30-day notice with intent to terminate, second by Bergley. Motion passed 4-1 with Lorinser voting Nay. Motion carried.

#### **City Administrator Josi Wood**

6. Resolution 2019-110 Approving a Special Event Permit Application for 2019 Minnesota State Series Qualifying Race  
City Administrator Wood shared that this is a special event permit for Rum River BMX for Minnesota State Qualifier Race. Wood continued to share that this is an annual race that they have had and that it has been great for the community as well as for Rum River BMX. Wood stated that Rum River BMX has submitted all the proper documentation and fees required.  
Motion by Lundeen, second by Collison to approve the resolution as presented. Motion passed 5-0. Motion carried.
7. Resolution 2019-111 Approving Fence Installation and Amenities for the City Dog Park  
City Administrator Wood shared that staff has solicited quotes for the fence installation from 3 vendors. Wood continued to share that this is per direction from Council when the dog park plan was adopted earlier this year. Wood stated that staff is recommending approval from Town and Country Fence to install the fence and other amenities for the City dog park as allocated and approved within the 2019 budget.  
Motion by Lundeen, second by Collison to approve the resolution as presented. Motion passed 5-0. Motion carried.

#### **K. Approve Consent Agenda**

1. Accounts Payable in the Amount of \$293,518.23, Payroll in the Amount of \$99,672.06
2. Final Pay Request for the 2018 Street and Utility Improvements Project in the amount of \$13,175.01

3. Resolution 2019-112 Authorizing Advertisement for Bids for TH 65 & Cajima Street RCUT Improvements Project within the City of Isanti
  4. Resolution 2019-113 Approving Hire of Public Services Director
  5. Resolution 2019-114 Approving Hire of Seasonal Maintenance Workers
  6. Resolution 2019-115 Approving Hire of Parks, Recreation, and Culture Manager
  7. Resolution 2019-102 Amendment to Include Community Development Director Contract
- Motion by Lundeen, second by Bergley to approve consent agenda. Motion passed 5-0. Motion carried.

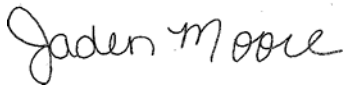
**L. Other Communications**

1. March Police Department Reports
2. March Code Enforcement Officer Report
3. March Building Inspector Report
4. April Engineering Project Status Report
5. 2020 Budget Timeline

**Adjournment**

Motion by Bergley, second by Collison to adjourn. Motion passed 5-0. The meeting was adjourned at 8:35 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Jaden Moore".

Jaden Moore  
Deputy City Clerk/ Human Resources