

**MINUTES
CITY OF ISANTI
CITY COUNCIL
APRIL 17, 2012
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/City Clerk Don Lorsung, City Attorney Clark Joslin, Human Resources/Deputy City Clerk Karissa Henning, Police Chief Ron Sager, Economic Development Director Sean Sullivan, Planning and Parks Director Lisa Wilson, City Engineer Brad DeWolf and City Auditor Steve McDonald

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

E. Proclamations/Commendations/Certificate Awards

1. Initiative Foundation Presentation of Appreciation Plaque to City of Isanti

Sandra Voight, on behalf of the Initiative Foundation, thanked the Mayor, City Council, EDA and staff for supporting the foundation. Mayor Wimmer was presented with an appreciation plaque for the City of Isanti. Mayor Wimmer read the plaque aloud.

F. Approve City Council Minutes

Motion by Kennedy, second by Lundeen to approve the minutes of the April 3, 2012 City Council Meeting. Motion carried unanimously.

G. Citizens Input

None.

H. Announcements

Announcements were read.

I. Council Committee Reports

Councilor Larson reported on:

- **East Central Regional Library Board**
 - Cambridge friends fundraising
 - Fashion show
- **Community Education Advisory Council**
 - Bullying presentation on May 16th at the Armory in Cambridge

- **Isanti Community Center Task Force**
 - Research on rental rates of other community centers
 - Marketing

Mayor Wimmer inquired if the study found that rental rates were charged for non-profits, noting that Isanti does not charge non-profits for community center use. Larson said this will be looked into.

- **Upcoming Events**
 - Redistricting Hearing on April 18th
 - The Rotary Law Day will be held on April 24th at the Cambridge Medical Center Foundation Room
 - Spring Fling on April 28th
 - Pet Clinic on April 28th
 - VFW Bike Rodeo is on June 2nd
 - Circus on June 18th

J. Public Hearings

None.

K. Business Items

1. Resolution 2012-083 Accepting the 2011 Annual Financial Report and Management Letter

Steve McDonald, City Auditor, was present to discuss the report and management letter.

McDonald stated that the audit process produced a clean report for the City. McDonald also noted that there was an audit on the federal funds that the City received, which was clean as well.

McDonald proceeded to review the financial highlights of the management letter. McDonald stated that the City's general fund balance relative to the following year's budget shows a positive trend. The City has maintained reserves in excess of 50% of planned expenditures for the last five years. McDonald reported that the outstanding bonds of the City total about \$5.2 million dollars. There are positive cash and asset balances in all of the funds, so the City is accumulating sufficient resources for bond repayment.

The water and sewer funds of the City are positive and have cash balances sufficient to meet the operating expenses and bond principal interest payments. McDonald noted though that it is important to maintain a future look at cash flow in the water and sewer funds to ensure rates are sufficient to cover any increase in costs.

McDonald reported that the liquor fund has had a three year trend where there has been improvement in the gross profit percentages. The overall profitability of the liquor fund is exceeding the state average by about 1% on both sides, which is significant. The liquor store has provided the City about \$150,000 to fund City operations.

McDonald stated that the overall health of the City appears solid; the City has adequate fund balances and working capital for current operations and needs of the City. The audit results turned out very well.

Mayor Wimmer stated that the City is about 23% per capita less in administration and government costs compared to peer Cities – which is the cost of running the City compared to our peer size Cities.

Mayor Wimmer made comment that the liquor store has generated about \$150,000 to the City's bottom line and the City is working towards trying to do \$200,000 within the next year or so.

Mayor Wimmer noted that the City has dropped its net debt from over 9 million to under 4 million.

Mayor Wimmer referenced page 12 of the management letter in regards to debt service and is hoping to generate a few extras dollars for the water utility and sewer funds. This summer the Council will start to take a look at what the City will want to do with the excess that is being generated. The finance committee is looking at using that money to help our sewer fund. The sewer fund will be able to cover its payment for this year, but that is about it.

Mayor Wimmer asked if there were any questions or comments.

Lorinser stated that the audit shows the City is doing things right and is set up for the next couple of the years with the fund balance.

Mayor Wimmer stated the fund balance is healthy, but the City's current plan will bring the balance down. The City did not increase property taxes when there was a differential between property values, which took a \$250,000 toll on the fund balance.

Mayor Wimmer noted the City does a great job with the collections with water sewer and utility billing.

Motion by Larson, second by Kennedy to approve Resolution No. 2011-083 as presented.
Motion carried unanimously.

2. Resolution 2012-084 Approving a Gambling Premise Permit Application from Cambridge-Isanti Hockey Association at The Place to Be/Spectacular Events

Mayor Wimmer stated the Cambridge-Isanti Hockey Association has a premise permit and does charitable gambling at Wintergreens.

Motion by Lundeen, second by Larson to approve Resolution No. 2012-084 as presented.
Motion carried unanimously.

3. Consider Amendment to City Code and Fee Schedule

a. Resolution 2012-085 Adopting Fees within the City of Isanti

Larson questioned if the thrift store is considered a second hand goods store. Chief Sager stated the thrift store receives donations so they are exempt. Chief Sager noted that the \$1.30 fee also re-coops some of the costs the City incurs from tracking the goods.

Mayor Wimmer stated that the purpose of this is so everyone is put on an equal playing field. Currently, there is one pawn shop in town that is paying fees. The second hand goods fee prevents someone from coming in and running a business like a pawn shop with second hand goods being sold, but not paying the fees. If there is no fee, the goods also cannot be tracked. There have been issues in other communities where shops are not paying fees and goods cannot be tracked.

Motion by Lorinser, second by Larson to approve Resolution No. 2012-085 as presented. Motion carried unanimously.

b. Ordinance No. 531 to Amend the Code for the City of Isanti, Chapter 160, Fees

Motion by Larson, second by Kennedy to approve Ordinance No. 531 as presented. Motion carried unanimously.

4. Resolution 2012-086 Awarding Quotes for Outsourcing the Mowing of Nuisance Weed/Grass Abatement Lots

Lorsung reported that the City received four quotes and that this year the City is able to split out large lot mowing and residential lot mowing to different vendors. Cory's Complete Lawn Care has the low quote of \$28 per residential lot and Felton Property Enhancements had the low quote for large tract abatement at \$25 per hour.

Motion by Larson, second by Lundeen to approve Resolution No. 2012-086 with Cory's Complete Lawn Care for \$28 per lot for residential mowing and Felton Property Enhancements for large tract abatement at \$25 per hour. Motion carried unanimously.

5. Request for Contractor Services – City Buildings/Facilities

Lorsung reported that staff and the Building and Grounds Committee discussed the use of contractor services for maintenance work in City building and facilities (City Hall, Community Center, etc.) for the day to day nuts and bolts type services the City needs. Staff assists with carpentry and masonry projects, so it is proposed not to seek those services at this time. Staff is seeking direction from the City Council whether to seek quotes for electrical and plumbing/mechanical services.

Lundeen inquired who is doing the carpentry and masonry projects. Lorsung stated Building Official Sames and the Public Works employees do this work.

Lundeen questioned if these employees are being paid any additional money for this work. Lorsung stated no, the employees are paid their regular wages for this work.

Motion by Kennedy, second by Lundeen to seek quotes for electrical and plumbing/mechanical services.

6. Resolution 2012-087 Authorizing Nuisance Abatement for the Property Located at 216 Broadway Street SE

Wilson stated the City Council authorized abatement for this property and since that time the property had come into compliance. However, now there are other issues with items appearing on this property.

Lorinser asked if these are old items reappearing or new items. Wilson stated they are new items, such as fencing.

Lorinser asked what would happen if the fencing was removed from the property. Wilson stated Public Works would go in and take the items in violation and hold them. As time allows the items would be disposed of.

Motion by Lorinser, second by Larson to approve Resolution 2012-087 as presented. Motion carried unanimously.

7. Resolution 2012-088 Ordering a Public Hearing to Consider Nuisance Abatement for a Property in Violation of Nuisance Code §216-2 (E) and (L)

Wilson reported that this is for the building that burnt down the weekend of March 31st and April 1st. A contractor has been secured by the BNSF Railway. The City wants this to be cleaned up and taken care of through BNSF, but this way if BNSF does not, the City then has the authority to clean up the burnt building.

Motion by Kennedy, second by Larson to approve Resolution No. 2012-088 as presented. Motion carried unanimously.

8. Resolution 2012-089 Approving Funding Mechanism for Construction of the Legacy Park Trail

Mayor Wimmer stated the City is anticipating money coming back from the County for the Bike-Walk Trail and if there is any shortfall within the project costs for Legacy Park, that the shortfall would be made up from a loan from the general fund. Then, as park and recreation dedication funds come back in, they would then be sent back into the general fund where the City can choose how to use the money. If the money were to go back into the park and recreation general fund, it can only be used for specific purposes such as new land or park equipment; it cannot even be used for park equipment repairs.

Kennedy questioned if all the park and recreation general fund money would be used. Mayor Wimmer confirmed this. Kennedy expressed his concern about using all the money for this project as none would be available for improvements in other parks.

Lorinser asked when the money from the County would come back for the Bike-Walk Trail project. Loring stated either late this month or next month the money should be coming back; around \$20,000 is estimated to come back.

Motion by Lorinser, second by Wimmer to approve Resolution No. 2012-089 as presented. Motion carried 3-2, Kennedy and Lundeen opposed.

9. Resolution 2012-090 Authorizing City Staff to Enter Into Financial Planning Agreement with Northland Securities

Mayor Wimmer stated a project is coming to the City, but is currently confidential per the business group the City is working with. Funds have been placed with the City and authorization is needed from the Council, for this agreement, in order for the business group to spend their money to do planning for a TIF district that may be used for this project. Under TIF special legislation this has to be moved forward in order to meet deadlines.

Motion by Kennedy, second by Lorinser to approve Resolution No. 2012-090 as presented. Motion carried unanimously.

L. Approve Consent Agenda

1. Consider Accounts Payable in the Amount of \$151,458.12 and Payroll in the Amount of \$65,171.86
2. Approval of the March 27, 2012 Park and Recreation Board Meeting Minutes
3. Approval of the March 27, 2012 EDA Meeting Minutes
4. **Resolution 2012-091** Approving a Temporary On-Sale Liquor License for the Isanti Firefighter's Rodeo Association
5. **Resolution 2012-092** Amending the Liquor Store Smoking Policy

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

Adjournment

Motion by Lorinser, second by Lundeen to adjourn. Motion passed unanimously. Meeting adjourned at 7:48 p.m.

Respectfully Submitted,

Karissa Henning
Human Resources/Deputy City Clerk