

**CITY OF ISANTI
CITY COUNCIL MEETING
TUESDAY, APRIL 17, 2018 – 7:00 P.M.
CITY HALL**

I. Citizens Input

None.

II. Agenda

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

The Pledge of Allegiance was recited.

Members Present: Mayor George Wimmer, Council Members: Paul Bergley, Dan Collison, Steve Lundeen, and Ross Lorinser

Members Absent: None.

Staff Present: City Administrator Don Lorsung, Human Resources / City Clerk Katie Brooks, City Attorney Clark Joslin, Police Chief Gene Hill, Community Development Director Ryan Kernosky, Finance Director Mike Betker, and Assistant City Engineer Jason Cook

Others Present: Commissioner Mike Warring, Steve McDonald, Bonnie Schwieger, Zach Lundberg, Tim Taylor, Rebecca Cox, George Hemen, Elizabeth Anderson

D. Adopt Agenda

Motion by Lorinser, second by Lundeen to approve the Agenda as presented. Motion carried.

E. Proclamations/Commendations/Certificate Awards

None.

F. Approve City Council Minutes

1. April 3, 2018 – Regular Meeting of the City Council

Motion by Bergley, second by Collison to approve minutes as presented. Motion carried.

G. Announcements

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| 1. Park, Recreation, & Culture Board Meeting | Tuesday, April 24, 2018 at 6:00 p.m. |
| 2. City Council Meeting | Tuesday, May 1, 2018 at 7:00 p.m. |
| 3. Economic Development Authority | Tuesday, May 1, 2018 at 7:00 p.m.
<i>(Immediately following City Council Meeting)</i> |

H. Council Committee Reports

1. Presentation of Annual Fire District Report

Lieutenant Zach Lundberg presented the Annual Fire District Report to the City Council. There was a total of 414 runs for the City of Isanti in 2017 with 292 of those being EMS responses, excluding vehicle accidents with injuries. Mayor Wimmer asked if there was a break-down for the average cost per type of run. Lieutenant Lundberg replied there was not but he will make a recommendation to include that information in the future.

Discussions about the report included vehicles owned by the Fire District and what the long-term capital replacement plan was for replacing station vehicles. Mayor Wimmer also repeated a

compliment he had heard about the response time for the fire district. When asked about the overnight response time, Lieutenant Lundberg said there has been a Duty Crew system in place for the last five years. There are two people responsible for taking calls overnight from 9:00 pm-5:00 am and weekends; those individuals also respond directly from their homes in rescue vehicles with shifts being rotated among members. Mayor Wimmer tied in how a benefit received for the City and residents was the good fire insurance ratings in the area in part due to the response times. Lieutenant Lundberg credited the leadership of both the past and current Fire Chief in keeping up with training trends and community needs.

I. Public Hearings

None.

J. Business Items

1. Resolution 2018-093 Accepting the 2017 Audit and Financial Statement and Presentation of 2017 Annual Financial Report and Management Letter

Steve McDonald and Bonnie Schwieger of Abdo, Eick, and Meyers, LLP (AEM) presented the 2017 Audit and Financial Statement to the City Council. The Council Members were provided with hard copies of the full audit for review. Mr. McDonald shared that AEM provides audit services to approximately 100 cities in Minnesota, ranging in population sizes of 500-50,000. Ms. Schwieger said the City has been provided with a clean and unmodified opinion. Nothing was seen that led them to believe anything was being looked over or wasn't working properly. Of note was a finding from last year which had been resolved and was not on the current year's audit. There were two findings. The first was that of many small cities, which occurs when within the preparation of financial statements there are not enough people involved in the process to accurately segregate the duties. The second was a new recommendation for an adjustment in bid processes in response to a small typo found on a bid form. It was suggested the City implement a process to review all contract documents; this process has been implemented and will be used going forward.

Mr. McDonald went through the financial highlights. The City's General Fund has adequate working capital to pay all bills for the first 6 months of the year. At the end of 2017, the fund balance was 58% of the 2018 budget. The League of Minnesota Cities, the State Auditor, and AEM all recommend a 35-50% fund balance being the minimum threshold so the City is right on track. Mayor Wimmer commented that the City policy was to have 50%.

Mr. McDonald continued with the Enterprise Fund, made up of the Water, Sewer, Storm Water, and Liquor Funds, having a theme of good cash balances relative to operating expenses. Receipts exceed disbursements meaning the charges are sufficient to cover the cost of running the system and pay some of the bonds. In the Sewer Fund, positive cash flow is being generated allowing project costs to be paid. Mayor Wimmer interjected to explain that it allowed for some projects, such as the pre-treatment for the sewer project, to be paid partially for in cash rather than incurring more debt. The Storm Water Fund has a positive cash balance for the first time in the last three years. Mayor Wimmer explained that work on the storm water system is planned to comply with MS4 regulations. The Liquor Fund shows really good, consistent results. Gross profit is 27% of sales in comparison with the state average of 25% and has an overall income before transfers being 11.3% compared with the state-wide average of about 7%. Together it shows a healthy operation with a positive cash flow, which has been consistent for the last 3 years. Mayor Wimmer commented that the liquor store funds were about 15% of the total property tax levy which was very beneficial to the City.

Mr. McDonald explained the expenditures per capita was below the peer-group average. Debt per capita has decreased and taxes per capita is consistent with peer-group averages. Mayor Wimmer pointed out that the City spent about 20% less in administrative costs than the peer group with the

exception of public safety, which is about 27% higher. However, the City has made public safety a priority and the result of that is excellent emergency services. Overall, the City is doing incredibly well.

Motion by Lorinser, second by Collison to approve acceptance of the 2017 Audit and Financial Statement via the Resolution as presented. Motion carried.

K. Approve Consent Agenda

1. Consider Accounts Payable in the Amount of \$134,464.47 and Payroll in the amount of \$95,789.31
2. Final Meeting Minutes for the March 6, 2018 Economic Development Authority Meeting
3. **Resolution 2018-094** Accepting Quote For 2018 Actuarial Valuation of Other Post-Employment Benefits and 2019 Reporting Disclosures
4. **Resolution 2018-095** Setting Work Sessions for 2019 Budget
5. **Resolution 2018-096** Approving a Temporary On-Sale 3.2 Malt Liquor License for Isanti Lions Club for the 2018 Street Dances
6. **Resolution 2018-097** Accepting Full-Time Maintenance Tech II and Utility Lead Jacob Pudlick Letter of Resignation
7. **Resolution 2018-098** Offering the Position of Part-Time Public Works Seasonal Maintenance to Timothy Doyle, Gregory Rambow, and Gene West
8. **Resolution 2018-099** Offering the Position of Parks Intern to Bree Erickson
9. **Resolution 2018-100** Approving to Proceed with the Application to CenterPoint Energy for their 50/50 Safety/Emergency Equipment Matching Grant
10. **Resolution 2018-101** Authorizing the Application to Enter into an Agreement with The Minnesota Office of Traffic Safety Grant for Safe and Sober High Visibility Enforcement
11. **Resolution 2018-102** Accepting Engineering Inspection and Evaluation Report for Elevated Storage Tank
12. **Resolution 2018-103** Approving Final Acceptance of the 2016 Wastewater Treatment Facility Improvements and Approve the Release of Securities for the 2016 Wastewater Treatment Facility Improvements Project
13. **Resolution 2018-104** Authorizing Execution of Assignment and Subordination of Development Agreement
14. **Resolution 2018-105** Approving Promotion of Katie Everett to Parks, Recreation and Culture Manager

Motion by Lorinser, second by Bergley to approve Consent Agenda as presented. Motion carried.


L. Other Communications

1. Draft Minutes of the April 3, 2018 Economic Development Authority Meeting
2. March Police Department Report
3. March Code Enforcement Report
4. March Building Inspector Report
5. April Engineering Report

Adjournment

Motion to adjourn by Bergley, second by Lorinser. Motion carried. The meeting was adjourned at 7:27 p.m.

Respectfully Submitted,



Jeannifer Anderson
Administrative Data Clerk