

**MINUTES
CITY OF ISANTI
CITY COUNCIL
April 19, 2011
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, Jim Kennedy, Sue Larson, Steve Lundeen, and Ross Lorinser.

Members Absent: None.

Staff Present: City Administrator Don Lorsung, City Attorney Clark Joslin, Finance Director Kristi Smith, Economic Development Director Sean Sullivan, City Planner/Parks Coordinator Lisa Wilson, City Engineer Brad DeWolf, and City Auditor Steve McDonald.

Wimmer stated that he would like to add an Item to the Agenda. Wimmer stated that he would like to add a discussion on the materials the County has left the City over by the soccer fields. Wimmer stated that the City was promised that it would be taken care of yesterday and it was not. Wimmer stated that the City has a big soccer tournament starting next week. Wimmer stated that he wanted authorization from the Council to have the piles removed.

Lorsung questioned if the Mayor would like that added as Business Item K.1.a or as K.11.

Wimmer stated that K.11 was fine.

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

E. Proclamations/Commendations/Certificate Awards

None were presented.

F. Approve City Council Minutes

Motion by Kennedy, second by Larson to approve the minutes of the April 5, 2011 regular meeting of the City Council as presented. Motion carried unanimously.

G. Citizens Input

None were presented.

H. Announcements

Mayor Wimmer read through the announcements.

I. Council Committee Reports

Larson stated that the Historic Downtown Committee had met. Larson stated that the group discussed County Road 5 signage. Larson stated that the group would like to get a community billboard directing people to the downtown. Larson stated that the flowers for the flower boxes have been ordered and will be planted in early May. Larson stated that the businesses will be responsible for watering and maintaining those boxes.

Larson stated that the Police Department is hosting the pet clinic, which is scheduled to take place this Saturday, April 23rd from 1:00 p.m. to 4:00 p.m at the community center. Larson stated that animals can receive vaccinations and licenses will be issued as well.

Larson stated that Community Education met and they have been discussing district needs for science, art, and second language classes.

Larson stated that the Friends of the Library met and the treasurer has resigned and a new member appointed. Larson stated that they will be hosting reading sessions from June through August and they are hoping the Mayor will attend and read to the kids. Larson stated that they will be having a booth at the Arena for book and membership sales on May 7th.

Larson stated that the Ice Arena is hosting booth space for the City wide garage sales. Larson stated that those interested should contact Dave Englund.

Larson stated that GPS 45:93 met. Larson stated that they will be taking part in the real estate conference in November. Larson stated that the website is being worked on and pictures/information for Isanti will be displayed.

Larson stated that the Liquor Store Committee met and they have adopted a wine tasting event that would coincide with the wine of the month program. Larson stated that product ordering is now computer generated.

Wimmer stated that Burger Top was taken down and the City is working with the property owner on a couple of possibilities. Wimmer stated that Water Works finally closed on the old Midwest Metal Framing Building. Wimmer stated that there would be 12 positions created by the end of May.

J. Public Hearings

There were none.

K. Business

1. Discussion on 4th Avenue SW Street & Utility Improvements – Councilor Larson

Larson stated that she wanted to have this discussion again. Larson stated that they needed to look at this item as a maintenance item now. Larson stated that in order to help the residents along 4th Avenue, the City needs to have a plan of action in place. Larson stated that she had requested that Mr. Lorsung complete a little research on how the City handled the issues when they arose on 5th Avenue.

Lorsung stated that in 2002 there was a collapse on the main on 5th Avenue. Lorsung stated that the City had to do emergency repairs and reconstructed the sewer line.

Lorsung stated that the total cost was around \$172,000 and were paid for from the sewer fund. Lorsung stated that the record does not show that the residents paid for this project.

Larson stated that public works has been out to 4th Avenue 6 times in the last year. Larson stated that the issues were videotaped. Larson had requested that Mr. DeWolf come forward and tell the Council the status and present options with regards to cost.

DeWolf stated that the sanitary sewer is in poor condition along 4th Avenue. DeWolf stated that some of the televised tapes were shown at the public hearing. DeWolf stated that the sewer is the main driving force for the entire project. DeWolf stated that the cost concerns surrounded whether or not the overall cost would increase if 4th Avenue was a standalone project. DeWolf stated that in looking at the cost spreadsheets the budget would be about \$250,000. DeWolf stated that if the City were to break down the project there would be a price increase due to increased construction crew mobilization costs that get spread over the smaller project.

Wimmer stated that this would be Elizabeth as well. Wimmer stated that the property owner at 4th and Elizabeth, who spoke against the project, would be affected negatively because they would be paying a higher cost for the smaller project. Wimmer stated that the City would still be doing about half the project, if the smaller project is chosen. Wimmer stated that with 5th Avenue, no one on the Council knew that area would fail either or they would have fixed the area. Wimmer outlined the history of the projects within this area. Wimmer questioned if we are going to find out that forgoing this project will be a bad decision. Wimmer stated that 5th Avenue is a prime example of why we should do the whole project now.

Wimmer stated that a lot more people are going to be affected by this, than just those people on 4th Avenue. Wimmer stated that by putting off the infrastructure projects, we create a payment bubble that affects a future budget. Wimmer stated that is where the City has had trouble, in pushing off these payments. Wimmer stated that in looking at the information, he does not see anything that says it would be okay to move forward with only part of the project.

Lorinser questioned how many homes are affected in the total project area.

DeWolf stated that there are 63 parcels that are privately owned with separate PIDs.

Lorinser questioned how many homes would be affected by the smaller project.

DeWolf stated that with 4th and Elizabeth, then there would be 33 of the 63.

Lorinser questioned if there would be any double assessments that the City may have to return.

DeWolf stated that the parcel that would be affected by a split project is located at the corner of Elizabeth and 2nd Avenue.

Lorinser stated that putting something off like this is reckless and unneeded. Lorinser stated that there could be 20 more breaks in this line or there could be none. Lorinser

stated that this is a gamble that he does not want to take with tax payer money. Lorinser stated that the whole project must be done.

Wimmer stated that by splitting up the project, it appears that the City is picking winners and losers. Wimmer stated that some are going to pay more now and some will have to pay more later. Wimmer stated that he does not understand who is being protected.

Larson questioned if the service calls were all on 4th or were there calls on Elizabeth too.

Lorsung stated that five calls were on 4th Avenue and one call was on Elizabeth from 2010-2011.

Lorinser questioned how many calls were actual sewage backing up into people's homes.

Lorsung stated that root cutting and jetting on the main lines is listed. Lorsung stated that there was no property addresses listed. Lorsung stated that most were in response to phone calls.

Lorinser stated that the City cannot have its sewer system backing up. Lorinser stated that the City needs to have a good system for the residents that are paying for the service.

Larson questioned how far down Elizabeth the call was.

Lorsung stated that it did not say.

Kennedy stated that the City would basically be doing half of the project anyway.

Wimmer stated that it would be about half of the project. Wimmer stated around 40% to 50% of the project area, if the project is split up.

Lorinser stated that it will cost residents more in the future, as costs are going up.

Kennedy stated that the City would pay 10% increase now and pay 30% more later on down the road.

Motion by Lorinser, second by Kennedy to approve Resolution No. 2011-081 Ordering the 2011 Street and Utility Improvements Project and Preparation of Plans. Motion carried unanimously. (5 -- 0)

2. Ordinance No. 505 Amending the Zoning Ordinance No. 445, Section 16 Signs, Subdivision 8, Sign Provisions for Projecting Signs

Wilson presented the staff memo and introduced the Ordinance Amendments.

Motion by Kennedy, second by Larson to approve Ordinance No. 505 as presented. Motion carried unanimously.

3. Ordinance No. 506 Amending City Code, Chapter 87 -- Animals, Article I -- Keeping of Livestock and Poultry

Wilson presented the staff memo and introduced the Ordinance Amendments.

Motion by Lorinser, second by Larson to approve Ordinance No. 506 as presented.
Motion carried unanimously.

4. Resolution No. 2011-082 Accepting the 2010 Annual Financial Report and Management Letter

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

McDonald stated that they met their objective in the audit process. McDonald stated that they did not have any findings. McDonald stated that there were no incidents of non-compliance. McDonald outlined the information provided on page 5 in the management letter, with regards to the general fund balance. McDonald stated that page 6 shows the planning that went into the general fund balance. McDonald stated that the City had a positive outcome, as revenues exceed expenditures.

Wimmer stated that the City had cut costs more than revenues had been cut on the City.

McDonald stated that public safety was the greatest expenditure from the budget.
McDonald stated that the letter includes some per capita numbers.

Wimmer stated that this is the important part. Wimmer stated that overall expenditures are down 16%. Wimmer stated that the City would appear to be down when compared to our peer group.

McDonald called attention to page 13, which included the Enterprise Funds. McDonald stated that the water fund was healthy, but the sewer fund was in need of adjustments. McDonald stated that this will be further reviewed during the rate study discussion. McDonald stated that the outstanding bonds at the end of the year were around \$5 million. McDonald stated that the Liquor store had done relatively well and it helped fund City operations. McDonald outlined the comparison statistics that were provided on page 18, in terms of debts, taxes, and spending.

Wimmer stated that this gets a little confusing, as these generate fees and payments to the general fund. Wimmer stated that the sewer fund will be addressed this evening. Wimmer stated that if anyone has questions on these items, he would be willing to meet with those individuals to go over those items.

Motion by Kennedy, second by Lundeen to approve Resolution No. 2011-082 as presented. Motion was unanimously approved.

5. Resolution and Ordinances Relating to the Utility Rate Study

McDonald stated that they have updated the rate study to reflect the 2010 audited numbers. McDonald stated that there are two scenarios. McDonald stated that the first scenario takes the current rates for water and inflates them 3% per year. McDonald stated that the second Scenario does not include that inflationary factor. McDonald stated that the water fund has a healthy balance relative to the expenditures and debt service.

Wimmer stated that when first discussed a year ago, the City had discussed having to increase fees. Wimmer stated that the last chunk that came in favorably was receiving a

PFA loan for the auto read meters, which saved the City. Wimmer stated that the 3% increase is not necessary. Wimmer had requested that McDonald discuss the conservation rates that will be implemented.

McDonald stated that the State is requiring a tiered rate structure for higher water users. McDonald stated that is a requirement from the DNR and the rate structure reflects that.

Wimmer stated that is for very high water users.

Smith stated that the first tier goes up to 10,000 gallons, the second tier goes from over 10,000 up to 25,000 gallons, and the top tier is for over 25,000 gallons.

Kennedy questioned if that was \$3.74 if you use 25,000 gallons.

Smith stated that is per thousand.

McDonald stated that on the sewer side, it is a different story. McDonald stated that the decrease that has been occurring would continue to occur and the cash balance would be depleted by 2012. McDonald stated that a 50% increase is necessary in the first year, with 3% increases each year thereafter. McDonald stated that the average cost increase per household is around \$212.

Kennedy questioned if you are watering your lawn, then are you paying for the sewer.

Wimmer stated no. Wimmer stated that the sewer rate is based off of the first three months of your water usage. Wimmer stated that the City has changed rates for different situations, when necessary.

- a. **Resolution No. 2011-083, a Resolution Accepting Rate Study Dated April 19, 2011**
- b. **Ordinance No. 507, an Ordinance Amending City Code Chapter 325 - Water**
- c. **Ordinance No. 508, an Ordinance Amending City Code Chapter 260 – Sewer**

Motion by Kennedy, second by Larson to approve Scenario #2 for both the water and sewer rate study; thus approving Resolution No. 2011-083, Ordinance 507, and Ordinance 508 as presented. Motion carried unanimously.

Wimmer questioned if the Ordinances could be included with the original motion.

Joslin stated that the Council could use one motion to approve them all.

- 6. **Resolution No. 2011-084, a Resolution Authorizing the First Amendment to the Isanti Area Joint Operating Fire District Joint Powers Agreement**

Motion by Larson, second by Kennedy to approve Resolution No. 2011-084 as presented. Motion carried unanimously.

- 7. **Resolution No. 2011-085, a Resolution Replacing all Previous Policies Relating to Declaring and Disposing of Surplus & Forfeiture Property**

Motion by Kennedy, second by Larson to approve Resolution No. 2011-085 as presented. Motion carried unanimously.

8. Resolution No. 2011-086, a Resolution Approving to Enter into a Three Year Contract with G&K Services for all City Departments and Using the State Bid Pricing for the Services

Motion by Kennedy, second by Larson to approve Resolution No. 2011-086 as presented. Motion carried unanimously.

9. Resolution No. 2011-087, a Resolution Awarding Quote for Outsourcing the Mowing of Nuisance Weed/Grass Abatement Lots

Motion by Kennedy, second by Larson to accept the lowest bid approving Resolution No. 2011-087 as presented. Motion carried unanimously.

10. Resolution No. 2011-088, a Resolution Approving Mutual Aid Agreement with the City of Cambridge for the Sharing of Equipment and Personnel Resources in Emergency Situations

Motion by Kennedy, second by Lundeen to approve Resolution No. 2011-088 as presented. Motion carried unanimously.

11. Removal of Dirt Piles located within the Parking Area at the Isanti Soccer Complex

Wimmer stated that when constructing the bike-walk trail, the contractor placed piles of dirt and rock in the parking area at the Soccer complex. Wimmer stated that the Soccer Association has a huge tournament starting there next week. Wimmer stated that City staff has been working to resolve the issue. Wimmer stated that the latest drop dead date was the end of the day on Monday. Wimmer stated that the piles are still there and may continue to be there tomorrow or the end of the week.

Kennedy stated that the City should just remove it and send them a bill.

Lorinser questioned who was responsible for it and who have we talked to.

Wimmer stated that the County is responsible. Wimmer stated that the City has been talking to them. Wimmer stated that the City is getting on the County, and the County is getting on the contractor, but nothing has been done.

Lorinser questioned if this is written down in an agreement that it was to be taken care of.

Motion by Kennedy, second by Larson to have the City remove the piles if they are not removed by noon tomorrow.

Lorinser stated that he wanted to know that City staff had communicated clearly with the County the City's intentions.

DeWolf stated that he had conversations with the Assistant County Engineer over a week ago, and the piles were to be removed by the end of the day. DeWolf stated that he had several conversations with them today, telling them that it needed to be done. DeWolf stated that the contractor came back saying they would be there tomorrow. DeWolf

stated that he had made them aware that he thought Council would direct City staff to remove them if they were not removed by tomorrow and would be done so at the contractor's cost.

Lorinser questioned if a time was given when they would be there tomorrow.

DeWolf stated that if they are not there by 10:00, in the construction world, it probably won't happen.

Wimmer stated that Mr. Duff, Isanti County Commissioner, was present to discuss.

County Commissioner Duff stated that he did not have a lot to add. Duff stated that he was told it would be taken care of by Friday. Duff stated that communication has failed on their end and he apologizes. Duff stated that it is an eyesore and he can understand wanting to have it removed. Duff stated that he could respect Mr. DeWolf's opinion by 10:00 tomorrow.

DeWolf stated that in multiple discussions with the County, the Friday date was originally discussed. DeWolf stated that when made aware of the urgency of the schedule, the deadline was moved from Friday to tomorrow.

Joslin questioned who owns the dirt and the value of that dirt.

Lorsung stated that the City would move the dirt to City property and they could come and retrieve it.

Motion by Kennedy, second by Larson to have the City remove the piles if they are not removed by noon tomorrow and bill the County for the work. Motion unanimously approved.

Wimmer stated that after the Consent Agenda, the Council would be taking a brief recess and will be going into Closed Session. Wimmer stated that the chambers would be cleared. Wimmer stated that after closed session, anyone wishing to re-enter the chambers, could do so after that time.

L. Consent Agenda

1. Consider Accounts Payable in the Amounts of \$179,640.40 and Payroll in the Amount of \$67,468.26
2. Approval of the March 8, 2011 Planning Commission Meeting Minutes
3. **Resolution No. 2011-089**, a Resolution Authorizing Closing of Community Involvement Fund and Donation of Equipment
4. **Resolution No. 2011-090**, a Resolution Authorizing the Disposal of Forfeiture Property
5. **Resolution No. 2011-091**, a Resolution Ending Probationary Period and Approving Promotion to Permanent Full-Time Employee Status for Public Works Maintenance Tech Scot Klersy
6. Approve City Council Member Sue Larson's Request to Attend the LMC Annual Conference

7. **Resolution No. 2011-092**, a Resolution Amending the Two Year Contract with East Central Sanitation for Refuse Service
8. **Resolution No. 2011-093**, a Resolution Approving Temporary Sign Permit for Isanti Area Chamber of Commerce

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

At 7:42 p.m. Wimmer announced that the Council would go into a brief recess to clear out the Chambers for the closed session.

At 7:46 p.m. City Council went into closed session.

N. Closed Session

1. Attorney Client Privilege Discussion on Threatened Litigation

At 7:57 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 as noted on the agenda, the closed session was held for the purpose of discussion on threatened litigation. Joslin stated that litigation involved claims made by former Liquor Store Manager Shari Harker. Joslin stated that Patricia Beatty, Attorney representing the City against such claims, brought the Council up-to-date on a potential settlement.

Motion by Kennedy, second by Larson to approve the terms negotiated by the League of Minnesota Cities. Motion was unanimously approved.

Adjournment

Motion by Lorinser, second by Kennedy to adjourn. Motion passed unanimously. Meeting adjourned at 8:02 p.m.

Respectfully submitted,

Lisa M. Wilson, AICP
City Planner/Parks Coordinator