

**MINUTES  
CITY OF ISANTI  
CITY COUNCIL  
May 20, 2008**

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 Alan Duff, Ralph Johnson, Jeffery Kolb, and Sue Larson.

Members Absent: None.

Staff Present: City Administrator Don Lorsung, Assistant City Administrator/City Clerk Irene Bauer, City Attorney Clark Joslin, City Engineer Brad DeWolf, Finance Director Rita Pierce, Community Development Director Carla Vita, City Planner Lisa Krause, and CSO Officer Steve Wacha

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

**E. Proclamations/Commendations/Certificate Awards**

**F. Approve Minutes**

Motion by Larson, second by Duff to approve the May 6, 2008 Work Session minutes and the Regular City Council Meeting minutes as presented. Motion carried unanimously.

**G. Citizens Input**

Jim Godfrey, 512 Old North Main Street, Cambridge MN informed Council he is running for State Representative. Mr. Godfrey left his cards with the City Clerk to be distributed to Council.

**H. Announcements**

Announcements were read.

**I. Council Committee Reports**

Mayor Wimmer Reported the Finance Committee had met to discuss the 2008 budget and that this is on the agenda for Council consideration.

Councilmember Larson reported she had attended the following meetings:

- Downtown Subcommittee
- Community Involvement Team and announced the 'Let's Take a Kid Fishing Day' is scheduled for June 7th.
- Friends of the Isanti Area Library

## **J. PUBLIC HEARINGS:**

### **1. Nuisance Abatement – 808 Birch Street SW and 806 3<sup>rd</sup> Avenue SW**

Mayor Wimmer opened the public hearing at 7:03 p.m. CSO Officer Wacha stated 808 Birch Street is cleaned up and is now in compliance with City Ordinance.

CSO Officer Wacha reviewed the violations of Ordinance No. 397, Section 3 for property located at 806 3<sup>rd</sup> Avenue SW. Wacha stated the property owner has received all notices as required by City Ordinance relating to the violations and to date the violations have not been taken care of. The violations include a camper trailer and vehicle stored on the side yard.. Wacha stated he had been in contact with the property owner in January and the property owner stated he would be installing material to screen in the camper trailer. To date the camper trailer has not been screened in as required by City Ordinance. A second trailer parked on the driveway that was in violation of Ordinance No. 397 has been removed.

Hearing no questions and comments Mayor Wimmer closed the public hearing at 7:05 p.m.

#### **a. Resolution No. 2008-127, a Resolution to Authorize Nuisance Abatement for Property Located at 806 3<sup>rd</sup> Avenue SW**

Motion by Duff, second by Larson to approve resolution No. 2008-127 as presented. Motion carried unanimously.

## **K. BUSINESS ITEMS:**

### **1. Resolution No. 2008-128, a Resolution Approving the Conditional Use Permit as Requested by Don Fiedler to Permit the Alteration and Movement of Land on the Property Generally Located to the East and West of Penny Lane SE Between Main Street and Broadway Street SE**

Krause gave a staff report whereas Don Fiedler has requested a Conditional Use Permit for the alteration and movement of land that would enable him to place fill on his property. The amount of fill is approximately 2000 yards and the reason for the request is that the lot will eventually need to be filled to allow construction of the proposed pedestrian bridge and the owners have a potential opportunity to acquire the needed fill at this time.

Wayne Anderson, Isanti County Water Planner / Environmental Technician reviewed the request and has determined there is no evidence of wetlands on the property and a wetland permit is not needed.

The Planning Review Committee has reviewed the request, and the Planning Commission heard on this item at a public hearing held on May 13, 2008. The Planning Commission recommended approval of the Conditional Use Permit as requested by Mr. Fiedler with the conditions as presented by staff.

Motion by Kolb, second by Johnson to approve Resolution No. 2008-128 with conditions as presented. Motion carried unanimously.

**2. Resolution No. 2008-129, a Resolution Approving the Conditional Use Permit and Site Plan Review as Requested by the City of Isanti to Permit the Construction of a Water Treatment Facility with Landbanked Parking on the Property Located at 601 East Dual Boulevard**

Krause gave a staff report whereas the City of Isanti owns property located at 601 East Dual Boulevard and is the location of an existing pumphouse. The City is requesting a Conditional Use Permit and Site Plan approval that will allow for the construction of the Water Treatment Facility on the site.

Krause reviewed the parking and stated that City Ordinance does permit a reduction in the number of required parking stalls for commercial, industrial, or institutional uses when approved as a conditional use permit. The Site Plan provides for nine spaces to be constructed and an additional seven spaces have been identified on the Site Plan as future parking. The total count that could be constructed on the site would meet the parking requirements of sixteen spaces as required by ordinance.

The Planning Review Committee has reviewed the request, and the Planning Commission heard this item at a public hearing held on May 13, 2008. The Planning Commission recommended approval of the Conditional Use Permit and Site Plan with conditions that include a cost / benefit analysis to be completed on the types of roof materials for the Water Treatment Facility of asphalt shingles versus a metal/steel roof; and the Spruce trees proposed along the east side of the building be removed and relocated to another area on the parcel with staff recommendation trees are placed within the northern portion of the site.

It was stated that the plan calls for asphalt shingles, however staff has recommended a metal roof be used in an effort to lower insurance and maintenance costs.

Motion by Larson, second by Kolb to approve Resolution No. 2008-129 with conditions as presented. Motion carried unanimously.

**3. Appointment to Housing Task Force**

Krause gave a staff report whereas upon adoption of the Comprehensive Plan, each City Council Member appointed two individuals to be seated on the Housing Task Force. Mr. Brian Iverson was one of Council Member Johnson's appointed members; however Mr. Iverson has been unable to attend any of the meetings and has indicated he will not be attending any future meetings.

Because Mr. Iverson is unable to attend the meetings, Council Member Johnson has recommended the removal of Mr. Iverson and recommends appointing Mr. Steve Lindell in his place.

Motion by Kolb, second by Larson to remove Brain Iverson from the Housing Task Force and appoint Steve Lindell as the new member to the Housing Task Force. Motion carried unanimously.

**4. Consider Approval of an Assignment and Assumption Agreement, Amendment to Purchase and Development Agreement, and Business Subsidy Agreement with RWL Properties, LLC and Diamond Welding, a Minnesota Limited Liability Company**

Vita gave a staff report whereas RWL entered into a Business Subsidy Agreement with the City in August of 2005. Since that time RWL split the property via a recorded document without the approval of the City. To bring them into compliance with their Development Agreement, Business Subsidy Attorney Dieke recommends that RWL enter into an Assignment and Assumption Agreement thereby amending the Purchase and Development Agreement and Business Subsidy Agreement.

Vita reported that not all of the taxes have been paid on the properties that were split off by RWL. The Development Agreement provides for a process of remedies of default when the taxes and / or special assessments are not current.

Motion by Johnson, second by Larson to table action on the Assignment and Assumption Agreement that amends the Purchase and Development Agreement, and the Business Subsidy Agreement with RWL Properties, LLC until all taxes and special assessments have been paid on the subject property. Motion carried unanimously.

**5. Resolution No. 2008-130, a Resolution Approving the Isanti Retail Meat Project to Complete an Environmental Study on 30 West Main Street**

Vita gave a staff report whereas the Financial Institution for the Isanti Retail Meats project is requesting the permission of the City for an Environmental Study, Phase One and a possible Phase Two for the property located at 30 West Main Street. The City provided a copy of the environment work that was completed in 2004 on the subject property to the Financial Institution. The Financial Institution has not made a determination if the outcome stated on the City's environmental report is enough for their liability concerns. In order to not delay the project, the Financial Institution is requesting authorization to do a Phase One and possible Phase Two environmental study. If it is determined that Phase Two is needed, the Financial Institution and / or applicant may ask for the City to assist in a grant to cover some of the costs. It was noted that the City costs will include the City Engineer and City Administrator's time.

There was general discussion on the environmental study for the property.

Motion by Larson, second by Duff to approve Resolution No. 2008-130 as presented. Motion carried unanimously.

**6. Resolution No. 2008-131, a Resolution Approving Application for Exempt Gambling Permit for the Vietnam Veterans Chapter No. 684**

Bauer gave a staff report whereas the Vietnam Veterans of America Chapter No. 684 have made application for an exempt gambling permit. The Fee Schedule provides that a City application fee in the amount of \$50.00 is required when making application for an exempt gambling permit. The organization has requested the City Council waive the fee.

Mayor Wimmer stated that the City does not waive the required application fees for these types of applications, but because of the process issues involved with the application whereas there was a two week delay in bringing this to City Council for action, there should be consideration to waive the fee.

Motion by Larson, second by Johnson to approve Resolution No. 2008-131 as presented and to authorize waiving the application fee due to the time lapse in bringing the application before City Council. Motion carried unanimously.

7. **Resolution No. 2008-132, a Resolution Accepting Offer by Mr. John Ulrich to Volunteer his Services to the City of Isanti in the Planning Department**

Bauer gave a staff report whereas the Personnel Committee reviewed and recommended approval of an offer from John Ulrich to work for the City for no wage. Mr. Ulrich was the final candidate for the Planning Intern position that Council voted to not fill because of economic issues that may result in budgetary amendments.

Bauer noted that there is very little liability to the City to allow Mr. Ulrich to volunteer his time and that Mr. Ulrich will be covered under the City's Volunteer Accident insurance.

Motion by Duff, second by Johnson to approve Resolution No. 2008-132 as presented. Motion carried unanimously.

8. **Resolution No. 2008-133, a Resolution Awarding Bid and Authorize Entering into a Two Year Contract for Refuse Service**

Bauer gave a staff report whereas two quotes were received for refuse services for the period of two years; from June 1, 2008 to May 31, 2010. Quotes received were from East Central Sanitation and ACE Solid Waste. East Central Sanitation came in with the low quote at \$325/mo for all services.

Motion by Johnson, second by Duff to approve Resolution No. 2008-133 that provides for the awarding of the Refuse Service Contract for a two year term to East Central Sanitation. Motion carried unanimously.

9. **Resolution No. 2008-134, a Resolution Awarding RFP's for Health and Group Term Life Benefits**

Bauer gave a staff report whereas the Personnel Committee reviewed the Request for Proposals received for health benefits. RFP's were received from three health providers with the low proposal received from BlueCross BlueShield. The proposal will realize a 17% or \$4,886.16/mo savings. RFP's were received from three life insurance providers with the low proposal received from Met Life. The proposal will realize a 50% or \$150/mo savings. Proposals received for Dental benefits did not include a one-time life deductible as the current provider Met Life provides. The Personnel Committee recommended awarding the RFP's to BlueCross Blue Shield for Health insurance, to Met

Life for Group Term Life and AD&D insurance, and to retain its current Dental provider Met Life.

Motion by Larson, second by Johnson to approve Resolution No. 2008-134 that awards the Group Health provider to BlueCross BlueShield and the Group Life provider to MetLife. Motion carried unanimously.

**10. Resolution No. 2008-135, a Resolution Adopting an Amendment to the Personnel Policy of the City of Isanti Relating to Compensation**

Bauer gave a staff report whereas the Personnel Committee met to review proposed amendments to the Personnel Policy. The amendments to the Personnel Policy include when a step increase shall be given to an employee and to define overtime for non-exempt employees.

Motion by Larson, second by Johnson to approve Resolution No. 2008-135 as presented. Motion carried unanimously.

**11. Resolution No. 2008-136, a Resolution Rejecting Bid for the Painting of Public Works and Wastewater Treatment Facilities**

Lorsung gave a staff report whereas one bid was received for the Public Works and Wastewater Treatment Facilities painting project. The bid was received from Heineman Painting, Inc. in the amount of \$168,668. The City budgeted \$135,000 for the painting of the Wastewater Treatment Facility that includes the painting of the clarifiers; and \$15,000 for painting the Public Works building. The bid amount received is higher than the amount budgeted for the project by \$18,668.

Lorsung stated that 2008 budget amendments are to be addressed as a part of this Council meeting and within those budget cuts; staff is proposing the elimination of funding for the painting of the Public Works Building.

City Engineer Brad DeWolf reviewed the memo submitted that provided information on how they could assist in getting the painting project within budget by having discussion with the bidder on the breakdown of what their bid was for costs per building. DeWolf further stated that after the bids have been broke down per building and the City has determined which buildings can be eliminated from the project at this time, they could then approach the bidder for a proposed alternative bid.

Johnson inquired on what condition the clarifiers are in and how long they can wait prior to being painted. Meyer stated the clarifiers are starting to rust and should be addressed within the next six months.

There was general discussion on why bids did not come in. DeWolf stated that there was interest from other contractors, but they did not bid on the project.

Lorsung suggested the City Engineer work on the project, make some phone calls as to what some of the contractors thought about the project and report back to the Public

Works Committee. The Committee can then make a recommendation to allow the project to move forward.

Lorsung suggested that the project goes back out for bids in phases based on priority of which parts of the project need immediate attention and those that can wait.

Motion by Duff, second by Larson to approve Resolution No. 2008-136 that rejects the bid received for the painting of the Public Works and Wastewater Treatment Facilities and directs that this item is sent back to the Public Works Committee to work with the City Engineer on a process that will allow parts of the project to move forward based on priority of what buildings need the most attention. Motion carried unanimously.

#### **12. 2008 Street Improvement**

Lorsung gave a staff report whereas Project Engineer Bryan Oakley has been working to gain agency approval for the storm water ponds that are a part of the 2008 Street Improvement. Lorsung stated that a memo was received from Oakley that the City is still waiting for BSWSR to provide written approval for the project. The contractor Douglas-Kerr Underground, whom provided the low bid for the 2008 Street Improvement project has provided a letter that stated they will extend the bid of the project to the June 3, 2008 City Council meeting for Council action

Motion by Larson, second by Kolb move the award of the bid for the 2008 Street Improvement Project to the June 3, 2008 Council meeting. Motion carried unanimously.

#### **13. Water Treatment Facility; Review of Project Schedule and Consider Award of Construction Engineering Services**

Lorsung gave a staff report whereas the final plans for the Water Treatment Facility (WTF) are to be presented by Project Engineer Bryan Oakley for consideration. Lorsung stated that a letter had been received from Municipal Builders, Inc. (MBI) that they may have a problem bidding the project if the bid date falls within the last two weeks of June. The City can advertise for bids, but can not award bids until approval has been received from MDH and the final process for the Environmental Review have been completed.

Lorsung also stated Council should consider proposals received from MFRA and Bolten and Menk that will provide the construction engineering for the project.

Oakley reviewed the proposed project schedule for the WTF project and stated the revised plans for the WTF were submitted to the Minnesota Department of Health on May 15<sup>th</sup> and the City should receive approval in approximately two weeks. Questions raised in MDH's review letter of March 27, 2008 were addressed in the plan revisions that were submitted to MDH. The Environmental Review process will be completed by approximately June 17<sup>th</sup>. Oakley commented on the Planning Commission's review of the Site Plan and their recommendations for revisions to the plan that included a cost benefits analysis on roofing materials for the WTF and changes to the landscaping plan. Oakley stated he will provide the roof cost analysis and a revised landscaping plan

according to the recommendations; and will present at a future Council meeting for Council consideration.

There was brief discussion if the time schedule could be met as laid out and Oakley stated it was achievable.

Johnson commented on the roof proposed for the WTF and stated he was in favor of shingles versus a metal roof. It was noted that this was discussed as a cost savings measure when constructing the facility. Oakley stated that a metal roof costs about three times more than a shingled roof and a metal roof lasts about three times longer.

Johnson stated he would like to see the approval of the Plans and Specifications by the MDH prior to authorizing advertising for bids. There was general discussion on the approval of the Plans and Specifications and the completion of the Environmental Review process as well as the timing to go out for bids.

Motion by Johnson, second by Larson to move the date for advertising the WTF project to June 11, 2008. Motion carried unanimously.

The proposals received from engineers MFRA and Bolten and Menk were reviewed. MFRA provided a reduction for the construction engineering services for the project for an amount of \$350,000, or a not-to-exceed fee of \$680,000 for design, bidding and construction services. Oakley stated the construction engineering services fee has been reduced based on lower than anticipated costs for the design of the facility; therefore they were able to reduce the construction services fee from the previous proposal of \$420,000.

Brad DeWolf, Bolten and Menk reviewed their proposal for construction engineering services for the WTF. Their proposal was for a not-to-exceed cost of \$420,000.

Motion by Johnson, second by Duff to send the Engineering Proposals received from MRFA and Bolten and Menk back to the Public Works Committee for their review and recommendation. Motion carried unanimously.

**14. Resolution No. 2008-137, a Resolution Authorizing 2008 Budget Amendments, Transfer of Funds and the Use of Funds from Fund 920 (Replacement Funds)**

Pierce gave a staff report whereas it is anticipated that the percentage of collected taxes in year 2008 will decrease. This decrease is based on the current state of the economy. Factors contributing to the lower collections are the high number of property foreclosures and a number of the City's largest tax payers becoming delinquent on their tax bills.

Tax revenues make up 60% of the City's General Fund 2008 operating budget and building permit revenues for 2008 are not coming in as expected.

The Finance Committee has discussed the potential revenue shortfall and is recommending that City Council consider reductions or eliminations of expenditures from the 2008 budget.



There was general discussion on the impact of not knowing what the first tax settlement will be. The first tax settlement is received the first week of July. Johnson stated he would like to wait to make budget amendments until the City has received their first settlement.

There was review of the proposed budget cuts. Lorsung stated that if the tax settlement comes in favorably and Council chooses to amend the 2008 Budget, cuts can be added back into the budget.

Motion by Duff, second by Kolb to approve Resolution No. 2008-137 as presented.  
Motion carried unanimously.

#### **L. Consent Agenda**

The following consent agenda was considered:

1. Accounts Payable in the Amounts of \$284,558.84 and Payroll in the Amount of \$68,659.08
2. Approval of April 8, 2008 Planning Commission Meeting Minutes
3. **Resolution No. 2008-138, a Resolution Approving Temporary On-Sale Liquor License for Isanti Firefighter's Rodeo Association**
4. **Resolution No. 2008-139, a Resolution Accepting the 2007 Audit and Financial Statement**
5. **Resolution No. 2008-140, a Resolution Calling Public Hearing on the Proposed Amendment to Business Subsidy Agreement with Stoppelman Excavating**

Motion by Larson, second by Johnson to approve the above stated Consent Agenda as presented. Motion carried unanimously.

#### **M. Other Communication**

Other communication was reviewed as presented.

#### **Adjournment**

Motion by Duff, second by Larson to adjourn. Motion passed unanimously.

Meeting adjourned at 8:02 p.m.

Respectfully Submitted,

Irene J. Bauer  
Assistant City Administrator/City Clerk