

**MINUTES
CITY OF ISANTI
CITY COUNCIL
May 06, 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 Auditor Steve McDonald, Police Chief Ron Sager, and CSO Officer Steve Wacha

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

E. Proclamations/Commendations/Certificate Awards

1. Proclamation –Isanti Employer’s Week

Mayor Wimmer proclaimed the week of June 8, 2008 as the Mayor’s Isanti Employer Week. To recognize the Mayor’s Isanti Employer Week, there will be a celebration in the downtown area at 30 West Main Street; the event will include recognition to Isanti Employers and will follow with a picnic lunch. The event will be held on Wednesday, June 11th from 11:30 am to 1:00 pm. In case of inclement weather, the event will be held in City Hall.

2. Certificate of Appreciation to Officer Barrows

Mayor Wimmer recognized Officer Rod Barrows with a Certificate of Appreciation for outstanding work when he confronted a felony suspect who was holding a handgun that had just threatened a citizen’s life. The Minnesota Chiefs of Police Association also awarded Officer Barrows a Medal of Honor for his outstanding work.

3. EDAM Business Recruitment Award

Mayor Wimmer announced the City of Isanti won the Economic Development Association of Minnesota Business Recruitment award for the Ever Cat Fuels project.

F. Approve Minutes

Motion by Duff, second by Kolb to approve the April 15, 2008 Work Session minutes as amended and the Regular City Council Meeting minutes as presented. Motion carried unanimously.

G. Citizens Input

There was none.

H. Announcements

Announcements were read.

I. Council Committee Reports

Mayor Wimmer reported the Finance Committee had met and it is projected there will be a \$280,000 2008 revenue budget deficit. This is largely due to property taxes not being paid by four of the highest property holders in the City. The Finance Committee will be making recommendations to Council at a future meeting relating to the deficit and its effect on the 2008 budget.

Councilmember Larson reported she had attended the following meetings:

- Ice Arena Board
- Community Involvement Team with the Garden Party to be held on May 17th.

J. PUBLIC HEARINGS:

There were none.

K. BUSINESS ITEMS:

1. Resolution No. 2008-107, a Resolution Approving Request for City Services by the Isanti Area Chamber of Commerce

John Bettendorf, Isanti Area Chamber of Commerce President requested consideration of Council to amend the past request that had been approved by Council to include the following:

- Amend the time for the closure of Main Street from 6:30 am to 5:00 pm. The closure would be from the 2nd Avenue intersection to the alley located west of the railroad tracks.
- Police assistance for the Walk-Run
- Use of Council Chambers for the Ambassador Box Lunch
- Use of picnic tables
- Public Works assistance to set up the picnic tables and fill the dunk tank.

Chief Sager suggested that the alley is blocked off at the Wooden Churn site to prevent cars from entering Main Street at that location.

Motion by Larson, second by Kolb to approve Resolution No. 2008-107 that provides for the above stated requests by the Chamber. Motion carried unanimously.

2. Resolution No. 2008-108, a Resolution Approving Request for City Services by the BMX Association

Kevin Riedeman, Track Operator for the BMX Association requested consideration of Council for the June 29th BMX racing event:

- Police patrol the grounds at night and during the main activity of the event
- Police Reserves to assist with parking and traffic duties on June 27, 28, and 29.
- Approve parking east of the Maintenance Garage
- Closure of Isanti Parkway to through traffic from the 1st Avenue North to park road in Bluebird Park to East Dual Boulevard.

There was general discussion on the number of people expected and Reideman stated that up to 3 to 4,000 people are expected on Saturday and Sunday. There was concern expressed regarding the proposal to allow camping close to the railroad tracks and the outbuildings that are located in the area. Chief Sager stated that the areas around the outbuildings and along the railroad tracks could be taped off and therefore would provide for better safety.

There was discussion on parking and the Mayor stated that he would not like to see parking on the north side of Isanti Parkway because if there is rain, this area can become very wet and soggy and will rut the right-of-way. There was discussion if the park trails could be used to move traffic to areas of parking in Bluebird Park. City Engineer DeWolf will work with MnDOT to test the structural capacity of the trails.

Duff requested the City's Web site post the event to welcome participants and visitors to the City for the upcoming events.

Motion by Larson, second by Johnson to approve Resolution No. 2008-108 that provides approval of the above stated requests by the BMX organization. Motion carried unanimously.

3. Presentation of 2007 Audit

City Auditor Steve McDonald, Abdo Eick & Meyers, LLP presented the 2007 Audit of the City. One significant audit finding of an internal control deficiency was reported. The internal control reported was the limited segregation of duties at the Liquor Store. McDonald stated staff has addressed the issue and he approves of the plan that will segregate the duties at the Liquor Store. No other significant findings were found in the internal and other audit controls. The general fund balance of \$1,645,420 is 54 percent of the 2008 budgeted expenditures. This balance is slightly more than the 40 to 50 percent of planned expenditures and transfers out that is adequate to meet working capital and small emergency needs.

McDonald reviewed the following:

- General Fund Revenue by source
- General Fund Expenditures by program
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds

There was general discussion on the health of the City. McDonald stated the City has good reserves in the major funds that include the general fund, and the water and sewer funds and are in line with averages.

There was review of the benefits of long term financial planning. McDonald stated that this is an important tool and using the 2007 audit will allow the City to move forward with long term financial planning.

4. Resolution No. 2008-109, a Resolution Authorizing Staff to Apply to Center Point Energy for the 2008 Community Partnership Grant Program

Pierce gave a staff report on the Center Point Energy 2008 Community Partnership Grant Program. Grants up to \$2,500 are awarded for eligible safety and response equipment. The Police Department's Capital Replacement Fund had budgeted \$4,800 for conversion to an 800 MGHZ radio system in 2008 and funds received based on making application for the grant that would be used towards this radio system.

Motion by Larson, second by Johnson to approve Resolution No. 2008-109 as presented. Motion carried unanimously

5. Resolution No. 2008-110, a Resolution to Order Public Hearing to Consider Nuisance Abatement for Properties in Violation of Nuisance Ordinance No. 123 and Parking Ordinance No. 397

CSO Officer Wacha reviewed property at 808 Birch Street SW that is violation of City Ordinance whereby there are vehicles stored on the side yard and are not screened, vehicles parked on the grass, vehicles without current tabs and not street legal; and there is a desk and snow blower stored in front of the garage.

Wacha reported property at 806 3rd Avenue SW is in violation of City Ordinance whereby there is a camper trailer and vehicle stored on the side yard and there is another trailer parked in the driveway and has exceeded fourteen days.

Both property owners have been provided notice of the violations according to the provisions of City ordinance.

Motion by Larson, second by Duff to approve Resolution No. 2008-110 that calls for a public hearing for the above stated two properties to be held on May 20, 2008 at 7:00 p.m. Motion carried unanimously.

6. Resolution No's. 2008-111 and 2008-112, Resolutions Authorizing and Approving the Contract for Crop Land for the Purpose of Crop Farming of Certain Property Owned by the City of Isanti

Lorsung gave a staff report whereas the Building and Grounds Committee has reviewed the rental of City land for crop farming for the 2008 season. Lorsung stated according to past directive by Council, the rental was to be opened up for public bid, but because of the timing for this season, the Building and Grounds Committee recommends Council consider extension of leases of the land to the existing tenants for the 2008 growing season at the same rates paid for in 2007. The Committee also recommends that staff is directed to bid the rental of the land in September 2008. Because there may be

circumstances that require the City to be released from renting prior to the planting of crops or to re-occupy the property during the growing season, conditions regarding such are placed in the resolution.

Motion by Larson, second by Johnson to approve Resolution No. 2008-111 and 2008-112 as presented. Motion carried unanimously.

7. Mowing Nuisance Properties

Lorsung gave a staff report whereas the Public Works Committee has met and has further reviewed the mowing of nuisance properties and made the following recommendations:

1. That the Public Works Department continues the mowing of nuisance properties. A part of this would be to employ two seasonal staff that would assist with the mowing.
2. That nuisance mowing this season follows the following guidelines:
 - a. Nuisance mowing would be done on a complaint basis, using the current process adopted by the City Council.
 - b. Nuisance mowing will take place on properties with homes that have established lawns only. Undeveloped lots or lots with homes but no established lawns will not be mowed.
 - c. Subdivisions with undeveloped lots will not be mowed.

There was discussion on the mowing of undeveloped lots and possible damage to equipment; with a suggestion that possibly weeds could be knocked down with the bobcat or other equipment or to spray for weeds. It was stated the City may not want to spray because of fumes that could be harmful to citizens. There was discussion of mowing only developed lots and not the undeveloped lots; and the need to mow at least a part of the undeveloped lots that are next to a developed lot. There was discussion that the mowing must take place within the seven days as provided by City ordinance.

There was a statement made that it is the role of the developer, real estate agents, and banks to take care of the lots that are either in foreclosure or are for sale.

There was much discussion of hiring seasonal help to do the mowing versus contracting for mowing and discussion of the cost for each. There was discussion if the nuisance lots could be mowed within the seven days as provided by ordinance if City staff was used.

Motion by Johnson, second by Larson to approve the above stated recommendations as received from the Public Works Committee with the following: the nuisance complaints shall be handled within seven days; vacant lots shall also be handled in response to a complaint received; and the mowing will be done by the seasonal employees when at all possible. Motion carried 4-1 (Wimmer opposed).

8. Reviewing TIF Reports (Rebecca Kurtz, Ehler's)

TIF 5

Rebecca Kurtz, Ehlers & Associates provided information on the completed analysis of Tax Increment District No. 5 (Babinski Apartments). The District had one debt obligation which was paid in 2004. As of December 31, 2007, the District has a fund balance of \$36,991. After all debt obligations have been paid, Minnesota Statutes require that a TIF District be decertified so the properties can be placed on the tax roll at full market value. The fund balance for the TIF District must be returned to the County Auditor. Those funds are then redistributed to the taxing jurisdictions in their proportionate share. The funds that the City will receive back will be approximately \$25,100 that is a result of the redistribution. This is a one-time payment and the funds are unrestricted and can be used as the City chooses. Ehlers recommended to the Economic Development Authority to decertify TIF District No. 5.

TIF 9

Ms. Kurtz provided information on the completed analysis of Tax Increment Financing District No. 9 (CBD Revitalization District). The District is a redevelopment district consisting of 41 parcels and has a fund balance of \$1,454 as of December 31, 2007. The District has one Pay-as-you-go Note with Federated Co-ops, Inc. The Note is structured so the payments to Federated will not begin until the City has collected three full years of TIF revenue. The increment is intended for the City to use for other redevelopment efforts in the TIF District. It is anticipated that Federated Co-ops will begin receiving increment in 2011.

Ehlers estimated that the City will receive approximately \$43,000 in TIF to assist with projects. Because TIF District No. 9 is a redevelopment district, 90% of the increment must be spent on TIF eligible items that caused the District to qualify as a redevelopment district and 10% may be used for administrative expenses. Eligible uses may include acquisition and demolition of substandard buildings, public infrastructure, parking lots, streets, and sidewalks. Ms. Kurtz reviewed the 4-Year Rule and the 5-Year Rule.

9. Resolution No. 2008-113, a Resolution Ordering a Feasibility Study and Cost Gathering by Staff for a Proposed Downtown Parking Lot

Vita gave a staff report whereas based on the report by Ms. Kurtz from Ehlers, there will be available funds from the TIF 5 and 9 districts that could be used towards the development of a parking lot. Based on this, the EDA has reviewed the impact of the proposed Isanti Retail Meats that will be locating on 30 West Main Street. The store and possible other downtown development will cause a need for additional parking in the downtown area. There was general discussion on a parking location on the property east of City Hall. The use of the parking location would provide parking for current and future businesses and a future park & ride. There was some discussion of relocation of the storm holding pond that would provide for a connection and additional parking for the Community Center.

Funds from TIF District 5 and 9 can be used for the parking lot project; however the area proposed for the parking lot is not within the TIF 9 District. TIF 9 funds cannot be used unless the TIF 9 District is modified to bring in the parcel for the parking lot.

The EDA recommended to Council to order a feasibility study on a possible parking lot in the downtown area.

Motion by Larson, second by Johnson to approve Resolution No. 2008-113 as presented.
Motion carried unanimously.

10. Resolution No. 2008-114, a Resolution Approving the Decertification of Tax Increment Financing District No. 5 of the City of Isanti

Vita gave a staff report whereas upon review by Ehlerø review of the TIF districts, they have recommended the decertification of TIF 5 District as all of the items within its obligation have been met.

Motion by Duff, second by Larson to approve Resolution No. 2008-114 as presented.
Motion carried unanimously.

11. Clothes Collection System Locations on City Property

Councilmember Larson abstained from discussion disclosing she sits on the Board of Directors of Family Pathways.

Vita gave a staff report whereas staff had met with Marilyn Hamblin of Clothes Collection System. Clothes Collection System places collection bins in communities for the collection of clothes and shoes. Collection bins in Isanti were proposed to be placed in the parking lots of City Hall and the Liquor Store. Another possible location was at the grocery store. For the drop sites the City will receive 2 cents per pound for the clothing and shoes.

Wimmer stated he had discussed with Mr. Martin of Family Pathways the idea of the City working with Clothes Collection System; and Mr. Martin had expressed his concern of how this would affect their business. Wimmer stated that he felt the project is a good one but would not want to see it compete with Family Pathways. Additional general discussion took place by Council and Ms. Hamblin on the effect of Clothes Collection System's business would have on Family Pathway's business.

There was general discussion that the City Hall and Liquor Store parking lots may not be good locations for the collection bins. There was a recommendation that Clothes Collection System may want to consider the grocery store location for their collection bins.

Council took no action on this item.

12. Ordinance No. 434, an Ordinance Regulating Rental Dwellings in the City of Isanti and Ordinance No. 435, an Ordinance Creating a Residential Maintenance Code

Vita gave a staff report whereas the Development Advisory Committee has been working on a rental ordinance since 2007. An open house was held on April 17, 2008 where the Mayor gave a presentation on the highlights of the ordinance.

Two letters were received and expressed their concerns of the proposed ordinance. The letters received were from Jim Hughes and another from Lisa Peilen, Director of Municipal Affairs. The main concern appeared to be the ordinance provides for the suspension or revoking a license for the rental building versus a rental dwelling unit license. Ms. Peilen stated in her letter that residents who have done nothing wrong would have to be relocated if the license for the entire building is lost. There was discussion on the viability of using the word unit versus the entire building. Vita stated that if there was a Property Owner who had multiple units versus one unit that were a problem, it would give the Property Owner more incentive to clean up the situation.

Wimmer stated that there was some merit on the concern of targeting the entire building versus dealing with a single unit that may be the problem.

There was discussion that the City wants the Property Owner to be the responsible party to deal with problem units and not put the onus on the renter.

Motion by Duff, second by Larson to approve Ordinances No. 434 and 435 as presented. Motion carried unanimously.

A petition was presented to the Mayor and City Council that supports approval of the Rental Ordinance.

13. Resolution No. 2008-115, a Resolution Approving the Revolving Loan Fund Policy and Transferring Funds for the Revolving Loan Fund

Vita gave a staff report whereas Isanti City Partnership (ICP) and the EDA have developed a Revolving Loan Fund Policy that is based on a goal of the City Council at their 2008 Goal Setting session. The Policy is to be used as a tool for economic development purposes. In March the City Council authorized \$130,000 to be placed in an EDA Revolving Loan Fund.

Motion by Larson, second by Johnson to approve Resolution No. 2008-115 as presented. Motion carried unanimously.

14. Resolution No. 2008-116, a Resolution Authorizing the Execution of an Assignment and Assumption Agreement and Amendment to Property Tax Abatement Agreement with Isanti County Equipment and K & N Isanti Properties, LLC

Vita gave a staff report whereas Isanti County Equipment had entered into a Business Subsidy Agreement with the City in 2001. Isanti County Equipment is reorganizing and

intends to convey their property to a new corporation to be owned by the same two principals. The reorganization requires Council approval of the transfer of ownership according to their Development Agreement.

Motion by Larson, second by Johnson to approve Resolution No. 2008-116 as presented.
Motion carried unanimously.

15. Resolution No. 2008-117, a Resolution Calling for Public Hearing on the Proposed Amendment to the Business Subsidy Agreement with Stoppelman Excavating

Motion by Larson, second by Duff to approve Resolution No. 2008-117 as presented.
Motion carried unanimously.

16. Resolution No. 2008-118, a Resolution Rescinding Resolution 2007-118 (a Resolution Approving the Extension of the Construction of Kelsey Road (AKA 7th Avenue) and Directing Staff to Begin the Process of Calling in the Letters of Credit on the Fairway Greens Development

Vita gave a staff report whereas Mr. Iverson has not completed the construction of 7th Avenue NE, has not placed the wear course on 6th and 7th Avenue NE, and there are outstanding punch list items for the Fairway Greens Development. Based on past communication Mr. Iverson informed the City that the City would need to call in the Letters of Credit in order to have the work completed according to the Development Agreement.

Staff recommended City Council rescind Resolution 2007-265, a resolution that approved an extension for the construction of 7th Avenue NE. This is based on the information received of the pending foreclosures on the Fairway Greens project property and the need to see completion of the roads in the Fairway Greens Development.

Motion by Larson, second by Kolb to approve Resolution No. 2008-118 as presented.
Motion carried unanimously.

17. Appointments to Represent the City of Isanti at the May 2008 County EDA Meeting

Vita gave a staff report whereas at the April 15, 2008 County Economic Development Authority meeting, the County EDA and Commissioners requested that each City select two additional people to participate in the May 2008 meeting. At the May meeting the County EDA will be holding their strategic planning to assist in their determination on the type of EDA that the County wants to become.

Motion by Duff, second by Larson to appoint Isanti Area Chamber of Commerce President John Bettendorf and Community Development Director Carla Vita as the City of Isanti's two additional representatives to the May 13, 2008 County EDA meeting.
Motion carried unanimously.

18. Resolution No. 2008-119, a Resolution Approving Secondary Employment Requests by Certain Police Officers to Work for the State Fair Police

Sager gave a staff report whereas Officers Gau, Noreen, and Barrows have requested to be allowed to obtain secondary employment as Police Officers at the State Fair. This employment is on their own time, therefore no City vehicles or salary will be involved.

Joslin stated he recommends that the State Fair Board indemnifies the City and that they provide a Letter of Liability Agreement that holds the City harmless for any liability that may arise based on the actions of the City of Isanti Officers. Joslin stated that this language has been included within the resolution that the Council will be acting on.

Motion by Duff, second by Larson to approve Resolution No. 2008-119 as presented. Motion carried unanimously.

19. Safe and Sober Grant Application

Sager gave a staff report whereas the Isanti Police Department is working with the Cities of Lindstrom, Wyoming, Chisago and Braham to secure a Safe & Sober grant from the State of Minnesota that is in the amount of \$26,000.00. The grant funds will be used for overtime patrols for traffic safety enforcement of the Safe & Sober programs.

Motion by Kolb, second by Larson to approve the Police Chief apply for the Safe & Sober grant. Motion carried unanimously.

20. Offer Planning Intern Position to Mr. John Ulrich

Mayor Wimmer stated that because of the projected budget revenue deficits in year 2008 that funds are not expended to cover the cost of the Planning Intern position.

Motion by Larson, second by Kolb to not fill the Planning Intern position. Motion carried unanimously.

L. Consent Agenda

The following consent agenda was considered:

1. Accounts Payable in the Amounts of \$340,493.09 and Payroll in the Amount of \$72,735.01
2. Approve Minutes:
 - a. March 25, 2008 Park & Recreation Board
 - b. March 25, 2008 EDA
3. Authorize Advertising to fill two Seasonal Streets/Park Positions
4. **Resolution No. 2008-120, a Resolution Extending the Appointment of Ms. Lisa Crawford as Interim Liquor Store Manager**
5. **Resolution No. 2008-121, a Resolution Authorizing the Hanging and Displaying of Plaques in City Hall to Recognize Donations to the Downtown Project**

6. **Resolution No. 2008-122, a Resolution Approving the Summer Skate Camp Hosted by Cambridge-Isanti Community Education and 3rd Lair Skate Park of Golden Valley at the Isanti Skate Park**
7. **Resolution No. 2008-123, a Resolution Authorizing Staff to Order Trees for Sector 4 in the Landscaping Plan for Bluebird Park**
8. **Resolution 2008-124, a Resolution Authorizing Staff to Accept the Quote for the Installer to Oversee the Mattson Park – Community Park Build and to authorize the Date of the Community Park Build**
9. **Resolution 2008-125, a Resolution Amending Resolution No. 2008-052 Approving the Request from Byron Westlund, Representing Woodland Development, for an Extension to the Preliminary Plat for Woodland Commercial Park with Revised Extension Dates**
10. Approve Councilmember Sue Larson's Attendance at the LMC Annual Conference
11. **Resolution No. 2008-126, a Resolution to Approve Temporary On-Sale Liquor License and Gambling Exempt Permit for St. Elizabeth Catholic Church**

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

M. Other Communication

Other communication was reviewed as presented.

Adjournment

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

Meeting adjourned at 9:16 p.m.

Respectfully Submitted,

Irene J. Bauer
Assistant City Administrator/City Clerk