

MINUTES
CITY OF ISANTI
CITY COUNCIL
July 20, 2010
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, Jeffery Kolb, and Sue Larson. Councilor Ross Lorinser arrived at 7:05 p.m..

Members Absent: None.

Staff Present: City Administrator Don Lorsung, Assistant City Administrator/City Clerk Irene Bauer, City Attorney Clark Joslin, Finance Director Kristi Smith, Economic Development Director Sean Sullivan, City Planner Lisa Krause, Police Chief Ron Sager, City Engineer Brad DeWolf, and Assistant City Engineer Kevin Bittner

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

E. Proclamations/Commendations/Certificate Awards

1. 2010 Jubilee Parade Mayor's Choice Award

Mayor Wimmer announced that Cub Scouts Troop 523 won the 2010 Jubilee Parade Mayor's Choice Award at the 2010 Jubilee parade event.

F. Approve Minutes

Motion by Kennedy, second by Kolb to approve the minutes of the July 6, 2010 regular City Council meeting as presented. Motion carried unanimously.

G. Citizens Input. There was none.

H. Announcements - Announcements were read.

I. Council Committee Reports

Councilor Larson reported on the following meetings she had attended and announced upcoming events:

- Downtown Committee
 - o Expand downtown
 - o Live Nativity
 - o Year 2011 - plant flower baskets using wave petunias
 - o TIF & RLF
- Isanti Family Farmer's Market – every Saturday
- Sidewalk Sales – August 20 & 21
- GPS 45:93

- Meeting scheduled for 10:00 a.m. on Friday, July 23rd at City Hall
- Northern Lights Express Meetings
 - To be held in Duluth, Minneapolis, Sandstone, and Cambridge
- National Night Out - August 3rd
- League of MN Cities
 - Resides on three policy committees and reported what the committees are working on.

Mayor Wimmer reported on the following:

- Attended the Revolving Loan Fund (RLF) meeting. There are \$350,000 TIF funds available for grants.
- Attended a meeting with business owners relating to Secondhand Goods stores

Public Hearings. There were none.

J. Business

1. Agenda Request – Number of Dogs Allowed per Household (*Launa Hollen*)

Ms. Hollen was not present. Motion by Kennedy, second by Kolb to table action on this matter and direct that it is brought back to a future meeting. Motion carried unanimously.

2. Review of Pension Plan Schedule and Authorize City Clerk's Signature

There was brief review of the Isanti Fire Relief Association pension plan schedule and it was disclosed that there is a shortfall of \$53,376 of the required contributions needed for the pension plan. Fire Chief Polzin was present and recognized that there is a shortfall and that he did not have a plan in place to make up the shortfall.

Motion by Kennedy, second by Larson to authorize the City Clerk to sign the certification page of the Isanti Fire Relief Association's Pension Plan. Motion carried unanimously.

3. Agenda Request – 299th Avenue Project – Isanti Township

Guy Lillemo, Isanti Township Supervisor and Don Hansen, Isanti Township Chair were present to present a Township project whereas they would like to improve 299th Avenue. Lillemo stated that they have received permission to improve the north half of the road from the property owner to the North and are seeking permission from the City to improve the south half of the road that is the City's portion of the road. Lillemo stated that the road currently lies lower than the side of the road and they propose to improve the road and make ditches with a 4-1 slope. The project would be at no cost to the City however they would be proposing to retain the fill from the project.

Councilor Larson inquired on the feasibility of the project should BNSF close the railroad crossing at that site and Lillemo responded that the area can still have a cul de sac and can be developed.

Mayor Wimmer inquired if the City Engineer saw any issues relating to the proposed improvement and DeWolf recommended the Township accommodate for the proposed

trail that is to be located on the south side of 299th and questioned who would pay for crop damage if crops located on City property are disturbed.

There was general discussion on the project.

Motion by Lorinser, second by Kennedy to support Isanti Township's 299th Avenue Project by allowing improvement of the City portion of the road with the condition that the Township accommodates and works with the County on the proposed construction of the Cambridge-Isanti Bike/Walk Trail that is to be located on the south side of 299th and that the Township is responsible for payment of any crop damage to the City's crop rental property should it be disturbed. Motion carried unanimously.

4. Resolutions Relating to Plat Submitted by First National Bank of Elk River

Krause gave a staff report whereas First National Bank of Elk River is requesting Council consideration to approve a Common Interest Community (CIC) Plat, the Towns Edge Business Center located at 2 Enterprise Avenue NE. The CIC would allow for the buildings to be sold to individual business. Parking facilities and the access drive would be owned and maintained by the overall condominium association. First National Bank of Elk River is also requesting the vacation of an easement area identified within the original plat and that a twenty foot easement is allowed along the west side of the plat that would allow for construction of a future roadway to the south.

Krause stated that the Planning Commission reviewed this matter in a public hearing held on July 13 and have recommended the approval of the Final CIC Plat and Vacation of an Easement Area for the Towns Edge Business Center.

a. Resolution No. 2010-178, a Resolution Approving Vacation of a Drainage & Utility Easement Pertaining to Lot 2, Block 1 Isanti Centennial Complex 1st Rearrangement

Motion by Kennedy, second by Larson to approve Resolution No. 2010-178 as presented. Motion carried unanimously.

b. Resolution No. 2010-179, a Resolution Approving the Final CIC Plat for the Towns Edge Business Center Located at 2 Enterprise Avenue NE

Motion by Larson, second by Lorinser to approve Resolution No. 2010-179 as presented with the review committee's recommendations. Motion carried unanimously.

5. Review of Proposed Development Agreement Amendments - Villages on the Rum Detached Townhomes and Side Yard Setbacks

Due to a conflict of interest Councilor Lorinser abstained from discussion and action on this matter.

Krause gave a staff report whereas in 2009 there was history that a property owner had requested the construction of a deck to a detached townhome and it was determined at that time that a 3 x 3 foot landing with stairs to the ground would be allowed. Anything larger would not meet the side yard setback requirements.

Krause stated that as a result of the September 2009 meeting relating to the outcome of setback issues for decks, the Homeowner's Association has proposed an amendment to the Development Agreement to address the setback issue for decks within the development. The proposed amendment request was to allow for bay homes and detached town homes to have a minimum of a ten foot setback between the home, exclusive of any attached deck and/or patio, to the side lot line. That there shall be a minimum of a five foot setback from any attached deck and/or patio to the side lot line.

Ms. Carrie Doom, Parker, Satrom & Donegan, P.A., attorney for the homeowners association made comment to support the above stated amendment proposal.

There was discussion and consideration by Council that they have supported the intent of the zoning code and have denied similar requests. Concerns regarding public safety vehicles ability to get between structures was also discussed.

Motion by Kolb, second by Larson to deny the proposed amendment request to the Villages on the Rum Development Agreement. Motion carried unanimously (Lorinser abstained).

6. Resolution No. 2010-180, a Resolution Awarding the Website RFP to Permanent Excellence

Sullivan gave a staff report whereas RFP's were received from Bitwise Logic and Permanent Excellence for hosting the City's website and email service. Sullivan stated that the RFP's were reviewed by the Finance Committee and that the Finance Committee recommended awarding the RFP to Permanent Excellence that included moving the existing website into Expression Engine, add the expanded service and additional add-ons for a first year cost of \$3,195 and \$620 for each subsequent year; and that a contract is developed that includes terms that require the site to be functional within sixty days and to make payment only if the work has been performed to the satisfaction of the City. Sullivan stated that the Finance Committee is recommending funding for the project comes from the technology fund.

Councilor Larson inquired if the issues the City had with the previous vendor were discussed and Sullivan stated that it was disclosed and discussed the space issue the City had with the past vendor; the Committee was informed by both vendors that submitted RFP's that there would not be a space issue with them were they selected to host the site.

Motion by Lorinser, second by Kennedy to approve Resolution No. 2010-180 to award the website RFP to Permanent Excellence for a first year cost of \$3,195 and \$620 for each subsequent year and direct staff to draft a contract between the City and Permanent Excellence defining the pricing, terms, and services to be rendered. Motion carried unanimously.

7. Consider Authorizing the Execution of an Assignment and Assumption Agreement and Amendment to Purchase and Development Agreement with RWL II Properties, LLC and Priority Air Mechanical

Sullivan gave a staff report whereas in June, 2010, a request was made by Cory Howard to execute an Assignment and Assumption Agreement that would allow the Special Assessments levied against Units 1 and 2 of the RWL II Properties, LLC located at 101

Isanti Parkway NE to be reimbursed to him moving forward. Sullivan stated that on June 2, 2009 the City Council adopted a resolution that authorized the Assignment and Assumption of the Development Agreement for Units 1 and 2 to Mr. Howard. At the August 18, 2009 Council meeting the Development Agreement for RWL II was suspended due to non-payment of property taxes and the execution of the Assignment and Assumption Agreement was put on hold. Sullivan stated that as of July 13th RWL's taxes on the building are not paid for years 2009 and 2010. For the units that Mr. Howard owns taxes are paid in full for year 2009 and the first half 2010 taxes have not been paid. Sullivan stated that City policy requires that taxes for the entire building are current before an Assignment and Assumption Agreement can be executed. Mr. Howard is requesting Council to divert from its current policy and to authorize the execution of the Assignment and Assumption Agreement.

Mayor Wimmer stated that this matter was reviewed at the Development Advisory Committee (DAC) and the recommendation was to not approve the request as it does not meet City policy whereas the taxes are delinquent on the property. Wimmer stated that this project was condoized without City approval and units were sold without City approval.

Cory Howard – 101 East Isanti Parkway – stated that he does not feel it is right because he paid his taxes in 2009 on the units that he owns; that he is being punished for doing the right thing.

Mayor Wimmer stated that the City is following policy and consistently follows City policy to ensure all taxes are paid. Wimmer stated that should Council approve to change policy on this matter that there may be a greater impact on cases that are or may be similar in nature.

Councilor Kolb inquired of Mr. Howard if he was the owner of one of the condos and Howard stated that he owns units one and two.

It was stated that this is a CIC and that Mr. Howard owns two of the units and the common areas are shared. Each unit has its own property identification number for tax purposes and therefore Mr. Howard's taxes are separate from the other eight units within the CIC.

City Attorney Joslin stated that the City has not done anything wrong throughout this process.

There was general review of the requirements of the developer as it related to the development and agreements with the City on the subject property.

Mr. Howard inquired if the developer sells all remaining eight units, does not pay taxes on them, and does not contact the City to ensure it is a legal sale; is there nothing the City can do?

Sullivan stated that there are two things the City can do; the City can suspend the Development Agreement or it can terminate the Development Agreement and with that comes rights. Sullivan stated that with this Development Agreement there was a

reimbursement of special assessments that was assigned to RWL, therefore the City has said they will not reimburse due to the default that it is currently under.

Mayor Wimmer stated that this project was a product of the City initially based on the City granting a subsidy agreement; otherwise it would not have anything to do with the City. That the obligations required within the Development Agreement were not fulfilled by the Developer of the project.

Motion by Lorinser, second by Kolb to deny the request to Mr. Cory Howard to authorize execution of the Assignment and Assumption Agreement as presented. Motion carried unanimously.

8. Resolution No. 2010-181, a Resolution to Reject Bid Received on the 2006 Dodge Charger Declared as Surplus Property and Authorize Placing the Vehicle on Public Auction

Sager gave a staff report whereas one bid was received for the sale of the 2006 Dodge Charger in the amount of \$5,500 in training credits. The Finance Committee reviewed the bid and recommended the bid is denied as the \$5,500 bid amount is below Blue Book value and recommends the vehicle is placed on public auction.

Motion by Lorinser, second by Kennedy to approve Resolution No. 2010-181 as presented. Motion carried unanimously.

9. Resolution No. 2010-182, a Resolution to Declare the Police Department 2001 Dodge Neon as Surplus Property and Authorize it's Disposal by Placing the Vehicle on Public Auction; and Approve a Forfeited 2006 Chevrolet Silverado as a Police Department Vehicle

Motion by Kennedy, second by Larson to approve Resolution No. 2010-182 as presented. Motion carried unanimously.

10. Review of Hunting Regulations

Sager gave a staff report whereas the Police Committee has reviewed the matter of potential bow hunting regulations in the City. Three recommended areas were identified for the activity and procedures and regulations were reviewed that would be included in the policy.

In review of the three proposed areas where bow hunting would be allowed, there was consensus that area number three should be removed from the allowed areas for this use.

There was discussion on enforcement and what part the DNR plays in enforcement. It was stated that the City would enforce their own ordinances that the City implements.

Motion by Lorinser, second by Kennedy to direct staff to prepare a policy providing locations, procedures, and regulations pertaining to hunting within the City limits with the exclusion of area three. Motion carried unanimously.

L. Consent Agenda

1. Accounts Payable in the Amount of \$121,694.50 and Payroll in the Amount of \$67,529.87

2. **Resolution No. 2010-183**, a Resolution Approving Change Order for the 2010 Railroad Avenue SW Street & Utility Improvement Project
3. Approval of the June 8, 2010 Planning Commission Meeting Minutes
4. Resolutions Offering Employment to Fill the Two Public Works Technician Positions
 - a. **Resolution No. 2010-184**, a Resolution Offering the Public Works Maintenance Technician Position to Mr. Brian Hubbling
 - b. **Resolution No. 2010-185**, a Resolution Offering the Public Works Maintenance Technician Position to Mr. Joshua Becker
5. **Resolution No. 2010-186**, a Resolution Offering the Position of Liquor Store Part-Time Clerk III to Mr. Nicholas Graziani
6. **Resolution No. 2010-187**, a Resolution Approving Neighborhood Stabilization Program Item
7. **Resolution No. 2010-188**, a Resolution to Authorize Disposal of Forfeited Property
8. **Resolution No. 2010-189**, a Resolution Authorizing Reduction of Rent for 236 Broadway Street SE Property

Councilor Larson questioned the authorization to fill the two Public Works Technician positions until the 2011 budget process has been completed to ensure there is sufficient funding for the positions. It was stated that one position is funded entirely by the Water and Sewer funds; and that the filling of the positions was previously delayed until the Public Works labor contract was settled.

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

Adjournment

Motion by Lorinser, second by Kennedy to adjourn. Motion passed unanimously. Meeting adjourned at 7:55 p.m.

Respectfully Submitted,

Irene J. Bauer
Assistant City Administrator/City Clerk