

**MINUTES
CITY OF ISANTI
CITY COUNCIL
September 1, 2015
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 Paul Bergley, Adam Johnson, and Dan Collison, Steve Lundeen

Members Absent: None

Staff Present: City Administrator/City Clerk Don Lorsung, City Attorney Clark Joslin, Economic Development Director Sean Sullivan, Human Resources/ Deputy City Clerk Karissa Henning, Police Lieutenant Travis Muyres, Assistant City Engineer Jason Cook

D. Adopt Agenda

Motion by Lundeen second by Johnson to approve the agenda as presented. Motion carried unanimously.

E. Proclamations/Commendations/Certificate Awards

None.

F. Approve City Council Minutes

August 18, 2015 – Regular Meeting of the City Council

Motion by Johnson second by Lundeen to approve the City Council Minutes of August 18, 2015 regular meeting as presented. Motion carried unanimously.

G. Citizens Input

Rodney Wolf, 1113 Blossom Blvd., Isanti, addressed the Council stating that on August 13, 2015, his immediate neighbor applied for, and then on August 17, 2015 received, a kennel license. The Mayor questioned the issuance of a kennel license. There was discussion in regards to the kennel licensing process. Mr. Wolf indicated that he understood from the Police Department that four dog licenses had been issued to his neighbor. Pertinent address information was given to Lorsung by Mr. Wolf for further investigation.

H. Announcements

Announcements were read.

I. Council Committee Reports

Mayor Wimmer reported that the Intermediate School is in violation of the site plan that was approved by the City Council. The Mayor indicated he has spoke with staff regarding the issue in the morning and had also discussed it with the Superintendent the week prior; the situation was supposed to be corrected. There are traffic control issues at the Intermediate School that the improvements were supposed to fix and they are not following through with their own plan. As the issue has not yet been corrected, Staff was asked to undertake the necessary procedures to ensure the school follows the site plan which they presented, and which had been approved by, the City Council.

Mayor Wimmer informed the Council of the good news received from the Minnesota Department of Economic Development. The letter from the State of Minnesota bringing funds in the amount of \$400,000 to the City of Isanti for the SnoBear project was received. The City had been waiting for the official letter which has now come through. The Mayor noted it was the City's Economic Development team led by Sullivan who did the heavy lifting on this project. It is bringing State funds into our community to bring a business here from North Dakota. Kudos to Sullivan and the entire Economic Development team for a job well done.

J. Public Hearings

None.

K. Business Items

1. Request Regarding Community Center Paint Donation

A request was made by Ms. Lynn True to return paint that she had donated to the City. The Mayor noted that it was not quite that easy as once it is donated to the City, it is considered City property so the City would have to declare it as surplus property. Once declared as surplus property, it would have to go up for bid. The Mayor suggested that the City may need to adopt a new policy for accepting donations received in the future. The City may need to require a waiver or release indicating that items donated belong to the City and cannot be returned. The Mayor invited Ms. True to come forward. He asked Ms. True if she wished the Council to go forward with this process to get her paint returned, which the Council was willing to undertake; however, the Mayor also noted that it is not setting good precedence for the City with regards to future donations. Ms. True would also need to consider for her own purposes whether the donation was written off as a charitable gift. The Mayor reiterated that if she wished to have the paint returned, it would have to be declared as surplus property and go up for bid. Ms. True responded that the return of the paint didn't seem to be worth undergoing the necessary process. She indicated that the paint had been originally donated for the express use by the Community Center; however, if the City can use the paint, she would rather not see it go to waste. The request was withdrawn.

2. Resolution 2015-201 Approving a Special Event Request for a Walk/Ruch

Casey Carik addressed the Council to provide details on the Walk/Ruch Special Event Request. The Walk/Ruch is a walk to raise much awareness and publicity for the Veterans who commit suicide every day due to Post Traumatic Stress Disorder (PTSD). The operation goal is to get the daily suicide rate, currently at 23, down to zero. The Walk/Ruch is scheduled for September 6, 2015 at 10:00 a.m. starting from the VFW and ending at Mr. Carik's residence. Lundeen stated that he appreciated what Carik was doing. Lundeen noted that it was good to see someone as young as Mr. Carik getting involved in issues such as these. The Mayor also expressed that Mr. Carik was doing a great thing.

Motion by Lundeen second by Johnson to approve Resolution 2015-201 as presented. Motion carried unanimously.

3. Resolution 2015-202 Amending the Personnel Policy to Include a Media Relations Policy

The Mayor noted that this is basically codifying a policy that is already in place.

Motion by Johnson second by Bergley to approve Resolution 2015-202 as presented. Motion carried unanimously.

4. Adoption of Budget and Preliminary Levy

Due to the current vacancy within the Finance Director position, the Mayor stepped in to present the 2016 Final Budget and Preliminary Levy.

Mayor Wimmer reported that the City is down approximately \$8700.00 from 2015 to 2016 in spending. The Revenues and Expenditures have leveled off. 2006 was the last time that the City had a budget in this range. Spending was reduced each year from 2006 to 2015 and the City is starting to catch up with where the City needs to be.

The larger pieces of the expenditure pie include: Public Safety – The City has added another Police Officer which was a needed change for the City; General Government – There have been some changes as to how that is laid out resulting in decreased spending in the Public Works area; Fire Protection has gone from 2.5% to 5% of the budget. It was originally planned in 2008-2009, when the City started working on the 5 year projections and laid out the overall long-term financial plan, that the General Fund carry-over dollars would be used to help supplant the budget for the City. At that time, anywhere from \$150,000 to \$400,000 of that was being taken out to balance the budget. In 2016, the City won't be taking out any monies from the fund; the City will actually be putting \$53,000 back into the fund balance. The City will start doing this to build the fund balance up again to the 50% level where the City wants it to be.

The \$44,000 cost of living (COLA) increases are set by union contracts and applied to all City employees. The Compost Site Clean Up and Re-Opening Costs reflect \$25,000 that was put in new and \$11,000 that the City had for clean up. It is hoped that the final number will be less when it is a controlled entry point and there is potential part-time employee and wages. The City hopes there can be a manned compost site in operation as of Spring 2016.

The squad car replacement is something the City hasn't seen in its budget like this for a while. The City has successfully been able to use forfeiture funds to purchase new vehicles. This is the first vehicle, in almost a decade, which the City has had to purchase with General Fund dollars. This should be considered a great sign as it indicates that there are a lot fewer drunk drivers on Isanti roads and that the efforts and programs by the local governments to reduce drunk driving have been effective. The side effect of this success is that the City will be paying for a new car out of tax-payer funds. The squad car will be fully equipped.

\$31,000 is for software for City Hall staff. The software will allow a complete tie-in with City hall records. Currently, there are several staff members tracking various items on Excel spreadsheets and this is not the most efficient or effective way to handle information.

\$25,000 is designated for an expected increase in health insurance premiums. A good number did come back from the City's insurance carrier so the actual number may not be as significant as designated. Fire Protection service costs have been increased from 2015. As discussed in the Budget Work Session meeting, the size of the City population requires a change for elections to two precincts and that will cost the City \$12,000 to get up and running. One Precinct will be at City Hall and the second will likely be located at the Community Center.

The Bike/Walk Trail is per the City's agreement of sharing costs. Up to \$10,000 has been slated for updating or replacing park equipment. The City has a lot of equipment that is starting to get old and those replacements need to get on the schedule. There is a subcommittee in Park and Recreation that has started rating all the equipment so that the most important items can be addressed first.

Wrapping up the big items are the various insurance premiums, a new squad - which had previously been discussed, force controls for the plow truck and shop lighting for Public Works. The Mayor noted that new lighting is definitely needed at Public works. The Mayor acknowledged that the items outlined add up to a fairly significant amount.

The budget revenues consist of roughly 65% taxes and then the second significant source of approximately 16%

is from the 2015 Local Government Aid (LGA) money being spent in 2016. In this way, if there are any cuts or changes it won't affect that year's budget. That money constantly goes forward. A third big number on the revenue side reflects, once again, taking \$300,000 from the Liquor Store fund to help offset General Fund costs. The Mayor specified for Bergley that the transfer of \$300,000 reflects approximately 8% of the revenue pie. Although the Liquor Store is redoing the parking lot, etc., it is still able to generate enough funds for the City to do this. The Mayor noted that the Liquor Store has been a great asset for the City. The Mayor noted that most of the remaining numbers are basically in line. Some of the numbers are assumptions (e.g. fines, or charges for particular services are based on a five year projection.)

With regards to the Proposed Property Tax Levy, the number which the Mayor wanted to make clear was that of the Preliminary Taxable Market Value increase of 13.9%. That is based on the guidance which the City has received from the County. That number reflects the overall valuation of the City that the County is planning to increase, which is a fairly substantial increase. However, in defense of the County and the County Assessor, the County has a particular formula set by the State that they have to follow. If that formula is not followed, the State can step in and take it up even higher. The Mayor noted that this had occurred in Isanti County approximately seven years ago in some of the townships west of the City of Isanti where the values had not been raised to within 95% of what the home sales had been. In that case, the State stepped in and raised the valuation significantly higher than that amount. With the increase in home sales, the market values are rising. As of last year, we had some homeowners who saw significantly higher numbers and some that had actually experienced cuts in their home valuations. The City can expect to hear from a lot of its constituents regarding this issue. After this, the City is projecting that home valuations will flatten out, it is, however, uncertain. Also, the number given is still preliminary, still guidance. The actual number will remain unknown for another couple of weeks. For example, with the \$75,000 in Court Ordered Abatements the City will not know what that true number will be. When taxes are set, the City determines that 'X' amount of dollars, or approximately 2.5 million dollars in taxes, will be collected. The City is not setting a rate, it is determining how much cash it will take. Then, once the valuation is set in, that reflects back to the actual levy percentage. With regards to the Court Ordered Abatements and the \$75,000 that is being raised and which had been previously discussed in Council -- over the last two years, the City has lost approx. \$100,000 in Court Ordered Abatements. The Mayor gave an example of this: a homeowner reviews the valuation and feels it should be less, the court agrees or comes up with a different number but it is less than the original value resulting in the homeowner paying less in taxes. These issues aren't addressed until the spring of the following year, so the change occurs within the budget in which the City is currently operating. The Mayor emphasized that when that money is gone, it's gone. The City cannot re-tax for it, it is just gone. Market valuations don't work themselves out until March of the following year. This requires the City to make its best, educated estimate as to what that valuation will be. The set dollars, the City does receive.

The Fire District Budget levy will increase to \$110,000. \$195,000 is estimated to be the budget for next year. Again, the City will not know that number for certain until the Fire District passes a budget, but the City used a 9% inflator. Year over year the Fire District budget has increased approximately 10.2%, so the City is slightly under their average increase. Pavement Management levy costs reflect the Pavement Management and Utility plan which was approved by the Council. The Mayor noted that there had been no public participation in those discussions as no one showed up for the meetings. The result of said meetings was to raise the revenue to cover the Pavement Management and Utilities Plans. The \$25,000 is a one year addition for the Compost Site.

a. Resolution 2015-203 Setting the 2016 Final Budget and Levy Meeting

Motion by Johnson second by Lundeen to approve Resolution 2015-203 as presented. Motion carried unanimously.

b. Resolution 2015-204 Approving the 2016 Preliminary Budget for the City of Isanti

Motion by Johnson second by Lundeen to approve Resolution 2015-204 as presented. Motion carried unanimously.

c. Resolution 2015-205 Adopting the Proposed 2015 Tax Levy Collectible in 2016 For the City of Isanti

Motion by Bergley second by Johnson to approve Resolution 2015-205 as presented. Motion carried unanimously.

- 5. Resolution 2015-206 Authorizing the Execution of Repayment Agreement with J. Robinson Construction, Inc. for Lot 1, Block 1, Villages on the Rum Third Addition, Phase Three**
- 6. Resolution 2015-207 Authorizing the Execution of Repayment Agreement with J. Robinson Construction, Inc. for Lot 2, Block 1, Villages on the Rum Third Addition, Phase Three**
- 7. Resolution 2015-208 Authorizing the Execution of Repayment Agreement with J. Robinson Construction, Inc. for Lot 3, Block 1, Villages on the Rum Third Addition, Phase Three**

Lundeen prefaced that his motion was to accept all three repayment agreements (items 5, 6 and 7 on the City Council agenda).

Motion by Lundeen second by Collison to approve Resolutions 2015-206, 2105-207 and 2105-208 as presented. Motion carried unanimously.

8. Ordinances for Franchise Agreements & Franchise Fee Agreements with CenterPoint and Connexus Energy

Mayor Wimmer noted that these are part of the plan to help pay for the \$250,000 per year in crack sealing and sealcoating.

- a. Ordinance 619 for Center Point Energy Gas Franchise Agreement**
- b. Ordinance 620 Implementing a Gas Franchise Fee on CenterPoint Energy**
- c. Ordinance 621 for Connexus Electric Franchise Agreement**
- d. Ordinance 622 Implementing an Electric Energy Franchise Fee on Connexus**

Motion by Johnson second by Bergley to approve Ordinance 619, 620, 621, and 622 as presented. Motion carried unanimously.

9. Resolution 2015-209 Approving a Memorandum of Understanding (MOU) Between the Isanti Police Department and Cambridge-Isanti School District #911 for the School Resource Officer Program

Motion by Johnson second by Lundeen to approve Resolution 2015-209 as presented. Motion carried unanimously

10. Resolution 2015-210 Offering the Position of Public Works Foreman To Matthew Sylvester

Motion by Johnson second by Collison to approve Resolution 2015-210 as presented. Motion carried unanimously.

11. Resolution 2015-211 Offering the Position of Part-Time Community Events and Parks Coordinator to Katie Everett

Motion by Johnson second by Bergley to approve Resolution 2015-211 as presented. Motion carried unanimously

L. Approve Consent Agenda

1. Consider Accounts Payable in the Amount of \$210,489.78 and Payroll in the Amount of \$84,869.87
2. Final Minutes of the July 28, 2015 Parks, Recreation, and Culture Board Meeting
3. **Resolution 2015-212** Approving a Local Gambling Permit to the Military Order of Cooties Auxiliary to Isanti Rum River Rats Pup Tent #99
4. **Resolution 2015-213** Approving the Purchase of Storage Items for the Building Department
5. **Resolution 2015-214** Approving PHR Training and Test Costs for Human Resources/ Deputy Clerk
6. **Resolution 2015-215** Approving Funding for the State Conditional Use Deed Application for the Recording of Deeds for Acquired Tax Forfeited Parcels
7. **Resolution 2015-216** Approving a Variance Request to Minnesota Rule 4720.0030 Fluoridation
8. **Resolution 2015-217** Accepting Part-Time Liquor Store Clerk Chelsey Holmquist's Letter of Resignation

Motion by Lundeen second by Johnson to approve the Consent Agenda as presented. Motion carried unanimously

Adjournment

Motion by Johnson second by Lundeen to Adjourn. Motion carried unanimously. Meeting adjourned at 7:24 p.m.

Respectfully Submitted,

Carla Scharber
Administrative Data Clerk