

**MINUTES
CITY OF ISANTI
CITY COUNCIL
September 21, 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, Sue Larson, and Ross Lorinser. Upon appointment and taking the Oath of Office Interim Councilor Louise Duff took her seat.

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 Wilson, and City Engineer Brad DeWolf.

Motion by Lorinser, second by Kennedy to approve the agenda as amended with Consent Agenda item L.6. moved to Business Item K.5.a. Motion carried unanimously.

E. Proclamations/Commendations/Certificate Awards

F. Approve Minutes

Motion by Lorinser, second by Larson to approve the minutes of the September 7, 2010 Regular City Council meeting as presented. Motion carried unanimously.

G. Citizens Input.

Dan Collison, 1115 Rum River Drive SW stated that his neighborhood has issue with tumbleweeds. The tumbleweeds blow into yards and fill in fences and blow into garages. That he spends an hour every day clearing out the tumbleweeds and that they are a fire hazard when they get stuck under vehicles.

There was brief discussion on the maintenance of vacant properties and City policy on vacant and open development areas within the City. Council was in consensus to place this matter on the next Development Advisory Committee (DAC) for further review and discussion and bring back to City Council at a future meeting.

H. Announcements - Announcements were read.

I. Council Committee Reports

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

- Community Involvement Team
 - o Olde Tyme Dance scheduled for October 16th

- VFW Kids Halloween Party scheduled for October 23rd
- Trick & Skate scheduled for October 31st
- Planning for Santa Day is taking place and is scheduled for December 4th
 - Debbie Barr, Chamber Representative, will be working with the Community Involvement Team to take over the Santa Day event for future years.
- Isanti Family Farmer's Market
 - Hay Rides
 - Pumpkin Carving Contest
 - Costume Contest Parade
- Home for the Holidays scheduled for November 13th & 14th
- Historic Downtown Committee
 - Christmas Village
 - Trash Bins / Recycling Containers
- ICICLE
 - Emergency Management
- Community Ed
 - Looking at classes offered
 - Looking at performances at the Harding Center
- League of MN Cities
 - Attended League Policy Meetings
 - Attended LMC Retreat
 - Future Planning
- Isanti Area Friends of the Library
 - Will be at Saturday's Isanti Farmer's Market
- Human Rights Commission
 - Teacher training on anti-bullying

Mayor Wimmer reported on the following:

- DAC
 - Approved four applicants for TIF funding – to be considered at the October 5th City Council meeting

Public Hearings. There were none.

J. Business

1. Interview Candidates for Interim Appointment to the Vacant City Council Seat

Mayor Wimmer announced that Nathan Riebel, one of the three candidates who had submitted a letter of interest to be appointed as an interim City Council member had withdrawn his letter of interest. The Council asked a series of questions to the two remaining candidates, Mr. Michael G. Streiff III and Ms. Louise Duff. The candidates were requested to leave the Council Chambers when the other candidate was asked the questions. The following questions were asked to each of the two candidates:

1. If you were going to describe Isanti to a new resident, what would you say?
2. How will your professional work experience help you as a council member?

3. Please describe the boundaries of the City of Isanti.
4. What do you think has been the most controversial issue the Council has faced this past year?
5. What do you think are the major issues facing the City?
6. The City Council works as a team, along with Isanti City Staff. Tell us about the most recent collaborative effort you have participated in.
7. If you could change one thing about Isanti, what would it be?
8. Why should the City Council appoint you to this vacancy?

There was discussion by Council following the interview process and Council Members proclaimed that both were excellent candidates. There was comment that the candidate who had served on the City Council in the past may have a less learning curve than the other candidate. Larson stated that she felt the candidate that has extensive banking experience may be the best candidate because of the current economic issues that face the City.

a. Resolution No. 2010-223, a Resolution Making Appointment to fill the Vacant City Council Seat on the Isanti City Council until such time as a Candidate is Elected through the Special Election Process

Motion by Lorinser, second by Kennedy approve Resolution No. 2010-223 by appointing Ms. Louise Duff to fill the vacant Council seat in the interim until such time as a candidate is elected through the special election process. Motion carried 3-1 (Larson opposed).

At this time Assistant City Administrator/City Clerk Bauer gave the Oath of Office to Ms. Duff and Ms. Duff then proceeded to take her seat at the Council table.

2. Parking Request – Owls

Mayor Wimmer provided a brief overview whereas the Owls Hockey Team is in need of a parking location for its motor coach during the hockey season. The identified location is the furthest southwest parking stall at the Community Center. Staff confirmed that they have contacted with Mr. Mau, Isanti Lions representative and that there are no issues should Council authorize parking of the motor coach in the stated location. It was also noted that the Owls will need electrical service and that there are exterior electrical outlets on the south side of the Community Center for this service.

There was comment made on liability concerns for the City should the City authorize the motor coach to park on City property.

Motion by Lorinser, second by Kennedy to approve the site location at the Community Center for the Owls Hockey Team motor coach to park in the Community Center parking lot in the most southwesterly corner and direct Staff to develop and bring back for Council consideration an agreement between the Owls Hockey Team and the City that allows for the use. Motion carried unanimously.

3. Resolution No. 2010-224, a Resolution Relating to the Issuance of General Obligation Improvement Refunding Bonds, Series 2010B

Financial Advisor Paul Donna reviewed the refinancing of General Obligation Improvement Bonds, Series 2003 and 2004 that would result in a resolution approving

the issuance of \$1,835,000 General Obligation Improvement Refunding Bonds. Donna stated that he has been working with Staff and the Finance Committee to review existing debt for interest cost savings and restructuring opportunities. The underlying objective is to align debt service with revised revenue projects. The overall objective was to maintain a debt service tax levy for all debt services at approximately \$400,000 or less.

The new debt structure extends the annual repayment schedule over an additional three years to better match projected cash flow requirements.

Mayor Wimmer stated that the budget plan that the City has been working from for the past two years is where the City needs to stay at from a tax standpoint; that the City needs the number to be \$400,000 or less and have achieved this goal with the refinancing of the 2003 and 2004 bonds. That the cost for refinancing now is considerably less than it was when reviewed by the Finance Committee in the past; and that over the next four years there is a savings from a cash flow standpoint of approximately \$600,000; so it gives the City a lot more room to operate.

Motion by Larson, second by Duff to approve Resolution No. 2010-224 as presented. Motion carried unanimously.

4. Resolution No. 2010-225, a Resolution Relating to the Issuance of General Obligation Sewer Revenue Refunding Bonds, Series 2010C

Financial Advisor Paul Donna reviewed the consideration of \$1,765,000 in sewer revenue refunding bonds series 2010C that refunds the current Public Facilities Authority (PFA) Loan that is in place and was issued in 1996. The objective for the refinancing is to better match the debt service with the projected revenues coming forward in the next few years.

Donna reviewed the summary finance plan that illustrates that the first five years is the window of time that the City will free up resources to better manage the rate structure going forward. The amount being freed up is over a million dollars in those five years and is pushing out the term of the original issue by an additional five years at a cost of \$44,000.

Donna stated that the PFA have stated that they are not sure whether or not the original bonds that the State issued to fund the loans they made to cities are allowed to be refunded as those loans have since been refinanced in year 2004. PFA feels that the City may not be eligible to refinance if the City is under the 2004 refinancing of the bonds and if that is the case the City would be eligible for refinancing the bond seven to eight years from now. Donna stated that from a practical standpoint the City signed an agreement for the 1996 loan agreement and that they should be eligible for refinancing. That the PFA have moved the refinancing of these bonds to the Attorney General's office for the Attorney General to interpret.

Mayor Wimmer stated that the reason the City is looking to refinance the PFA loan is because the City is not receiving the WAC and SAC fees that were required to fund the debt service. To refinance will allow the City not to adjust the utility rate fees at a substantially increased rate; and to allow the balances in the Water and Sewer funds to not go into the negative.

Motion by Larson to approve Resolution No. 2010-225 pending if the City can move forward with the refinancing of the 1996B PFA Loan and issue a General Obligation Refunding Bond, second by Lorinser. Motion carried unanimously.

5. Review of Liquor Store Financial Information

Smith gave a staff report whereas at the August 17, 2010 City Council meeting Council directed the Finance Committee to review the financial status of the Liquor Store. Since that date the Finance Committee has met and reviewed comparisons with other area stores; and have reviewed a detail of financials over the past ten years for the Liquor Store.

Mayor Wimmer stated that the Finance Committee has tried to get answers from Liquor Store Management as to why there is a decline in gross margins and that they did not receive the answers they were looking for.

Lorinser stated that the information received from Liquor Store Manager Harker did not address the Finance Committee's concerns and further stated that there is a need to make changes at the Liquor Store and would like to take this matter to the Personnel Committee and bring back to City Council at a later date. Lorinser stated that the store is not making the money that the City needs it to make and the City needs to find a way to get it to make the money that the City needs it to make.

Mayor Wimmer stated the Committee will work on getting some answers to these concerns and will bring back for discussion at the next City Council meeting.

5.a. Resolution Offering the Position of Liquor Store Part-Time Clerk III to Ms. Pamela Fritz

Motion by Lorinser, second by Kennedy to table the offering of the Part-Time Clerk III position and to revisit at a later date. Motion carried unanimously.

6. Resolution No. 2010-226, a Resolution Approving the Conditional Use Permit (CUP) as Requested by Federated Co-op Inc. to Operate a Motor Vehicle Sales Facility with Accessory Open Sales Lot on the Property Located at 303 Dahlin Avenue NE

Wilson gave a staff report whereas the Planning Commission reviewed the request for a Conditional Use Permit by Federated Co-op at a public hearing held on September 14, 2010. The Planning Commission recommended approval of the request for a Conditional Use Permit that will allow Federated Co-op to operate a motor vehicle sales facility with a open sales lot, limited to ATV's dirt bikes, scooters, and trailers on property located at 303 Dahlin Avenue NE with the conditions as presented.

Motion by Kennedy, second by Larson to approve Resolution No. 2010-226 as presented. Motion carried unanimously.

7. Ordinance No. 493, an Ordinance Amending Ordinance No. 445 Zoning; Section 7 Business Districts, Article 1 "B-1" to Central Business District (CBD) to include Motor Vehicle Rental Facilities as a Conditional Use

Wilson gave a staff report whereas on September 14, 2010 the Planning Commission reviewed in public hearing an amendment to the Zoning Ordinance to allow motor vehicle rental facilities as a Conditional Use in the Central Business District; and recommended its approval.

Motion by Kennedy, second by Larson to adopt Ordinance No. 493 as presented. Motion carried unanimously.

8. Resolution No. 2010-227, a Resolution Approving the Request from Mr. Steve Flage, on behalf of the River Bank, for an Extension for the Preliminary Plat Extension for Fairway Greens Phase 3

Motion by Lorinser, second by Kennedy to approve Resolution No. 2010-227 as presented. Motion carried unanimously.

9. Resolution No. 2010-228, a Resolution Authorizing City Staff to Accept the Fee Allowing Exclusive Use of the Mattson Park Tennis Courts by the C-I School District for Fall 2010 and Spring 2011 and Waiving the Current Scheduling Requirements

Wilson gave a staff report whereas the City adopted a reservation policy for the use of the various 'athletic elements' within the City and included the use of tennis courts. The policy provides for the reservation of tennis courts that are subject to scheduling regulations whereas tennis courts can be reserved a maximum of one day a week per court for a maximum of three hours on the reserved day. After the adoption of the reservation policy an issue arose with regards to the amount and/or length of time that an individual or group can reserve a specific field or tennis court.

Wilson stated that the School District desires to reserve the Mattson Park tennis courts for practice for the 2010 Fall season and 2011 Spring season and the request exceeds the number of days and hours the tennis courts can be reserved based on the policy. Staff has been working with the School District on this matter and have come to an agreement to request Council action for exclusive use of the Mattson Park tennis courts by the School District for an agreed on days and hours of use and that the School District would pay a fee of \$250 for each practice season.

There was brief discussion on the need to post the days and hours that the School District have reserved the use of the Mattson Park tennis courts.

Motion by Lorinser, second by Kennedy to approve Resolution No. 2010-228 as presented. Motion carried unanimously.

10. Ordinance No. 494, an Ordinance Adopting by Reference the East Central Cable Commission Cable Television Ordinance and Franchise Agreement with US Cable of Coastal-Texas, LP

Lorsung gave a staff report whereas as a part of the City's withdrawal from the East Central Cable Commission (ECCC), the City of Isanti must adopt the Cable Television Franchise Ordinance that was approved by the ECCC in March, 1998. The Ordinance serves as the Cable Franchise document with the cable provider who is U.S. Cable. Lorsung stated that if the ordinance is adopted, the ordinance is effective on the date of withdrawal from the ECCC that is January 1, 2011 and remains in effect for the

remainder of the franchise term that expires on March 24, 2013. Lorsung stated that Staff has been in contact with US Cable on this matter and that they are willing to accept the ordinance as they have accepted Cambridge's.

Lorsung stated that Staff will be working with the City of Cambridge on the potential of a joint franchise.

Motion by Kennedy, second by Lorinser to adopt Ordinance No. 494 as presented.
Motion carried unanimously.

11. Resolution No. 2010-229, a Resolution Declaring Cost to be Assessed, Ordering Preparation of Proposed Assessment, and Ordering Hearing on Proposed Assessment – 2010 Railroad Avenue SE Improvement Project

Lorsung gave a staff report whereas a Resolution has been prepared declaring costs to be assessed, ordering preparation of the assessments, and setting a Public Hearing for assessments for the 2010 Railroad Avenue Improvement. The Public Hearing is scheduled for Tuesday, October 19, 2010, at approximately 7:00 p.m., as a part of the regular City Council Meeting. That notification of the public and benefiting property owners shall be given as outlined within the resolution.

Motion by Kennedy, second by Larson to approve Resolution No. 2010-229 as presented.
Motion carried unanimously.

L. Consent Agenda

1. Accounts Payable in the Amount of \$674,898.59 and Payroll in the Amount of \$67,153.41
2. Approval of the August 9, 2010 Planning Commission Meeting Minutes
3. **Resolution No. 2010-230**, a Resolution Approving Grants Management Guide
4. Authorize Advertising for Quotes for Rental of City Owned Land
5. **Resolution No. 2010-231**, a Resolution Appointing Election Judges for the 2010 General Election

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

Adjournment

Motion by Kennedy, second by Lorinser to adjourn. Motion passed unanimously.
Meeting adjourned at 7:58 p.m.

Respectfully Submitted,

Irene J. Bauer
Assistant City Administrator/City Clerk