

**MINUTES OF THE REGULAR MEETING  
OF THE ZIMMERMAN CITY COUNCIL  
MONDAY, APRIL 18, 2016**

**CALL TO ORDER**

The regular meeting of the Zimmerman City Council was called to order at 7:00 p.m. at City Hall by Mayor Earenfight, followed by the Pledge of Allegiance.

**ROLL CALL**

Present: Mayor Earenfight, Council Members Brisbin, Mathison, Nathe and Smith. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann, Public Works Director Johnson and Engineer Bittner.

**AGENDA APPROVAL**

**Mathison/Brisbin unanimous to approve the agenda as presented.**

**APPROVAL OF MINUTES**

**Smith/Brisbin to approve the minutes of the April 4, 2016 Regular Meeting as presented.**

**CONSENT AGENDA**

Mayor Earenfight wished to remove item e. License Application -- Solicitor's Permit – Fasil Agegnehu (Ice Cream Truck) from the consent agenda for consideration at the May 2, 2016 Council meeting.

**Brisbin/Nathe unanimous to approve the consent agenda, with the exception of item e. License Application -- Solicitor's Permit – Fasil Agegnehu, as follows:**

- a. Approve the payment of claims (check #37945 - #37992) in the amount of \$31,991.64 and electronic payments (e-check #1315 - #1328) in the amount of \$312,495.41 as presented.
- b. Approve payment to Fergus Power Pump, Inc., in the amount of \$18,012.93 (ck #37993) for semi-annual bio-solids hauling, as identified on Invoice #20886, with funds to be paid from the SBR Budget (602-49480-460), as indicated by the Public Works Director.
- c. Accept the Building Permit Summary Report for March, 2016, as presented.
- d. Approve an event permit application for a 4-mile Run/Walk to be held on Saturday, May 30, 2016 as part of Wild West Days activities, as requested by the Jacob VanHoever Memorial Scholarship Fund, with staging at Fitness Evolution, 26275 Fremont Drive, and approve the closing of certain roads, identified on the map provided, for the duration of the event.
- f. Adopt **RESOLUTION #16-04-01**, supporting House File 2408 and Senate File 3174 establishing an Emerald Ash Borer Suppression Program.

**OPEN FORUM**

There was no one present to address the Council during Open Forum.

**LAW ENFORCEMENT REPORT**

**Patrol Captain Bob Stangler, Sherburne County Sheriff's Department**, highlighted an article in the most recent Sheriff's Department newsletter. April is Distracted Driving month and the Sheriff's Department is partnering with local law enforcement agencies and the MN State Patrol to provide additional enforcement for distracted driving. To date, County and local agencies have conducted four enforcement shifts, resulting in approximately 10 citations issued with each shift. Stangler also stated that the Sherburne County Sheriff and County Attorney will hold a joint press conference on Friday, April 22 at the Becker City Park regarding a fatal crash in Becker in 2015 which was caused by distracted driving.

Stangler continued his monthly report by providing an overview of activities for the month of March, 2016, The department received 325 calls for service, including 85 traffic stops with 40 offenses charged by citation, as opposed 294 calls for service in the same time period in 2015 and 388 calls in 2014. There were no burglaries in

Zimmerman during the month of March. Seven thefts were reported during the month, with one determined not be a theft. There was 1 vehicle crash with injuries and 7 property damage vehicle crashes, many of which were considered hit and run. Three criminal damage to property complaints were received and investigated by the Sheriff's Department. Stangler reported that currently there are 4 deputies participating in Field Training, so there are different deputies patrolling in the area for the time being.

**Council agreed by unanimous consensus to accept the Law Enforcement Report for April, 2016, as presented.**

### **PARK BOARD REPORT**

Council reviewed the Park Board Report of April 5, 2016. At this time, the Park Board is recommending the appointment of Joshua Bondhus to the Park Board to fill an existing vacancy.

**Brisbin/Nathe unanimous to approve the appointment of Joshua Bondhus to the Park Board to fill the balance of a three-year term expiring on January 31, 2019, as recommended by the Park Board.**

**Mathison/Smith unanimous to accept the minutes of the April 5, 2016 Park Board meeting as presented.**

### **2015 AUDIT PRESENTATION**

**Matthew Vos, Audit Manager, and Mark Ebensteiner, Audit Supervisor, Abdo, Eick, and Meyers (AEM), LLP,** presented the City's 2015 Audit report. Ebensteiner referenced the Management Letter dated April 7, 2016, advising that AEM's job as the City's audit firm is to give an opinion on the financial statements. According to their testing, the numbers presented are correct and consistent and they are giving an unmodified and clean opinion on the state of the City's finances, which is the cleanest opinion that they can offer regarding the City's financial reporting. Council was reminded of the importance of their involvement and participation in all areas of finance.

Vos and Ebensteiner reviewed the Management Letter with the City Council. There was one comment related to internal controls in the 2015 audit, regarding drafting of the audited financial statements and related footnote disclosures of part of the regular audit services they provide. Comments relating to the preparation of the financial statements are hard to eliminate due to the technical nature of auditing standards under GASB principles. The City has good compensating controls in place to reduce the finding to a significant deficiency.

GASB 68 and 71 were adopted in 2015, and Ebensteiner addressed the new reporting requirements in the management letter. Council adopted a Fund Balance Policy related to GASB 54 in 2012 and continues to abide by the parameters identified in the policy. Vos and Ebensteiner commented that communication with staff is excellent and Audit staff is not making many adjustments, which shows how well City staff is prepared for the audit. Vos reported that the City's fund balance increased by \$367,182 from 2014. Currently, the City's unrestricted General Fund balance is at about 75%, which is slightly more than the previous year. Council has identified a desire to maintain a minimum 50% of Fund Balance as unrestricted for operating expenses, and has committed approximately \$361,000 for specific purposes. Vos pointed out that while expenditures have been maintained at a relatively constant level over the past 5 years, budgeted expenses for 2014 were lower and budgeted and budgeted revenues were higher than in previous years and the General Fund balance has stayed relatively constant.

The cash balance of the Water Fund has remained relatively stable over the past four years, and appears adequate for debt requirement and operational needs for the next few years. The City had \$1.239 million in outstanding debt in the Water Fund at the end of 2015. The cash balance in the Sewer fund is healthy; however the outstanding debt is larger at \$3.046 million. In 2015, the Sewer debt payment will be about \$420,000 and will remain at that level for a number of years. Audit staff is currently in the process of completing a utility rate study, which will recommend utility rates for the next 5 years, with the understanding that rates continue to be reviewed

annually to ensure they are sufficient to cover operating expenses, annual scheduled debt payments, and future project costs.

Vos spent some time explaining a ratio analysis for the City compared to peer groups of cities of similar size. Council reviewed upcoming GASB requirements, as identified on pages 14 - 21 in the management letter. He added that the City has no outstanding general fund debt, which is unique to a City of this size.

Vos thanked the Council for their continued faith in AEM to complete audit services. He commented that City staff is extremely helpful with all aspects of the audit and stated that overall the audit is a positive experience. Staff has good processes in place and the audit was completed in a reasonable amount of time. City staff is always prepared for field work and works through things very well with the audit team.

**Brisbin/Nathe unanimous to accept the 2015 Audit Report and Financial Statements as presented and approve the submission of said reports to the Office of the State Auditor by AEM, as recommended by staff.**

### **PUBLIC WORKS REPORT**

Engineer Bittner was present to discuss the proposed 2016 Main Street Improvement Project. Council approved preparation of the Feasibility Report at the March 21, 2016 meeting and Bittner presented the original plan at the April 4<sup>th</sup> Meeting. At that meeting, after hearing commentary from an affected property owner, Council directed Bittner to amend the plan to extend the project area to include improvements to the intersection of Main Street and 2<sup>nd</sup> Street East.

The estimated cost for the Main Street Improvement Project is \$635,000, with the storm water improvements to the intersection estimated at \$116,000 and an additional \$38,000 to address drainage in the parking lot at the City Park. Bittner added that Council could potentially assess affected property owners for a portion of the project, as has been done with past road improvement projects. Discussion was also held regarding the proposed sidewalk location. If Council chooses, the sidewalk could be removed from the project, reducing costs by approximately \$25,000. Bittner also reviewed the proposed project timeline.

**RESOLUTION #16-04-02**      **Brisbin/Nathe unanimous to adopt RESOLUTION #16-04-02, accepting the Feasibility Report for the proposed improvements to Main Street pursuant to Minnesota Statutes 429, at an estimated total cost of \$635,199 and scheduling a public hearing on the improvement for Monday, May 16, 2016 at 7:00 p.m. or as soon as possible thereafter, as recommended by staff and the City Engineer, directing the Clerk to give mailed and published notice to such hearing and improvements as required by law.**

**RESOLUTION #16-04-03**      **Brisbin/Mathison unanimous to adopt RESOLUTION #16-04-03, designating Bolton & Menk as the Engineer for the proposed 2016 Main Street Improvement project and directing the Engineer to prepare plans and specifications for the making of such improvement.**

**Nathe/Brisbin unanimous to direct the City Engineer to proceed with plans and specifications to include storm water improvements to the City Park and from 2<sup>nd</sup> Street East to Main Street, as recommended by staff and the City Engineer.**

**Earenfight/Brisbin unanimous to omit the proposed sidewalk included in the plans for the Main Street Improvement Project.**

Fremont Drive Realignment

Bittner reported that the Fremont Drive project has received Federal and State approval. Sherburne County has scheduled the bid opening for Tuesday, May 31, 2016. No action taken.

**ADMINISTRATOR’S REPORT**

2016 Farmer’s Market Use Agreement

Staff has recently been contacted by the Princeton/Zimmerman Farmer’s Market Association about renewing the Use Agreement for the City Park for the 2016 market season. The Use Agreement, originally drafted by Attorney Mattick, has been modified to reflect a change in the authorizing body from the City Economic Development Authority (EDA) to the City, and the proposed market location at the City Park. Staff recommends approval of the 2016 agreement.

**Brisbin/Nathe unanimous to approve the 2016 Agreement for Use of Property for a Farmer’s Market between the City of Zimmerman and the Princeton/Zimmerman Farmer’s Market Association, for the period of May 1 – November 1, 2016, as recommended by staff.**

Release of TIF Grant – JAGS Pro Truck Shop

The Economic Development Authority entered into a Contract for Private Redevelopment with JAGS Pro Truck Shop in August 2015. Upon completion of the redevelopment and construction of their building, the EDA agreed to reimburse the developer in the form of a grant, in an amount not to exceed \$65,000. Financial Consultant Jim Casserly has reviewed the property value as established by Sherburne County and calculated the grant amount due to JAGS Pro Truck Shop to be \$45,416.

**Brisbin/Smith unanimous to approve payment in the amount of \$45,416.00 to JAGS Pro Truck Shop, Inc., (ck #37994), per the Contract for Private Redevelopment approved by the EDA on August 3, 2015, with funds to be paid from TIF District #9, as recommended by staff.**

**MAYOR/COUNCIL ITEMS**

Mayor Earenfight acknowledged a \$2,500 donation from Zimmerman Youth Baseball for use and development of field space in Lions Park.

**RESOLUTION #16-04-04 Mathison/Smith unanimous to adopt RESOLUTION #16-04-04, accepting a donation from Zimmerman Youth Baseball in the amount of \$2,500, for the use and development of field space at the Zimmerman City Park.**

Mayor Earenfight identified the following upcoming events:

- April 30 – Passing the Bread Food Distribution – 9 – 11 a.m., Sheriff’s Department Public Safety Building

Before adjourning, Mayor Earenfight asked for a moment of silence in honor of US Military Personnel and their families.

**Mathison/Brisbin unanimous to adjourn the meeting at 8:02 p.m. Motion carried.**

Approved this 2nd day of May, 2016.

s/s Kary Tillmann, Clerk/Treasurer