

**MINUTES OF THE REGULAR MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, AUGUST 19, 2013**

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, Clough, Laney and Mathison. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann and Public Works Director Horvath.

AGENDA APPROVAL

Mathison/Brisbin unanimous to approve the agenda with the following addition:

- **Site Plan – St. John Lutheran Addition – Planner Report**

APPROVAL OF MINUTES

Mathison/Clough unanimous to approve the minutes of the August 5, 2013 Regular Meeting of the City Council as presented

CONSENT AGENDA

Clough/Brisbin unanimous to approve the consent agenda as follows:

- a. Approve the payment of claims (checks #35391 - #35427) in the amount of \$24,553.99 and electronic payments (e-check #922 - #925) in the amount of \$29,844.24 as presented.
- b. Accept the May, 2013 City Investment Funds Report and May 2013 Budget Report as presented by the Clerk/Treasurer.
- c. Accept the June, 2013 City Investment Funds Report and June 2013 Budget Report as presented by the Clerk/Treasurer.
- d. Accept the July, 2013 City Investment Funds Report and July 2013 Budget Report as presented by the Clerk/Treasurer.
- e. Accept the Building Permit Summary Report for July, 2013, as presented.
- f. Adopt **RESOLUTION #13-08-07**, approving the request of Christ Our Light Catholic Parish for an Exempt Permit to conduct lawful gambling at a function to be held at 25909 – 4th Street West, on October 6, 2013.
- g. Approve a free community shred event on Saturday, September 7, 2013 from 10:00 a.m. – 12:00 Noon, with shredding services provided by Randy's Sanitation at a cost of \$95 per hour plus environmental fees.

OPEN FORUM

Wendy Kowalski, 26412 Lake Avenue, Zimmerman, reminded Council that at the August 5, 2013 meeting, Sherburne County Attorney Kathleen Heaney cited an Attorney General's opinion regarding the formation of the Sherburne County Housing and Redevelopment Authority (HRA). She advised Council that she had contacted Heaney's office requesting a copy of the AG's opinion and was told that they would not provide her with a copy of the document. She and Elaine Phillippi (also present in the audience at the August 5 Council meeting) went to the County Attorney's Office to see the document and were able to find a copy of the minutes appointing members, which was filed with the County Recorder, but could not find a resolution of the same. She would like to see the actual AG's opinion and requested the City Council make the request of the County Attorney's Office on Kowalski's behalf. She believes the people of Zimmerman are entitled to the information.

Members Laney and Clough requested this item be placed on the September 9 meeting agenda for review and consideration.

PARK BOARD REPORT

Tom Wilkinson, Park Board Chair, and **Barry Wendorf, Park Board Member**, reported that the Park Board has been working on the establishment of a Frisbee Golf Course in the City and presented a map drafted by Bolton & Menk, the City's Engineering firm. Wendorf currently works for the Isanti County Park Department

and they recently established a 12-hole Frisbee golf course in Isanti. Wendorf provided quotes for costs associated for both a 9-hole and 18-hole course, including signs, baskets and labor. Total cost on an 18-hole course would be approximately \$16,000 plus tax. Wendorf reported that the City of Princeton recently opened a 9-hole course and Elk River has a course in their Lion's Park.

Mathison/Brisbin unanimous to approve the purchase of equipment for an 18-hole Frisbee Golf Course, with funds to be taken from the Park Fund (Fund 226), and an anticipated opening of the full course sometime in 2014.

Brisbin/Laney unanimous to accept minutes of the August 7, 2013 Park Board meeting as presented.

LAW ENFORCEMENT REPORT

Patrol Captain Bob Stangler, Sherburne County Sheriff's Department, provided an overview of activities for the month of July, 2013. In the month of July, the department received 404 calls for service, including 122 traffic stops, as opposed 355 calls for service in the same time period in 2012 and 353 calls in 2011. There were 117 citations issued, not including long form complaints. There were no burglaries reported in the month. Stangler reported there were 13 thefts, with one being alcohol related, resulting in an arrest in Pine County. No injury accidents were reported, however there were 4 property damage accidents. The Sheriff's Department took nine reports of Criminal Damage to Property, with four happening on a Friday night involving spray painting on area businesses. Stangler reminded residents to lock their homes once school is back in session, as there seems to be an uptick in burglaries once kids go back to school.

Council accepted the Law Enforcement Report for July, 2013, by unanimous consensus as presented.

Discussion was held regarding a request by the Zimmerman High School Quarterback Club to hold a parade and bonfire on September 11, 2013, as part of Homecoming Week activities. They would like to hold the bonfire at the City Park. Public Works Director Horvath stated that if Council was in agreement that it was okay, the Quarterback Club would submit a formal permit application for approval at the September 9 meeting. Both Captain Stangler and Fire Chief Maloney had been made aware of the request and have no issues with it.

Council agreed by unanimous consensus to allow a bonfire at the City Park for the ZHS Quarterback Club on September 11, 2013, as part of Homecoming Week festivities.

FIRE DEPARTMENT REPORT

Fire Chief Ryan Maloney presented the Fire Department report for the month of July, 2013. The Department responded to 4 medical assists, 3 gas leaks, 3 accidents with injuries, 1 missing person search, 1 downed power line, and 1 grass fire.

The Annual Open House and Firemen's Dance will be held on Saturday, September 7. Both events will be held at the Fire Hall. The Open House will be from 11:00 a.m. – 3:00 p.m. and the Dance begins at 8:00 p.m. and goes until midnight.

Maloney stated that he has been working on behalf of the City with Sherburne County Emergency Services to develop the County Hazard Mitigation Plan. Copies of the plan were provided as a separate mailing to the Council packet. FEMA has approved the County's plan pending approval of all the participating Cities and Townships.

RESOLUTION #13-08-03 Brisbin/Clough unanimous to adopt RESOLUTION #13-08-03, supporting the Sherburne County Hazard Mitigation Planning efforts and joining with Sherburne County in preparing the plan, which will apply to use within and for the City of Zimmerman.

Mayor Earenfight noted that Claire Lemke, one of the founding members of the Zimmerman/Livonia Fire Department passed away recently. Mayor Earenfight thanked Chief Maloney and the Fire Department Honor Guard for honoring Lemke's service to the Fire Department by being a part of his funeral service.

Council accepted the Fire Department Report for July, 2013 by unanimous consensus as presented.

FINANCE REPORT – presented by Clerk/Treasurer Tillmann

Reinvestment of City Funds

On August 18, 2013, a Certificate of Deposit managed by Woodlands National Bank valued at \$596,000 matured. After checking rates from regularly used financial institutions, it was determined that the City can earn a higher rate of return by separating the proceeds into several smaller investments. Staff would like to re-invest the proceeds with UBS Financial, Multi-Bank Securities, and ICD Securities, for various terms.

Brisbin/Clough unanimous to approve the re-investment of \$596,000 as follows and as recommended by staff:

- **ICD Securities – 3 years, 3 months at a rate of 1.00% with Comenity Bank, UT, authorizing a wire transfer from the City's checking account an amount not to exceed \$100,000 to complete the transaction; and**
- **Multi-Bank Securities – 4 years at a rate of 1.40% with Merrick Bank, UT, authorizing a wire transfer from the City's checking account in the amount of \$248,000 to complete the transaction; and**
- **UBS Financial – 5-year step-up, with a starting rate of 1.25%, with BMO Harris Bank, IL, authorizing a wire transfer from the City's checking account in an amount not to exceed \$248,000 to complete the transaction.**

Mayor Earenfight closed the Regular Council Meeting at 7:30 p.m. and opened the Economic Development Authority Meeting. The Regular meeting was re-opened at 7:40 p.m.

PLANNING REPORT – Presented by Administrator Piasecki

CUP – UMA Precision Machining

UMA Precision Machining, Inc. intends to relocate their operation to the City in the near future, constructing a new facility in the Public Safety Addition. Recently, Council acted on a vacation request, authorized the County HRA to operate in the City for the purposes of the land sale, and will consider a tax abatement request from UMA later on this agenda. Code requires UMA to secure a Conditional Use Permit (CUP) to allow a manufacturing use in the C-1 General Commercial District.

The Planning Commission held a public hearing regarding UMA's application for a CUP on Wednesday, August 14th and minutes of that meeting were forwarded to Council separate from the Council packet. Seven property owners were notified of the hearing, including Sherburne County and the applicant. The remaining 5 owners reside in Livonia Township, with 1 immediately adjacent to the subject site (north), and the remaining 4 located east of CH 45. None of those owners were present at the hearing to speak on the request. The Planning Commission recommends approval of the request with conditions.

RESOLUTION #13-08-04 Laney/Clough unanimous to adopt RESOLUTION #13-08-04, approving the CUP application for an enclosed light manufacturing business in the C-1 General Commercial District, as submitted by UMA Precision Machining INC, for property located at 26833 5th Street West, and identified as Lots 1 & 2, Block 2, Sherburne County Public Safety Addition, as recommended by staff and the Planning Commission with the following conditions:

1. **City Engineer comments shall be implemented in the development and construction of the storm water management plan and facilities for the property.**
2. **Spruce trees shall be planted on the north property line as indicated on the landscape plan.**
3. **All parking lot lighting shall comply with the provisions of Section 8.0813 of City Code.**
4. **A minimum of 33 off-street parking spaces shall be constructed with the first phase of development.**
5. **The dumpster location(s) shall be screened and secured.**

Final Plat – UMA Addition

UMA Precision Machining is purchasing Lots 1 and 2, Block 2, Sherburne County Public Safety Addition from the Sherburne County HRA to build a new facility. UMA requested the drainage and utility easements be vacated prior to re-platting the property. Council conducted the vacation hearing on August 5th, and vacated the easements lying on Lots 1 and 2, upon approval of a final plat of UMA Addition.

The final plat of UMA Addition was reviewed by the Planning Commission in a Special Meeting on August 14th. All code-required drainage and utility easements are included in the plat, replacing those approved for vacation. Staff recommends Council accept the Planning Commission recommendation to approve the final plat.

RESOLUTION #13-08-05 Laney/Clough unanimous to adopt RESOLUTION #13-08-05, approving the final plat of “UMA Addition” as recommended by staff and the Planning Commission.

Site Plan -- St John Lutheran

St. John Lutheran Church has proposed a 1,356 square foot addition to their front entry, including a lower level that will connect to the existing basement. The addition will include an entry vestibule, elevator to access the basement and additional meeting space. Minor side grading will occur in the front parking lot, but will not impact existing site drainage. The Planning Commission reviewed their application at their August 14th meeting and found the plan to meet or exceed the City’s architectural standards and grading and storm water requirements.

Clough/Mathison unanimous approve the site plan for the St. John Lutheran Church building addition as recommended by staff and the Planning Commission.

PUBLIC HEARING – TAX ABATEMENT REQUEST

Mayor Earenfight closed the regular meeting at 7:45 p.m. and opened a Public Hearing to consider a request for tax abatement UMA Precision Machining, Inc., on Lots 1 & 2, Block 2, Sherburne County Public Safety Addition.

UMA Precision Machining intends to purchase Lots 1 & 2, Block 2, Sherburne County Public Safety Addition, from the Sherburne County HRA and construct a 25,000 square foot building on the property. The proposed building will lie over the common property line between the two lots. Both Council and the EDA have discussed the proposed relocation of UMA from Orrock Township into the City at the last several meetings. UMA has submitted applications for tax abatement to both Sherburne County and the City, seeking \$63,045 from the City and approximately \$98,000 of abatement in total. The amount of the abatement is the increased cost to relocate and construct within the City. Jim Casserly, the City’s Financial Consultant has drafted the Abatement and Business Subsidy Agreements, which outline the terms of the abatement and project requirements. Current tax projections show the City abatement could be paid in approximately 6 years. UMA’s application will be heard before the County Board on Tuesday, August 20th. Should the County deny the abatement request, UMA is requesting the City consider abatement of the entire \$98,000 request. If Council wishes to consider funding a

greater amount, or abating the entire amount requested should the County deny abatement, that stipulation must be included in any approving actions.

Jim Casserly, Monroe Moxness Berg, PA explained the documentation provided in the Council packet, stating that the tax abatement and business subsidy agreements have been combined into one agreement. If approved, it would be abate the City's portion of property taxes for a given amount of time. The school district would still receive their full share of property taxes, as well as any jurisdiction that is not a party to the agreement. If the County approves the abatement as requested of them, the City and County portions of property taxes for this property would be abated for a short period of time. The City has approved these types of requests before and they are done frequently for development projects, however, the City has Tax Increment Financing (TIF) more than abatement because projects have been difficult or have not had as much need for abatement.

There were no comments from public.

Mayor Earenfight closed the public hearing at 7:48 p.m. and reopened the regular meeting.

Administrator Piasecki added that the staff anticipates abating the \$63,000 as requested, but is recommending the City approve up the full amount in case the County chooses not to participate. Abating the full amount would extend the payback period to approximately 8 years. Member Clough stated that he was in favor of the request to abate the City's portion, but was not in favor of approving the full request of \$98,000.

Tom McChesney thanked the Council for considering his request for abatement, adding that he was simply asking to recover the cost of expenses to relocate his business from Orrock Township to City limits.

RESOLUTION #13-08-06 **Brisbin/Mathison to adopt RESOLUTION #13-08-06, granting a property tax abatement to UMA Precision Machining, Inc., in an amount not to exceed \$98,000, as recommended by staff. Roll call on the motion: Brisbin, aye; Clough, naye; Earenfight, aye; Laney, naye; Mathison, aye. Motion carried.**

Mayor Earenfight declared a recess at 7:52 p.m. and reconvened the meeting at 7:58 p.m.

ADMINISTRATOR'S REPORT – presented by Administrator Piasecki

Jim Casserly, Monroe Moxness Berg, P.A., and Greg Johnson, Sevenich, Butler, Gerlach & Brazil, LTD, were present to discuss the cash flow analysis of the City's redevelopment funds. Johnson discussed the revenue and expenditure schedules provided for the EDA and TIF Districts #1, #2, and #7 – #9. At the end of 2012, total fund balances equaled approximately \$327,000, with about \$36,678 reserved for Revenue Note Payments as of February 1, 2013.

TIF #1 will be decertified at the end of 2013. Johnson projects a year-end cash balance of \$37,000 which must either be spent or planned to be spent, otherwise any remaining funds in the District must be returned to Sherburne County. TIF #2 expires at the end of 2015 and Johnson anticipates a fund balance of approximately \$367,000. It's important to note that a portion of the projected fund balance is an interfund loan from TIF #8. TIF #7 will likely be decertified at the end of 2014.

Casserly described in detail the ways the development and TIF districts have been used in the past 25 years, stating that the City's TIF plan is sophisticated. The City has one project area and a number of TIF Districts within that area that were created for very specific reasons. Administrator Piasecki identified the different district locations for the Council. According to Casserly, the City has done a great job of using TIF the way it was intended, which gives the City a great deal of flexibility. No action taken.

MAYOR/COUNCIL ITEMS

Mayor Earenfight noted the following events:

- 2014 Budget Meeting – August 26, 2013 7:00 p.m.
- Events on Saturday, September 7, 2013
 - FREE Community Shred Event – 10 a.m. – 12 Noon – City Hall
 - Fire Department Open House – Fire Station – 11 a.m. – 3 p.m.
 - Firemen’s Dance – Fire Station – 8 p.m. – Midnight
 - Youth Expo – St. John Lutheran Church – 11 a.m. – 3 p.m.
- Events on Saturday, September 14, 2013
 - Ladies on the Loose – 10 a.m. – 4 p.m.
 - Krazy Daze 10 a.m. – 4 p.m.

Before adjourning, Mayor Earenfight asked for a moment of silence in honor of US military personnel.

Mathison/Clough unanimous to adjourn the meeting at 8:19 p.m. Motion carried.

Approved this 9th day of September, 2013.

s/s Kary Tillmann, Clerk/Treasurer

Approved 09/09/2013