

**MINUTES OF THE REGULAR MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, NOVEMBER 18, 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 and Mathison. Member Laney was excused absent. Also present were Clerk/Treasurer Tillmann, Public Works Director Horvath, Attorney Mattick and City Engineer Bittner

AGENDA APPROVAL

Brisbin/Clough unanimous to approve the agenda as presented

APPROVAL OF MINUTES

Brisbin/Mathison unanimous to approve the minutes of the November 4, 2013 Regular Meeting of the City Council as presented.

CONSENT AGENDA

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

- a. Approve the payment of claims (check #35642 - #35678) in the amount of \$32,056.28, and electronic payments (e-check #955 - #960) in the amount of \$30,250.66, as presented.
- b. Accept the Building Permit Summary Report for October, 2013 as presented.
- c. Accept the Memorandum of Understanding between the City of Zimmerman and Abdo, Eick & Meyers for audit services for year ended December 31, 2013, and authorize the City Administrator to sign said agreement on behalf of the City, on file in the Clerk's Office, as recommended by staff.
- d. Approve the amendment to the contract between the City of Zimmerman and United States Distilled Products, prolonging the term of the original agreement (dated November 15, 2010) from December 31, 2013 to December 31, 2014, as recommended by staff, and authorize the Mayor to sign said agreement, on file in the Clerk's Office.
- e. Adopt **RESOLUTION #13-11-03**, ratifying approval of Change Order #1 from C & L Contracting for the 2013 Street and Utility Improvement Project, resulting in a net increase of \$3,575.00 to the contract price, as recommended by the City Engineer.

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, provided an overview of activities for the month of October, 2013. In the month of October, the department received 417 calls for service, including 197 traffic stops, compared to 302 calls for service in the same time period in 2012 and 299 calls in 2011. There were 83 citations issued, not including long form complaints, with six burglaries reported in the month, three of which were closed by arrest. There were 13 thefts reported in October. Two of the thirteen have been charged and one has charges pending. The Sheriff's Department received 5 vehicle crash reports including one hit and run. There were 7 Criminal Damage to Property complaints, with three being charged and one pending charges. The Sheriff's Department also made 2 arrests of persons who contributed to a significant number of the property damage complaints received in the summer and fall.

Strangler reminded residents that Winter Parking regulations are currently in effect until May 1. Anyone violating the ordinance will be issued a laminated fluorescent card on the vehicle indicating the violation and a citation issued via US Mail.

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

PARK BOARD REPORT

Tom Wilkinson, Park Board Chair, provided an update of the November 12, 2013 Park Board Meeting. The terms of three members will be expiring and re-appointments are necessary.

Brisbin/Clough unanimous to approve the re-appointment of Tom Wilkinson, Ron Mathison and Barry Wendorf to the Park Board, each for a 3-year term, effective February 1, 2014 through January 31, 2017, and appoint Tim Sevcik as Park Board Chair, effective January 1, 2014 through December 31, 2014, as recommended by the Park Board.

Brisbin/Clough unanimous to accept the minutes of the November 12, 2013 Park Board meeting as presented.

Hockey Rink Update/Rink Donation

Public Works Director Horvath reported that the new electrical service to the warming house/hockey rink has been installed. Three 40-foot poles with lights have been installed and should provide sufficient lighting to the area. Testing will occur on Thursday of this week in preparation of the hockey season. The City has received a donation to cover a portion of the cost of the electrical service.

RESOLUTION #13-11-04 Mathison/Clough unanimous to adopt RESOLUTION #13-11-04, accepting the donation of \$2,946 from Mike Yankowiak for electrical service for the Hockey Rink and Warming House.

HEARING ON PROPOSED ASSESSMENT – 2013 STREET & UTILITY IMPROVEMENTS

Kevin Bittner, City Engineer, was present to discuss proposed assessments for the 2013 Street Improvement Project. At this time, the City is ready to move forward with the assessment process as required under MS 429 by holding the assessment hearing for affected property owners. The hearing is the final step in the process. Each property owner had been individually notified of the proposed assessment and the hearing gives them the opportunity to address the Council regarding the assessment. Bittner continued that assessment amounts are about the same as first calculated, although some have changed. Some notices were returned due to addressing issues when the notices were first sent out, but those issues were corrected by staff and notices re-issued. Bittner added that between the issuance of the original engineering report and now, he had to re-evaluate how assessments were calculated for corner lots. Ultimately, corner lots will be assessed 100% of the long side and 20% of the short side. All corner lots were calculated the same.

Mayor Earenfight opened the hearing at 7:12 p.m. Comments were heard from:

Ben Scheel, 12640 – 2nd Avenue North, Zimmerman, who stated that the assessment is what he expected, however it was actually a bit more. He did not receive the first letter issued earlier in 2013 about the project and proposed assessment. The letter notifying him of the assessment hearing and final proposed amount was his first official notification from the City about the assessment amount.

Allan Hetrick, 12707 – 2nd Avenue North, Zimmerman, questioned if the project was completely finished. Engineer Bittner stated that grass seed and mulch will be put down next week and one more layer of wear course and striping will be completed in the Spring of 2014.

Clough/Brisbin unanimous to close the assessment hearing at 7:16 p.m.

RESOLUTION #13-11-05 Brisbin/Clough unanimous to adopt RESOLUTION #13-11-05, declaring the costs to be assessed for the 2013 Street Improvement Project and adopting the assessment roll for the 2013 Street & Utility Improvement project as prepared by the City Engineer and as recommended by staff.

Bittner thanked Council and residents for their cooperation during the duration of the project. Overall, things went very smoothly, which made the project easier on all parties involved.

FINANCE REPORT – presented by Clerk/Treasurer Kary Tillmann

Certification of Delinquent Utilities

Tillmann reported that the hearing for residents to appeal pending certification of delinquent utilities is an annual request of the Council. At the hearing on November 4, only one person appeared before the Council to appeal a pending certification. Staff originally mailed 354 letters notifying residents of pending certification of delinquent utilities totaling \$55,983.73. Currently, outstanding delinquencies total approximately \$22,738. Final certification must be approved by Council at this meeting for submission to the County Auditor/Treasurer by the November 30th deadline. Any payments received between now and submission to the County will be applied to delinquent balances as appropriate. Final amounts certified would be collected through property taxes payable in 2014.

RESOLUTION #13-11-06 Brisbin/Mathison unanimous to adopt RESOLUTION #13-11-06, approving the certification of delinquent water and sewer utility accounts as listed and on file at City Hall, to property taxes payable 2014, with the understanding that if a property owner pays their delinquent utilities prior to the November 30 deadline, no amount will be certified for said property.

Request for Relief from High Water Bill

Tillmann referenced a letter in the Council packet regarding the property located at 25857 – 10th Street West (utility account #01-725-00-1). The letter explains that the owner is frequently out of town for his job and experienced a running toilet in the month of September, resulting in 17,000 gallons of water registering on his meter. His average usage is 3,200 gallons per month. He is requesting Council consider adjusting the high water bill for his property.

Staff recommends Council not adjust the bill for property and account #01-725-00-1. This is the same recommendation and decision Council has made in past instances with similar situations. Staff would work with the property owner to create a payment arrangement that is amenable to both the owner and the City.

Clough/Brisbin unanimous to deny the request to waive a portion of the utility bill for account #01-725-00-1, finding the bill to reflect water actually metered and registered at the property, and waive late fees for up to six (6) months, as recommended by staff.

Consideration of 2013 Longevity Payout

Discussion was held regarding the granting of Longevity Pay for 2013. Annually, Council considers longevity payments to employees based on years of service to the City. Currently, there are 6 employees eligible for longevity, with a total payout of \$9,360.00. The impact on the General Fund is \$4,940, on the Water Fund is \$1,690 and the Sewer Fund is \$2,730.00. These amounts were included in the 2013 expenditure budget when it was approved last year. Staff is requesting action on whether Council would approve the payout of longevity for 2013, as it would be paid with the first payroll in December, 2013.

Member Clough stated he is not opposed to longevity but would like to add 2013 longevity on to an eligible employee's hourly wage, beginning in 2014, and approve a 1% COLA for 2014. He continued that in many cities, longevity starts at 5 years and is only paid every 5 years, not annually for eligible employees like Zimmerman does. Mayor Earenfight suggested that due to timing, Council act on 2013 longevity as requested and re-consider Member Clough's suggestions early in 2014 for possible change in the future.

Brisbin/Mathison unanimous to approve the annual payout of longevity to the following employees: Mike Gwynn, Tom Haugland, Bruce Hooker, Dave Horvath, Randy Piasecki, and Dave Johnson, with the first payroll in December, 2013, according to the schedule established and approved by Council (Resolution #2000-12-11), on file with the City Clerk's Office.

Mayor Earenfight declared a recess at 7:27 p.m. and reconvened the meeting at 7:30 p.m.

2014 Revenue and Expenditure Budget Review

Tillmann reported that staff and Council have been reviewing the proposed revenue and expenditure budgets since originally presented in August 2013. Council adopted the Preliminary levy and budget in September, which included a "0" levy increase for 2014. Expenditures are projected at \$2,027,153, with revenues projected at \$2,076,967. Minor changes have been made to the budget since it was certified to Sherburne County after the September 9th meeting. Staff is requesting direction on any additional changes in order to prepare for the Public Comment Meeting on December 2, 2013. Detailed department budgets were provided for review and discussion, as well as an itemized listing of increases and decreases in each department between the proposed 2014 budget and the 2013 budget.

Discussion was held regarding the addition of a part-time summer Laborer for the Parks Department and paying overtime versus the accumulation of compensatory time for employees. Member Clough is in favor of eliminating the accrual of comp time and only paying overtime. Mayor Earenfight suggested it was too late in the 2014 budget process to change the policy because Council can't budget for overtime and the preliminary levy can't be increased to cover increased expenses. Horvath and Tillmann both stated that options are available for compensating overtime worked, whether Council would consider allowing up to a certain number of hours of overtime before comp time is mandated, or cashing out any accumulated time at the end of the year like has been done in the past. Council has the discretion to change the current policy however they deem appropriate. Council also briefly discussed fees for park rentals and services. Horvath stated that he and Administrator Piasecki would be reviewing Park fees prior to the Public Hearing on the 2014 Fee Schedule in December.

Extensive discussion was held regarding the contract for law enforcement services with the Sherburne County Sheriff's Department. Member Clough calculated that the \$602,000 scheduled to be paid in 2014 for law enforcement is 50% of the City's expenditure budget. Clough provided comparisons to municipalities in Wright County that contract for less daily hours than Zimmerman, noting he would be comfortable contracting for up to 20 hours per day, or one officer in town 24 hours per day. He is not interested in cutting the service provided. Currently, Wright County cities pay a contract price of \$62.50 per hour, which will increase to \$64.50 per hour in 2015. Zimmerman currently pays an average of \$47 per hour to Sherburne County for law enforcement coverage 24 hours a day, 7 days per week. Attorney Mattick stated that because we are currently under contract with the Sheriff's Department, the only way to change the contract price for 2014 would be to request the Sheriff open the contract for re-negotiation. The County would have to agree to amend the contract. Until that happens, the City is obligated to pay the contract rate for 2014. Mayor Earenfight suggested Council request a meeting with Sheriff Brott to discuss the law enforcement contract. Tillmann will contact Sheriff Brott to check availability.

Clough made a motion to propose law enforcement coverage in the City of Zimmerman by the Sherburne County Sheriff's Department at 24 hours per day, 7 days a week, with only one officer in town, provided the Sheriff is agreeable to renegotiate current contract.

Motion died for lack of a second.

Discussion was held regarding the proposed budget for the Street Department. Currently expenditures in the Street Department are approximately \$125,000 under budget. Horvath requested any amount underspent at the end of the year be designated for future equipment purchases.

Clough/Brisbin unanimous to designate any and all unspent funds in the 2013 Street Department budget to future Capital Equipment purchases.

Discussion was held regarding the Capital equipment identified in the Street Department budget. Horvath has secured a bid to lease a tractor, however, is now recommending the City contract for ditch mowing instead of leasing or purchasing a tractor for staff to do it. He stated that ditch mowing is done twice per year, in the spring before Wild West Days and in late fall. He stated that for \$70,000 we could contract for the service or hire someone specifically to mow. He would like to keep the \$70,000 in the budget for equipment or whatever the Council deems necessary, or instead, put it towards the purchase of a crane truck and a permanent hoist at Lift Station #1, however, those are not General Fund Expenditures, but would come from the Sewer Fund.

Council agreed by consensus that the priorities would be to purchase a crane truck and install a permanent hoist at Lift Station #1 and then complete ditch mowing with any leftover monies. Tillmann reminded Council that the expenditures are from two different funds and the Sewer expenditures (crane truck and hoist) are not supported by levy dollars like the ditch mowing would be.

Request for 2014 Funding – Initiative Foundation

The Initiative Foundation has requested financial support for the 2014 budget cycle. Council pledged to provide \$2,200 in funding in 2010, but in 2011, 2012, and 2013 withheld funding. The Initiative Foundation provided financing assistance for the UMA Project currently under construction in the Public Safety Addition. For 2014, the Initiative Foundation has requested Council consider a contribution of \$100.

Brisbin/Mathison unanimous to approve a request by the Initiative Foundation for 2014 funding in the amount of \$100.

2014 Employee Wages

Over the past several months, Council has discussed a potential wage increase for employees in 2014. At the beginning of the budget process, City Administration recommended a 1-step increase (approximately 3%) for all eligible employees plus a 2% Cost of Living Adjustment (COLA) for all employees. The preliminary 2014 budget includes that proposed increase. Since the original budget was presented in August, wages have been discussed in general terms, but no decision has been made for 2014 wages. Action is necessary on 2014 employee wages so that budget documents can be prepared for the Public Comment Meeting scheduled for Monday, December 2nd, 2013.

Member Clough stated that he is only in favor of a 1% COLA for City employees, because Sherburne County is granting a 1% COLA to County employees for 2014. Horvath added that County employees will also receive scheduled step increases in addition to the COLA. Member Brisbin stated that a step increase is justified because those haven't been granted for a number of years and wages for our City employees' are no longer competitive.

Clough made a motion to approve a 1% Cost of Living Adjustment and no step increase for employees, effective January 1, 2014.

Motion died for lack of a second.

Mathison/Brisbin to approve a 1-step increase for all eligible employees and a 2% Cost of Living Adjustment for all employees, effective January 1, 2014. Roll call on the motion: Brisbin, aye; Clough, naye; Earenfight, aye; Mathison, aye. Motion carried.

2014 Employee Health Insurance

Currently, the City is covered by Blue Cross Blue Shield for employee health insurance. The City has been advised by our insurance agent that current coverage will be cancelled effective December 31, 2013 because it

does not meet the requirements of the Affordable Care Act. Staff has solicited quotes from various service providers for coverage that meets the new requirements, with costs ranging from an increase in premium amounts by 16.5% to a decrease in premium amounts by 4.5% if we change providers. Member Clough requested a quote from Medica. Council must decide on a plan option at the December 2 meeting in order to process required documentation by the January 1, 2014 renewal date. Tillmann will contact that City's agent and provide requested information for discussion and action on December 2.

MAYOR/COUNCIL ITEMS

Mayor Earenfight noted the following upcoming events:

- Winter Parking Restrictions went into effect November 1st – Residents are urged to remove anything from the streets such as basketball hoops, recreational vehicles, etc., that may impede the removal of snow from the roadways.
- November 23 – Passing the Bread Food Distribution – Sheriff's Department Substation
- December 7 – Chamber of Commerce Celebrate the Season – various locations throughout the City
- December 8 – Zimmerman Lions Breakfast with Santa – Civic Building
- December 21 – Passing the Bread Food Distribution – Sheriff's Department Substation

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

Brisbin/Clough unanimous to adjourn the meeting at 9:02 p.m. Motion carried.

Approved this 2nd day of December, 2013.

s/s Kary Tillmann, Clerk/Treasurer

APPROVED 12/10/2013