

**MINUTES OF THE REGULAR MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, DECEMBER 1, 2014**

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, Members Brisbin, Mathison, Merwin and Michels. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann and Public Works Director Horvath.

AGENDA APPROVAL

Brisbin/Mathison unanimous to approve the agenda as amended as follows:

- **Advertisement in Zimmerman Today newspaper**

APPROVAL OF MINUTES

Michels/Merwin unanimous to approve the following meeting minutes:

- **November 12, 2014 Canvassing Board Meeting as presented**
- **November 17, 2014 Regular Meeting of the City Council as presented**

CONSENT AGENDA

Mathison/Merwin unanimous to approve the consent agenda as presented as follows:

- a. Approve the payment of claims (check #36677 - #36710) in the amount of \$48,615.97, and electronic payments (e-check #1091 – #1108) in the amount of \$94,975.18 as presented.
- b. Approve payment to the Sherburne County Auditor/Treasurer in the amount of \$294,216.00 (ck# 36713) for 2014 2nd half law enforcement contract services provided by the Sherburne County Sheriff's Department, with funds to be taken from the Public Safety Budget (101-42000-440) as recommended by staff.
- c. Approve payment to Fergus Power Pump, Inc., in the amount of \$19,963.84 (ck #36711) for semi-annual bio-solids hauling, with funds to be taken from the SBR Budget (602-49480-460), as recommended by the Public Works Director.
- d. Approve payment to Nelson Electric Motor Repair, Inc., in the amount of \$17,175.00 (ck# 36712) for repairs to Lift Station #4, as identified on Invoice #6944, with funds to be taken from the Sewer Fund (602-49450-408), as indicated by the Public Works Director.
- e. Adopt the 2015 City Council Meeting Schedule as presented and as recommended by staff.
- f. Adopt the 2015 City Holiday Schedule as presented and as recommended by staff.
- g. Approve the appointment of Dave Earenfight as a City Council representative to the Zimmerman/Livonia Joint Fire Board for a two-year term, effective January 1, 2015 – December 31, 2016.
- h. Approve the lease agreement with Neopost Great Plains for a postage meter/ mailing machine with a 5-pound platform for use at City Hall, for 60 months, at a MN Government Contract rate of \$135.52/month for the life of the lease agreement, as recommended by staff.
- i. Approve the transfer of \$25,000 from the Water Fund (601) and \$25,000 from the Sewer Fund (602) to cover 2014 expenses funded wholly by the General Fund as identified and as recommended by staff.
- j. Approve the Sewer & Water Installer License Application for Dianna Beardsly, dba JD Excavating/A+ Outdoors, 1551 – 164th Lane, Ham Lake, MN 55304, for the period of December 1, 2014 – December 31, 2015.
- k. Adopt **RESOLUTION #14-12-01**, approving a 1-year extension to the Preliminary Plat approval for "Huntington", through December 31, 2015, as requested by Riverside Companies and recommended by staff.
- l. Adopt **RESOLUTION #14-12-02**, approving a 1-year extension to the Preliminary Plat approval for "Crescent Ridge", through December 31, 2015, as requested by Woodland Development and recommended by staff.

OPEN FORUM

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

FIRE PROTECTION REPORT

Fire Chief Ryan Maloney presented the Fire Department report for the month of November, 2014. The Department assisted on 3 medical calls, 4 injury accidents, 1 carbon monoxide alarms, a “Good Intent” call, 2 grass fires, and 4 residential garage fires. Maloney reported that the Relief Association donated \$1500 to the City towards the purchase of Christmas decorations and equipment.

Council accepted the Fire Department Report for November, 2014 as presented.

FINANCE REPORT – presented by Clerk/Treasurer Tillmann

2015 – 2019 Audit Services

Tillmann reported that Abdo, Eick & Meyers, the City’s Audit firm, has submitted a proposal to conduct audit services for fiscal years ending 2014 – 2019, reducing the cost of annual audits for 2014 and 2015 back to 2011 rates and offering small incremental increases for 2016 – 2019. Staff has developed an excellent cooperative working relationship with audit staff and believes that the rate being offered is in the best interest of the City.

It is also necessary for Council to accept the Memorandum of Understanding for 2014 Audit Services to be performed by Abdo, Eick & Meyers.

Michels/Brisbin unanimous to accept the Memorandum of Understanding between the City of Zimmerman and Abdo, Eick & Meyers for audit services for the year ended December 31, 2014, and authorize the City Administrator to sign said agreement on behalf of the City, as recommended by staff.

Mathison/Michels unanimous to accept the engagement letter between the City of Zimmerman and Abdo, Eick & Meyers for comprehensive audit services for the years ending December 31, 2015 through December 31, 2019, and authorize the City Administrator to sign said agreement on behalf of the City, as presented and as recommended by staff.

2015 Budget and Levy Review

Council engaged in extensive discussion regarding the 2015 proposed budget prior to the preliminary budget and levy being adopted in September. Very few changes have been made to the budget since that meeting. Staff is looking for direction on additional revisions Council would like to see prior to the COW meeting on December 8th or final adoption on December 15. No action taken.

2015 Employee Wages and Health Insurance

Tillmann reported that 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 for all employees for 2015. The preliminary 2015 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 2015 wages.

Additional discussion regarding employee wages and benefits will take place at the December 8 COW meeting. No action taken.

PUBLIC WORKS REPORT – presented by Public Works Director Horvath

Contract for Distillery Waste Processing

Horvath explained the contract renewal for distillery waste processing. The contract is proposed to extend for 5-years with an annual accelerator to the rate per pound for processing.

Michels/Merwin unanimous to approve the amendment to the contract between the City of Zimmerman and United States Distilled Products, prolonging the term of the original agreement to December 31, 2019, as recommended by staff, and authorize the Mayor to sign said agreement, on file in the Clerk's Office.

Donation from ZLFD

Horvath presented a check from the Zimmerman/Livonia Fire Relief Association for Christmas decorations and a replacement base radio for the Public Works Department.

RESOLUTION #14-12-03 **Brisbin/Michels unanimous to adopt RESOLUTION #14-12-03, accepting a donation from the Zimmerman/Livonia Fire Relief Association in the amount of \$1,500 to fund the cost to replace a base radio for emergency response purposes and City Christmas decorations.**

RESOLUTION #14-12-04 **Brisbin/Michels unanimous to adopt RESOLUTION #14-12-04, approving the commitment of \$500 from the Zimmerman/Livonia Fire Relief Association to be committed for the purchase of City Christmas decorations and \$1,000 to the committed Truck Fund to be used towards the purchase of equipment or vehicles.**

Lift #7 Rehabilitation Project

Kevin Bittner, City Engineer, was present to provide an update on the Lift Station #7 Rehabilitation Project. The contractor reported that once they began excavating they found the water line is closer to the sewer line than anticipated and they will need to replace 290 feet of water main, in order to meet current code, which requires 10 feet of separation. The contractor could not have anticipated these conditions, as the lines were originally installed in the 1980's. Bittner added that this water main had been targeted for replacement in the future. The total cost for the water main replacement, which includes replacing the water main, and 2 valves and fittings equals \$14,840. Additionally, it was discovered that a pad for the 3-phase electrical power was not included in the original bid documents. Cost to add the transformer pad is \$4,234.28. Total cost of Change Order #1 equals \$19,074.28.

RESOLUTION #14-12-05 **Mathison/Brisbin unanimous to adopt RESOLUTION #14-12-05, approving Change Order #1 in the amount of \$19,074.28 and extending the substantial completion date of the Lift #7 Rehabilitation Project to December 20, 2014, with the final payment date extended to June 13, 2015, as recommended by staff and the City Engineer.**

2014 PROPOSED LEVY PRESENTATION AND PUBLIC COMMENT MEETING

At 7:30 p.m., Mayor Earenfight began the Public Comment Meeting for the 2015 Proposed Budget and Levy. Administrator Piasecki explained the purpose for the public comment meeting was to take public input on the 2015 proposed budget and the amount of property taxes the City is proposing to collect to pay for the costs of services the City will provide in 2014. The city does not set market valuation of properties. That is done by the County Assessor. The City set its preliminary levy in September, which is what proposed tax statements are based on. Council has to certify the final budget to the County by December 28.

The preliminary levy set by Council in September for 2015 was \$1,228,541. In addition, the City has three special levies equaling \$106,163 for debt service and capital improvements. The final levy, which will be presented on December 15, is proposed at \$1,228,941, which reflects a 1.3% increase from the final certified levy for 2014. The Expenditure budget has not changed significantly since originally presented and reflects an increase in expenditures of approximately 2.7% over 2014 levels.

Piasecki showed a comparison of the proposed budget, levy and net tax capacity graphically, as well a showing a comparison of tax rates among neighboring jurisdictions.

Written comments were received from **Wendy Kowalski, 26412 Lake Avenue, Zimmerman**. Council will take those comments under advisement when considering approval of the 2015 proposed budget and levy.

Piasecki reminded Council that further discussion will be held at the Committee of the Whole Meeting on Monday, December 8, 2014 and during the Regular City Council meeting on Monday, December 15, 2014, with final approval of the 2015 budget and certification of the final levy at that time. Staff is also available to answer questions during regular business hours and copies of the meeting handouts regarding the budget and levy are available at City Hall.

South Side Villas Repair

Tom Kolar representing Linden Corporation was present to discuss a sewer problem in South Side Villas, of which Linden Corporation is the property manager. The property located at 12675 – 8th Avenue experienced a possible sewer back up in September 2014. The owner reported a sanitary sewer line blockage to Linden Corporation and subsequently the City was called to review the situation. Public Works staff determined it was not a City issue. At the same time, Linden Corporation was installing a well for irrigation and had Brenteson Construction in the area doing site work. Public Works Director Horvath had advised Linden that according to the Minnesota Department of Health, the existing water line had to be abandoned about 9 feet below grade in order to continue with the well.

Kolar is requesting the City consider paying the contractor for the water line abandonment, and then entering into a payment arrangement with Linden Corporation for the repayment of the invoice. Comments were heard from **Matt Brenteson, Brenteson Companies, Big Lake, MN**, who stated that his concern when these types of emergencies happen is making sure the contractor gets paid. Recently, he has been called in to complete work in several different cities, where the necessary repair is more extensive than anticipated and a homeowner is given a large bill that they are unable to pay. In some instances, he has received assurances from the municipality that the City will pay the contractor and then assess the expense onto the homeowner's property taxes. It's important to have a policy in place about how to handle private repairs that impact a public water system.

Brisbin/Mathison to approve payment to Brenteson Construction, Inc., in the amount of \$1,500 for excavation work completed in relation to the well installation at South Side Villas, and enter into one year payment plan with Linden Corporation and the SSV Homeowners for repayment of the invoice, with payments commencing in January, 2015.

Council spent a considerable amount of time discussing Brenteson's suggestion, expressing concern over whether it would set a precedent for handling future repairs. Staff reported that there is a process for assessing properties.

The motion and second was rescinded and Council directed staff to contact the City Attorney for an opinion to be discussed at the December 15, 2014 Council meeting.

MAYOR/COUNCIL ITEMS

Mayor Earenfight noted the following upcoming events:

- Agenda items for Committee of the Whole Meeting – December 8, 2014
 - 2015 Budget and Levy including discussion on employee wages and health insurance
 - Replacement of Public Works Director
- Chamber of Commerce Celebrate the Season Events – December 6; 10 a.m. – 4 p.m.
 - Christmas Toy Drop – December 6; 1 – 3 p.m., Zimmerman/Livonia Fire Department
 - Annual Tree Lighting – December 6; 4:30 p.m.

- Breakfast with Santa – December 7; 8 a.m. – 12 Noon, Civic Building
- Santa & Polar Train Display for Tots – December 9 & 10 – 9 a.m. to Noon, Civic Building
- Passing the Bread Food Distribution – December 22; 8 – 10 a.m., Sheriff's Department Substation

Michels/Brisbin unanimous to approve the placement of a “Community Thank You” advertisement in the Zimmerman Today newspaper for the ball field lighting project at a cost of \$197.50

Before adjourning, Mayor Earenfight asked for a moment of silence in honor of US military personnel and well wishes for former employee Bruce Hooker.

Mathison/Michels unanimous to adjourn the meeting at 8:44 p.m. Motion carried.

Approved this 15th day of December, 2014.

s/s Kary Tillmann, Clerk/Treasurer

Approved 12/15/2014