

**MINUTES OF THE REGULAR MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, DECEMBER 3, 2012**

CALL TO ORDER

The regular meeting of the Zimmerman City Council was called to order at 7:05 p.m. at City Hall by Mayor Earenfight, followed by the Pledge of Allegiance.

ROLL CALL

Present: Mayor Earenfight, Council Members Brisbin, Kowalski, Laney and Mathison, Administrator Piasecki and Clerk/Treasurer Tillmann.

AGENDA APPROVAL

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

- Remove Public Works Report

APPROVAL OF MINUTES

Mathison/Laney unanimous to approve the minutes of the November 19, 2012 Regular Meeting as presented

CONSENT AGENDA

Brisbin/Mathison to approve the consent agenda as presented as follows:

- a. Approve the payment of claims (check #34735 - #34767) in the amount of \$45,280.88, and electronic payments (e-check #839-1 – #842-1) in the amount of \$27,367.63 as presented.
- b. Adopt **RESOLUTION #12-12-01**, approving a 1-year extension to the Preliminary Plat approval for “Huntington”, through December 31, 2013, as requested by Riverside Companies and recommended by staff.
- c. Adopt **RESOLUTION #12-12-02**, approving a 1-year extension to the Preliminary Plat approvals for “Crescent Ridge” and “Maefield Estates”, through December 31, 2013, as requested by Woodland Development and recommended by staff.
- d. Accept the Monthly Budget Report for October 2012 as presented by the Clerk/Treasurer.
- e. Approve the transfer of \$25,000 from the Water Fund (601) and \$25,000 from the Sewer Fund (602) to cover 2012 expenses funded wholly by the General Fund as identified and as recommended by staff.
- f. Approve financial assistance for the Lake Fremont Improvement Association in an amount not to exceed \$500, towards the electricity expense to operate the aerator on Lake Fremont during the winter months.
- g. Adopt the 2013 City Council Meeting Schedule as presented and as recommended by staff.
- h. Adopt the 2013 City Holiday Schedule as presented and as recommended by staff.
- i. Approve the donation of \$500 to the Zimmerman High School Booster Club (ck #34770) for the 2013 All-Night Graduation Party, from account #101-41110-490.
- j. Approve payment to Eull’s Manufacturing in the amount of \$8,656.87 (ck# 34768) for concrete retaining wall blocks as approved by the City Council on October 1, 2012, and as identified on the detailed statement provides, with funds to be paid from account #101-43100-228, as recommended by the Public Works Director.
- k. Approve payment to the Sherburne County Auditor/Treasurer in the amount of \$268,105 (ck# 34769) for 2012 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.
- l. Accept the memorandum of understanding between the City of Zimmerman and Abdo, Eick & Meyers for audit services for the year ended December 31, 2012, and authorize the City Administrator to sign said agreement on behalf of the City, as recommended by staff.
- m. Approve a one-time carryover of accumulated 2012 compensatory time for Public Works employees, as requested and as recommended by staff.

After the motion was made and seconded, Member Kowalski wished to remove items a. December 3, 2012 Vendor Payments, e. Annual Interfund Transfers, i. Donation to Zimmerman High School All-Night Grad Party and m. Carryover of Accumulated Compensatory Time, for separate consideration. Member Brisbin chose not to rescind his motion.

Roll call: Brisbin, aye; Earenfight, aye; Kowalski, naye; Laney, naye; Mathison, aye. Motion carried.

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

SHERIFF'S DEPARTMENT REPORT

Patrol Captain Bob Stangler provided an overview of activities for the month of November, 2012. The department received 370 calls for service as opposed 288 calls for the same time period in 2011, due in part to 60 calendar parking violations recorded as opposed to 14 the previous year. Overnight squads, if they see vehicle in violation of snow parking, taking ICR and issuing warning. Deputies have started issuing citations for calendar parking violations.

Council accepted the Sheriff's Department Report for November 2012 as presented.

Discussion was held regarding a request by a local snowmobile club and Zimmerman Bar and Grill for an extension of the snowmobile trail to 10th Street West. Previously, County Road 4 has been closed to snowmobile traffic due to safety concerns. John Kastner requested Council consider modifying the existing snowmobile regulation that prohibits snowmobile traffic on CSAH 4, as it prohibits access to Zimmerman Bar and Grill. The clubs are willing to sign the trail route from CH 46 east and west along CSAH 4 to 10th Street West to provide access to ZBG. Sean Dielke, ZBG owner, has also proposed placing a temporary fence or "coral" for snowmobile parking and to discourage/prohibit additional traffic east along CSAH 4. This proposed extension would be a "dead end", with snowmobilers having to return west along CSAH 4 to gain access to approved trails.

Strangler expressed concern about snowmobiles crossing on CSAH 4 in order to comply with requirements to ride with traffic. He believes CR 46 to be a better option for crossing. His research also identified a state statute that allows 2-way snowmobile traffic on one side of the road, if approved by the road authority and the DNR.

Comments were heard from **John Kastner, 13040 - 9th Avenue South**, who stated that both sides of County Road 4 appear wide enough for a 2-way trail. The snowmobile club would prepare and install all signage. The length of the proposed trail addition is 6/10 of a mile.

Brisbin/Laney unanimous to approved the proposed amendment to the snowmobile trail map, pending receipt of an amended trail map and signage plan from the snowmobile trail association and approval from Sherburne County and the Department of Natural Resources for 2-way traffic on the south side of County Road 4.

FIRE DEPARTMENT REPORT

Fire Chief Ryan Maloney presented the Fire Department report for the month of November, 2012. The Department assisted on 1 medical call, 2 injury accidents including with extrication, 1 missing person search, 2 carbon monoxide alarms, a gas leak, and 2 grass fires. Maloney reported that an insurance claim has been filed regarding a water main break by the Holiday Gas Station that happened while the Fire Department was connected to the main. LMCIT is investigating. Drop boxes for NHN have been placed in 16 locations city-wide. The 2013 budget has been finalized and reflects and \$8,000 decrease from 2012.

Council accepted the Fire Department Report for November 2012 as presented.

2012 PROPOSED LEVY PRESENTATION AND PUBLIC COMMENT PERIOD

Mayor Earenfight explained the purpose for the public comment period was to take public input on the 2013 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 2013. The city does not set market valuation of properties. Any questions or concerns regarding valuation need to be addressed with the County Assessor's Office. The City sets 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 2013 is \$1,254,888. In addition, the City has three special levies equaling \$106,163 for debt service. The budget increases for 2013 are due to increases in the contract price for the Sheriff's Department and increases to Streets and Parks departments. With these expenses, the 2012 Expenditure Budget increased 2.5% over 2012 levels.

The State of Minnesota changed the calculation for market value credit starting 2012. The current formula reduced the value of residential homestead property, which affects how much each property is taxed. In addition, Sherburne County decreased the value of residential properties by approximately 15%. If Council makes further reductions to the budget and/or levy at this meeting, the proposed tax rate will further decrease before final adoption of the budget and levy on December 17.

Comments were heard from the following:

Robert Wurscher -- 26504 Lake Avenue – Questioned why his property taxes reflect an increase equal to what the City's tax rate increased on the proposed tax statements. It is equal to approximately \$200. Piasecki responded that Wurscher's property is non-homestead, since the home is not their primary residence. The market value exclusion does not apply to non-homestead property. In addition, market values decreased approximately 15% city-wide on residential properties. Wurscher questioned if the number of foreclosed homes in the City had an effect on the tax rate. Piasecki replied that it does not.

Mike Kahlstorf, 25730 7th Street west – commented that the taxes on his commercial property are increasing approximately 20%, and value has decreased. Mayor Earenfight advised that the tax rate identified on the proposed tax statement will likely decrease, as the budget and levy has been reduced since that amount was certified to Sherburne County in September. Piasecki added that Council and staff will continue reviewing the budget in the hope of reducing the levy even further. In addition, Piasecki reminded the audience that the Department of Revenue determined that the market value exclusion also does not apply to commercial properties, so commercial, non-homestead and seasonal properties are carrying a larger tax burden than residential homestead properties.

Rick Schroeder, 758 Independence Drive, Big Lake – Schroeder is co-owner of the Jim's Market grocery store building, along with Al Warzecha, and others. Schroeder stated that the appraised value dropped over a million dollars this year, and taxes are proposed to increase 8.1%. He suggested that the Council make some tough cuts for 2013 because city businesses are struggling. Schroeder continued that he wasn't saying the grocery store was going to leave town, but commented that commercial businesses cannot maintain this level of taxation.

Al Warzecha, 26155 - 3rd Street East -- Warzecha is co-owner of the Jim's Market grocery store building, along with Rick Schroeder, and others. 2013 taxes on the building are proposed at \$85,000, which he feels is a ridiculous amount and can't continue. He questioned what the Council would do in two years when all the commercial businesses have left town. The City portion of the 2013 taxes is projected at \$18,431. They are concerned that their tenants cannot afford the increase in monthly lease payments to cover the tax increase. He believes there won't be anything left in town in 2 years if the City doesn't do anything.

Further discussion on the budget and levy will be held at the Committee of the Whole Meeting on Monday, December 10, 2012 and during the Regular City Council meeting on Monday, December 17, 2012, with final approval of the 2013 budget and certification of the final levy at that time.

Mayor Earenfight declared a recess at 8:06 p.m. and reconvened the meeting at 8:13 p.m.

FINANCE REPORT – presented by Clerk/Treasurer Tillmann

2013 Budget Review and Employee Wages

Tillmann reported that Council last reviewed the 2013 proposed budget in October and engaged in discussion at that time. Staff is looking for direction on additional revisions Council would like to see prior to the COW meeting on the 10th or final adoption on December 17. Member Laney requested that Council re-visit the City contribution to health insurance, considering a 75% contribution rate instead of the current 85%. Piasecki added that the Fire Board approved their 2013 budget at an earlier meeting, so there may be a reduction in the contract price for 2013.

Staff requested a decision on 2013 employee wages so additional revisions to the budget could be made.

Kowalski/Earenfight to approve a 1% Cost of Living Adjustment for all employees, effective January 1, 2013. Roll call on the motion: Brisbin, aye; Earenfight, aye; Kowalski, aye; Laney, naye; Mathison, aye. Motion carried.

ADMINISTRATOR’S REPORT – presented by Administrator Piasecki

Park Land Acquisition

The Park Commission will be discussing the potential acquisition of park land at an upcoming Park Board meeting. There is significant interest in the neighborhood for a park area in the Huntington development. Park Board members met with staff in October to determine if, where or when a park could be improved in Huntington to meet the neighborhood demand. The platted park area (east side of development) was proposed to be developed after the 4th and final phase of the development was constructed. Access to the site would be improved at that time.

Staff suggested the City approach the developer to obtain 2 platted but vacant lots in 3rd Addition along the existing trail system. These lots would lie on the trail and be centrally located within the development. The Developer has been contacted and he is willing to sell 2 lots of the Board’s choice in 3rd Addition. Staff has provided this information to the Park Board, and continues to discuss a potential purchase price with the developer. Staff expects a recommendation from the Board in their December 17th Council report.

Acquisition and development of this property would require a substantial expenditure from the Park Fund, with a remaining balance of approximately \$165,000. No action taken.

2013 Water and Sewer Rates

Piasecki reminded Council that the December 17 Council meeting would include review and consideration of the 2013 Fee Schedule, which will include planned increases to water and sewer rates and connection fees as recommended by Progressive Consulting Engineers in the approved 2011 Rate Study.

MAYOR/COUNCIL ITEMS

Kowalski reminded Council that the Sherburne County Public Comment meeting for the 2013 budget and levy is scheduled for Monday, December 10 at 7 p.m.

Santa's Polar Train display is on display at the City Civic Building on Tuesday and Wednesday this week.

Passing the Bread will hold a food distribution event on Saturday, December 22, 2012, at the Sheriff's Department Public Safety Building.

Tillmann reported that the City received the 2nd half tax settlement from Sherburne County, totaling approximately \$714,000.

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

Brisbin/Mathison unanimous to adjourn the meeting at 8:39 p.m. Motion carried.

Approved this 17th day of December, 2012.

Kary Tillmann, Clerk/Treasurer

Approved 12/17/2012