

**MINUTES OF THE REGULAR MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, DECEMBER 7, 2015**

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 Mathison, Merwin and Nathe. Member Brisbin was excused absent. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann and Public Works Director Johnson.

AGENDA APPROVAL

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

- **Closed Meeting as permitted by the Attorney/Client privilege pursuant to Section 13D.05, subdivision 3(b) to discuss potential litigation involving the City of Zimmerman regarding the Lake Avenue Right-of-Way**

APPROVAL OF MINUTES

Merwin/Mathison unanimous to approve the following meeting minutes:

- **November 16, 2015 Regular Meeting of the City Council as presented**

CONSENT AGENDA

Mathison/Nathe unanimous to approve the consent agenda as follows with the exception of the following items:

- c. Payment for Project Management Services – Fremont Drive Realignment – Bolton & Menk – delayed until December 21st for further information**
- k. Preliminary Plat Extension – Huntington – discussion and consideration under the Finance Report**

- a. Approve the payment of claims (check #37599 - #37642) in the amount of \$58,829.95, and electronic payments (e-check #1255 – #1260) in the amount of \$30, 782.21 as presented.
- b. Approve payment to the Sherburne County Auditor/Treasurer in the amount of \$317,022.85 (ck# 36744) for 2015 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.
- d. Approve an amendment to the 2015 General Fund Expenditure Budget as follows and as recommended by staff:
 - Taxes Payable (Expenditure: 101-41110-437) – Decrease by \$1,000
 - Furniture and Fixtures (Expenditure: 101-41110-560) – Decrease by \$500
 - Improvements Other Than Buildings (Expenditure: 101-41940-403) – Increase by \$1,500
- e. Accept the Investment/Funds Report for October 2015 as presented.
- f. Accept the monthly Budget Report for October 2015 as presented.
- g. Accept the Building Permit Surcharge Report for October 2015 as presented.
- h. Adopt the 2016 City Council Meeting Schedule as presented and as recommended by staff.
- i. Adopt the 2016 City Holiday Schedule as presented and as recommended by staff.
- j. Approve the following Sewer & Water Installer License Applications for the period of December 8, 2015 – December 31, 2016, as requested:
 - Glen Kothrade, dba Kothrade Sewer, Water & Excavating, 12059 Whitetail Lane, Hanover, MN 55341
 - Ryan Van Nurden, dba Metro Utilities, Inc., 9656 – 161st Avenue, Elk River, MN 55330

1. Adopt **RESOLUTION #15-12-01**, approving a 1-year extension to the Preliminary Plat approval for “Crescent Ridge”, through December 31, 2016, as requested by Woodland Development and recommended by staff.

OPEN FORUM

LuAnn Petricka, Petricka Law Firm, Minneapolis, was present to address the Council on behalf of her client, Theresa Parsons, 26681 Lake Avenue, regarding the removal of a portion of fence in the City right-of-way between her property and 26684 Lake Avenue, which is owned by Mary Kulkay. Petricka advised that she had requested to be placed on this meeting agenda but was told by the City Attorney that this issue doesn't involve a City legal issue and the Council was not ready to hear the item as a regular agenda item. Petricka went on to explain that on November 18, 2015, the resident at 26684 Lake Avenue requested that a portion of fence located in the City's right-of-way adjacent to that property be removed because it was damaged. The resident is also a City Council member. Petricka noted that there was no notice given to her client about the removal of the fence, which was removed 25 feet into her client's property. The resident at 26684 Lake Avenue then proceeded to install a new fence in the same area. Petricka showed a map identifying the properties in question, noting that Kulkay's property is .68 acres in size and Parson's property is .14 acres in size. She also displayed photos of the fence and gates that were installed after the City removed the fence in the right-of-way.

Petricka continued that City should not have removed the original fence in the first place and demanded the fence be replaced by Noon on Thursday of this week, or her client would consider legal action against the City. She added that this entire situation could have been avoided if the neighbors would simply act like adults and discuss the situation with her clients. She also has issue with the neighbors involving the Sheriff's Department instead of talking to Ms. Parsons.

Mayor Earenfight asked Ms. Petricka to clarify her client's position for the record. Petricka stated that if the fence is re-installed to its previous location by Noon on Thursday, they will not include the City in any future action. **Dan Freih, 26681 Lake Avenue**, added that since the City took the fence down, it should be put back up by the City.

Theresa Parsons, 26681 Lake Avenue, also chose to address the Council regarding the issue she is having with the property owner residing at 26684 Lake Avenue. Parsons stated that she had hired Petricka to represent her, adding that she is a business owner in town and prides herself on having a family establishment where people can enjoy themselves. She does not want to be at odds with the City Council. She is upset because she believes a City Council member used his position on the Council to get the fence taken down by City employees before installing his own fence. She does not feel that the City should be involved in this matter and hopes to resolve the issue with her neighbor privately. She would also like the fence put back up because it has been in place for over 40 years.

FIRE PROTECTION REPORT

Fire Chief Ryan Maloney presented the Fire Department report for the month of November, 2015. The Department had a very quiet month, responding to 2 medical calls, 2 gas leaks, a personal injury accident, a carbon monoxide call, and a grass fire. Maloney added that the Department is participating with Neighbors Helping Neighbors again this year. “Angels” are currently available at various locations throughout town. If anyone is interested in participating by providing gifts, they can contact the Fire Department. Last year approximately 120 families were served. Zimmerman Elementary students will be caroling at the Fire Station on December 23rd. Maloney also reminded residents that even though it's been cold, the ice on Lake Fremont is still too thin for safe winter ice activities.

Council accepted the Fire Department Report for November, 2015 as presented.

PARK BOARD REPORT

Clerk/Treasurer Tillmann provided the November Park Board report on behalf of the Park Board. Currently, the Board is working on drafting a survey for local residents regarding local park and recreation opportunities. The survey will be distributed to City residents and potentially township residents as well. Due to a conflict, Tim Sevcik is no longer able to serve as the Park Board Chair, and the Board nominated Barry Wendorf to fill that role. The Park Board would also like to change their monthly meeting date to the 1st Tuesday of each month, effective January 1, 2016.

Nathe/Merwin unanimous to accept the November 2015 Park Board report as presented.

2016 PROPOSED LEVY PRESENTATION AND PUBLIC COMMENT MEETING

Mayor Earenfight began the Public Comment Meeting for the 2016 Proposed Budget and Levy. Administrator Piasecki explained the purpose for the public comment meeting was to take public input on the 2016 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 2016. 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 2016 was \$1,529,092, which includes levy dollars to fund the 1st year of a Street Preservation Program recommended by staff and the City Engineer. In addition, the City has three special levies equaling \$106,000 for debt service and capital improvements. The final levy, which will be presented on December 21, is proposed at \$1,434,000, which reflects a 16.7% increase from the final certified levy for 2015, primarily due to the levy increase for the proposed pavement preservation program at a funding level of \$165,000. The Expenditure budget has decreased slightly since originally presented due to reductions in the Public Works Department Budget, however, as presented, still includes monies for street preservation. Depending on the funding level chosen by council for street preservation, the City has the potential to maintain 2.5 – 3.5 miles of city streets per year.

Piasecki showed a spreadsheet comparison of the proposed budget, levy and net tax capacity, including possible annual increases in property tax amounts in general terms for properties throughout the City. The following comments were heard from the public:

Wendy Kowalski, 26412 Lake Avenue, Zimmerman, stated that she did not agree with a reduction in the proposed levy amount. The amount that was proposed in September has meaning, and was certified as the amount of money the City needs to fund the services it will provide in 2016. She feels Council and staff has prepared a good proposal for consideration and believes it is important to keep that contract with residents. Amending the proposal from the original amount should warrant additional notification to taxpayers because people are kept out of the loop if it's changed at this time. The final levy should be the same as the proposed levy. Kowalski also submitted written commentary for the record.

Comments were heard from: **David Hipsag, 25810 - 19th Street West, Zimmerman**, who stated that his taxes are proposed to increase more than the average presented by staff because his value has increased by \$60,000 in the past two years. He questioned the increase in value. Piasecki stated that valuation is addressed by the Board of Appeal, with the next meeting tentatively scheduled for April, 2016. Valuations are set by the County Assessor, not the City, so the Board of Appeal would be the appropriate venue to address his concern.

Elizabeth Westphal, 26225 - 4th Street West, Zimmerman, questioned how long it will take before all City streets have been crack filled and chip sealed according to the proposed street preservation program. Piasecki responded that at a funding level of \$225,000 per year, it would take approximately 7 years to complete all the streets in the City.

Council will take all comments under advisement when considering approval of the 2016 proposed budget and levy, which is scheduled for Monday, December 21st. 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.

FINANCE REPORT – presented by Clerk/Treasurer Tillmann

2016 Budget and Levy Review

Council engaged in extensive discussion regarding the 2016 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 regular meeting on December 21st when the final budget and levy will be adopted.

Mayor Earenfight wished to revisit discussion about 2016 employee wages. At the November 16th meeting, Council approved a 2% Cost of Living Adjustment (COLA) for all employees. Further discussion was held regarding a COLA for all employees or a 1-step increase for all eligible employees in 2016.

Mathison/Merwin unanimous to approve 1-step increase for all eligible employees instead of a 2% Cost of Living Adjustment (COLA) for all employees, effective January 1, 2016.

Discussion was held regarding an updated salary survey for employee wages and a review of job descriptions to ensure that descriptions are accurate. Council wants to find a way to address options for those employees at the maximum of their salary grade, if possible. Council directed staff to conduct an in-house salary/classification study, with results available for the City Council to discuss in the spring of 2016.

Consideration of the proposed 2016 budget continued with Council discussing a preferred funding level for street preservation. Member Merwin stated she believes the City's best option is to fund street preservation at a level of \$225,000, because the City Engineer has stated that is an amount that can be sustained to complete the project in as little time as possible. Merwin cited the age of City streets as the driving factor behind her desire to fund the project as fully recommended. Piasecki added that if Council didn't want to levy the full amount, there are committed reserves and budgeted monies available that would get us close to the full amount of \$225,000 in 2016.

Merwin/Mathison to include \$225,000 in the 2016 final levy to fund the first year of a street preservation program. Roll call on the motion: Earenfight, aye; Mathison, aye, Merwin, aye, Nathe, aye. Motion carried.

Preliminary Plat Extension – Huntington

Due to the housing slow down, Riverside Companies has requested a 1-year extension to the preliminary plat approval of Huntington. The 4th Addition remains to be constructed. Mayor Earenfight advised that he would be abstaining from the discussion and vote due to a personal friendship with the Developer.

RESOLUTION #15-12-02 Mathison/Nathe unanimous to adopt RESOLUTION #15-12-02, approving a 1-year extension to the preliminary plat approval of Huntington, through December 31, 2016, as requested by the Developer and recommended by staff. Roll call on the motion: Earenfight, abstained; Mathison, aye; Merwin, aye; Nathe, aye. Motion carried.

ADMINISTRATOR'S REPORT

2016 SAC/WAC Rates

For the past two years, Council has approved a reduction to water and sewer connection fees in an effort to spur development in the City. The plan has worked well, with the City processing 34 new home permits in 2015. Piasecki stated that the City's financial consultants are currently reviewing the feasibility of extending the reduction for another year. A recommendation can be made at the next meeting as part of the Fee Scheduled Public Hearing if Council is amenable to considering reduced SAC and WAC fees for 2016.

Council directed staff to present a recommendation at the December 21st meeting.

Mayor Earenfight declared a recess at 8:09 p.m. and reconvened the meeting at 8:12 p.m.

MAYOR/COUNCIL ITEMS

Fire Board Report

Councilmember Brisbin's term as a City Council representative on the Zimmerman/Livonia Fire Board expires on December 31, 2015. Per the Joint Powers Agreement, the City must have two representatives sitting on the Board. Mayor Earenfight is the other appointee, with a term expiration of December 31, 2016. Member Mathison was appointed as alternate member per Council action in December 2013. Member Brisbin has indicated he would like to be re-appointed to serve on the Fire Board.

Mathison/Merwin unanimous to approve the appointment of Tony Brisbin as a City Council representative to the Zimmerman/Livonia Joint Fire Board for a two-year term, effective January 1, 2016 – December 31, 2017.

Mayor Earenfight noted the following upcoming events:

- The Committee of the Whole Meeting for December 14, 2015 has been cancelled due to a lack of agenda items
- Santa & Polar Train Display for Tots – December 8 & 9 – 9 a.m. to Noon, Civic Building
- Passing the Bread Food Distribution – December 19; 9 – 11 a.m., Sheriff's Department Substation
- December 24 – All City Departments will close at Noon for the Christmas Eve Holiday
- December 25 – All City Departments will be closed for the Christmas Holiday
- January 1, 2016 – All City Departments will be closed for the New Year's Holiday

Mayor Earenfight declared a recess at 8:15 p.m. and reconvened the meeting at 8:20 p.m. in a closed session as permitted by the Attorney/Client privilege pursuant to Section 13D.05, subdivision 3(b) to discuss pending litigation involving the City of Zimmerman and Steve Dank. The meeting was reopened at 8:50 p.m.

Mayor Earenfight closed the meeting at 8:50 p.m. as permitted by the Attorney/Client privilege pursuant to Section 13D.05, subdivision 3(b) to discuss potential litigation involving the City of Zimmerman regarding the Lake Avenue Right-of-Way. The meeting was reopened at 9:22 p.m.

Before adjourning, Mayor Earenfight asked for a moment of silence in honor of US military personnel and in memory of those who lost their lives at Pearl Harbor on December 7, 1941.

Merwin/Mathison unanimous to adjourn the meeting at 9:23 p.m. Motion carried.

Approved this 21st day of December, 2015.

s/s Kary Tillmann, Clerk/Treasurer

Approved 12/21/2015