

CITY OF ST. FRANCIS
ST. FRANCIS MN
ANOKA COUNTY

CITY COUNCIL MINUTES
May 21, 2018

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE**

The regular City Council meeting was called to order at 6:00 pm by Mayor Steve Feldman.

2. **ROLL CALL**

Members present: Mayor Steve Feldman, Councilmembers Jerry Tveit, Joe Muehlbauer, and Rich Skordahl

Members absent: Robert Bauer

Also present: Assistant City Attorney Dave Schaps (Barna, Guzy & Steffen), City Engineer Craig Jochum (Hakanson Anderson), City Administrator Joe Kohlmann, Community Development Department Kate Thunstrom, Police Chief Todd Schwieger, Public Works Director Paul Teicher, Liquor Store Manager John Schmidt, Finance Director Darcy Mulvihill, and Acct Tech/Deputy Clerk Lori Streich

3. **APPROVAL OF AGENDA**

MOTION TO APPROVE AGENDA BY MUEHLBAUER, SECONDED BY SKORDAHL; ALL IN FAVOR, MOTION PASSES.

4. **CONSENT AGENDA**

- All matters listed within the Consent Agenda are considered routine items to be enacted upon by one motion by the City Council. Items on the Consent Agenda are reviewed in total by the City Council and may be approved through one motion with no further discussion by the Council. Any item may be removed by any Council Member, staff member or person from the public for separate consideration.

A. City Council Minutes –May 7, 2018

B. Receipt of Donations for “Winning with Cops” program: Chops Inc. \$300, St. Francis Lions Club \$250 and Gary Zimmerman \$40

C. Hire Andrea Schauer as Liquor Store Part Time Employee

D. ISD #15 Vehicle Maintenance Contract Extension

E. St. Francis Fire Relief Donation Request

F. Payment of Claims - \$382,550.76 (ACH #227E - #228E) \$136,431.96; (CHECK #74177 - #74249) \$246,118.80.

MOTION TO APPROVE CONSENT AGENDA BY TVEIT, SECONDED BY MUEHLBAUER; ALL IN FAVOR, MOTION PASSES.

5. **MEETING OPEN TO THE PUBLIC Maximum time of five minutes per person***

Robert Holen is not a resident of St. Francis, but owns a building in St. Francis. He received a letter from the Community Development Department regarding a complaint made against his building regarding a crack in the wall. Holen provided a copy of the letter along with an Engineer's report.

Holen has a couple issues with this letter. The first being that the letter says it's from the Community Development Department, but there's no signature. He feels this needs to be addressed.

In the letter, it's stated that there's an issue from a concerned citizen. When asked who made the complaint, he found that the laws state that the information cannot be disclosed on who made the complaint because of privacy issues. He doesn't think this concerned citizen even exists.

In 1976, when they first moved into that building, the crack was there. There was no issue at that time. Over the years there have been several remodels and updates on the building. They put a new roof on it, the crack was there, but because it was on a non-bearing wall, there was no issue. They were told by the Building Inspector at that time to go ahead. That was 17 years ago.

It hasn't been an issue for the last 40 some years and now we have a citizen that has an issue with it. This building has served the community over the years, has brought a lot of business to this area, and still is.

Classic Construction will take the job on and it will get fixed.

Mayor Feldman said that he's a contractor by trade, and has seen the crack. There's a footing below that block wall, he would hope.

Holen said that he doesn't know that for sure since the building is 100 years old.

Feldman stated that the block wall is separating and there is a problem with the footing and therefore that roof attached to that wall is more of a liability issue. The city is not out to hurt or damage you, we are just trying to tell you that the crack is getting worse and worse and something needs to be corrected. Everything comes down to the footing in the ground. Here you have a footing, a block wall on top of that, a roofline on top of that & trusses, and everything bears to the footing. What is happening is that the block wall is separating beyond the tolerance and we notified you for that. This could be an issue and liability to the public in general. He apologized that it didn't go the way Holen had hoped it would, and Feldman doesn't know who the concerned citizen is, but he has also seen it himself and was amazed that it hasn't fallen. It was brought to the city's attention for correction. It's your building. Should we wait until it falls down and then you would ask us why we didn't say something? Anyone driving by can see the crack. That's why it was brought to Mr. Holen's attention.

Feldman said that he will make sure the documents get to the right people.

6. **SPECIAL BUSINESS**

A. Abdo Eick & Meyers – 2017 Annual Financial Audit Report

Abdo presented to Council in detail a power point presentation outlining the 2017 Annual Financial Audit Report, as shown in the agenda packet.

Feldman asked to look at the water fund cash flows and the storm water fund cash flows. These graphs tell him that back in 2014, the city was spending more money than they were bringing in. When he and other council members ran for office, there was a 45/85 hike here because this city was hemorrhaging from debt load.

He understands that documents can be difficult to understand, but if you are bringing in \$500 a month, and you are spending \$1000 a month, you are \$500 in the hole. The city came into fruition around the 2008-2009 time frame. That cost the city a lot of burden to the public in general. Instead of suturing the hemorrhaging, and take the time to do it right, it let the hemorrhaging continue until the rates and debt load got so bad that they had no choice but to 45% water hikes, 85% sewer hikes, and spread it over two years, and we still came out at the low end of it. Now we are kind of streamlining that through our development. He can only emphasize this enough that the only way to get our user rates and situation corrected is through extending our utility user base through long term, reputable developments.

Feldman's point is that when he looks at these graphs, even his grandkids could see that we are spending more than we are bringing in. It wasn't until the rate hikes in 2016 & 2017 that we started stabilizing, burdening the people with 45/85% rate hikes when cost of living were lucky to go up 2% over the past years. His point is what are graphs good for if you don't understand what you are reading, or ask questions and do your due diligence? Back when the population was growing from 1990-2010, we grew by 2538 people. At that time we should have gradually raised rates and prepared the public for increasing the rates gradually, so we simulate that into the budget. It's total lack of responsibility in governing the fact of more money going out than coming in and nobody did anything until the hemorrhaging got so bad that there back was to the wall and they were forced to do this.

There are three things in Feldman's opinion that this city can never allow to happen again. The first is a 45/85% rate hike, second is transfer funds from a wastewater treatment facility fund to buy land in Isanti County 11 years later which has profited us today in no form or in any way, paid three times the going rate, and given us no benefit at all for development that never panned out, and lastly we can never give out TIF money to anything but long term reputable development companies. Those are three things he will live by as long as he's Mayor of this city. We can never burden our public with this irresponsibility.

Abdo has done a great job for us. They provide the information for Council and staff to make an informed decision.

Muehlbauer agrees with everything and appreciates that the packet is easy to understand.

Tveit agrees that it's a good clean report. No big findings and that tells him that the Finance department is doing a good job recording the data.

Skordahl asked Abdo who defines the peer group when they are doing the ratios? Is it cities of similar size? He likes the report. One finding is that we have a small staff, but there's nothing they can do about that.

Abdo said they work with over 100 cities. They request data for cities with similar population.

MOTION TO ACCEPT THE 2017 ANNUAL FINANCIAL AUDIT REPORT BY MUEHLBAUER, SECONDED BY SKORDAHL; ALL IN FAVOR, MOTION PASSES.

B. Fire Department Badge Pinning Ceremony – Zachary Goers, Jason Hughes, Brent Wentworth

Chief Schmidt recognized the 3 newest firefighters. Tonight's ceremony signifies that they have completed their first year of employment with the City of St. Francis Fire Department. It also signifies that they've completed countless hours of training and instruction. Some of those include Firefighter 1 course through the Academy which totaled 110 hours, Firefighter 2 course through the Academy which totaled 60 hours, a Hazardous Materials Course which totaled 40 hours, and Emergency Medical Technician Course which totaled another 110 hours. They also completed their firefighter probationary manual inside the department, all while still attending calls and going to department trainings. If you total all that together, just with their classroom training, that's 330 hours these men spent training for the fire department. That equivalent to 8 weeks of full time employment. That's time away from their full time jobs, family and friends.

Not only should we take time to honor these firefighters for the completion of their probationary process tonight, we want to thank their family and friends for supporting them through this process.

7. **PUBLIC HEARINGS**

NOTHING

8. **OLD BUSINESS**

NOTHING

9. **NEW BUSINESS**

A. Ordinance 240, Second Series – Rivers Edge Rezoning to Planned Unit Development -1st Rdg

Thunstrom, of the Community Development Department explained the River's Edge Rezoning as described in the agenda packet.

No questions from Council.

MOTION TO ACCEPT ORDINANCE 240, SECOND SERIES-RIVERS EDGE REZONING TO PLANNED UNIT DEVELOPMENT – 1ST RDG BY TVEIT, SECONDED BY SKORDAHL; ALL IN FAVOR, MOTION PASSES.

ROLL CALL AYES: FELDMAN, TVEIT, MUEHLBAUER, SKORDAHL
NAYES: NONE

B. 2040 Comp Plan – HKGI: Extension Request (If needed) Resolution 2018-19

Thunstrom explained that the Resolution before them is a formality that Met Council requires if the city feels it may not meet its submission deadline. It is their plan to have the 2040 Comp Plan to City Council on June 4th, and what it does at that time is release it for that 6 month comment period. If there are any delays or setbacks from that comment period, we would be at risk of a delay in getting it to Met Council since it still has to go through a public hearing with Planning & Zoning and back through Council again.

What this extension will do is allow us that extra cushion at the end of the year into 2019 in case a delay comes up. It's more of a formality if needed.

No questions from Council.

MOTION FOR EXTENSION REQUEST (IF NEEDED) RESOLUTION 2018-19, 2040 COMP PLAN-HKGI BY SKORDAHL, SECONDED BY MUEHLBAUER; ALL IN FAVOR, MOTION PASSES.

C. Woodhaven 6 – Development Agreement

Kohlmann explained that staff is looking for approval of this agreement. There are two things still in negotiation with the developer right now. One is the percentage of the letter of credit. Right now this says 150% - #17 in the Development Agreement, and that's the percentage on the dollar amount for the construction costs. The other point of negotiation is the cash due requirements. There are certain fees that the city has set by ordinance, when would that money be due, can it be spread out per building permit, would it be due before we even sign this agreement. Those are some things we are still working on with the developer. They are looking for some latitude to make those adjustments as needed if this agreement gets approved tonight.

Feldman wanted to bring to council's attention that the problem with development is that you have so much money going out, and it's kind of like a one way road, where you have money going out but nothing coming in. We don't ever want to turn away development. This company has worked well with us in the past and present. Feldman agrees with Kohlmann that if we could do this by permit and set that fee onto it, the developer is going to see money going out, but he will also see money coming in which will buffer that cost.

We want to make sure that we aren't so hard and so rigid that we turn away development. We will get our money, it's just how it will happen – in a lump sum or over a period of time.

Tveit isn't opposed to working with developers, he's a business owner himself and it's always nice when cities work with them. On the flip side he doesn't want to be subsidizing a developer and having our citizens foot the bill. With any money going out, water gets run, sewer gets run, that's all money that the city has paid out. The longer that money sits out there, the more we end up having to pay interest on it. As long as it's going to come sooner than later, he's not opposed.

Muehlbauer doesn't see any issue with this particular agreement as long as we understand that we are not setting a precedence. He doesn't see any problems with doing it by permit and giving staff the latitude to negotiate.

Skordahl agreed to let staff work out the details.

MOTION TO APPROVE WOODHAVEN 6 – DEVELOPMENT AGREEMENT BY TVEIT, SECONDED BY MUEHLBAUER; ALL IN FAVOR, MOTION PASSES.

D. Fire Department – Building Security Updates

Chief Schmidt has a request to update the secure access system into the Fire Department. Over the course of the last year, as they continue to audit the fire department operations and facilities, one of the things they have discovered is over the course of history the fire house has transitioned through a couple different secure access systems. Through these transitions, he has no tracking, history, or record keeping of who was ever given responsibility of keys, key codes or key faubs. With the nature of the business, and the sensitivity of what the fire department does, and the investment that the city makes with the fire department, he doesn't believe we can continue to manage this organization without knowing how secure our facilities are.

Chief Schmidt has worked with the Public Works Director and had a few companies come out and submit quotes to update the system. With Council's approval, they would like to move forward with this.

Mayor Feldman asked if this would put them in sync with Public Works and the Police Department.

Chief Schmidt answered that it will also build some redundancy. One of these things that was identified in the recently adopted Emergency Operations Plan for the city is the Fire Department is the secondary EOC site, so if a tornado or large event came through and the Police and Public Works Building was rendered not operational, all of our operations would move over to the Fire Department. This security system will create the redundancy to ensure that the right people have access to the building at any given time.

Mayor Feldman commented that this is long overdue.

Skordahl agrees it's long overdue, and asked if employees go through some sort of exit interview process where they turn over keys and such.

Kohlmann said yes, keys would be turned in. As far as the fire department in the past, he doesn't think it was ever documented over at that facility. Whereas at City Hall, keys are collected.

Tveit agrees and said that he has never worked at a place that you didn't have to badge in and badge out. He doesn't know why we wouldn't have that here. One question he has is if there would be a designated person to manage the badges.

Chief Schmidt said that they will be working on that.

Muehlbauer has nothing to add and agrees.

MOTION TO APPROVE THE FIRE DEPARTMENT – BUILDING SECURITY UPDATES BY MUEHLBAUER, SECONDED BY SKORDAHL; ALL IN FAVOR, MOTION PASSES.

10. **MEETING OPEN TO THE PUBLIC**
NOTHING

11. **REPORTS**

A. Public Works Departments – Monthly Report

Public Works Director Teicher explained the water and sewer monthly report as outlined in the agenda packet.

Skordahl mentioned that he is astounded with how much salt we put down. 7 tons seems like a lot.

Teicher said that MNDOT views it as life safety. There are some communities that may have a different opinion. Our policies and public have demanded this through complaints or calls that traffic needs to move.

Tveit said that society as a whole has changed. We don't like anything to hold us back, including weather. He remembers when there was a snowstorm everyone stayed in. Now it's incumbent on Public Works to make the streets safe so we can get out there and do what we need to do.

Muehlbauer appreciates them and said they are doing a great job. He asked Teicher about when dust control and grading is scheduled.

Teicher answered that their plan is to do it on June 20th

B. Councilmember Reports -

Tveit didn't have anything to report, but wanted to remind everyone that the motorcycles are out and please watch for them. Before changing lanes, look over your shoulder, watch out for pedestrians. Kids are staying out later now, so watch out for them, etc. Trouble makers are also out, and please if you see something, say something.

Muehlbauer did not have anything to add.

Skordahl had nothing this week.

Mayor Feldman said that he's been working on a project for quite a while, with the help of Public Works Director Teicher, Parish Barten of Public Works, along with several people from the MPCA and Craig Johnson from the League of Minnesota Cities. We spent over 21.982 million dollars on our Waste Water Treatment Facility. Something that we were approached about is a look back provision. This look back provision was to grandfather us in because we spent a lot of money for a town of 7400 people so that for the next 16 years we are grandfathered in from any requirements from the MPCA. We built this plant there more than we needed to but now we've come full circle to protect ourselves so that any requirements down the road for the next 16 years, we are grandfathered in.

The document from Craig Johnson of the League of Minnesota Cities reads:

"Mayor Feldman-As you may have noticed over the weekend, the Governor signed Chapter 148 into law on Saturday. It places the 16-year permit certainty allowance in statute, retroactive to August 1, 2017, which was done to make sure St. Francis was included. Thanks for your efforts-Craig"

Feldman continued saying that they wrote letters to these people to let them know the amount of burden that was being put on the public by the amount of debt load and cost of the wastewater treatment facility. This is going to make a hard situation better, and we won't be blindsided by costs.

Teicher said this is investment protection.

Feldman thanked Teicher and Barten for working with him on this and wanted everyone to know to please be careful over this Memorial Weekend Holiday and it's important to remember our veterans. Enjoy the holiday and do it safely.

D. Upcoming Events –

May 29 2nd Annual Bike Rodeo @ Police/Public Works Facility 5 pm
June 4 City Council Meeting @ ISD #15 Central Services Center 6 pm
Jun 8-10 PIONEER DAYS WEEKEND

C..Attorney's Report - Closed meeting to Discuss Union Negotiation Strategy Pursuant to Minn. State Statute 13D.03

MOTION TO ADJOURN THE PUBLIC SEGMENT OF THE MEETING PURSUANT TO STATUTE 13D.03 AT 7:10 PM BY SKORDAHL, SECONDED BY TVEIT; ALL IN FAVOR, MOTION PASSES.

CLOSED MEETING TO DISCUSS UNION NEGOTIATION STRATEGY PURSUANT TO MINN. STATE STATUTE 13D.03 OPENED BY MAYOR FELDMAN AT 7:14 PM.

ROLL CALL:

Members present: Mayor Steve Feldman, Councilmembers Jerry Tveit, Joe Muehlbauer, and Rich Skordahl.

Also present: Assistant City Attorney Dave Schaps (Barna, Guzy & Steffen), and City Administrator Joe Kohlmann

MOTION TO RE-OPEN THE MEETING BY MUEHLBAUER, SECONDED BY TVEIT; ALL IN FAVOR, MOTION PASSES.

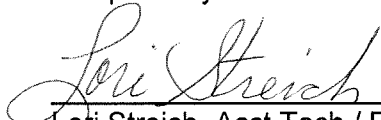
Assistant City Attorney Schaps explained the Police Sergeant's Union Contract.

MOTION TO APPROVE THE UNION NEGOTIATION STRATEGY PURSUANT TO MINN. STATE STATUTE 13D.03 BY MUEHLBAUER, SECONDED BY TVEIT; ALL IN FAVOR, MOTION PASSES.

12. **ADJOURNMENT**

MOTION TO ADJOURN THE CLOSED MEETING TO DISCUSS UNION NEGOTIATION STRATEGY PURSUANT TO MINN. STATE STATUTE 13D.03 AT 7:23 PM BY MUEHLBAUER, SECONDED BY FELDMAN; ALL IN FAVOR, MOTION PASSES.

Respectfully Submitted by:



Lori Streich, Acct Tech / Deputy Clerk