

**MINUTES OF THE REGULAR MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, MARCH 16, 2020**

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 Stay, followed by the Pledge of Allegiance.

ROLL CALL

Present: Mayor Stay, Council Members Bondhus, Shepard and Whiting. Member Frederick was excused absent. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann, and Public Works Director Koehler.

AGENDA APPROVAL

Whiting/Bondhus unanimous to approve the agenda with the following changes:

- **Delay Request for Relief from High Water Bill until 4/6/2020**
- **Delay Re-investment of Funds until 4/6/2020**
- **Consideration of Community Health Emergency Plan – Administrator’s Report**

APPROVAL OF MINUTES

Whiting/Shepard unanimous to approve the meeting minutes of the March 2, 2020 Regular Meeting as presented.

CONSENT AGENDA

Shepard/Whiting unanimous to approve the consent agenda as presented as follows:

- a. Approve the payment of claims (check #41824 - #41869) in the amount of \$26,948.46 and electronic payments (e-check #1975 – #1985) in the amount of \$50,983.98 as presented.
- b. Approve payment to the Sherburne County Auditor/Treasurer in the amount of \$5,191.50 (ck #XXXXXX) for the purchase of tax forfeit parcel #95-472-1480 as recommended by staff.
- c. Accept the Building Permit Summary Report for February 2020 as presented.

OPEN FORUM

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

2019 AUDIT PRESENTATION

Justin Nilson, Audit Manager, Abdo, Eick, and Meyers (AEM), LLP, presented the City’s 2019 Audit report. Nilson referenced the Management Letter dated March 11, 20120 advising that AEM’s job as the City’s audit firm is to give an opinion on the financial statements. According to their testing, the numbers presented are correct and consistent and AEM is giving an unmodified and clean opinion on the state of the City’s finances, which is the cleanest opinion they can offer regarding the City’s financial reporting. Nilson added that the audit did not identify any areas of non-compliance with MN statutes or financial requirements. Council was reminded of the importance of their involvement and participation in all areas of finance.

Nilson reviewed the Management Letter with the City Council. There was one comment related to internal controls in the 2019 audit, regarding drafting of the audited financial statements and related footnote disclosures as part of the regular audit services they provide. This has been a finding in the City’s audit for many years. Comments relating to the preparation of the financial statements are hard to eliminate due to the technical nature of auditing standards under GASB principles, especially since GASB standards are added and amended every year. The City has good compensating controls in place with staff to reduce the finding to a significant deficiency.

Nilson reported that the City's fund balance has increased since year-end 2018. Currently, the unrestricted/unassigned General Fund balance is above the 50% minimum threshold set in the City's Fund Balance Policy. Previous Councils have identified a desire to maintain a minimum 50 - 75% of Fund Balance as unrestricted for operating expenses and has committed funds for specific purpose, however, audit staff has had recent discussions with staff suggesting additional commitments and assignments. Staff has drafted a plan for consideration and action for Council at the conclusion of Nilson's report, which includes additional commitment of funds for capital improvements and capital equipment, as well as transfers of fund balance to the EDA and Park Fund. Expenditures have been maintained at a relatively constant level over the past 5 years, with 2019 revenues and expenses under budget. The General Fund balance has stayed relatively constant.

The cash balance of the Water Fund has remained relatively stable over the past four years, and the cash balance in the Sewer fund is healthy; however, the outstanding debt in the Sewer Fund is larger than the Water Fund debt. Audit staff completed a utility rate study in 2016. Utility rates will increase nominally in the future as recommended to ensure rates are sufficient to cover operating expenses, annual scheduled debt payments, and future project costs, per the rate study. Cash reserves will be vital once future capital improvement projects are scheduled.

Nilson explained the ratio analysis included in the management letter, which is a comparison between the City of Zimmerman, cities within Sherburne County and cities of similar size located outside the County. Comparatively, the City of Zimmerman is financially healthy. Nilson concluded by commenting that communication with staff is excellent and staff is well prepared for the audit, which makes the audit a positive experience for AEM. Staff has good processes in place and is always prepared for field work so that the audit runs smoothly. The audit was completed within the scheduled timeframe. Nilson thanked Council for the continued relationship with AEM to complete audit services.

Commitment of Unassigned Fund Balance

As identified during the audit presentation, Council should consider the commitment or transfer of unassigned fund balance in order to reduce the amount of unassigned fund balance to approximately 60% of the City's annual budgeted operating expenditures, as recommended by the City Auditor. Staff recommends the transfer or commitment of unassigned fund balance as follows:

RESOLUTION 2020-03-06 Whiting/Shepard adopt Resolution #20-03-06, approving the commitment or transfer of unassigned General Fund Balance as presented and as recommended by staff.

Acceptance of 2019 Audit Report

Shepard/Whiting unanimous to accept the 2019 Audit Report and Financial Statements as presented and approve the submission of said reports to the Office of the State Auditor by AEM, as recommended by staff.

LAW ENFORCEMENT REPORT

Patrol Captain Bob Stangler, Sherburne County Sheriff's Department, provided an overview of law enforcement activities for the month of February 2020. The department received 368 calls for service, including 124 traffic stops with 37 offenses charged by citation, not including long form complaints or in-custody arrests. During the same period in 2019, there were 362 calls for service, with 537 calls in 2018. Stangler noted the significant number of traffic stops in town in 2018 and speculated that there may have been an enforcement project or changes with staffing to account for the larger number of traffic contacts at that time. No burglaries were reported, and three theft reports made. The department also responded to 7 vehicle crashes. No criminal damage to property complaints were received. Stangler reviewed other types of calls made during the month, noting no significant trends or incidents were reported.

Captain Stangler identified changes in emergency response protocol in response to the COVID-19 outbreak, detailing steps the Sheriff's Department is taking to lessen face-to-face contact where possible to protect residents and law enforcement staff. He added that the situation is very fluid and rapidly changing, however they are following recommendations set forth by the MN Department of Health (MDH) and the Centers for Disease Control (CDC). Administrative Staff and Emergency personnel are meeting with local authorities regularly until the situation is more stable and under control. Information will be released as warranted.

Council agreed by unanimous consensus to accept the Law Enforcement Report for February 2020 as presented.

PUBLIC WORKS REPORT – presented by Public Works Director Keith Koehler

Department Response to COVID-19

Koehler reported that he has met with staff and Fire Chief Maloney and intends on the following precautions in response to COVID-19. In order to lessen face-to-face contact with people, non-emergency meter appointments will be suspended for the foreseeable future. Public Works Staff will be working in split crews, with one crew working Mondays, Wednesdays, and Fridays, and the second crew working Tuesdays and Thursdays. As a reminder, City water is treated with chlorine and wastewater goes through ultraviolet protection, so City water is safe to use. He reminded residents that nothing besides toilet paper should be flushed, such as disposable wipes, napkins and paper towels, because those items can clog sewer lines and cause unnecessary and costly back-ups. Koehler also suggested suspending water-shut offs due to delinquency for the time being.

Stay/Whiting unanimous to suspend water shut-offs due to delinquency and non-emergency meter appointments for a period of six weeks effective immediately, as recommended by staff.

ADMINISTRATOR'S REPORT – presented by City Administrator Randy Piasecki

Advance of MSAS Funds – 2020 Morrison Addition Improvements

Council awarded the contract for the 2020 Morrison Addition Improvements to C & L Excavating. Streets within this project area are on the City's Municipal State Aid Street (MSAS) System and eligible for MSAS funding for reconstruction. In a memo provided by Engineer Bittner, he explains that Council must adopt a resolution requesting an advance of funds for project expenses.

RESOLUTION #2020-03-07 Stay/Shepard unanimous to adopt RESOLUTION #2020-03-07, requesting an advance of \$1,054,675 in Municipal State Aid Street funds for the 2020 Morrison Addition Improvement Project, as recommended by staff and the City Engineer.

Easement and Property Acquisition for Great Northern Trail Construction

Sherburne County Public Works is preparing for the construction of the Great Northern Trail into the City utilizing former Burlington Northern right-of-way. A portion of the trail will be constructed on the City's property, which is the access road to the compost site, through the widening of the roadway. A segment of the trail also needs to be constructed on property southwest of the existing Nelson Nursery greenhouses, which is owned by Mike Lemke. Lemke has agreed to grant easement to both the County and the City for development of the trail. The unbuildable parcel lies immediately north of the City's wastewater treatment plant/compost site. Lemke has agreed to convey the easement for a total cost of \$2,000, half of which is proposed to be paid by Sherburne County.

Bondhus/Whiting unanimous to approve the acquisition of Parcel #30-016-4200 and easement from Michael Lemke in the amount of \$1,000 (ck #XXXXX), in partnership with Sherburne County Public Works, for an easement necessary for a portion of the Great Northern Trail, as recommended by staff.

COVID-19 Preparedness

Administrator Piasecki reported that he has spent a significant portion of the day discussing COVID-19 with the Mayor, administrative staff and emergency management personnel, including Fire Chief Maloney and Captain Stangler. The League of MN Cities (LMC) has also compiled a pandemic guide for Cities in order to ensure continuity of service considering the COVID-19 pandemic. Council discussed the draft Community Health Emergency Plan, draft addendum to the personnel policy to ensure for emergency leave for affected employees, and a resolution declaring a Community Health Emergency, which several cities across the state are considering at this time. The plan is designed to outline three phases of action related to a potential community health emergency, such as COVID-19. The plan provides the context in which it can evaluate the services it provides and at what levels actions would be necessary to provide and protect critical services and the City personnel responsible for providing those services.

Staff is closely following guidelines set forth by the MDH and CDC regarding COVID-19. Public Works has taken steps within the department to limit contact between employees and the public. On the Administrative side, City Hall is not currently closed, however, staff recommends limiting face-to-face conduct of business and attempting to conduct business by phone or email as much as possible. If directed by the State or County to close, the City would do so.

The amendment to the Personnel Policy for community health emergency leave provides a framework on how City employees are impacted by changes in service levels, closing of facilities and the need to continue providing critical services during a community health emergency. The draft amendment provides for compensation for employees who are temporary displaced from performing their work due to service disruptions. It also provides for additional paid sick leave to be used for quarantine after contact with an infected person, to assist in caring for infected family members or themselves should they become infected. It also allows for employees to work remotely and/or perform duties outside of normal work assignments as needed to meet critical service needs.

Shepard/Whiting unanimous to adopt the Community Health Emergency Plan as recommended by staff.

Shepard/Whiting unanimous to approve an amendment to the City of Zimmerman Personnel Policy relating to Community Health Emergency Leave, as recommended by staff.

RESOLUTION 2020-03-08 Shepard/Whiting unanimous to adopt RESOLUTION 2020-03-08, declaring a Community Health Emergency related to COVID-19 until May 1, 2020, or such date as amended.

MAYOR/COUNCIL ITEMS

Upcoming Meetings and Events

Mayor Stay noted the following:

- Due to recent school closures by Governor Walz, the Special Council meeting scheduled at Westwood Elementary School on March 24 has been cancelled.
- March 28 -- Passing the Bread Food Distribution – 9 – 11 a.m.; UMA Precision Machining; Residents should contact Passing the Bread for any changes to the distribution event schedule.
- April 13 -- Local Board of Appeal and Equalization – 9:00 a.m., Zimmerman City Hall – Staff will contact the County Assessor's Office to determine if the meeting will still take place.

Before adjourning, Mayor Stay asked for a moment of silence in honor of US military personnel at home and abroad as well as emergency management and health care personnel serving in the community.

Stay/Whiting unanimous to adjourn the meeting at 8:03 p.m. Motion carried.

Approved this 6th day of April 2020.

s/s Kary Tillmann, Clerk/Treasurer

Approved 04/06/2020