

**MINUTES OF THE REGULAR MEETING  
OF THE ZIMMERMAN CITY COUNCIL  
MONDAY, APRIL 1, 2024**

**CALL TO ORDER**

The regular meeting of the Zimmerman City Council was called to order at 7:00 p.m. at City Hall by Acting Mayor Whiting, followed by the Pledge of Allegiance.

**ROLL CALL**

Present: Acting Mayor Whiting, Council Members Dahl, Earenfight, and Farber. Mayor Stay was excused absent. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann, Public Works Director Koehler, Streets, Parks, and Utilities Supervisor Dallager, and Engineer Bittner.

**AGENDA APPROVAL**

**Earenfight/Farber unanimous to approve the agenda as presented.**

**CONSENT AGENDA**

**Farber/Earenfight unanimous to approve the consent agenda as follows:**

- a. Approve the minutes of the March 18, 2024 Regular Meeting of the City Council as presented.
- b. Approve the payment of claims (check #46062 - #46109) in the amount of \$40,637.97 and electronic payments (e-check #2852e - #2857e) in the amount of \$91,452.88 as presented.
- c. Authorize payment to Abdo (check #46110) in the amount of \$6,000.00 for partial payment for certified audit services for the year ending December 31, 2023, as identified on Invoice #485567 as presented and as recommended by staff.
- d. Approve the League of Minnesota Cities Insurance Trust Property/Liability Policy renewal as presented and authorize premium payment in the amount of \$73,756.00 (ck #46111) to the League of Minnesota Cities Insurance Trust as presented and as recommended by staff.
- e. Adopt **RESOLUTION #2024-04-01** approving Pay Request #12 in the amount of \$1,001,226.75 (ck #46112) submitted by Magney Construction, Inc., for expenses related to the construction of the 5<sup>th</sup> Street W Tower and Water Treatment Plant, as recommended by staff and the City Engineer.
- f. Accept Invoice #24-0031, authorizing payment to OTI Inc., in the amount of \$34,225.00 (ck #46113) for grinding services at the City Compost Site, as recommended by staff.
- g. Accept Invoice #9576 in the amount of \$15,444.00 (ck #46114) authorizing payment to the Sherburne County Auditor/Treasurer's Office for 2024 Appraisals of Real Estate and Personal Property and Mobile Homes by the Sherburne County Assessor's Office as recommended by staff.
- h. Authorize payment to the Zimmerman/Livonia Fire Relief Association in the amount of \$110,023.12 (ck#46115), as State Fire Aid and Supplemental State Fire Aid, as identified by the MN Department of Revenue.
- i. Adopt **RESOLUTION #2024-04-02**, approving a temporary liquor license for the Zimmerman Community Club, 1978 Alpha Road, Princeton, MN 55371, during Wild West Days to be held at the Zimmerman City Park, 25850 Main Street, Zimmerman, MN 55398, on May 23 – 26, 2024.
- j. Adopt **RESOLUTION #2024-04-03**, approving the Lawful Gambling Application for Exempt Permit for the Post 560 Sons of the American Legion for a gambling event to be held November 27, 2024, at the Kriesel-Jacobson American Legion Post 560, 12674 Fremont Avenue, Zimmerman, MN 55398.

**OPEN FORUM**

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

**2023 AUDIT PRESENTATION**

**John Stachel, Senior Associate, Abdo LLP**, was present to present the City's 2023 Audit report, stating that the 2023 audit was completed in early February. Stachel referenced the Executive Governance Summary dated March 26, 2024 advising that Abdo's job as the City's contracted audit firm is to give an opinion on the financial statements. According to their testing, the numbers presented are correct and consistent and Abdo gives 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. Stachel added that the audit did not identify any areas of non-compliance with MN statutes or financial requirements. The council was reminded of the importance of their involvement and participation in all areas of finance.

Stachel reviewed the audit with the City Council. There was one comment related to internal controls in the 2023 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. There was also one other finding related to Developer escrows, which was identified in the 2022 audit as well. City Staff has discussed this issue at length with Audit staff and continues to work to resolve the issue. In addition, due to the amount of funding received from the MN Public Facilities Authority, a single audit related to Federal funding was required. Audit staff found that the City has not adopted a Uniform Guidance Policy, which is required when Federal funds are dispersed.

Stachel reported that the City's fund balance has increased since year-end 2022. 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 continues to discuss commitment of additional funds for capital improvements and capital equipment, as well as transfers of fund balance to the EDA and Park Fund. Expenditures have remained constant over the past 5 years, with 2023 expenses under budget.

The cash balance of the Water Fund has remained 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.

Stachel explained the ratio analysis included in the presentation slides, which is a comparison between the City of Zimmerman, cities within Sherburne County and cities of comparable size located outside the County. Comparatively, the City of Zimmerman is financially healthy. Stachel 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 Abdo. Staff have good processes in place and are prepared for fieldwork, so the audit runs smoothly. Stachel thanked Council for the continued relationship with Abdo to complete audit services.

**Dahl/Earenfight unanimous to accept the 2023 Audit Report and Financial Statements as presented and approve the submission of said reports to the Office of the State Auditor by Abdo, LLP on behalf of the City, as recommended by staff. Motion carried.**

### **FIRE PROTECTON REPORT**

**Fire Chief Ryan Maloney** presented the Fire Department Activity Report for the month of March 2024, stating it was a very quiet month for the department. Firefighters responded to three house fires in Elk River, Livonia Township and Zimmerman. New overhead doors are being installed at Station #1. Probationary firefighters have completed Firefighter 1 and Firefighter 2 classes, with Hazardous Materials classes currently in process. The Department is fully staffed and Maloney does not anticipate any retirements in the coming year.

**Council accepted the Fire Department Report for March 2024 by unanimous consensus as presented.**

### **Station #1 Event Center Update**

**Cindy Hunnicutt, Station #1 Event Center Coordinator** provided an update of activities for Station #1. Hunnicutt continues to schedule events at the facility, with 18 events scheduled in April so far. The updated website will be live in about a week, and multiple leads generate through the Wedding Wire. Hunnicutt has new software in place to make scheduling and client contracts much easier to facilitate. Station #1 will be applying for a full on-sale liquor license in the near future. No action taken.

### **LAW ENFORCEMENT REPORT**

**Patrol Captain Ryan Broich, Sherburne County Sheriff's Department**, provided an overview of law enforcement activities for the month of March 2024. The department received 428 calls for service, including 115 traffic stops with 12 offenses charged by citation, not including long form complaints or in-custody arrests. During the same period in 2023, there were 294 calls for service and 272 security checks, with 359 calls in 2022. Overall, it was a busy month, with three parking lot accidents, and two property damage complaints, as well as a list of other types of calls during the month. Discussion was held regarding an incident in ISD 728 earlier in the day, as well as legislation related to law enforcement in schools.

**Council agreed by unanimous consensus to accept the Law Enforcement Report for March 2024 as presented.**

### **PUBLIC WORKS REPORT**

#### **2024 Lake Fremont Area Improvements**

Engineer Bittner was present to discuss the 2024 Lake Fremont Area Improvement Project. The project, which includes Fremont Lake, Terrace Drive, Oak Street, Pine Street, Hillside Drive, Isle Road, and Fremont Drive, is ready for bid. The bid will also include a mill and overlay of Fremont Trail, surrounding City Hall. Bittner is requesting a bid opening of April 30, 2024, with results presented to Council at the May 6 meeting. Discussion was held regarding penalties levied against the successful bidder if the project is not completed on time. Bittner stated that there would be a clause related to liquidated damages included in the contract.

**RESOLUTION #2024-04-04 Earenfight/Farber unanimous to adopt RESOLUTION #2024-04-04, approving the plans and specifications and ordering the advertisement for bids on 2024 improvements on Fremont Lane, Hillside Drive, Oak Street, Fremont Drive, Pine Street, Terrace Drive and Isle Road, with a virtual bid opening scheduled for 11:00 a.m. on April 30, 2024, as requested and recommended by staff and the City Engineer. Motion carried.**

#### **MSAS Redesignations**

Engineer Bittner was present to discuss the City's Municipal State Aid Street designations due to the State's determination that certain City roads are ineligible for state aid dollars due to narrow right-of-way widths. Bittner believes it is the City's best interest to undesignate those roads and designate other roads as municipal state aid streets to still utilize MSAS dollars. The proposed routes have higher traffic counts which would be beneficial in capturing additional funding for improvements. Bittner reviewed with Council a map of the City's MSAS roads.

**RESOLUTION #2024-04-05 Farber/Dahl unanimous to adopt RESOLUTION #2024-04-05, revoking the following as Municipal State Aid Streets in the City of Zimmerman, subject to approval by the Commissioner of Transportation of the State of Minnesota:**

**Part of MSAS 109: Oak Steet** – from Fremont Drive to Terrace Drive (0.05 miles) (keeping 0.03 mile stretch from TH 169 to Fremont Drive on the MSAS system, so that Fremont Drive maintains a connection)

MSAS 110: *Terrace Drive* – from Fremont Lane to Oak Street (0.06 miles)  
MSAS 111: *Fremont Lane* – from Terrace Drive to 120<sup>th</sup> Street NW (0.68 miles)  
MSAS 121: *120<sup>th</sup> Street NW* – from CSAH 4 to Fremont Lane (0.12 miles)

**as requested and recommended by staff and the City Engineer. Motion carried.**

**RESOLUTION #2024-04-06 Farber/Dahl unanimous to adopt RESOLUTION #2024-04-06, establishing the following as Municipal State Aid Streets in the City of Zimmerman, subject to approval of the Commissioner of Transportation of the State of Minnesota:**

Extension of MSAS 103: Main Street – from 2<sup>nd</sup> Street East to 3<sup>rd</sup> Avenue South (0.20 mi.)

Extension of MSAS 125: 2<sup>nd</sup> Street East – from Main Street to 2<sup>nd</sup> Avenue South (0.21 mi.); then again from 2<sup>nd</sup> Avenue North to 5<sup>th</sup> Avenue North (0.20 miles) (total of 0.41 miles)

MSAS 127: 5<sup>th</sup> Avenue North – from 4<sup>th</sup> Street West (CR 45) to 2<sup>nd</sup> Street East (0.32 miles)

**as requested and recommended by staff and the City Engineer. Motion carried.**

#### Class A Wastewater Licensure

Public Works Director Koehler reported that Wastewater Plant Manager Jake Olson has recently completed and passed the testing for the Class A Wastewater Certification. Council congratulated Olson on his accomplishment. Discussion was held regarding the Wastewater Plant expansion currently in process and the potential need for an A operator on City Staff should the MPCA designate the City's facility as an "A" level wastewater plant. No action taken.

#### **ADMINISTRATOR'S REPORT**

##### Joint Powers Agreement – Great Northern Trail

Sherburne County has received approximately \$412,000 in grant funding for the construction of an extension of The Great Northern Trail from Main Street and 2<sup>nd</sup> St E, north to 5<sup>th</sup> Ave N in Zimmerman. The County will provide the grant-required 20% match equal to approximately \$102,000 to fund an anticipated \$514,000 trail extension. As part of this extension project, the County has requested the City enter into a Joint Powers Agreement (JPA) for the construction and maintenance of this segment. This segment to be constructed is a significant improvement to the Trail and will bring users deeper into the City and its businesses and features. At the conclusion of this construction, trail users will be able to travel from Elk River north through the city to 5<sup>th</sup> Ave N, which includes an existing trail link to CH 45.

Staff presented the JPA drafted by Sherburne County and submitted for City review and approval. Staff provided copies of the JPA to contracted legal and engineering staff, neither of whom have issue with the form or content of the agreement. Per the terms, the City is responsible for all permitting and right of way acquisition for construction and is responsible for trail maintenance upon completion. After consulting with the County, there is no additional right of way to be acquired as the segment will be constructed in city and county right of ways, and in city owned properties north of 2<sup>nd</sup> Ave N (city's former railroad right of way). Per the City Engineer, there are few if any permits that will be required, as the construction occurs within existing right of way areas. Any permits that may be required would be minor in nature and expense. The trail agreement between the County and the Cities of Elk River and Zimmerman requires the cities to maintain the segment of trail within its corporate

limits, while the County maintains rural or township segments.

**Earenfight/Farber unanimous to approve a Joint Powers Agreement with Sherburne County for the construction and maintenance of a segment of the Great Northern Trail, between Main Street and 5<sup>th</sup> Avenue North, as recommended by staff and the City Engineer. Motion carried.**

Request for Temporary Construction Easements

As part of the TH169 Interchange project, Sherburne County will construct a southern entrance into the City using the 255<sup>th</sup> Avenue and 2<sup>nd</sup> Street East alignments. The 2<sup>nd</sup> Street East alignment south of Main Street is the city's former railroad right of way. To construct 2<sup>nd</sup> Street East, the County will impact portions of City Park in the areas of the existing park and ride lot and immediately east of the Civic Building. The County is requesting Temporary Construction Easements over these areas for a period of 24 months while improvements are constructed.

Staff presented proposed easements and diagrams for the two easements on city property described as Parcels 14 and 20 in the County construction plans. These easements are necessary to grant the County access to property to construct and grade street and trail installations included in the development of the southern entrance. City staff and the City Engineer recommend granting the temporary easements as requested.

**Earenfight/Dahl unanimous to grant temporary construction easements to Sherburne County over city-owned properties identified as Parcels 14 and 20 in County construction plans for the reconstruction of 2<sup>nd</sup> Street East lying south of Main Street, as recommended by staff and the City Engineer.**

MAYOR/COUNCIL ITEMS

Council agreed by unanimous consensus to cancel the Committee of the Whole Meeting scheduled for Monday, April 8, 2024, with the potential for a workshop session later in the month.

Acting Mayor Whiting noted the following upcoming events:

- April 15 – Local Board of Appeal and Equalization – 9:00 a.m. -- Zimmerman City Hall
- April 27 – Zimmerman/Livonia Clean Up Day – 8 a.m. – 12 Noon – Livonia Town Hall
- April 27 -- Passing the Bread Food Distribution – 9 – 11 a.m. -- UMA Precision Machining

**Whiting/Stay unanimous to adjourn the meeting at 7:43 p.m. Motion carried.**

Approved this 15th day of April 2024.

s/s Kary Tillmann, Clerk/Treasurer