

**MINUTES OF THE REGULAR MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, APRIL 2, 2018**

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, Council Members Nathe and Whiting. Members Brisbin and Smith were excused absent. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann, Public Works Director Johnson and Operations Coordinator Koehler.

AGENDA APPROVAL

Nathe/Whiting unanimous to approve the agenda as presented.

APPROVAL OF MINUTES

Whiting/Nathe unanimous to approve the meeting minutes of the March 19, 2018 Regular Meeting as presented.

CONSENT AGENDA

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

- a. Approve the payment of claims (check #39906 - #39937) in the amount of \$49,886.36, and electronic payments (#1622 – #1632) in the amount of \$172,438.37 as presented.
- b. Accept invoice #1014737 in the amount of \$5,295.75 (ck#39938), authorizing payment to Aqua Aerobics, Inc., for a motor mixer for the SBR, as requested and as recommended by staff:
- c. Approve the license application for a Sewer and Water Installer, for the period of April 3 – December 31, 2018, as requested by John Schmitz, dba JP Schmitz Construction Company, LLC, 16450 – 117th Avenue N, Maple Grove, MN 55369.
- d. Approve the permit application for fireworks sales for Jim Kreml dba Funworks Fireworks, 24690 – 116th Street, Zimmerman, MN 55398, at the location of Angeno's Pizza and Pasta/Zimmerman Bar & Grill, 13100 Fremont Avenue, Zimmerman, for the period of May 24 – July 5, 2018, as requested.

OPEN FORUM

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

FIRE DEPARTMENT REPORT

Fire Chief Ryan Maloney presented the Fire Department Activity Report for the month of March 2018. The Department responded to 5 medicals, 3 gas leaks, 5 personal injury motor vehicle accidents, a carbon monoxide call, a grass fire, a residential house fire and provided mutual aid at a house fire in Elk River. Chief Maloney reported that four (4) firefighters will be graduating from the academy on April 18. The Department is working with the Sherburne County Sheriff's Department on an upcoming Active Shooter training. The Fire Board recently accepted the purchase agreement for the purchase of a property located at County Road 46 and CSAH 4. Once the land is purchased, the Department will erect a sign identifying the Fire Board's future plans for the property.

Council accepted the Fire Department Report for March 2018 by unanimous consensus as presented.

2017 SHERIFF'S ANNUAL REPORT

Joel Brott, Sherburne County Sheriff, presented an annual report of activities and services provided by the Sherburne County Sheriff's Department for 2017. This is an overview of the reports Captain Stangler provided monthly to the Council throughout 2017. The Sheriff's Department has provided contracted law enforcement services for the City of Zimmerman for more than 20 years and enjoys a solid partnership with the City. In 2017, Sheriff's Deputies made 5,138 contacts in the City, including traffic complaints, accidents, medical related

incidents, fires, assaults, burglaries, drug related incidents and conducted many types of investigations. Brott noted that the numbers reflect contacts with people within the City limits, but not necessarily with City residents. The call load has increased significantly from 2016, however the severity of calls received has not changed much from previous years. Brott believes the reason for the increase is simply that Deputies are making more contacts with people, including increased security checks on homes and businesses. Brott noted that four (4) new Deputies were hired by the Sheriff's Department in 2017. The Jail received accreditation through the American Correctional Association and the Department is currently working on the Public Safety Communications Accreditation for the Dispatch Center.

Council thanked Sheriff Brott and the Sheriff's Department for their work within the City.

2017 AUDIT PRESENTATION

Steve McDonald, Managing Partner, Audit Manager, Abdo, Eick, and Meyers (AEM), LLP, presented the City's 2017 Audit report. McDonald referenced the Management Letter dated March 7, 2018, 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. Council was reminded of the importance of their involvement and participation in all areas of finance.

McDonald reviewed the Management Letter with the City Council. There was one comment related to internal controls in the 2017 audit, regarding drafting of the audited financial statements and related footnote disclosures as part of the regular audit services they provide. Comments relating to the preparation of the financial statements are hard to eliminate due to the technical nature of auditing standards under GASB principles. The City has good compensating controls in place to reduce the finding to a significant deficiency. Also, several Capital Improvement funds show deficit balances at the end of 2017; however, staff has identified funding sources, such as federal grants, Municipal State Aid (MSA) funds and special assessments, to eliminate the deficit balances over time, which are identified in the report.

McDonald reported that the City's fund balance increased by \$198,927 from 2016. Currently, the City's unrestricted General Fund balance is at about 81%, which is slightly less than the previous year. Council has identified a desire to maintain a minimum 50% of Fund Balance as unrestricted for operating expenses, and has committed approximately \$430,000 for specific purposes. Expenditures have been maintained at a relatively constant level over the past 5 years, with expenses for 2017 lower and revenues collected higher than anticipated. 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 over the next three years to ensure they are sufficient to cover operating expenses, annual scheduled debt payments, and future project costs, per the rate study.

McDonald explained the ratio analysis included in the management letter, which is a comparison between the City of Zimmerman and cities of similar size. Comparatively, the City of Zimmerman is financially healthy. He 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. McDonald thanked Council for the continued relationship with AEM to complete audit services.

Whiting/Nathe unanimous to accept the 2017 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.

PUBLIC WORKS REPORT – presented by Public Works Director Johnson

Bid Award – 2018 Pavement Preservation Project

Piasecki reported that bids were opened on March 28th for the 2018 Pavement Preservation project. Four bids were received for the work. Allied Blacktop Company was the apparent low bidder, at a cost of \$204,728.14, which is approximately \$16,000 below the Engineer's estimate. Staff reviewed the bids with Engineer Bittner and recommends the project area be expanded to include the bituminous trail along County Road 45. If Council is amenable to an increased project area, Bittner will request a change order from the Contractor to include the additional trail way.

RESOLUTION #18-04-01 Nathe/Whiting unanimous to adopt RESOLUTION #18-04-01, awarding the bid for 2018 Street Preservation Project to Allied Blacktop Company at a total bid of \$204,728.14, as recommended by staff and the City Engineer.

ADMINISTRATOR'S REPORT – presented by City Administrator Randy Piasecki

Donation for Moving Wall Traveling Memorial

Karen Michels, Executive Director of the Princeton Chamber of Commerce, addressed the Council during Open Forum at the March 19th meeting regarding the Vietnam Veterans Memorial Moving Wall which will be in the area in July. At that meeting, Council questioned the City's ability to donate funds towards expenses related to bringing the attraction to the area. Staff consulted with the City Attorney, who cited MS 465.50, allowing an expenditure of up to \$300 in observance of Memorial Day or in the commemoration of the noble and valiant deeds of the nation's soldier dead.

Earenfight/Whiting unanimous to approve a donation in the amount of \$300 to the Princeton Chamber of Commerce, to be used toward expenses related to the Vietnam Veterans Memorial Moving Wall, pursuant to MS 465.50.

Planning Commission Report of March 28, 2018

The Planning Commission met on March 28th to conduct a public hearing regarding a request to amend Section 8.0881, Subd. 2 of the City's Zoning Code. Currently, City Code requires all business operations in the C-2 District be conducted in enclosed buildings, with certain exceptions. The request was to add commercial recreational facilities to the list of exceptions, thereby allowing them to be outdoors. The Planning Commission recommended approval of the amendment, which would apply to the entire C-2 District.

Council discussed an anticipated CUP application relating to the requested code amendment. A public hearing with the Planning Commission on the CUP application is scheduled for April 24. The Code amendment is the first step in the process. Community comments on the CUP application would be taken at the public hearing and are taken into consideration when making a recommendation to approve or deny the CUP. The Planning Commission and Council can also attach conditions to a CUP, which can be revoked if conditions are violated.

Earenfight/Whiting to approve an amendment to Section 8.0881, Subd. 2 of the Zoning Code, adding commercial recreational facilities to uses excepted from being conducted within an enclosed building in the C-2 District. Roll call on the motion: Earenfight, aye; Nathe, naye; Whiting, aye. Motion failed because Minnesota Statute requires a majority of the full council, which in this instance would be three (3) aye votes, to amend a zoning ordinance.

Nathe/Whiting unanimous to accept the March 28, 2018 Planning Commission Report as presented.

MAYOR/COUNCIL ITEMS

Mayor Earenfight noted the following:

- Due to a lack of agenda items, the Committee of the Whole Meeting scheduled for Monday, April 9, 2018 has been cancelled.
- Local Board of Appeal and Equalization – Monday, April 16; 9:00 a.m., Zimmerman City Hall
- Passing the Bread Food Distribution – Saturday, April 28; 9 – 11 a.m.; UMA Precision Machining 26833 – 5th Street West, Suite A
- Zimmerman/Livonia Clean-Up Day – April 28; 8 a.m. – Noon, Livonia Town Hall, 11162 – 265th Avenue NW

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

Whiting/Nathe unanimous to adjourn the meeting at 7:47 p.m. Motion carried.

Approved this 16th day of April 2018.

s/s Kary Tillmann, Clerk/Treasurer

APPROVED 04/16/2018