

**MINUTES OF THE REGULAR MEETING  
OF THE ZIMMERMAN CITY COUNCIL  
MONDAY, APRIL 5, 2021**

**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: Council Members Bondhus, Dahl, Frederick, and Whiting. Mayor Stay was excused absent. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann, Public Works Director Koehler and Fire Chief Maloney.

**AGENDA APPROVAL**

**Frederick/Bondhus unanimous to approve the agenda with the addition of Employee Recognition under Mayor/Council Items.**

**CONSENT AGENDA**

**Bondhus/Frederick unanimous to approve the consent agenda as follows:**

- a. Approve the payment of claims (check #42998 - #43061) in the amount of \$77,085.65 as presented.
- b. Authorize payment in the amount of \$7,300.00 to Abdo, Eick & Meyers, as final payment for certified audit services for the year ended December 31, 2021, per the agreement on file in the Clerk/Treasurer's Office.
- c. Authorize payment to Total Control Systems as identified in Invoice #9505 in the amount of \$18,194.67 for SCADA improvements approved by Council on April 20, 2020, with funds to be taken from the Water Fund Budget (601-49400-408), as recommended by the Public Works Director.
- d. Approve payment to the Zimmerman/Livonia Fire District in the amount of \$8,935.24 (ck #XXXXX) as identified on Pledge #1114 for the City's portion of miscellaneous expenses for the Fire Hall and Event Center, to be paid from bond proceeds, as recommended by staff.
- e. Approve the donation of \$500 to the Zimmerman High School Booster Club for the 2021 All-Night Graduation Party, for account #101-41110-490.
- f. Accept the March 2021 Building Permit Summary Report as presented.
- g. Adopt **RESOLUTION #21-04-01**, approving the Lawful Gambling Application for Exempt Permit for the Elk River Lions Club for gambling events to be held May 28 - 30, 2021 during Wild West Days at the Zimmerman City Park, 25850 Main Street, Zimmerman, MN 55398.
- h. Adopt **RESOLUTION #21-04-02**, approving a temporary liquor license for the Elk River Lions Club, PO Box 736, Elk River, MN 55330 during Wild West Days to be held at the Zimmerman City Park, 25850 Main Street, Zimmerman, MN 55398, on May 28 - 30, 2021.
- i. Approve the license application for a Solicitor for the period of April 6, 2021- April 5, 2022, for door-to-door solicitation by Nicholas McDonald of Edward Jones Financial, 26055 Main Street, Zimmerman, MN 55398, pending receipt of all required documentation and necessary fees.

**OPEN FORUM**

**Ron Mathison** representing the Zimmerman American Legion Post was present to request Council consider a financial donation towards the Memorial Day Fireworks display. Clerk/Treasurer Tillmann noted that since 2013, Council has annually donated monies on behalf of the City to the Legion for the display. Funds are available in the Council budget should a donation towards the annual fireworks display be approved. Council suggested the Legion provide their request in writing to be considered with regular Council bills at the next meeting.

**FIRE DEPARTMENT REPORT**

**Fire Chief Ryan Maloney** presented the Fire Department Activity Report for the month of March 2021. The Department responded to 6 medicals, 4 personal injury motor vehicle accidents, 2 fire alarms, aided 2 individuals in need, a vehicle fire, 2 residential garage fires, 2 house fires and provided mutual aid to Baldwin Fire & Rescue. Maloney stated that the Department recently concluded training with the new ladder truck and annual physicals were scheduled for later in the week. The new Fire Hall is nearly complete.

**Council accepted the Fire Department Report for March 2021 by unanimous consensus as presented.**

**APPROVAL OF MINUTES Frederick/Dahl unanimous to approve the meeting minutes of the March 15, 2021 Regular Meeting as presented.**

**2020 AUDIT PRESENTATION**

**Justin Nilson, Audit Manager, Abdo, Eick, and Meyers (AEM), LLP**, was present via Zoom to present the City's 2020 Audit report, stating that the 2020 audit was completed entirely remote, with audit staff working closely with City staff via Zoom and email to test everything that is usually done in person throughout the audit. Nilson referenced the Management Letter dated March 18, 2021 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 2020 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. Audit staff also identified a material adjustment relating to expenses for the new Fire Station that were incurred in 2020 but not paid until 2021 due to the Contractor's billing cycle.

Nilson reported that the City's fund balance has increased since year-end 2019. 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 been maintained at a relatively constant level over the past 5 years, with 2020 expenses under budget, however, due to the receipt of CARES Act funding, General Fund revenues were over budget.

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.

**Frederick/Dahl unanimous to accept the 2020 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. Motion carried.**

**PUBLIC WORKS REPORT** – presented by Public Works Director Keith Koehler

Purchase of Bobcat TOOLCAT and Accessories

Staff has discussed with Council the need to upgrade equipment and dispose of older equipment that is underutilized by the department and impacting storage capacity at the City Shop. Staff has secured a quote from Lano Equipment from State bid pricing for the purchase of a Bobcat 5600 TOOLCAT Utility vehicle with accessories, including a duty bucket, snowblower attachment and bedliner. Pricing for the described equipment totals \$59,482 less \$15,000 trade value for the John Deere 1600 mower/blower and \$7,000 for a 2007 Kubota utility vehicle.

**Whiting/Dahl unanimous to approve the purchase of a Bobcat 5600 TOOLCAT and accessories at State bid pricing from Lano Equipment, Inc., including the trade in of a John Deere 1600 mower/blower and a 2007 Kubota Utility vehicle, for an acquisition price of \$37,482.65, as recommended by staff. Motion carried.**

**FINANCE REPORT** – presented by Clerk/Treasurer Kary Tillmann

Late Fees on Utility Bills

In 2020 due to COVID, Council directed staff to cease charging late fees on utility accounts considering Executive Orders not allowing shutoffs for delinquent utilities. Current Executive Orders still do not allow utilities to be turned off due to non-payment, however, there are currently 132 City utility accounts that are delinquent at this time, totaling over \$38,000 in unpaid water and sewer bills. The City is only allowed to certify delinquent utilities one time per year, in November.

**Council directed staff to notify all delinquent account holders that late fees will be applied to delinquent utility accounts in 90 days, unless residents provide source documents identifying a hardship prior to July 5, 2021.**

Reinvestment of City Funds

Consideration of this item will be delayed until April 19, 2021 to allow more time to secure rate information from brokers.

**ADMINISTRATOR'S REPORT** – presented by City Administrator Randy Piasecki

March 24, 2021 Planning Commission Report

The Planning Commission held a public hearing at their regular session on March 24, 2021.

Conditional Use Permit – Oversized Garage in R1-A District

Resident Dan Swee presented his request to build an oversized garage on property located at 13559 Oakwood Road. The 1,400 square foot detached structure would be built in the rear yard of the property with 16' sidewalls and roofing and siding matching the existing residential structure. Current City code allows oversized structures up to 2,000 square feet in the R1-A District with a Conditional Use Permit. No public comments were heard or received.

**Bondhus/Dahl unanimous to approve the Conditional Use Permit for an oversized garage not to exceed 2,000 square feet for the property located in the R-1A District at 13559 Oakwood Road identified as Lot 6,**

**Block 2, Pleasant Hills, as requested by Daniel and Lorraine Swee and recommended by the Planning Commission. Motion carried.**

Riverside Development Company of Princeton -- Final Plat – “Huntington Fourth Addition”

Marly Glines, representing Riverside Development, was present to answer questions about the plat of Huntington Fourth Addition. Originally, twenty-nine (29) lots were approved in the preliminary plat and proposed in the final and Fourth Addition. The lots have been slightly modified to provide a dedicated park property with frontage on 8<sup>th</sup> Street West and connection to the previously dedicated parcel in Huntington.

The Planning Commission recommended approval of the final plat.

**Frederick/Bondhus unanimous to approve the final plat of “Huntington Fourth Addition” as requested by Riverside Development Company and as recommended by the Planning Commission. Motion carried.**

**Dahl/Frederick unanimous to authorize the Mayor and City Administrator to execute the Development Agreement for “Huntington Fourth Addition” on behalf of the City. Motion carried.**

**Frederick/Bondhus unanimous to accept the Planning Commission report of March 24, 2021, as presented.**

**MAYOR/COUNCIL ITEMS**

Acting Mayor Whiting noted the following upcoming events:

- Local Board of Appeal and Equalization – Monday, April 12; 9:00 a.m., Zimmerman City Hall
- Passing the Bread Food Distribution – April 24; 9 – 11 a.m.; -- UMA Precision Machining

Acting Mayor Whiting noted that the Zimmerman Youth Baseball Association nominated Public Works Director Koehler for a “Community MVP” award through the Minnesota Twins Organization. Koehler was selected and had been invited to attend the Twin’s Home Opener at the end of the week.

**Council agreed by unanimous consensus to cancel the COW meeting of April 12, 2021 due to a lack of agenda items.**

**Whiting/Frederick unanimous to adjourn the meeting at 7:34 p.m. Motion carried.**

Approved this 19th day of April 2021.

s/s Kary Tillmann, Clerk/Treasurer