

**MINUTES OF THE REGULAR MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, APRIL 6, 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 and Council Member Shepherd were present in the Council Chambers. Council Members Bondhus, Frederick, and Whiting were present remotely pursuant to MN Stat. 13D.021, subd 1. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann (remote), Public Works Director Koehler (remote), Martha Ingram, Bond Counsel, Kennedy & Graven (remote), Tammy Omdal, Municipal Advisor, Northland Securities (remote), and Jessica Green, Municipal Advisor, Northland Securities (remote).

AGENDA APPROVAL

Whiting/Frederick unanimous to approve the agenda with the following addition:

- **Park Update – Public Works Report**

Roll call on the motion: Bondhus, aye; Frederick aye; Shepard, aye; Stay, aye; Whiting, aye. Motion carried.

APPROVAL OF MINUTES

Bondhus/Whiting unanimous to approve the meeting minutes of the March 16, 2020 Regular Meeting as presented. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard aye; Stay, aye; Whiting, aye. Motion carried.

CONSENT AGENDA

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

- a. Approve the payment of claims (check #41876 - #41915) in the amount of \$46,691.62 and electronic payments (e-check #1986 - #1995) in the amount of \$69,627.86 as presented.
- b. Authorize payment to in the amount of \$7,300.00 (ck #41917) to Abdo, Eick & Meyers as final payment for certified audit services for the year ended December 31, 2019, as indicated on Invoice #426732 per the agreement on file in the Clerk/Treasurer's Office, as recommended by staff.
- c. Authorize payment in the amount of \$25,256.00 (ck #41918) to Bolton & Menk for engineering and project management services for the period of January 25 – February 21, 2020 for Lake Fremont Area Infrastructure Planning and Design Services, as indicated on Invoice #247530 recommended by staff.
- d. Authorize payment in the amount of \$11,500.00 (ck #41919) to Core & Main for the purchase of a software upgrade for Sensus Flexnet Direct Meter read software and support components as indicated on Invoice # M010891, as recommended by staff.
- e. Accept invoice #2343 in the amount of \$15,311.20, authorizing payment to Metro West Inspection Services (ck #41920) for professional building inspection services in the City of Zimmerman for the month of February 2020 as indicated on Invoice #2343, as recommended by staff.
- f. Authorize payment in the amount of \$11,598.70 (ck #41921) to Princeton Electric for the formation of a pad and placement of conduit entry points for a new generator at the 6th Avenue Water Plant as indicated on Invoice #18024, to be paid from the 2020 Water Fund (Fund 601), as recommended by staff.

Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard aye; Stay, aye; Whiting, aye. Motion carried.

OPEN FORUM

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

PUBLIC HEARING – Capital Improvement Plan and Issuance of Bonds – Fire Hall Project

Mayor Stay opened the public hearing at 7:12 p.m. Administrator Piasecki stated the purpose of the hearing is to consider the City’s Capital Improvement Plan (CIP) and proposed issuance of CIP Bonds to finance the City’s portion of the Zimmerman/Livonia Fire District fire hall project. The City and Livonia Township have retained Bond Counsel Martha Ingram of Kennedy & Graven, and Municipal Advisor Tammy Omdal from Northland Securities to lead the City through the bonding process.

Martha Ingram introduced herself as Bond Counsel and summarized the proposed Fire District fire hall and event center project. Tonight’s hearing will focus only on financing the fire hall portion of the project, with another public hearing in May on the event center component. Construction of the fire hall can be financed using CIP Bonds, if the City conducts a public hearing and adopts a CIP and authorizes this issuance of bonds. The CIP is a 5-year plan through 2024. It includes only the proposed fire hall construction. Livonia Township is also moving forward with adoption of a CIP and issuance of bonds for their half of the project, with the Township’s public hearing scheduled for April 16, 2020. If the CIP and issuance of bonds is approved by a 3/5th vote of Council, that approval is valid for 5 years or the same term of the CIP. Adoption of the plan requires Council to adopt Findings 1-8 in Section III of the CIP, which have been created with the assistance of city staff.

Mayor Stay questioned if the School District debt noted in the CIP will influence the city’s ability to bond for debt. Ingram stated each jurisdiction is responsible for its own debt. The school debt has no bearing on the City’s ability to bond and is shown in the CIP as it is a Statutory requirement.

Tammy Omdal introduced herself as a Municipal Advisor with Northland Securities. She and Jessica Green of Northland are working with Ingram to complete the CIP plan adoption and issuance of bonds. Omdal explained the Finance Plan for the fire hall project. The Finance Plan proposes a \$2,560,000 General Obligation Bond for the construction of a fire hall and event center. This total includes Tax Abatement Bonds which will be presented at a future public hearing. The City and Township are equal partners in the project, and each will issue their own debt. The bonded debt will be repaid using tax levy dollars in an amount estimated to be \$178,000 per year for the next 20 years. Interest rates provided are only preliminary estimates, with actual market rates applied at the time of bond sale. Due to COVID-19 the market has been volatile, and it is currently difficult to predict interest rates. Omdal stated they are seeing good rates on the bond market and the City will likely have no difficulty securing funds. The GO Bonds will not be rated by a rating agency since they are proposed for private placement, likely to a local bank, and callable at any time should the City wish to pay early.

Omdal summarized the bonding process, additional public hearings and council approvals, with projected closing on the bonds on June 1, 2020. If Council has questions regarding the Finance Plan, Omdal will be available at upcoming meetings prior to final approval. Ingram added the Finance Plan calls for a 20-year tax abatement for the event center portion and assumes Sherburne County and ISD 728 will not participate in the abatement if requested. City staff will send letters to the County or District explaining the abatement bonding process and our expectation they will decline participation.

There being no comments from the public, Mayor Stay closed the public hearing at 7:21 p.m. Piasecki identified the 2 resolutions for adoption included in the packet as provided by Ingram. The first resolution adopts the Capital Improvement Plan and grants preliminary approval to issue bonds. The second resolution states the City’s intent to reimburse itself for project related expenses from bond proceeds.

RESOLUTION #2020-04-01 Whiting/Shepard unanimous to adopt RESOLUTION #2020-04-01, adopting a capital improvement plan for the Fire District Fire Hall project and providing preliminary approval for the issuance of bonds. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard aye; Stay, aye; Whiting, aye. Motion carried.

RESOLUTION #2020-04-02 Whiting/Shepard unanimous to adopt RESOLUTION #2020-04-02, declaring the official intent of the City to reimburse certain expenditures from the proceeds of bonds to be issued by the City. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard aye; Stay, aye; Whiting, aye. Motion carried.

Ingram, Omdal and Greene disconnected remote access and left the meeting.

PUBLIC WORKS REPORT – presented by Public Works Director Keith Koehler

Generator Purchase

Public Works Director Koehler provided information regarding the replacement of a backup generators at Lift Stations # 7 and #11. Lift #11's existing diesel generator was purchased use approximately 5 years ago and has failed in recent testing. Koehler is requesting authorization to purchase and install a 36KW natural gas generator from Kodiak Power Systems at a total cost of \$16,000, which includes a 5-year extended warranty at a cost of \$1,100. The City purchased and Kodiak installed the same style generator at both the Fire Hall and 6th Avenue Water Plant in the past year. Whiting questioned if the City should consider 2 generators at this time. Koehler stated Kodiak would consider trade-in value of the existing generators, possibly decreasing the purchase price, and prefers to keep the projects separate for that reason.

Bondhus/Whiting unanimous to approve the purchase of a Cummins 30KW natural gas generator and extended 5-year warranty from Kodiak Power Systems at a cost of \$16,000, plus third-party installation and connection fees, to be paid from the Sewer Fund. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard aye; Stay, aye; Whiting, aye. Motion carried.

Park Update

Koehler updated Council on phone calls received about people using City parks and open space areas. Per the Shelter at Home order issued by the State, parks, open spaces and trails are open but playground and other high touch areas are closed. Social distancing guidelines and recommendations are still in place. The City has posted notices in parks about play structures but does not have adequate resources to patrol public spaces. Bondhus stated there is a State hotline to call if groups are not following social distancing guidelines. This hotline was created as a contact instead of reporting to local law enforcement. Staff will post this number on the City Facebook page. Whiting stated the public needs to take personal responsibility for gatherings and social distancing. Mayor Stay reminded the public that park areas are open, but people should stay off the playgrounds, don't be in groups, and stay the recommended 6-feet apart.

Compost Site

Koehler stated the compost site is open but there is a lot of material and extra traffic on the access road. Construction equipment is temporarily stored at this location, the contract grinding company is operating on site, and the public is also accessing the site regularly. Koehler reminded the public to be mindful of traffic in the area.

ADMINISTRATOR'S REPORT – presented by City Administrator Randy Piasecki

Consideration Assistance for Vapor Remediation – SmitHops Brewery Site

SmitHops received a Conditional Use Permit (CUP) from the City in December 2019 to renovate the former ProBuild site as a brew pub. They are attempting to close on the purchase but have found environmental concerns regarding methane and petrochemical vapors under the foundation of the building. A private consultant has estimated remediation costs approaching \$70,000, and the Smith's are asking if the City would consider financial participation in the remediation. They are also reaching out the seller to see if they would contribute and intend to apply to the County EDA's revolving loan fund. Piasecki reminded Council the City did operate a landfill on this site many years ago and that use is documented by the MPCA. Piasecki suggested the Council and or EDA

consider a request at a future meeting, once more information is received. Shepard questioned if the property would be impacted by the future construction of an interchange at the intersection of CSAH 4 and US Highway 169. At this point, staff doesn't know if the site will be impacted by realignment of Hwy 169 or a future interchange. Bondhus expressed interest in participating with some level of assistance but likely not half the expense. Staff will continue to work with the Smith's and bring information to a future meeting.

Suspension of Calendar Parking Regulations

Piasecki requested Council consider suspending Calendar Parking regulations through the end of April. Koehler suggested this option to provide additional parking for those families that now have college and high school children home from school. Public Works is almost finished street sweeping, so there should be little conflict if the restrictions were suspended. Staff would notify residents via its Facebook page and City newsletter.

Shepard/Whiting unanimous to suspend calendar parking immediately through the month of April 2020. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard aye; Stay, aye; Whiting, aye. Motion carried.

Whiting asked Koehler to thank Public Works staff for everything they're doing with in response to the COVID-19 pandemic while keeping up with routine maintenance of City streets and facilities.

MAYOR/COUNCIL ITEMS

Upcoming Meetings and Events

Mayor Stay noted the following:

- Schools continue to have lunch 11 a.m. – 1 p.m. daily, however, lunches will not be provided during school Spring Break
- April 13 -- Local Board of Appeal and Equalization – 9:00 a.m., Zimmerman City Hall. The meeting will be conducted with a remote component. Residents wishing to address the LBAE are encouraged to contact the County Assessor's Office prior to the meeting.
- April 25 -- Passing the Bread Food Distribution – 9 – 11 a.m.; UMA Precision Machining

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

Frederick/Bondhus unanimous to adjourn the meeting at 7:55 p.m. Motion carried.

Approved this 20th day of April 2020.

s/s Kary Tillmann, Clerk/Treasurer