

**MINUTES OF THE REGULAR MEETING  
OF THE ZIMMERMAN CITY COUNCIL  
MONDAY, JUNE 1, 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 Members Shepard and Whiting were in the City Council Chambers. Council Members Bondhus and Frederick were present remotely pursuant to MN Stat. 13D.021, subd 1. Also present were remotely were Administrator Piasecki, Clerk/Treasurer Tillmann, Public Works Director Koehler, City Attorney Conklin (Campbell Knutson), City Engineer Bittner (Bolton & Menk), Bond Counsel Martha Ingraham (Kennedy and Graven) and Financial Consultant Tammy Omdahl (Northland Securities).

**AGENDA APPROVAL**

**Whiting/Shepard unanimous to approve the agenda with the addition of an item of note about resident George Hilyar under Mayor/Council items.**

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

**APPROVAL OF MINUTES**

**Whiting/Frederick unanimous to approve the meeting minutes of the May 18, 2020 Regular Meeting, with a correction to the spelling of Member Shepard's name. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard aye; Stay, aye; Whiting, aye. Motion carried.**

**CONSENT AGENDA**

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

- a. Approve the payment of claims (check #42068 - #42085) in the amount of \$32,098.14 as presented.
- b. Approve payment to Fergus Power Pump, Inc., in the amount of \$12,522.82 (check #42086) for semi-annual bio-solids hauling with funds be taken from the SBR budget (602-49480-460) as recommended by the Public Works Director.
- c. Authorize payment in the amount of \$6,535.97 (check #42087) to Metron-Farnier, LLC, for the purchase of water meters and related parts as recommended by the Public Works Director, with funds to be taken from the Water (601) and Sewer (602) Funds.
- d. Approve tobacco license renewals for the following establishments, for the period of July 1, 2020 – June 30, 2021, pending receipt and acceptance of all application materials, as recommended by staff:
  - Bohnhoff Enterprises, Inc., dba Frontier Liquor – 26207 Fremont Drive
  - Casey's Retail Company, dba Casey's General Store #3458 – 13140 Fremont Avenue
  - DG Retail LLC dba Dollar General Store #19543 – 12855 Fremont Avenue
  - Holiday StationsStores LLC dba Holiday Stationstore #239 – 26125 Highway 169
  - JDJ Inc., dba Uptown Off-Sale – 25965 Main Street
  - Jim's Enterprises of Zimmerman, Inc., dba Jim's Market, 26233 – 2nd Street East
  - Northern Tier Retail LLC dba Speedway Super America #4535 – 26075 – 3<sup>rd</sup> Street East
  - NVL2 LLC dba P & A Liquor – 26025 – 3<sup>rd</sup> Street East

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

## **OPEN FORUM**

**Wendy Kowalski, 26412 Lake Avenue, Zimmerman**, was present remotely to address Council regarding the resolution to issue bonds to finance the Event Center as part of the Fire District building project. Kowalski believes that if the event center is not being used for a public purpose, then abatement is outside parameters of available financing sources and therefore should not be used or allowed. She submitted documentation via fax prior to the Council meeting supporting her opinion. No action taken.

**Bob Lundgren, Commander, Zimmerman American Legion Post 560** requested to address Council during Open Forum. Due to technical difficulties, Lundgren's request was postponed until later in the meeting.

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

### Request for Eagle Scout Project Donation

Public Works Director Koehler introduced **Will Johnson, 26182 – 150th Street NW, Zimmerman**, regarding a proposal for an Eagle Scout project at the City Park. Johnson was present remotely to explain his project. Johnson proposes to restore the volleyball courts at the City park with new poles, nets, sand and a referee box. He estimates the entire project will cost approximately \$2,300 and requested Council consider a donation to the project.

**Stay/Whiting unanimous to financially support an Eagle Scout project to restore the sand volleyball courts at the City Park as proposed by Will Johnson, through the purchase of materials at a cost not to exceed \$1,600. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard, aye; Stay, aye; Whiting, aye. Motion carried.**

### Pay Request #2 – Morrison Addition Improvements

**City Engineer Bittner, Bolton & Menk**, provided a construction update of the Morrison Addition Improvement Project. Bittner also reported that the City has received advanced Municipal State Aid (MSA) funds for the project from the State of Minnesota, as well as Pay Request #2 from C & L Excavating. Staff has reviewed the pay request, finding it to be in order and recommends approval.

**RESOLUTION #2020-06-01 Whiting/Shepard unanimous to adopt RESOLUTION #2020-06-01, approving Pay Request #2 in the amount of \$403,384.82 (check #42088) submitted by C & L Excavating for expenses related to the 2020 Morrison Addition Improvement Project, as recommended by the City Engineer.**

### Employee Resignation

Koehler reported that Maintenance Technician Tom DeGreeff has submitted his resignation after nearly 15 years of service to the City. Koehler stated that DeGreeff has been a valued employee who has made significant contributions to the department and the City during his tenure. He will be missed. DeGreeff's last day will be June 11, 2020.

**Whiting/Bondhus to accept the resignation of Tom DeGreeff, Maintenance Technician, effective June 11, 2020. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard, aye; Stay, naye; Whiting, aye. Motion carried.**

## **OPEN FORUM continued**

**Bob Lundgren, Commander, Zimmerman American Legion Post 560, 12674 Fremont Avenue**, requested to address Council during Open Forum. Lundgren expressed concern about the current Stay Safe MN restrictions and the financial impacts that COVID-19 has had on restaurant and gambling operations at the American Legion Club. Lundgren is requesting Council consider waiving the Legion's assessment for the 2020 Morrison Addition Improvement project due to their extended shut down because of the Governor's Executive Orders. He also

requested Council contact the Governor's Office and request that restrictions for restaurants be loosened as soon as possible. No action taken.

**CONSIDERATION OF GENERAL OBLIGATION BONDS, SERIES 2020A – Fire Hall & Event Center**

Bond Sale Summary

**Tammy Omdahl, Financial Consultant, Northland Securities**, was presently remotely and provided an update on the anticipated bond sale for the Zimmerman/Livonia Fire District Fire Hall and Event Center. The City and Township are both proposing to issue \$2.9 million in 2020A bonds with a term of 20 years to construct the Fire Hall and Event Center. CIP Bonds will be issued for the Fire Hall portion and Tax Abatement Bonds for the Event Center portion of the project. Northland Securities solicited rates from the four banks, including the Bank of Elk River (BOER), Bremer Bank, First National Bank Milaca (FNB), and Woodlands National Bank (WNB). Three (3) proposals were returned, with BOER providing the best bond rate at 2.08%, with bonds callable at any time.

Amendment to Fire District Joint Powers Agreement (JPA)

**Martha Ingram, Bond Counsel, Kennedy & Graven**, was present remotely and provided an overview of the draft amendment to the Fire District Joint Powers Agreement between the City and Township. At the direction of the City and the Township, Ingram drafted a Cost Share Agreement, indicating the parties' desire to participate equally in costs associated with the construction of the Fire Hall and Event Center. The draft agreement has been reviewed by both City and Township Attorneys.

The Township inserted a clause whereby the City would be required to reimburse the Township all tax abatement funds collected on parcels annexed into the City. If the City Council accepts the agreement as proposed by the Township, the City accepts responsibility to pay approximately \$40,000 of the Township's debt on financing the event center, which will increase the City's levy amount for debt service and also inherently increases the costs of annexation, which may serve as a deterrent to future development in the annexation area.

City Staff and the City Attorney object to the insertion of the annexation provision into the JPA and outside of the Orderly Annexation Agreement (OAA). City staff feels it would be better to include such a provision in an amendment to the OAA instead of the Fire District JPA. Assigning a portion of the Township's debt to the City also seems contrary to an equal cost sharing agreement for the project. The Township Attorney has advised City Attorney Conklin that the Township will not remove the provision from the JPA amendment and will not sign the agreement unless the City agrees to it as written with the annexation language.

Extensive discussion was held with Bond Counsel Ingram, Financial Consultant Omdahl, and **City Attorney Conklin, Campbell Knutson**, regarding the Finance Agreement and the merits of including the annexation language in the agreement. Attorney Conklin repeatedly stated that the provision is not appropriate in the cost-sharing agreement and would be better suited in an amendment to the OAA. Attorney Conklin further stated that it is not procedurally effective to make an annexation reference outside the OAA as such a provision would not be subject to review by the State Board of Municipal Boundary Adjustments.

**Shepard/Frederick unanimous to approve the amendment to the Fire District Joint Powers Agreement between the City of Zimmerman and Livonia Township without the proposed annexation language in Paragraph 5, as recommended by staff and the City Attorney. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard, aye; Stay, aye; Whiting, aye. Motion carried.**

Award of Bond Sale

Financial Consultant Omdahl discussed with Council the property tax impacts of the issuance of bonds for the Fire Hall and Event Center project with Bond Counsel Ingram providing additional information as contained in the proposed resolution.

**RESOLUTION #2020-06-02 Whiting/Stay to adopt RESOLUTION #2020-06-02, awarding the sale of General Obligation Bonds Series 2020A in the amount of \$2,900,000 to the Bank of Elk River, fixing their form and specifications, directing their execution and delivery and providing for their payment. Roll call on the motion: Bondhus, naye; Frederick, aye; Shepard, aye; Stay, aye; Whiting, aye. Motion carried.**

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

Temporary Policy for Outdoor Customer Service Areas During Peacetime Emergency

Governor Walz’s recent Executive Order will allow restaurants and bars to reopen Monday, June 1 with limited outdoor seating. Under the Community Health Emergency declared by Mayor Stay and the City Council in March 2020, the City has the authority to enact policy for the outdoor service of customers of businesses, bars and restaurants.

City liquor requirements typically prohibit the outside sale of alcohol unless expressly permitted with annual licensure. In order for businesses to re-open under the Executive Order and remain compliant with City regulations, Attorney Conklin has drafted a resolution allowing outdoor seating and service for all businesses in commercial and industrial zones with plans submitted to the City detailing outdoor service areas.

**RESOLUTION #2020-06-03 Bondhus/Whiting unanimous to adopt RESOLUTION #2020-06-03, establishing a temporary policy for outdoor customer service areas during a Peacetime Emergency, effective immediately until December 31, 2020, as recommended by staff. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard, aye; Stay, aye; Whiting, aye. Motion carried.**

Re-Investment of City Funds

Two of the City’s investments with a combined value of approximately \$300,000 were called during the week of May 26, 2020. After securing current investment rates from brokers, staff recommends requesting investment proceeds be returned to the City until such time as investment rates improve.

**Whiting/Shepard unanimous to request investment proceeds be returned to the City of Zimmerman for investment in the future when rates have improved, as recommended by staff. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard, aye; Stay, aye; Whiting, aye. Motion carried.**

Mayor Stay declared a recess at 8:35 p.m. and reconvened the meeting at 8:42 p.m.

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

Consideration of 1995 Fire Relief Association Donation

Administrator Piasecki reported that in 1995, the Zimmerman/Livonia Fire Relief Association (FRA) donated approximately \$42,000 to the City for the purchase of a 1-acre lot adjacent to the existing fire hall. At the time, the City contemplated acquisition of the lot for a future City Hall, but Council decided to expand the fire station instead. An additional bay was added onto to the existing building, which did not impact the 1-acre lot. In the early 2000’s when Sherburne County was working with the City and a private developer to improve traffic flow by eliminating T-intersections on CSAH 4, the 1-acre site was approved by Council to serve as a storm basin to accommodate water run-off from CSAH 4.

Non-City Fire Board members, on behalf of the FRA, have requested the City consider compensating the FRA for the property since the land was not used for an addition to the Fire Hall as originally planned. City Fire Board representatives have requested the FRA provide a detailed request in writing, which has not been received. Staff

has calculated a “current day” value of the donation using the CPI calculator from the MN Dept of Labor and Industry. Attorney Conklin reminded Council that donations become the property of the body receiving them, with the donor losing all claim to it at the time of donation. Staff requested clarification and direction on how Council wished to address the informal request.

**Whiting/Frederick to table discussion on the informal request for reimbursement of the \$42,000 Fire Relief Association Donation until such time as the FRA makes the request in writing and provides requested information. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard, aye; Stay, naye; Whiting, aye. Motion carried.**

### **MAYOR/COUNCIL ITEMS**

Member Whiting reported that long-time City resident George Hilyar had recently passed away. Hilyar was active in the community throughout his lifetime, a strong supporter of the local baseball association and an avid watcher of City Council meetings. He will be missed.

Mayor Stay requested discussion regarding speed limits on residential streets, and questioned the process to decrease speed limits from 30 mph to 25 mph. Staff will acquire additional information and work with the City Engineer to draft a plan for future review by Council.

Discussion was held regarding the City’s current Community Health Declaration considering the COVID-19 pandemic. Council agreed it was time to work towards opening to the public as identified in Phase II of the Governor’s plan provided opening could be done safely while still meeting the requirements of the order. Discussion was held regarding verbiage regarding a waiver of liability on the City’s facility rental agreements, requesting Attorney Conklin review the current agreement and draft additional verbiage relating to the waiver of liability as necessary.

Council agreed by unanimous consensus to work toward in-person Council meetings beginning July 1, 2020, provided staff review airflow in the Council Chambers and appropriate social distancing measures are put in place.

**Whiting/Shepard unanimous to open City Hall to 50% capacity per Phase II of the Governor’s Stay Safe MN Order and allow the rental of City facilities with the completion of an additional liability waiver related to COVID-19. Roll call on the motion: Bondhus, aye; Frederick, aye; Shepard, aye; Stay, aye; Whiting, aye. Motion carried.**

### **Upcoming Meetings and Events**

Mayor Stay noted the following:

- June 8 Committee of the Whole meeting – cancelled due to a lack of agenda items
- June 23 – Ruby’s Pantry Food Distribution – City Park
- June 27 – Passing the Bread Food Distribution – UMA Precision Machining

Before adjourning, Mayor Stay asked for a moment of silence in honor of First Responders and Medical personnel serving our community.

**Whiting/Shepard unanimous to adjourn the meeting at 9:29 p.m. Motion carried.**

Approved this 15th day of June 2020.

s/s Kary Tillmann, Clerk/Treasurer