

**MINUTES OF THE REGULAR MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, AUGUST 16, 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: Acting Mayor Whiting, Council Members Bondhus and Dahl. Mayor Stay and Member Frederick were excused absent. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann, Public Works Director Koehler, and Engineer Bittner.

AGENDA APPROVAL

Bondhus/Dahl unanimous to approve the agenda as presented.

APPROVAL OF MINUTES

Dahl/ Bondhus unanimous to approve the minutes of the August 2, 2021, Regular Meeting as presented.

CONSENT AGENDA

Bondhus/Dahl unanimous to approve the consent agenda as follows:

- a. Approve the payment of claims (check #43393 - #43444) in the amount of \$29,094.33 as presented.
- b. Accept Invoice #272466 in the amount of \$17,827.00 (ck #43445) presented for payment by Bolton & Menk for engineering and project management services related to Water Supply Improvements for the period of May 29 – June 25, 2021, as recommended by staff.
- c. Accept Invoice #2926 in the amount of \$8,613.04 (ck#43446) authorizing payment to Metro West Inspection Services, Inc., for professional Building Inspection services in the City of Zimmerman for the month of June 2021, as recommended by staff.
- d. Approve payment to the Zimmerman/Livonia Fire District in the amount of \$124,918.18 (ck#43447) as identified on Pledge #1129 for Rochon Pay Request #11 for Construction Management services for the Fire Hall and Event Center, to be paid from bond proceeds as recommended by staff.
- e. Accept the Planning Commission Report of July 28, 2021, as presented.
- f. Authorize the City Administrator to sign the Estoppel Certificate on behalf of the City of Zimmerman, as requested by PSD LLC and Zimmerman ALF, LLC, as presented.
- g. Accept the Building Permit Surcharge Report for July 2021 as presented.

OPEN FORUM

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

PARK BOARD REPORT

Josh Bondhus, Chair, Park Board, provide the August Park Board Report. In lieu of a meeting, the Park Board hosted Night to Unite festivities in the City Park on their regular meeting night. Approximately 300 people attended the event, which included representatives from the Sheriff's Department Patrol Division, the Zimmerman/Livonia Fire Department, various local service groups, businesses, and the City Council. Park Board members and City Staff offered bounce houses, frisbee golf, and games for attendees. Bondhus thanked the evening's sponsors and prize donors for their participation in the event, which the Park Board feels was a success. Over 60 door prizes, donated by local businesses, were given out to attendees throughout the evening.

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

Consideration of Bids – Lions Park Parking Lot, Alley Paving, Trail Overlay & Rehab

Engineer Bittner was present to discuss bids received for the proposed 2021 paving projects. Bids for the project, which includes paving of the Lions Park parking lot, alley paving and trail overlays and rehab work, were opened

earlier in the day at City Hall. Seven (7) bids were received, with New Look Contracting the apparent low bidder at a total bid amount of \$596,463.60, which is 16% above the Engineer's estimate.

Whiting/Dahl unanimous to award the bid for the Lions Park Parking Lot, Alley Paving, Trail Overlay and Rehab project to New Look Contracting, at a total bid price of \$596,463.60, as recommended by staff and the City Engineer. Motion carried.

Project Updates

Engineer Bittner provided updates on the following current projects:

- **Water Tower/Well #4** – The contractor will begin drilling the test well on August 23. Staff has been in contact with surrounding businesses to advise of the project timeline.
- **269th Avenue Reconstruction** – Soil borings have been completed indicating that any improvements to the roadway would require a full re-construction, which would be very costly. Bittner will have the final bore report shortly.

No action taken.

FINANCE REPORT – presented by Clerk/Treasurer Kary Tillmann

2022 GENERAL FUND BUDGET & LEVY

Clerk/Treasurer Tillmann began the budget presentation with a broad overview of the preliminary 2021 Budget and Levy. The General Fund budget was drafted using the Budget Guide provided by the League of Minnesota Cities. Council was reminded that staff is only presenting the General Fund budget at this time. Water and Sewer Fund budgets would be presented after the preliminary General Fund budget and levy is certified by Council in September. Tillmann reviewed the budget in further detail with Council, referencing the detailed staff memo and budget spreadsheets that were included in the Council packet.

2022 Revenues

The 2022 preliminary revenue budget totals \$3,493,850, a proposed increase of \$223,384 over the 2021 revenue budget. Revenues include general taxes, state aids, fees, charges for services, permit fees, lease revenues and special levies. Certified Local Government Aid (LGA) for 2021 equals \$670,500 which is an increase of \$18,484 over the 2021 amount. One road improvement special levy remains in place in the amount of \$36,893 for current debt service for the CH 45 Reconstruction Project, which allows staff to suggest Council maintain existing levy amounts for future capital expenditures, such as road projects, technology improvements and larger equipment purchases and/or building improvements.

Currently, staff is presenting a preliminary tax levy of \$1,717,000, which is a \$202,000 increase over the adopted 2021 levy amount. Council can increase or decrease the proposed levy amount before preliminary certification. Once the preliminary levy is adopted, the levy can only be decreased prior to final certification in December. This can be done by reducing expenses, increasing revenues, or using uncommitted cash reserves as a budget balancing tool.

2022 Expenses

Preliminary 2022 expenses are proposed at \$3,450,850 an increase \$319,625 or 10.5% over 2021. This budget includes department operation expenses including personnel, anticipated expenditure of \$225,000 for 2022 street preservation, \$170,000 for future Capital Expenditures, \$37,000 in current debt service for the CH 45 reconstruction project and \$188,000 for debt service on the Fire Hall/Event Center project.

Notable changes in department expenses can be attributed to the following items:

- A scheduled increase to the Sheriff's Department contract with the final contract amount to be determined after union contract negotiations are complete
- The addition of two (2) full-time administrative staff at City Hall. A notable decrease to City Hall building maintenance as many of those repairs will be completed in 2020.
- Increase in Election budget to include two (2) elections in 2022.
- Employee health insurance premiums were budgeted at a 10% increase as suggested by the City's insurance agent. Renewal rates were made available to staff prior to the meeting, with rates proposed to increase less than 2% in 2022
- Administration suggested increase to employee wages and benefits, which includes a recommended 1-step wage increase for eligible employees and a 5% Cost of Living Adjustment (COLA) for all employees, with corresponding increases to Social Security and PERA.

Council requested staff increase the budget for operation and maintenance of City parks.

The City will have until September 30th to certify the preliminary budget and levy to Sherburne County. Council will have ample opportunity to review the budget in detail during upcoming meetings. Pending the outcome of discussion at this meeting, revisions will be made to the budget as directed by Council. There will be review of the budget at the regular Council meetings in September.

Once the preliminary budget and levy are adopted, staff will work to review and amend the budget based on direction provided by Council. The preliminary budget and levy numbers will be provided to the Sherburne County Auditor/Treasurer's Office once certified in September. Between November 10 and November 23, the County Auditor will send the notice of proposed property taxes to each taxpayer in the county. While the City is no longer required to hold a Truth in Taxation hearing, we must hold a Public Comment Meeting, which historically has been held at the first Regular Council meeting in December, with adoption of the final budget and levy at the second Regular meeting in December. The final budget and levy cannot be adopted until after November 24, and Council must adopt the final 2021 budget and certify the final tax levy to Sherburne County by December 30th.

Request for Funding – Initiative Foundation

As in past years, the Initiative Foundation has requested financial support for the 2022 budget cycle to support businesses and agencies throughout Sherburne County. Council pledged, and provided \$100 in funding in 2014 - 2016, with \$110 given in 2017-2021. The Initiative Foundation has requested Council consider a contribution of \$110 (letter attached) in 2022. The Initiative Foundation provided financing assistance for the UMA Project in 2013. The preliminary 2022 budget can accommodate a donation for the Initiative Foundation if Council chooses.

Whiting/Bondhus unanimous to approve a \$110 contribution to the Initiative Foundation in 2022. Motion carried.

MAYOR/COUNCIL ITEMS

Acting Mayor Whiting noted the following upcoming events:

- August 28 -- Passing the Bread Food Distribution – 9 - 11 a.m., UMA Precision Machining with set up in the morning on Friday, August 27
- September 6 – Labor Day Holiday – All City Offices are closed
- September 11 – City-wide Events
 - Fire Department/Event Center Open House 11 a.m. – 3 p.m.
 - Shred Event – 10 a.m. – 1 p.m. – City Hall Parking lot
 - St. John's Fall Festival – 9 a.m. – 3 p.m. – St. John Lutheran Church

- Ladies On The Loose – 10 a.m. – 2 p.m.
- Annual Firemen’s Dance -- 8 p.m. – Midnight – new Fire Hall/Event Center

Before adjourning Acting Mayor Whiting called for a moment of silence in support of United States military, emergency services personnel, health care workers and their families both at home and abroad.

Bondhus/Dahl unanimous to adjourn the meeting at 7:33 p.m. Motion carried.

Approved this 13th day of September 2021.

s/s Kary Tillmann, Clerk/Treasurer

Approved 09/13/2021