

**MINUTES OF THE REGULAR MEETING
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, DECEMBER 21, 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, Council Members Bondhus, Frederick, and Whiting. Member Shepard was excused absent. Also present were Administrator Piasecki and Clerk/Treasurer Tillmann. Public Works Director Koehler was present remotely pursuant to MN Stat. 13D.021, subd 1.

AGENDA APPROVAL

Bondhus/Whiting unanimous to approve the agenda as presented.

APPROVAL OF MINUTES

Frederick/Whiting unanimous to approve the minutes of the December 7, 2020 Regular Meeting as presented.

CONSENT AGENDA

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

- a. Approve the payment of claims (check #42707 - #42747) in the amount of \$24,679.23 and electronic payments (e-check ##2088 - #2106) in the amount of \$116,581.02 as presented.
- b. Authorize payment to NHH Roofing Plus in the amount of \$11,660.34 (ck #42748) as final payment for repairs due to storm damage at the 4th Avenue and 6th Avenue Water Plants as identified on Invoice #3483 and #3485 as presented.
- c. Approve payment to the Zimmerman/Livonia Fire District in the amount of \$373,689.34 (ck #42751) as identified on Pledge #1095 for Rochon Pay Request #5 for Construction Management services on the Fire Hall and Event Center through November 30, 2020, to be paid from bond proceeds as recommended by staff.
- d. Adopt **RESOLUTION #2020-12-05** approving the deferral of special assessments related to the 2020 Morrison Addition Improvement Project for the property identified as PID #95-405-0230, 12686 1st Avenue S, Zimmerman, as requested by Bonnie Sanders and Doug DeMars.
- e. Approve the transfer of \$25,000 from the Water Fund (Fund 601) and \$25,000 from the Sewer Fund (Fund 602), to cover 2020 expenses funded wholly by the General Fund as identified and as recommended by staff.
- f. Approve financial assistance for the Lake Fremont Improvement Association in an amount not to exceed \$500, towards the electricity expense to run the aerator on Lake Fremont during the 2019 - 2020 winter season.
- g. Approve a reduction to Letter of Credit RALI-A08297-1REE to \$67,500 to secure the remaining improvements for Maefield Estates Townhomes, as requested by the developer and recommended by staff.
- h. Adopt the 2019 – 2020 Snowmobile Trail Map as presented.

OPEN FORUM

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

LAW ENFORCEMENT RE PORT

Patrol Captain Bob Stangler, Sherburne County Sheriff's Department, presented the November 2020 Law Enforcement Report in writing. **Council accepted the report by unanimous consensus as presented.**

PUBLIC WORKS REPORT – presented by Public Works Director Koehler

Commercial Compost Site Access

Public Works Director Koehler reported that the Municipal Yard Waste Committee met on December 8, 2020 and discussed access to the four County Compost sites by commercial users. The committee decided that for 2021, commercial users from outside of Sherburne County would not be able to access Sherburne County compost areas. The group also agreed that commercial passes would not be sold in 2021. Instead, Sherburne County commercial users would be able to use the residential access pass belonging to the customer they are doing work

for, to dispose of yard waste materials. Sherburne County Zoning will be responsible for communicating new procedures to commercial haulers. New procedures will go into effect January 1, 2021.

Comments were heard from **Robert Rasmussen, owner of Zim-City High Life**, who stated that he feels the committee has found a good and fair solution for commercial users. He only does work for residential properties and feels it's appropriate to allow commercial contractors to use the site on behalf of their Sherburne County clients.

No action taken.

2020 Water/Sewer Fund Budgets

Public Works Director Koehler presented proposed 2021 Water/Sewer Fund Budgets, stating that budgets for the two funds are very close to 2020 numbers.

Bondhus/Whiting unanimous to approve the proposed 2021 Water (601) and Sewer (602) Fund revenue and expenditure budgets as presented and as recommended by staff. Motion carried.

City Skating Rinks

Public Works Director Koehler reported that staff has been flooding the City's ice rinks around the clock and are hoping ice will be good enough for skating by Christmas. Weather is playing a factor in the quality of ice, with warmer temperatures making it difficult to maintain. Due to COVID restrictions, the warming house will not be open for the 2020-21 skating season, but picnic tables will be set up in the area for seating if needed.

FINANCE REPORT – presented by Clerk/Treasurer Tillmann

Public Hearing – Proposed 2021 Fee Schedule

Mayor Stay closed the regular meeting at 7:17 p.m. for the purpose of conducting a Public Hearing on the proposed 2020 Fee Schedule.

Administrator Piasecki explained that a public hearing for the fee schedule is required because Planning and Zoning related fees are subject to public hearing. Piasecki and Clerk/Treasurer Tillmann reviewed the proposed changes to the fee schedule including water and sewer rates and connection fees, water meter costs, and REC fees for connection in the annexation area, which have been eliminated from the fee schedule due to the expiration of the Orderly Annexation Agreement on December 31, 2020.

Comments were heard **Wendy Kowalski 26412 Lake Avenue**, who disagrees with the imposition of natural gas franchise fees and believes the franchise fees should be included in the General Fund budget and levy in order to have better transparency. Kowalski also feels the levy for debt service for the new Event Center does not serve a public purpose and should not be paid by levy dollars.

There being no additional public comment, Mayor Stay closed the hearing at 7:31 p.m.

Council requested staff review building permit fees and park fees in 2021 for further consideration and potential updating, as well as research the implementation of a permitting process for the use of golf carts on City streets.

RESOLUTION #20-12-06 Whiting/Frederick unanimous to adopt RESOLUTION #2020-12-06, approving Ordinance No. 342, adopting the 2021 Fee Schedule and authorizing publication of the summary ordinance as presented and recommended by staff. Motion carried.

2021 General Fund Budget and Levy

Council has reviewed the General Fund Budget since presented in August 2020. In September, Council certified a preliminary levy of \$1,909,894, which included \$225,000 for 2021 pavement preservation and special levies for debt service and capital improvements totaling \$206,894. An additional EDA levy in the amount of \$50,000 was

also certified to Sherburne County. The proposed budget and levy were discussed at the public comment meeting on December 7, 2020 and remains unchanged since presented at the Public Comment Meeting. The proposed final levy is proposed at \$1,909,894. The expenditure budget totals \$3,161,025. The final levy must be certified to the County Auditor/Treasurer by December 28, 2020.

RESOLUTION #20-12-07 Stay/Frederick unanimous to adopt RESOLUTION #20-12-07, approving the 2020 General Fund Levy for taxes collectible in 2021 as follows: General Fund, Parks and Capital Expenditures: \$1,515,000; Capital Improvements: \$170,000; Fire Hall/Event Center Debt: \$188,000; CSAH 45 Debt: \$36,894, for a total levy amount of \$1,909,894, upon taxable property in the City of Zimmerman. Motion carried.

RESOLUTION #20-12-08 Whiting/Stay unanimous to adopt RESOLUTION #20-12-08, approving the 2020 EDA levy in the amount of \$50,000 for taxes collectible in 2021 upon taxable property in the City of Zimmerman. Motion carried.

RESOLUTION #20-12-09 Stay/Bondhus unanimous to adopt RESOLUTION #20-12-09, approving the 2021 operational budget for the General Fund and Parks in the amount of \$3,161,025, as presented, and as recommended by staff. Motion carried.

Re-investment of City Funds

The City recently had several investments mature or called totaling approximately \$563,000. Tillmann solicited rates from regular investment firms and local banks, finding the best rate on a mid-term investment with the Bank of Elk River.

Whiting/Stay unanimous to approve the re-investment of \$250,000 (ck #42756) for 3-years with the Bank of Elk River, and the return of \$310,000 to the City to be held in the savings account at Woodlands National Bank until such time as investment rates improve, as recommended by staff. Motion carried.

ADMINISTRATOR'S REPORT – presented by City Administrator Piasecki

Orderly Annexation Joint Resolution – 1999 Land Area

In 1999, the City and Livonia Township entered a Joint Resolution for Orderly Annexation of approximately 1,200 acres lying south and west of the then city limits. Many of the properties identified in this annexation area were annexed into the City and have been developed. In 2007 the City and Township entered into a second Orderly Annexation Agreement for a separate land area of approximately 600 acres north of city limits. As part of that negotiation, the Township requested the expiration terms of both the 1999 and 2007 Annexation Agreements coincide, so the 2007 Agreement amended the expiration of the 1999 Agreement so that both terminated on December 31, 2020.

Staff is working to complete the annexation of remaining parcels in the 1999 Annexation Area which is approximately 200 acres. The State requires a Joint Resolution of the City and Township identifying the parcels and terms of reimbursement to annex the remaining parcels. This would effectively “close” the 1999 Agreement rather than letting it expire without annexation of remaining parcels.

Attorney Conklin drafted a Joint Resolution identifying properties and terms for consideration by the Council and Town Board. Per the 1999 Agreement the City is required to reimburse the Township for lost tax revenues for a period of 6-years after annexation. Reimbursement terms of the Agreement state in the year of annexation, the Township will receive 100% of taxes payable and continuing to decrease by a percentage each year for an additional five (5) years. This is the same reimbursement method used in all annexations of Township parcels that have occurred since the 2007 amendment, including the annexation of the new fire district property. As part of the new fire hall and event center construction, the also City entered into a reimbursement agreement with the Township requiring the City to annually reimburse the Township for lost bond levy revenue from properties

annexed. Based on taxes paid in 2020, the total tax reimbursement for all years was calculated to be approximately \$16,000. In addition, Bond Counsel has calculated the first-year bond levy reimbursement for the 200 acres to be annexed at \$592 based on 2020 taxes.

Attorney Conklin has provided a draft copy of the Joint Resolution to the Township's Attorney. The draft is acceptable to both attorneys and city staff, and has been provided to Township staff for consideration by the Town Board at their December 28th meeting. Staff is optimistic the Township will honor the terms of the 1999 Annexation Agreement and execute the Joint Resolution completing the annexation of the 200 acres as presented.

The 2007 Agreement will time out at year-end without annexation of parcels and will be subject to renegotiation or annexation by other means as allowed by Statute.

RESOLUTION #20-12-10 Stay/Bondhus unanimous to adopt RESOLUTION #2020-12-10 accepting the Joint Resolution for annexation between the City of Zimmerman and Livonia Township and authorize payment to Livonia Township in the amount of \$16,271.04 (ck #XXXXX) for lost tax revenue and bond levy dollars, as recommended by staff and the City Attorney. Motion carried.

MAYOR/COUNCIL ITEMS

Acknowledge Service of Member Shepard

Council and staff wished to acknowledge the contributions of Member Shepard, whose term on the Council is ending December 31, 2020. Member Shepard was appointed to fill a vacancy on the Council in 2017, then elected to the City Council in 2018, serving a two-year term. Shepard has been instrumental as Chair of the Planning Commission for 25-years and that experience has served the Council well. Shepard will continue to serve on the Planning Commission.

Mayor Stay noted the following upcoming events:

- Upcoming Holidays
 - December 24 – All City Departments close at Noon
 - December 25 – All City Departments will be closed in observance of Christmas
 - January 1, 2021 – All City Departments will be closed in observance of New Year's Day
- January 30, 2021 – Passing the Bread Food Distribution; 9 – 11 a.m. at UMA Precision Machining

Before adjourning, Mayor Stay asked for a moment of silence in honor of US military personnel and first responders at home and abroad.

Frederick/Bondhus unanimous to adjourn the meeting at 7:58 p.m.

Approved this 4th day of January 2021.

s/s Kary Tillmann, Clerk/Treasurer