

COON RAPIDS CITY COUNCIL MEETING MINUTES OF APRIL 19, 2011

OPEN MIC/PUBLIC COMMENT

Alan Williams, 10744 Yellow Pine Street NW, questioned the use of solar panels on the Home for Generations project.

Mr. Williams reviewed the projected energy production and savings.

Mr. Williams estimated an average electricity savings of \$50 to \$60 a month. He said the cost to install solar panels would be \$45,000 to generate the same amount of electricity. The return investment would be 60 years and the panels have a life expectancy of 20 to 30 years.

Mr. Williams addressed three questions to Council:

- 1) Why are solar panels being installed?
- 2) Was there a cost analysis performed?
- 3) Would any Councilmember install solar panels on their home and spend that kind of money?

CALL TO ORDER

The second regular meeting of the Coon Rapids City Council for the month of April was called to order by Mayor Tim Howe at 7:09 p.m. on Tuesday, April 19, 2011, in the Council Chambers.

ROLL CALL

Members Present: Mayor Tim Howe, Councilmembers Denise Klint, Melissa Larson, Paul Johnson, Joe Sidoti, Bruce Sanders and Scott Schulte

Members Absent: None

PLEDGE OF ALLEGIANCE TO THE FLAG

1. ADOPT AGENDA

MOTION BY COUNCILMEMBER LARSON, SECONDED BY COUNCILMEMBER KLINT, TO ADOPT THE AGENDA AS AMENDED REMOVING ITEM 7. THE MOTION PASSED UNANIMOUSLY.

2. CONSIDER APPROVAL OF MINUTES:

- A. APRIL 5, 2011, COUNCIL MEETING
 - B. APRIL 12, 2011, LOCAL BOARD OF APPEAL AND EQUALIZATION MEETING
-

MOTION BY COUNCILMEMBER SIDOTI, SECONDED BY COUNCILMEMBER SCHULTE, FOR APPROVAL OF THE MINUTES OF THE APRIL 5, 2011, COUNCIL MEETING. THE

MOTION PASSED 6-0-1, SANDERS ABSTAINED.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER JOHNSON, FOR APPROVAL OF THE MINUTES OF THE APRIL 12, 2011, LOCAL BOARD OF APPEAL AND EQUALIZATION MEETING. THE MOTION PASSED 6-0-1, SIDOTI ABSTAINED.

3. CONSENT AGENDA:

- A. APPROVE TEMPORARY ON-SALE 3.2% MALT LIQUOR LICENSE AND WINE TASTING PERMIT FOR SPRINGFEST AT EPIPHANY CHURCH
 - B. CONS. REAPPOINTMENTS FOR THE CITY'S CHARTER COMMISSION
 - C. ACCEPT EASEMENT FROM BLACK BUTTE, LLC, VINOTERRA, LLC, TONGEN RM, LLC, AND BAUM RM, LLC FOR WATERMAIN PURPOSES, 2740 MAIN STREET (RIVERDALE MARKET)
 - D. APPROVE WAIVER OF CARNIVAL, PARADE, AND FIREWORKS LICENSE FEES FOR FOURTH OF JULY CELEBRATION
 - E. AUTHORIZE FINAL PAYMENT, PROJECT 10-11, TURF REPAIR – CITYWIDE
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MOTION BY COUNCILMEMBER KLINT, SECONDED BY COUNCILMEMBER JOHNSON, FOR APPROVAL OF THE CONSENT AGENDA AS PRESENTED. THE MOTION PASSED UNANIMOUSLY.

4. OPEN MIC REPORTS:

- A. DAVE NELSON, 11868 YELLOW PINE STREET NW, RENTAL INSPECTIONS LEGALITY
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City Attorney Stoney Hiljus presented a memorandum to Council stating Mr. Dave Nelson appeared at the City Council's open mic on April 5, 2011. Mr. Nelson spoke about a rental inspection case at the Minnesota Supreme Court and stated he believed the City's rental license inspections were not lawful. The case that Mr. Nelson spoke about is Robert McCaughtry, et al. v. City of Red Wing. This memo provides a summary discussion of the complex legal issues in the McCaughtry case but does not specifically address the Coon Rapids rental licensing process.

The City of Red Wing adopted a rental licensing ordinance that included an inspection program in 2005. Certain landlords in the City refused to allow the City to inspect the rental property. After the ordinance was adopted the landlords continued to refuse to allow the inspections. As a result, in November 2006 the City of Red Wing applied to district court for an administrative search warrant to conduct the inspection. The Landlords then filed a separate legal action challenging the constitutionality of the inspection program under the fourth amendment to the United States constitution. The City removed the constitutional challenge to federal district court. In August 2007 the district court denied the warrant stating that the inspections were not authorized under the plain language of the ordinance.

As a result of the court's denial Red Wing amended its ordinance in October 2007 with specific authority for seeking administrative search warrants. Five months later in March 2008 the City again filed for administrative search warrants. Several months after that certain landlords filed another legal action this time claiming the inspections violated the Minnesota constitution. The district court consolidated the two cases and ultimately denied the City's warrant application finding that the City's inspection program was not guided by reasonable administrative standards. In May of 2008 the federal district court dismissed the case that had been removed by the City. The federal court then issued an order consolidating the federal claims with the other two pending cases in State court.

In July and October of 2008 the City of Red Wing again amended its rental licensing code and inspection program. Then in May of 2009 the City applied for administrative search warrants for the third time. Both parties filed for summary judgment in the 411 constitutional cases that had been consolidated. Ultimately, the Court denied the City's request for a search warrant for the third time. In the constitutional challenges the Court then granted summary judgment for the City of Red Wing finding that because no search had been conducted the Landlords did not have standing to challenge the inspection program. The Court found that the Landlords had not suffered an actual or imminent injury.

The Landlords appealed to the Minnesota Court of Appeals claiming that (1) they have standing and (2) that the Minnesota constitution requires that City must obtain a search warrant to conduct non consensual inspections AND that probable cause must exist that a code violation exists for the warrant to be issued. In September 2011, the Minnesota Court of Appeals agreed with the district court and found the Landlords did not have standing to challenge the constitutionality of the inspections.

The Landlords then requested discretionary review by the Minnesota Supreme Court. The Supreme Court granted review and the case is scheduled to be heard in oral argument on May 3, 2011. The only issue before the Supreme Court is whether or not the Landlords have standing to challenge the inspection program. The Court is not expected to address the constitutionality of the inspection program. That issue would be remanded back to district court but only if the Supreme Court decides the Landlords have standing. The Court will publish its decision later this year

**B. CHAD ALSAKER, 12275 QUINN STREET NW AND GARY MICHIEJNY, 2129
128TH LANE NW, SPEEDING TRAFFIC ON QUINN STREET NW**

Police Chief Tim Snell presented a memorandum to Council stating Mr. Alasker and Mr. Michiejny expressed concerns about speeding traffic on 122nd and Quinn Street. They requested speed enforcement in the area and installation of pedestrian signs for Thrush Park.

During the Council meeting of April 5, 2011, Mr. Alasker and Mr. Michiejny appeared before the Council with their concerns about the speeding traffic on Quinn Street. Their concerns were for the safety of the neighborhood children who frequently travel the sidewalks or streets to Thrush Park.

The Traffic Review Committee reviewed the area in question. They noted there were no sight triangle obstructions at the intersection under discussion. A records check indicated that there were

no reports filed within the last two years involving speeding traffic accidents. The Traffic Review Committee agreed that signs should be installed at the entrance to Thrush Park. The Police Department will monitor traffic on Quinn Street.

The Police Department will deploy the speed trailer at this intersection to help manage traffic speeds and continue to monitor the situation. Signs will be installed at the entrance to Thrush Park by Public Works.

Councilmember Klint noted this neighborhood has been an area of concern for high levels of traffic and speeding traffic. She questioned if this was discussed by the Traffic Review Committee. A stop sign may not resolve the issues in this area due to the large number of cars moving through the area.

Mayor Howe noted there were two ways for traffic to enter and exit this area, but understood the concerns expressed by the residents given the recent change in the flow of traffic. City Manager Fulton explained he reviewed the concerns along Quinn Street along with the other Traffic Review Committee. The recommendation would be to not place a stop sign at this intersection as there were no unique circumstances that deemed this necessary.

Councilmember Klint felt the high level of traffic and limited access; in and out of the neighborhood were the unique circumstances.

Mayor Howe requested that the Safety Commission review this issue further. The Council was in agreement with this recommendation.

5. A. CONSIDER ADOPTION OF ORDINANCE AMENDING CITY CODE;
ADMINISTRATIVE PENALTIES AND PROCEDURES FOR THE REMOVAL
OF WEEDS

City Attorney Hiljus presented a memorandum to Council stating the City Council is asked to adopt an ordinance updating the City's regulation of long grass and weeds in Chapter 8-500 of City Code.

Under City Code Chapter 8-500 weeds or grass growing to a height of greater than eight inches are a nuisance. From May through September of 2010 City Staff investigated complaints about weeds and long grass at 1,170 properties. Of those properties 1,080 were found in violation by City weed inspectors and posted with a violation. Of those properties that were posted the City had to abate the weeds and long grass 306 times.

When the City is forced to abate the weeds and long grass the property owner becomes responsible for the costs of the abatement plus certain administrative expenses for the enforcement of the weed code. Later in the year, the City then levies those costs against the property as an assessment to the property taxes along with additional administrative costs. Those properties that have repeat violations throughout the growing season are also charged a fee for excessive consumption of services under City Code. Staff has reviewed the weed code and is proposing that the City Council

modify the weed chapter of City Code to help clarify the process. The prominent changes to City Code are as follows:

1. The weed abatement procedure will be handled as an administrative penalty in City Code Chapter 2-1100.
2. The administrative penalty will be \$300 if the City is forced to abate the nuisance weeds and grass. The penalty includes the costs of the City's weed contractor and city code enforcement staff time. The fine will be waived for a first offense if the weeds and long grass are mowed by the occupant or owner. If the City is forced to cite a property a second time within 180 days the administrative penalty will be \$600. If the property owner/occupant mows the long grass and weeds half of the fine will be forgiven.
3. Notice of the violations will be served on the property as required by Chapter 2-1100. Staff is also proposing that the City Council amend Chapter 2-1100. Those amendments are addressed by separate memo.
4. The citation will provide notice that if the City is forced to abate the nuisance weeds and long grass that no further notice will be given if the City is again forced to abate within the same growing season.
5. A citation for weeds or long grass may be appealed by following the appeal procedures set in Chapter 2-1100.

City staff is proposing that the City no longer charge properties for excessive consumption of services for weed or long grass offenses. The use of fees for excessive consumption of services for these violations was appealed 64 times in 2010 to the Board of Adjustment and Appeals. Review of those appeals revealed that many property owners were confused by the excessive consumption process or felt they were not notified adequately about this charge. In response staff proposes that repeat violators will be dealt with as a second or subsequent offense and charged accordingly with an administrative penalty.

The City Council has stated and City Staff agrees that the City does not wish to be in the business of mowing weeds and long grass. Staff believes the new process will help keep the City out of this business by providing better notice by holding violators more accountable and by providing greater incentive to properly maintain property. Staff has looked at the weed abatement programs of other cities. Two cities that have similar programs to Coon Rapids are Champlin and Roseville. By way of comparison, Champlin charges \$350 for a first time abatement and \$500 for second and subsequent abatements. The City of Roseville charges \$210 for the first and second abatement and charges \$460 for the third abatement.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SIDOTI, TO ADOPT AN ORDINANCE UPDATING CHAPTER 8-500 OF THE CITY CODE UPDATING DEFINITIONS AND AUTHORIZING ADMINISTRATIVE PENALTIES AND PROCEDURES

FOER THE REMOVAL OF WEEDS. THE MOTION PASSED UNANIMOUSLY.

B. CONSIDER ADOPTION OF ORDINANCE AMENDING CITY CODE;
ADMINISTRATIVE PENALTIES AND AUTHORIZING PENALTIES FOR
REPEAT VIOLATIONS

City Attorney Hiljus presented a memorandum to Council stating the City Council is asked to adopt an ordinance updating the City's administrative penalties program Chapter 2-1100 of City Code.

The City's administrative penalties code in Chapter 2-1100 was adopted by the City Council in March of 2009. Since that time, City Staff has used administrative penalties as the primary enforcement tool for certain violations of City Code especially property maintenance-related violations. City Staff is recommending that the Code be amended to clarify certain provisions to provide for better enforcement of repeat violations and to better provide notice to violators in certain circumstances. A proposed ordinance to update administrative penalties is attached. The significant modifications to the ordinance are as follows:

1. 2-1104(3) would add enforcement provisions for second or subsequent violations that occur within 180 days of a prior violation. Each subsequent violation that happens would double the previous penalty. Half of the penalty would be waived if the violation is corrected prior to the compliance date.
2. 2-1105(1)(e) and (f) would provide for enhanced notification for property violations where Staff determines the property is vacant/abandoned or where the property is a licensed rental property. These provisions are intended to help with concerns that came out of the assessment appeal process over the last two years and allow the property owner to remedy the violation rather than force the City to abate.
3. 2-1105(2) authorizes the Staff member who issued the citation to extend the compliance date when the occupant or owner is willing to work to remedy the violation but needs additional time, up to 30 days.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SIDOTI, TO ADOPT AN ORDINANCE UPDATING CHAPTER 2-1100 UPDATING ADMINISTRATIVE PENALTIES AND AUTHORIZING CERTAIN PENALTIES FOR REPEAT VIOLATIONS. THE MOTION PASSED UNANIMOUSLY.

6. CONSIDER ADOPTION OF ORDINANCE AMENDING CITY CODE, MINNESOTA
PLUMBING CODE

Chief Building Official Whitney presented a memorandum to Council requesting Council to consider a change to Minnesota Plumbing Code reference in the City Code Chapter 13-601. The purpose is to update the City Code to the current and correct Minnesota Plumbing Code reference.

The current 1982 City code refers to a 1974 Minnesota State Plumbing Code. Current State Codes are now Minnesota Rule Numbers. These Minnesota Rules can be referenced to by number without dates. This minimizes the need for Cities to update their ordinances whenever the State makes a revision.

MOTION BY COUNCILMEMBER LARSON, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT AN ORDINANCE REVISING THE REFERENCE TO THE MINNESOTA STATE PLUMBING CODE. THE MOTION PASSED UNANIMOUSLY.

7. CONSIDER MULTIPLE PET PERMIT APPEAL, DAVID DEKING, 50 – 120TH AVENUE NW
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This item was removed from the agenda.

8. 2011 STREET RECONSTRUCTION PROGRAM, APPROVE PLANS AND ORDER ADVERTISEMENT FOR BIDS, RESIDENTIAL STREETS IN WEST-CENTRAL PART OF CITY, PROJECT 11-1:
 - A. RESOLUTION 11-1(8), AREA 1 (PHEASANT RIDGE, IE BUTLER)
 - B. RESOLUTION 11-1A(8), AREA 2 (NORTH THOMPSON HEIGHTS)
-

City Engineer Vierzba presented a memorandum to Council stating the City Engineering Division has prepared plans for reconstruction of various residential streets. The project area is being divided up into two areas for construction purposes. Council is requested to approve plans and order ad for bids for each of the two areas.

Council held the public hearing and assessment hearing on April 5th. Council ordered the project following the public hearing and will take action on the assessment on June 7th. The next step in the project process is for Council approval of plans and authorization for advertisement for bids. The project is being bid allowing for two separate contracts—one contract for the streets located west of Crooked Lake Boulevard and one contract for the streets that are located easterly of Crooked Lake Boulevard. This is being done due to the large amount of work in each area. This will allow for the work to be done more efficiently and ensure that all work is done before Fall. Bids would be received on May 13th(Area 1) and May 18th(Area 2) and Council would consider award of two contracts on June 7th. The project consists of repaving approximately 6.3 miles of residential street. The two areas include the following—

Area 1: Pheasant Ridge area; -IE Butler area

Area 2: North Thompson Heights area

The total project cost is estimated to be \$2,400,000. A portion of the cost will be assessed on June 7th. The balance of funding will come from the Street Reconstruction Fund, Utility Fund, and Storm Water Utility Fund.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT RESOLUTION NO. 11-1(8) APPROVING PLANS AND ORDERING ADVERTISEMENT FOR BIDS FOR STREET RECONSTRUCTION IN AREA 1; AND, RESOLUTION NO. 11-1A(8) APPROVING PLANS AND ORDERING ADVERTISEMENT FOR BIDS FOR STREET RECONSTRUCTION IN AREA 2. THE MOTION PASSED UNANIMOUSLY.

9. COLLECTOR STREET RECONSTRUCTION, PROJECT 11-3:
XEON STREET FROM NORTHDALÉ BOULEVARD TO 121ST AVENUE
 - A. RESOLUTION ACCEPTING FEASIBILITY REPORT AND ORDERING PUBLIC HEARING FOR MAY 17, 2011
 - B. RESOLUTION DECLARING COST TO BE ASSESSED
 - C. RESOLUTION SETTING ASSESSMENT HEARING DATE FOR MAY 17, 2011
-

City Engineer Vierzba presented a memorandum to Council stating the City Engineering Division is recommending street reconstruction on Xeon Street in 2011. A feasibility report has been prepared for the proposed project. Council is requested to order a public hearing and assessment hearing to be held on May 17th.

Xeon Street, a collector street south of 121st Avenue, is 26 and 33 years old and is in need of repaving. The southerly portion of this street was built in 1985 and the northerly portion was built in 1978. Watermain pipe lining is being proposed under a separate contract in the northerly portion prior to the street work. There have been several pipe failures over the past few years in that area. The pipe repair would be done prior to the street work. Council ordered preparation of a feasibility report on January 18, 2011. The project would propose to replace concrete curb that is in poor condition, install ADA compliant pedestrian curb ramps at all intersections, install new sidewalk on the west side at the south end of the job, and repave a new bituminous surface. The City's assessment policy provides for assessment of \$1,560 per home for properties that have direct access to the street. There are several duplex units and a few townhomes units that are to be assessed based on front footage at a rate of \$19.50 per foot. Loft Homes and the Mary T. development will also be assessed for the street improvement. There are a total of 40 properties to assess for the street improvement and, therefore, a public hearing will be needed for this project. State Aid funds can be used to pay for the balance of the cost. The legal description of the area of benefit is-

- Blocks 1-3, DeGardners Tronson Creek Addition
- Lots 1, 2, 3, 21, and 22, Block 1, Sand Creek Woods 5th Addition
- Lots 7-12, Block 2, Sand Creek Woods 5th Addition
- Lot 6, Block 1, Hidden Creek Woods
- Lot 3, Block 1, Loft Homes Addition
- Lot 1, Block 2, Loft Homes Addition

The total estimated cost of the project is \$435,000. The project is necessary to improve the street from its existing poor condition. The project is cost effective with the use of State Aid construction funds and is feasible to construct. A neighborhood meeting was held on March 9th and only one resident attended and had no objections.

The City proposes to assess \$58,227 to benefiting properties as part of this project. The remaining cost of \$376,773 will be paid using the City's State Aid construction fund.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SIDOTI, TO ADOPT RESOLUTION NO. 11-3(4) ORDERING A PUBLIC HEARING FOR MAY 17, 2011, AT 7:00 PM; RESOLUTION NO. 11-3(10) DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF ASSESSMENT ROLL; AND, RESOLUTION NO. 11-3(11) SETTING THE ASSESSMENT HEARING FOR MAY 17, 2011, AT 7:00 PM. THE MOTION PASSED UNANIMOUSLY.

10. COLLECTOR STREET RECONSTRUCTION, PROJECT 11-16:
121ST AVENUE FROM BLUEBIRD STREET TO OLIVE STREET
 - A. RESOLUTION ACCEPTING FEASIBILITY REPORT AND ORDERING PUBLIC HEARING FOR MAY 17, 2011
 - B. RESOLUTION DECLARING COST TO BE ASSESSED
 - C. RESOLUTION SETTING ASSESSMENT HEARING DATE FOR MAY 17, 2011
-

City Engineer Vierzba presented a memorandum to Council stating the City Engineering Division is recommending street reconstruction on 121st Avenue in 2011. A feasibility report has been prepared for the proposed project. Council is requested to order a public hearing and assessment hearing to be held on May 17th.

121st Avenue, an east-west collector street within the City, is 23 years old, and is in need of repaving. The pavement has deteriorated over the winter and repaving is the only practical way to improve the street surface. This street reconstruction is planned to be done under the same contract with Xeon Street—Project 11-3. Council ordered preparation of a feasibility report on April 5, 2011. The project would propose to replace concrete curb that is in poor condition, install ADA compliant pedestrian curb ramps at all intersections, and repave a new bituminous surface. BNSF Railroad has been contacted to improve the railroad crossing near the fire station. BNSF has indicated they would like to get the crossing work done while the street is under construction. The City's assessment policy provides for assessment of \$1,560 per home for properties that have direct access to the street. There are 5 homes that access the street. There are 54 townhomes units that are to be assessed based on front footage along 121st Avenue at a rate of \$331.14 per unit. A City Fire station also fronts onto this street. State Aid funds can be used to pay for the balance of the project cost not recovered through assessments. The legal description of the area of benefit is-

- Lots 43 and 44, Block 1, Sand Creek Woods 4th Addition
- Lots 1 and 2, Block 4, Sand Creek Woods 4th Addition
- PIN 11-31-24-13-0043
- PIN 11-31-24-31-0001
- Lots 1-6, Block 1, Lots 1-6, Block 2, Lots 1-4, Block 3, Lots 1-6, Block 4, Lots 1-6, Block 5,
- Lots 1-6, Block 6, Lots 1-4, Block 7, Lots 1-4. Block 8, Lots 1-6, Block 9, and Lots 1-6,

Block 10, Sand Creek Woods

The total estimated cost of the project is \$520,000. The project is necessary to improve the street from its existing poor condition. The project is cost effective with the use of State Aid construction funds and is feasible to construct.

The City proposes to assess \$33,676.56 to benefiting properties as part of this project. The balance will be paid from the City's State Aid construction fund.

MOTION BY COUNCILMEMBER SIDOTI, SECONDED BY COUNCILMEMBER LARSON, TO ADOPT RESOLUTION NO. 11-16(4) ORDERING A PUBLIC HEARING FOR MAY 17, 2011, AT 7:00 PM; RESOLUTION NO. 11-16(10) DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF ASSESSMENT ROLL; AND, RESOLUTION NO. 11-16(11) SETTING THE ASSESSMENT HEARING FOR MAY 17, 2011, AT 7:00 PM.

Councilmember Schulte questioned if there were plans to replace the railroad crossing. City Engineer Vierzba noted this issue has been discussed with the Railroad and there were plans to replace the crossing this summer in conjunction with the road construction.

THE MOTION PASSED UNANIMOUSLY.

11. CONSIDER RESOLUTION 11-47 DECLARING COST TO BE ASSESSED AND ORDERING PUBLIC HEARING ON MAY 17, 2001, ON PROPOSED ASSESSMENT ROLL FOR MISCELLANEOUS ASSESSMENTS HEARING

Assessment Clerk Heidi Cederstrand presented a memorandum to Council stating a date for a public hearing should be set to consider miscellaneous assessments to be certified to the County for collection with the 2012 property taxes.

The City Council must set a public hearing as required by State Statutes. At that hearing, the City Council may refer appellants to the Board of Adjustment and Appeals. The Board of Adjustment and Appeals will then give their recommendation.

The Board of Adjustment and Appeals is expected to conduct this hearing on June 2 and make a recommendation to the City Council at the June 21 Council meeting. Staff will incorporate the process in the required mailing to the property owner.

These assessments include services provided to taxpayers, in most cases code enforcement violations. The terms of repayment are determined by the amount being assessed. The proposed assessments are categorized by the number of years to be assessed and the interest rate recommended.

MOTION BY COUNCILMEMBER LARSON, SECONDED BY COUNCILMEMBER KLINT, TO ADOPT RESOLUTION 11-47 MISCELLANEOUS ASSESSMENT DECLARING THE COST TO BE ASSESSED, ORDERING PREPARATION OF THE PROPOSED ASSESSMENT ROLL AND

ORDERING THE PUBLIC HEARING FOR MAY 17, 2011 ON THE PROPOSED ASSESSMENT ROLL. THE MOTION PASSED UNANIMOUSLY.

12. BUDGET ITEMS:

A. CONSIDER RESOLUTION 11-48 PROVIDING REALLOCATION OF APPROPRIATIONS IN THE 2011 GENERAL FUND BUDGET AND AMENDING THE 2010 AND 2011 BUDGETS

A memorandum was presented from Manager of Accounting/Treasurer Vouk stating final 2010 General Fund budget re-appropriations are being recommended at this time along with final carry-forwards from the 2010 to 2011 budget.

Reallocation of appropriations in the 2010 General Fund budget

After all transactions are completed each year, the General Fund budget is compared to year-to-date expenditures to ensure that each activity does not exceed budgeted amounts. Net adjustments equal to zero are being recommended. Budget reappropriations require a simple majority vote (4 members).

Carry-forward of items from the 2010 to 2011 budget

The following carry-forwards are for items or services which were budgeted in 2010 but were not received as of December 31, 2010:

- Activity 122 – Information: \$475 for small equipment
- Activity 143 – Information Technology: \$1,500 for small equipment
- Activity 786 – Facilities Construction Fund: \$12,133 for network infrastructure equipment
- Activity 788 – Capital Equipment Fund: \$49,163 for 1 ton 4x4 dump truck (unit # 19)
\$32,063 for ¾ ton 4x4 pickup with plow (unit # 3)
\$43,819 for 1 ton 4x2 dump truck (unit # 18)
\$66,263 for 1 ton 4 wheel drive service truck (unit # 501)
\$32,063 for ¾ ton 4x4 pickup with plow (unit # 115)
\$49,163 for 1 ton 4x4 dump truck (unit # 181)
- Activity 601 – Water System Maintenance: \$5,772 for (2) chlorine analyzers
\$1,705 for chlorine vacuum regulator
\$1,384 for sulfur dioxide vacuum regulator
\$1,122 for (2) container adapters
\$6,471 for ORP analyzer
\$57,780 for (2) ¾ ton 4x4 pickups (units # 218 & # 219)
- Activity 620 – Sanitary Sewer Maintenance: \$35,269 for ¾ ton 4x4 pickup with plow (unit # 217)

Activity 640 – Storm Water Maintenance: \$200,000 for relining of storm sewer pipe on 99th Ave

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER SCHULTE, TO ADOPT RESOLUTION 11-48 PROVIDING REALLOCATION OF APPROPRIATIONS IN THE 2010 GENERAL FUND BUDGET AND AMENDING THE 2010 AND 2011 BUDGETS. THE MOTION PASSED UNANIMOUSLY.

B. CONSIDER RESOLUTION 11-49 AUTHORIZING TRANSFER OF FUNDS

A memorandum was presented from Manager of Accounting/Treasurer Vouk stating the 2010 and 2011 budget documents include a number of transfers of funds that affect 2010. Resolution 11-49 requesting these transfers follows this memo.

The transfers which affect 2010 are as follows:

General Fund to the Retirement Insurance Reserve Fund--\$359,921. This includes a \$300,000 budgeted transfer for the future payment of health insurance benefits for qualified retired police and firefighters. Also included is \$59,921 which is the unused balance of the \$125,000 budgeted transfer to Compensated Absences Fund. It is recommended that this balance be transferred to the Retirement Insurance Reserve Fund to compensate for lower than anticipated interest earnings. The total transfer of \$359,921, combined with other revenues and fund balance in the Retirement Insurance Reserve Fund, will fund the actuarial requirement for 2010.

General Fund to the Curbside Recycling Fund--\$8,693. This transfer covers the cost of the Recycling Coordinator's time on the Sustainability Commission. Beginning in 2011, this time is budgeted under the Boards and Commissions activity in the General Fund, so a transfer will no longer be needed.

General Fund to the Facilities Construction Fund -- \$1,110,000. City policy is to maintain an unreserved fund balance in the General Fund of at least 45% of the following year expenditures and transfers. Based on 2010 financial results and 2011 budgeted amounts, sufficient funds are available to transfer \$1,110,000 to the Facility Construction Fund and maintain 45% of the following year expenditures and transfers.

Senior Activity Fund to the General Fund -- \$15,380. This transfer funds \$12,000 of the Senior Citizen Activity Center costs and covers staff time in the amount of \$3,380 for the Chores and More program.

LGA Bonds Debt Service Fund to the Revolving Construction Fund--\$559,974. The last LGA payment has been received in this fund and the bonds have been paid off, therefore this fund can be closed. Due to a refunding of these bonds in 2004 and investment income received over the life of the fund, there is a remaining balance of \$559,974 available to transfer out.

Equipment Certificate Debt Service Fund to the Equipment Certificate Capital Projects Fund --

\$132,200. Available funds in the Debt Service Fund will cover a portion of the cost of Fire Engine Number 3 in the Capital Projects Fund instead of issuing equipment certificates.

Various Debt Service Funds to the Facilities Construction Fund--\$5,075,000. There are several debt service funds for bond issues which have been paid off. This transfers unreserved funds into the Facility Construction Fund to be used in 2011 for the portion of the golf course clubhouse construction that was not bonded.

Revolving Construction Fund to the Street Reconstruction Fund--\$193,484. Investment income in the Revolving Construction Fund contributes to the sealcoating program costs.

HRA Capital Projects Fund to the General Fund--\$5,886. This transfer will cover the difference between revenue received and expenditures incurred for the Section 8 Housing Program in the General Fund.

HRA Capital Projects Fund to the HRA Debt Service Fund -- \$240,308. This transfers tax increment to pay debt service on tax increment bonds.

HRA Capital Projects Fund to the 2010 Bonded Projects Fund --\$179,610. This transfer is to pay for street reconstruction in the tax increment project area.

Insurance Reserve Fund to the Retirement Insurance Reserve Fund --\$84,198. Investment income in the Insurance Reserve Fund contributes toward the funding of the actuarial liability of other post employment benefits.

Various transfers as follows are needed so the funding or expenditures from certain construction projects or other items are in the proper fund:

2008 Improvement Bonds Fund to the 2008 Bonded Projects Fund--\$339,397
2010 Improvement Bonds Fund to the Revolving Construction Fund--\$92,029
Lease Revenue Bonds Fund to the Facilities Construction Fund--\$745,425
Revolving Construction Fund to the 2002 Improvement Bonds Fund--\$570,000
Facilities Construction Fund to the HRA Capital Projects Fund--\$5,368,842
HRA Capital Projects Fund to the Facilities Construction Fund--\$266,546

Various funds to or from the Compensated Absences Fund--\$75,246. Compensated absences (unused sick/vacation balances) for the non-enterprise funds are accounted for in the Compensated Absences Fund. To fully fund the liability of \$2,302,341 in this fund as of December 31, 2010, the following transfers are needed to cover the 2010 change in each fund's liability: \$65,080 from the General Fund, \$8,206 to the Public Communications Fund, and \$1,960 from the HRA Capital Projects Fund.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT RESOLUTION 11-49 AUTHORIZING THE TRANSFER OF FUNDS. THE MOTION PASSED UNANIMOUSLY.

C. AUTHORIZE PURCHASE OF A TACTICAL SUPPORT VEHICLE

Purchasing Clerk Stephanie Lincoln presented a memorandum to Council stating staff is recommending the purchase of a replacement tactical support vehicle (TSV).

On March 1, 2011, City Council approved specifications for a new TSV to replace a 1995 Grumman. Although specifications were sent to four suppliers, only two responded with bids.

Rosenbauer Firefighting Technology submitted the low bid of \$351,936, which assumes a \$89,577 prepayment for the chassis upon delivery. This amount includes a discount of \$1,650 for paying for the chassis early. The body of the TSV totals \$258,571. Equipment in the amount of \$5,438 was also included in the bid. This type of vehicle is tax exempt. The vehicle will be built and shipped within 270-300 days from the time of order placement.

The second bid came from Clarey's Safety Equipment in the amount of \$371,220.

Staff recommends selling the 1995 Grumman vehicle on the open market to obtain the most revenue possible.

The 2011 Budget includes \$365,000 for the purchase of the TSV.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER SIDOTI, TO AWARD THE PURCHASE OF THE TACTICAL SUPPORT VEHICLE TO ROSENBAUER FIREFIGHTING TECHNOLOGY IN THE AMOUNT OF \$351,936, INCLUDING THE PREPAYMENT OF THE CHASSIS AND THE SELLING OF THE 1995 GRUMMAN VEHICLE ON THE OPEN MARKET. THE MOTION PASSED UNANIMOUSLY.

D. AUTHORIZE PURCHASE OF MAGNETIC MANHOLE LIFTER

Purchasing Clerk Stephanie Lincoln presented a memorandum to Council stating Staff is recommending the purchase of a magnetic manhole lifter.

The Sewer Department is requesting authorization of a magnetic manhole lifter to replace one that recently broke and is un-repairable. The cost of a new one is \$2,140 which includes sales tax. This was not anticipated thus is not included in the 2011 Budget. The City Code requires that capital outlay items be specifically identified in the budget.

Funds were budgeted to replace an electrical panel at lift station #4. However, the panel at lift station #14 developed electrical issues. Therefore, the panel at #14 is being replaced for \$36,225. Since \$48,094 was budgeted, funds from this line item will be used to pay for the manhole lifter.

MOTION BY COUNCILMEMBER LARSON, SECONDED BY COUNCILMEMBER KLINT, TO AUTHORIZE STAFF TO PURCHASE A MAGNETIC MANHOLE LIFTER FOR \$2,140.

Councilmember Schulte noted the purchase of this equipment was to replace a broken unit.

THE MOTION PASSED UNANIMOUSLY.

E. AUTHORIZE PURCHASE OF FOUR ONE-TON DUMP TRUCKS

Purchasing Clerk Stephanie Lincoln presented a memorandum to Council stating Staff is recommending the purchase of four replacement dump trucks.

Staff is recommending the purchase of four one-ton GMC Sierra 3500 chassis dump trucks with dump boxes off of the State Contract at a cost of \$151,661 including taxes to replace four 2001 or older dump trucks as part of the normal replacement schedule. Two of the trucks are used for the parks department and two are used for the streets department. Two of the trucks will be four wheel-drive and equipped with plows. The trucks are primarily used for pothole repair, snow removal and hauling of various materials during water main breaks, street repairs, tree trimming, and street sweeping projects. Staff anticipates selling the old vehicles, anticipating \$3,500 or so for each of the trucks.

The chassis' would be purchased from Nelson Auto Center at a cost of \$90,938. The boxes would be purchased from Crysteel Truck Equipment at a cost of \$35,494 and the plows would be purchased from Stonebrooke Equipment at a cost of \$12,342. These costs are before sales tax.

The budget includes \$188,102 for this purchase before trade-in allowance of \$14,000. The total amount to purchase these dump trucks is \$151,661 including tax. Therefore, funds are available for this purchase. Three of the trucks were budgeted for purchase in 2010 with the funding carried forward to 2011.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER LARSON, TO AUTHORIZE STAFF TO PURCHASE FOUR ONE-TON GMC SIERRA 3500 CHASSIS DUMP TRUCKS AND EQUIPMENT IN THE NET AMOUNT OF \$151,661 WHICH INCLUDES SALES TAX. THE MOTION PASSED UNANIMOUSLY.

13. OTHER COUNCIL BUSINESS

There was no other Council business.

14. ADJOURN

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER SCHULTE, TO ADJOURN THE MEETING AT 7:30 P.M. THE MOTION PASSED UNANIMOUSLY.

Tim Howe, Mayor

ATTEST:

Joan A. Anderson, City Clerk