

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL OF THE CITY OF NORTH BRANCH IN THE COUNTY OF CHISAGO AND IN THE STATE OF MINNESOTA

REGULAR SESSION

May 12, 2014

CALL TO ORDER: The North Branch City Council met in regular session and Mayor Lindquist called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE:

ROLL CALL: Councilmembers present were Kathy Blomquist, Theresa Furman, Ronald Lindquist, Joyce Borchardt, and Trent Jensen. Staff members present were City Administrator Konrad, Finance Director Hill, Engineer Hankee, Liquor Store Manager Dahlberg and City Attorney Squires.

CONSENT AGENDA:

- Claims
- Resolution 033-05-12-14 – Liquor Store Cashier Hire Larter & Eligibility List
- Transient Merchant License – Waiver of Fee and 30 Day License – Boy Scouts
- Resolution 030-05-12-14 – Special Event Permit – Red Bull Military Appreciation Day
- ~~Resolution – Temporary Summer Help Hire – Sterbentz & Benolken~~
- Minutes – April 14, 2014 Regular Session
- Minutes – April 23, 2014 Board of Equalization

Furman requested that Item 4E be removed.

Motion by Furman, seconded by Borchardt to approve Consent Agenda as amended. All voted AYE. Motion carried.

4E Temporary Summer Help Hire – Sterbentz & Benolken

Furman said that she talked to Konrad about a temporary part time employee the City is paying unemployment for. Konrad said that if they are reduced below 32 hours per week then the employee can apply for unemployment. Furman would like to manipulate the hours on seasonals to be sure they are not eligible for unemployment. Furman suggested a temporary agency to avoid unemployment. Konrad said that you pay more for the employee to cover employment costs.

Motion by Jensen, seconded by Furman, to approve Resolution 032-05-12-14, "A RESOLUTION AUTHORIZING THE HIRING OF BRADY STERBENTS AND RANDY BENOLKEN AS SUMMER SEASONAL MAINTENANCE." All voted AYE. Motion carried.

PUBLIC HEARINGS: **NONE**

COMMITTEE/COMMISSIONS:

- | | | |
|-----------|---------------------------------------|-------------|
| 6A | PLANNING COMMISSION | |
| | A1 Minutes | INFO |
| 6B | ECONOMIC DEVELOPMENT AUTHORITY | |
| | B1 Minutes | INFO |
| 6C | PARK COMMISSION | NONE |
| 6D | WATER AND LIGHT COMMISSION | NONE |

STAFF REPORTS:

7A ENGINEERING/PUBLIC WORKS

A1 Gravel Bids

City Engineer Hankee outlined the gravel bids and recommended approval of the contract with Rydberg.

Motion by Jensen, seconded by Furman, to approve Resolution 031-05-12-14, "A RESOLUTION ACCEPTING THE BID SUBMITTED BY RYDBERG & SONS, INC. FOR THE 2014 ROAD GRAVEL CONTRACT AND AWARDED CONTRACT THEREOF." All voted AYE. Motion carried.

Williams noted the contractor has been used before and the bid is lower so more can be done.

7B ADMINISTRATION

B1 2013 Liquor Year End Report

Liquor Store Manager Dahlberg provided a year-end report for Council. She noted that gross sales were up 4.86%. The net income before debt service transfers was \$226,894. She highlighted repairs and upgrades that were made at the store. As a result of those upgrades, the store's margin was a 1% decrease for 2013 but well within what it should be. In addition to covering a portion of finance staff's wages the store transferred \$120,000 to the General Fund and \$15,000 for the fire truck.

Jensen asked what the debt service is for the liquor store. Hill indicated right about \$74,000.

B2 Memo of Understanding – LELS TZD Hours

Konrad explained that the TZD program is a State program that they are doing jointly with Chisago County and the wages for that are reimbursed through the state. They have tight time tables when hours have to be turned in after TZD enforcement so the 28 day

cycle becomes problematic. Lindquist asked if there is patrolling out on the freeway. Konrad said that it depends on the enforcement operation but noted the TZD hours are fully reimbursed to the City through the state.

Motion by Borchardt, seconded by Furman, to accept the Memo of Understanding between the City and LELS for the TZD program. All voted AYE. Motion carried.

B3 Lucht's Crossing Update

Konrad reported that a call was received informing the City that there is a sale pending on the Lucht's Crossing. Staff informed the agent that the City will need to sign off on the agreement or do some kind of transfer due to the letter of credit for demolition and other requirements on site. They were told to bring a proposal to the Council for consideration of approval.

Stephanie Johnson reviewed City Code which indicates that the materials are to be removed. Ms. Johnson would like wording to be sure that the debris pile is removed. Ms. Johnson would like completion of one continuous complete street. City Attorney Squires commented that the City cannot prevent the sale and noted that the subsequent buyer will be subject to the demolition permit. The issue for the Council is whether to release the letter of credit and accept new security from the new owner. Furman asked if there are valid reasons to not approve a building permit. City Attorney Squires indicated that he would need to review the demolition agreement to see if that is something that would be allowed.

7C BUILDING NONE

7D FINANCE INFO

D1 Financial Report

Hill provided an overview of the April year to date budget update.

7E LEGAL NONE

NOTICES AND COMMUNICATIONS: NONE

PUBLIC COMMENT:

Lori Warner of 40589 Golden Avenue expressed her concerns over potential development in ESSBY that would be a transloading facility for frack sand. She presented a video to Council entitled the "Price of Sand."

Blomquist commented that Borchardt passed out her timeline and I had some issues with it and she would like to call it incomplete and she mentioned January 2012 that with

the support of two commissioners had support of going to GO from revenue and the other commissioners did not agree but if you look at the memo they did that on the advice of Finance Director Richard Hill so it is misleading to say it was the Water & Light Commission when it was Hill. She wanted to clarify that information. Blomquist said she looked at Moody's downgrade because she does not remember getting a copy of that and she got it now from Richard and it says that they were A3 to BAA2 and when she looks at that it is not based on entire water & Light debt it is only on the \$3.3 for fourth and fifth generation. Moody's is in discussions with Water & Light and should get a different rating.

Blomquist said that Borchardt indicated in January that there was an email string with Konrad regarding membership of the Commission. She has an email from Borchardt that was sent to legislators before the Council even agreed to look at commission size. She is disappointed that Borchardt went out on her own on this and did not copy staff or council. On December 23 Bob Barrett, Rep Johnson and Nienow sent an email that provided information that the City could increase up to 7 members based on Melrose bill from years prior.

Borchardt there was no attachment so nothing to review and she contacted them and said would take up at January worksession which the Council did. Blomquist said it was Delano to be used not Melrose. No other councilmember's knew that this was Melrose not Delano. Blomquist stated in January direction was given to increase to 5 members. By the end of March Council found out what legislation was proposed and it was the City of Melrose and no one knew that except Borchardt. Blomquist said she brought a copy from Melrose and she contacted them and they said they did not enact legislation because they felt that the three members were doing a good job so they left it at three. Blomquist said she sent an email to Representative Barrett because he had introduced the legislation and no one got a copy of it. She met with Barrett in early April and he said the bill could be amended at any time and the researcher said that she knew the Melrose legislation had not gone into effect. She was accused of not cooperating so she wrote an email asking why it was not changed to five and it was a matter of time. Blomquist said she is concerned about this whole process because there was not transparency in December and no one was informed and, if that had been done, she would have found the City of Melrose's legislation and it could have been cleared up in January but homework was not done and legislation was not changed until it was forced.

Borchardt said she informed Konrad in December and Konrad agreed and said she let other Councilmember's know. At that point it was put on January worksession and discussed. Konrad noted that she received a call on the day the bill was going to committee. Borchardt commented that it was drafted to allow up to 7 but could be fewer. Blomquist said that it is not that hard to research Melrose legislation.

Jensen indicated he is ready to adjourn as he is not interested in hearing this timeline over and over.

Konrad said that she spoke with Barrett today and the legislation is ready to be acted on.

UNFINISHED BUSINESS:

Blomquist said that the Park Commission passed a motion to leave Central Park as it is and she thinks that was the proper motion that should have come before the Council before any proposals were listened to. Out of respect for the Park Commission

Motion by Blomquist, to accept the recommendation from the Park Commission that Central Park remain intact.

Jensen commented that Petersons has been a good citizen of this town for a long time and he thinks the Council owes them the courtesy to listen to them and not reject a proposal out of hand.

Furman asked what the Council did when as a whole the Council said they would wait to see what was presented. Konrad indicated that until there was a formal proposal from the Petersons the matter would remain on the table requiring no action.

The motion died for lack of a second.

Blomquist said that many people have told her that the Water & Light Commission has not had a chance to face their accusers and she would like to provide that opportunity through a joint work session with the Council. She would like the debts outlined and discussed at a work session.

Jensen said that he does not feel to call them out and question their decisions at this point. Lindquist and Borchardt would like to discuss the debt, audit and meeting schedule with Water & Light Commission.

Blomquist said she does not feel it is appropriate for the Council to review the audit. Furman asked why the City needs to discuss their debt if they are a separate entity. Blomquist said she wants facts rather than innuendos. Jensen if this is going to be a debt discussion all of it goes together including the financials including the audit.

NEW BUSINESS:

NONE

MAYOR AND COUNCIL:

12A Upcoming Agendas

INFO

12B Minnesota Environmental Quality Board

Blomquist would like to discuss silica sand project model ordinances including transportation road and bridge impacts prepared by the Minnesota Environmental Quality Board. Blomquist commented that the City of Taylors Falls is unhappy but she is not sure anything can be done. Blomquist provided copies to the Council for review. Furman asked how you can restrict silica sand hauling and not other materials being

transported. Furman asked how the City could justify one product restriction for transporting. Blomquist said she does not think the ordinances are discriminatory but they were created for silica sand. All trucks that do not meet the criteria on a City road would be subject to penalties.

Lindquist said that Council will take it under advisement at a later date. Council does not want this to go to the Planning Commission at this point.

Konrad noted there will be a negotiation of a Development Agreement and staff is looking for information on specific concerns to incorporate.

Motion by Jensen, seconded by Furman to adjourn. All voted AYE. Motion carried.

ADJOURNED: at 8:05 p.m.

Respectfully submitted,

Bridgitte Konrad, City Administrator
jrl/TOSS