

# 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

June 14, 2016

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

### PLEDGE OF ALLEGIANCE:

ROLL CALL: Councilmembers present were Kathy Blomquist, Theresa Furman, Kirsten Hagen-Kennedy, Joyce Borchardt, and Robert Canada. Staff members present were City Administrator Konrad, City Engineer, Finance Director Hill, and City Attorney.

### PUBLIC COMMENT:

Mayor Hagen-Kennedy indicated that the City has been awarded the U.S. Banks places to play grant funds will be used to refurbish and replace equipment at Central Park.

Peter Schaps addressed the Council and asked about his appointment to the Economic Development Authority since his application was the only one that met the requirements. Mr. Schaaps said that he is very qualified to do the job of EDA Commissioner and suggested that the Mayor is not doing her job by continuing to not appoint him.

Cindy Erickson addressed the Council and said that she saw there were two financial impact statements written by two different councilmembers. The development was approved to go not on city water and sewer as the comp plan would have it and the two statements deal with the potential costs lost. Ms. Erickson indicated that there are missing figures in both of them. For Borchardt's she did not include sewer and water access charges of over \$50,000 for this development. For Blomquist's that amount was not listed because the Finance Director said it has to be done at some point. Even deducting the \$500,000 to run the lines the city ends up with a net of \$701,000 as a profit. What confuses her is there were two developers that came to the city. The second developer would have built 6 homes on city sewer and water and that would have brought \$300,000. Ms. Erickson said she is totally confused by this decision making and the City will have to pay the money anyways to run the infrastructure.

### CONSENT AGENDA:

- Claims
- Approval to Apply for COPS Grant
- ~~Resolution No. 052-06-14-16 — Delinquent Utilities~~
- Resolution No. 053-06-14-16 – Fireworks Permit and Contract
- ~~Pay Equity Compliance — MOUS and Non-Bargaining Salary Adjustments~~
- Resolution No. 054-06-14-16 – Tax Forfeit Property

- Resolution No. 055-06-14-16 – Administrative Assistant Hire
- Transient Merchant License – Southwest Advantage Book Sales
- Transient Merchant License – BioTech Emergency Service Roof Cleaning
- Minutes – April 21, 2016 Work Session
- Minutes – April 26, 2016 Regular Session
- Minutes – May 5, 2016 Work Session
- Street Closure – Elm Street – 6/18 for MidSummer Water Ball Fight
- Street Closure – 8<sup>th</sup> Avenue – 6/26 for Red Bull Day
- Resolution No. 056-06-14-16– Award Old Town Overlay Project

Items 5C removing and 5E were removed for discussion.

Motion by Canada, seconded by Blomquist to approve the Consent Agenda as amended to remove Item 5C and 5E. All voted AYE. Motion carried.

**5C Delinquent Utilities**

Borchardt said she would be recusing herself from this discussion.

Motion by Furman, seconded by Blomquist, to adopt Resolution No. 052-06-14-16, "A RESOLUTION CERTIFYING DELINQUENT UTILITY BILLS TO THE TAXES PAYABLE IN 2017." Members voted: Ayes – 4, Nays – 0, Abstain – 1(Borchardt). Motion carried.

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**5E Pay Equity**

Konrad explained that the City was found to be not in compliance with pay equity as public works wages were increased last year. Staff has worked with the unions to adjust salaries to bring the City into compliance.

Furman said that the Council was given two choices one was \$3,000 and one was \$38,000 and that gave staff a 15% raise and that is money the City did not need to spend. There were other options and she thinks this is unnecessary.

Motion by Furman, seconded by Borchardt, to go with option costing \$3,000 to change the four people's pay to comply with pay equity.

Konrad noted the City would need to renegotiate with the unions to comply.

After discussion, Ayes – 2, Nays – 3 (Canada/Blomquist/Hagen-Kennedy). Motion failed.

Motion by Blomquist, seconded by Canada, to approve the MOU's and non-bargaining adjustments. Members voted: Ayes – 3, Nays – 2(Borchardt/Furman). Motion carried.

**5C Delinquent Utilities – Reconsidered**

Motion by Canada, seconded by Furman, to reconsider the vote on the delinquent utilities. All voted AYE. Motion carried. Borchardt abstained.

Motion by Blomquist, seconded by Hagen-Kennedy, to adopt Resolution No. 052-06-14-16, “A RESOLUTION CERTIFYING DELINQUENT UTILITY BILLS TO THE TAXES PAYABLE IN 2017.” Members voted: Ayes – 3, Nays – 1(Canada), Abstain – 1(Borchardt). Motion carried.

PUBLIC HEARINGS:

**NONE**

COMMITTEE/COMMISSIONS:

**7A PLANNING COMMISSION**

i. Meeting Update

**7B ECONOMIC DEVELOPMENT AUTHORITY**

i. Meeting Update

ii. Joint Meeting Request

Konrad indicated that the EDA has requested a joint meeting to discuss sale of the City’s land. She would send out a meeting wizard request to try and get this meeting scheduled.

Motion by Hagen-Kennedy, seconded by Blomquist, to call for a joint meeting with the EDA. All voted AYE. Motion carried.

**7C PARK COMMISSION**

i. Meeting Update

**7D WATER AND LIGHT COMMISSION**

i. Meeting Update

ii. Minutes

STAFF REPORTS:

**8A ENGINEERING/PUBLIC WORKS**

**NONE**

**8B ADMINISTRATION**

**NONE**

**8C BUILDING**

i. Activity Report

**8D FINANCE**

i. Financial Report

ii. **Conduit Bonding – Fee Reduction Request**

Konrad noted that staff has been contacted by Northland Securities about the possibility of issuing conduit bonds for a project for Presbyterian Homes in Cambridge. They have asked for a flat fee of \$50,000 in place of the City's 0.5% fee.

Motion by Blomquist, seconded by Hagen-Kennedy, to modify the user fee to \$50,000 for Presbyterian Homes.

Borchardt said she had asked for information on what they are saving having the City bond so she is not comfortable.

Furman said that she is not comfortable waving fees to help a building going up in Cambridge.

Blomquist said there are no investors this is a non-profit. Blomquist said that they are known for their service to seniors.

After discussion – Ayes 2, Nays – 3(Borchardt/Canada/Furman). Motion failed.

Motion by Borchardt, seconded by Canada, to offer them ¼ percent over 2 years.

Furman asked about the three that were done. Konrad said she believes it was ½ a percent but she would have to look back.

Furman said that this was for our own people so she does not agree with doing this for others.

Blomquist said that they do good work and are hurting for money.

Borchardt giving the information from Konrad about not being able to do over two years she would amend her motion to the ¼ percent all in one year. The second agreed.

After discussion, Ayes – 2, Nays – 3 (Hagen-Kennedy/Furman/Blomquist). Motion failed.

<b>8E</b>	<b>LEGAL</b>	<b>NONE</b>
<b>8F</b>	<b>PUBLIC SAFETY</b>	<b>NONE</b>
<b>8G</b>	<b>OTHER</b>	<b>NONE</b>

NOTICES AND COMMUNICATIONS: **NONE**

UNFINISHED BUSINESS: **NONE**

NEW BUSINESS: **NONE**

MAYOR AND COUNCIL:

**12A Upcoming Agendas** **INFO**

**12B Blomquist – Rushline Update**  
Blomquist provided an update on the Rushline bus.

**12C Blomquist – Borchardt Underpaying Sewer**  
Blomquist noted that she has been concerned that they have been estimating sanitary sewer and the Council is responsible for the sewer system. Blomquist estimated that to be about \$12,500. For this to be one page says that people are paying bills and making a comeback. Hagen-Kennedy felt this is going backwards and we do not want to go backwards. She would like to focus on going forward.

Borchardt read a prepared statement. She stated there are two manufactured home parks that have been billed on estimated water usage. Oakwood Court Park was estimated before Tom Borchardt purchased the park in 1999 and Branch Mobile Home Park was also estimated during that time. She reviewed the taps and meters that are installed in the two parks. She reviewed calculations per person for the three mobile home parks. Utilizing those calculations felt North Branch Water and Light should charge 1400 gallons per person multiplied by 1.5 people per unit for a total of 2100 gallons. The total usage for Oakwood using those calculations would be 56,700 gallons, not the 113,400 that they have been charged since 2015. She compared the lot and unit sizes in Countryside Village and felt that were more washing machines, dishwashers, bathrooms, etc. than in Oakwood or Branch Mobile Home parks. She noted that both Oakwood and Branch court owners offered to meter their parks, but plans were rejected by the Water and Light. She wanted the story behind the story told.

**12D Blomquist – Removal of Furman from Water & Light Commission**  
Blomquist said that one customer has been over represented and strongly supported having Borchardt have a special rate. She is confused because she thinks it is Furmans duty to ensure the best possible services for residents and she would like her removed. Blomquist provided information on the last Water & Light Commission meeting. Blomquist said as a user on the system she does not feel represented.

Hagen-Kennedy said that Furman was appointed to the Commission. She would like to focus on the future and move forward.

Furman said that Blomquist has not contacted her with any concerns but put this all on the Agenda. She read a prepared statement. Furman stated that Blomquist feels that she is representing another Councilmember when on the Water and Light, which is untrue. She stated there are two parks that are not fully metered. She stated they have rights as citizens and she will continue to receive respect and representation they are entitled to. She reviewed projects undertaken while Blomquist was on Water and Light. She felt that it would have been wiser to do those projects in phases when growth was actually happening. She expressed great concern that her ethics were being called into question. She discussed reasoning for some of her past votes.

Canada said that out of this entire thing it is appalling that Blomquist thinks that Furman should be in legal review of her conduct. To her, anyone that says that should be reprimanded because there should be facts not opinion. He is sick and tired of this when it does not go her way and he would like to move on.

Borchardt said she is tired of the witch hunts.

Hagen-Kennedy said that everyone needs to put on big girl and big boy pants and do the job they were elected to do and look to the future. When you write up your memos that they are about something future focused for this City. Using staff time to call and complain we are all adults and it is time to get to work.

Blomquist when said was responsible for increase in rates that happened after she was on and when Larry Erickson and Ron Lindquist were on the Board. Blomquist with the trailer parks that was discovered when she was off. It was considered business as usual. Blomquist said she wants to talk about the meter. Borchardt clarified that mobile homes do not have a license plate. They are no different than the townhomes. Borchardt said she is disappointed that other issues were not brought up. Blomquist would like to feel that, in the future, that Furman says the water rates are too high, the sewer rates are too high.

**12E Canada – Market Gap Committee**

Canada said he proposed a joint committee to get the like-minded folks together to create a market gap committee from the EDA, Planning Commission, Council and Staff. Blomquist would like a banker on the committee. Canada agreed. Borchardt said for the first six months she would like to keep it within the City and then bring in other experts later.

Motion by Canada, seconded by Furman, to appoint two from the EDA, Planning Commission, and Council, and Finance Director Hill and City Planner.

Furman said there will be two councilmembers on the committee.

Ayes – 4, Nays – 1(Blomquist). Motion carried.

**12F Borchardt – Financial Interpretation Housing Fees**

Borchardt would like to look at growing and big picture. She said she did not feel the social media campaign against the three members was justified since the figures were not clear.

Borchardt said she is concerned with fee reductions and assessment waivers because there are systems to pay for. Hagen-Kennedy said that Commissioner Falk brought up his concern that instead of getting the utility to this developer it was pushed through and had to make decision under time crunch. Bottom line is that for a developer it is easier to build a home and have someone put well and septic on but it is the city responsibility to look at every avenue to get more users on the system. Hagen-Kennedy said she would like to be sure that only facts are being used. Blomquist would like to have the council have one voice saying there is a need to put more users on the system. Canada said that he's paying for this as well because they all want to spend their money in North Branch. Blomquist said that there have been 45 homes a year for the last three years. There were 10 new home plans come in on city services. Blomquist said that, in the long run, she would like to come to an agreement about water rates.

Motion by Furman to adjourn.

ADJOURNED: at 8:50 p.m.

Respectfully submitted,

Bridgitte Konrad, City Administrator  
jrl/TOSS