

**CITY OF NOWTHEN
TRUTH IN TAXATION HEARING
IMMEDIATELY FOLLOWED BY THE
REGULAR CITY COUNCIL MEETING
TUESDAY, DECEMBER 8, 2015 @ 6:00 PM**

The Nowthen City Council held its Truth and Taxation Hearing and Regular City Council Meeting on Tuesday, December 8, at 6:00 PM, at the Nowthen City Hall, 19800 Nowthen Blvd NW, Nowthen, Minnesota.

Present: Mayor Jeff Pilon
Councilmember Randy Bettinger
Councilmember Mary Rainville
Councilmember Paul Reighard
Councilmember Jim Scheffler

Others: Sgt. Andy Knots

TRUTH IN TAXATION HEARING

Truth and Taxation Hearing - Each local government is required to hold a public meeting after the notices come out where budget and tax issues are discussed, and where public testimony must be allowed, prior to adopting its final levy. – Mayor Pilon opened the Truth and Taxation Hearing at 6:01 P.M. – There was no one in attendance to speak on behalf of the Truth and Taxation Hearing. Hearing was closed at 6:15 P.M.

CITY COUNCIL MEETING

Approve/amend the meeting agenda – Rainville added Floor Items under Item #9, New Items. **Scheffler made a motion to approve the amended agenda; Pilon seconded. All in favor; motion carried.**

- 1). **Sheriff Update** – Sgt. Andy Knots indicated that they do not have any reports at this time with the new system. He also indicated to be watchful for theft of packages being delivered at door steps during the holiday season.
- 2). **Floor Items:** - Dan Williams, of 7967 191st St., stated that he again wanted the Council to think about what he said last time about getting rid of the workshop and having an earlier meeting with an intermission, so the Council can intermingle with the public. A lot of people think that there is never a time to talk

to the Council. They don't want to talk on the phone; they would rather talk face to face. An intermission would be a good chance to bridge some of the gaps between the Council and the public. Williams thinks that the Council should give Troy at Lakeside Cabinets an apology for how the whole thing with the Heritage Committee was handled. Williams said that Troy feels like he was humiliated in public. Here we have a taxpayer that offered to give us \$5,000 towards the purchase of Audio Video equipment. Williams thinks that offer no longer stands, but if the Council maybe apologized, Troy may reconsider. This is a taxpayer that would like to put money into other programs, like the hockey that Park and Rec. is proposing. He is a vested member of the community. Not only does Williams, but others think that Troy is owed an apology from the Council. Third, Williams said that people come up to the podium with some good ideas. He thinks that the Council should have some place at the workshops to go over the floor items. William thinks those ideas just die at the podium. There is no format within the system to review the floor items. He sees some Council Members take notes, but they die here. He thinks at the workshops they should be reviewed, as a Council and not one person's decision. Those items deemed worthy of discussion should be put on the agenda. A couple of meetings back, there was discussion of what should and shouldn't be on the agenda. If it is not on the agenda, it never gets talked about, with the whole Council. He thinks that they should be added to the agenda for discussion.

Kurt Daudt, Speaker of the Minnesota House of Representatives, stated that they have a short session in 2016. They will start March 8th and have about 10 weeks of session. Two big things they want to accomplish is tax relief and hope to pass a transportation/infrastructure package. Those are the two main things they will have in the next session. It is also a bonding year, so they will have some sort of bonding bill as well. The forecast came out for the State shows that the State has a \$1.8 billion dollar surplus. By Statute, \$600 million which went into reserves, which leaves about \$1.2 billion. The state will have another forecast the week before the next session. That will give them better updated numbers. Pilon said that we are a small city and don't qualify for state aid funds. This year, Legislature gave the smaller cities some funding. Are there any thoughts of the likely hood that will be considered again? K. Daudt said that their proposed transportation plan would have money for small cities for roads and bridges, for the first time ever. They did a small piece of that in the last session.

The plan that they proposed last year, which is sitting in conference committee and was approved by the House, included language for small cities. Their bill called for about \$25 million dollars per year for cities with a population of under 5,000. After 2018, that shifts into the sales tax on rental cars, which would be dedicated to small cities. That funding source would grow over time and likely would be \$30 million in just a few years. Daudt didn't know how that will break down, but he thinks it may be twice as much as we got last year. The Senate did not have that in their bill, so that is why it is in Conference Committee. They

will likely reconstitute the Conference Committee in March. If the Council is supportive of that, he will reach out to Legislature on that.

Rainville asked if it would be payable in 2016. Daudt said that funding would likely start in July 2016. They would have to approve the continued funding in the next 2017 Legislative Session. Likely, if they put it in to Statute, the next Legislature would not remove it.

Rainville asked if there is any likelihood of any increases of Local Governmental Aid. Daudt said that they are not proposing an increase in net spending, so any increase in any area, they want to offset with saving in other areas.

Rainville made a motion to direct staff to send a letter to the Senator and both House Representatives thanking them for funding and to ask for additional support; Pilon seconded. All in favor; motion carried.

- 3). **Alexandra House – Request for Donation – Rainville made a motion to approve a donation of \$500 for 2015 and 2016 to the Alexandra House; Bettinger seconded. All in favor; motion carried.**

- 4). **Richard & Teresa Halldorson – Appeal of assessment – Rainville made a motion to approve Resolution 2015-21, A Resolution Waiving the 2016 Special Assessment on Richard Halldorson; Reighard seconded. All in favor; motion carried.**

- 5). **Approve Final Budget and Levy – Adopt Resolution 2015-20 – Bettinger made a motion to adopt Resolution 2015-20, a Resolution Adopting the Final Property Tax Levy Collectable in 2016; Scheffler seconded.**

Rainville will not be voting an affirmative on this. She believes that there are additional revenues that they could include and disbursements that could be consider. She opposes the additional money going towards the Road Equipment Fund. She understands that they need money in that Fund, but they have no idea where the money is going or what they are going to do with that money. Until there is a capital improvement plan for the Road Equipment Fund, she cannot support this.

Bettinger said that zero dollars going into the Road Equipment Capital Improvement Fund is not acceptable. The budget the Council put together is very slim. The three biggest items in the budget were the Capital Improvement Plans for the Road and Bridge Equipment, Fire Dept. Equipment and the Road Improvement Fund. To cut any of those is tough. Bettinger said that even the

Mayor had mentioned at the September Proposed Budget Meeting that they probably didn't even have enough in those funds. The City had about \$2.5 - \$3 million dollars in needs and \$50,000 per year isn't going to go very far. The City is working on a barebones budget. They have been in budget talks for months now. To bring up the possibility of additional revenues and disbursements, those items should have been brought up back several months ago. It is a little late for that now. He thinks they need to work in the future on restructure. The cost of contract employees has gone way up. There are other ways to streamline things. For example, the Right of Way Permits go through both the Engineer and the Maintenance Dept. Bettinger is 100% confident that the Maintenance Dept. can handle those permits alone. He thinks it is too late to have these discussions now.

Reighard agrees with Bettinger. Going back and looking at the budget, the three funds Bettinger referenced makes up almost 90% of the increase. Based on the calculations he came up with, they are proposing at total of 8.71% increase and 7.84% are from those three items. They don't have money going into those funds now. What would the City do if they need a piece of equipment now in the Road & Bridge Dept. They would have to bond or do something different. If the City doesn't start preplanning now, they are going to end up trying to find money somehow, somewhere else. If you take those three (3) funds out of the picture, the increase is only .87%. What the Council is doing now is making up for what should have been done in the past. So, they are basically trying to play catch up. They are doing it in a small chunk, but it is a way to get them started. You cannot buy much equipment for \$50,000.

Pilon said that they also put in \$9,000 for ice and snow removal. He thinks part of the discussion is they were less than detailed.

Pilon stated that the \$9,000 was not necessarily justified, but was good to have some reserve there. He thinks back to the Equipment Fund and they do have some bonds that will be expiring in years to come. He thinks that the point is not that there isn't a need, but the communication of what specifically the expenditures would be, when they anticipate equipment wearing out. The Capital Improvement Plan specifics need to be defined and he did not feel they were specific enough to justify the 8.71% increase. This is a significant increase and there should be a plan to go with it.

Three in favor of Bettinger's motion to approve Resolution 2015-20; Pilon and Rainville opposed. Motion carried.

6). Planning and Zoning

- a). **Sam Wolverton** - (PID 29-33-25-42-0005) – A request for a **Variance** of property owned at 19155 Burns Parkway. The Variance is being

requested to place the garage 48.3 feet closer to the street than the existing home. – **Bettinger made a motion to approve the request for a variance by Sam Wolverton, as recommended by the Planning and Zoning Commission and the City Council’s Findings and Decision dated December 8, 2015; Pilon seconded. All in favor; motion carried.**

- b). **Kent Roessler** – (PID 25-33-25-12-0001) – A request for a **10 acre lot split** from a 40 acre parcel of property owned at 4870 Viking Blvd. – **Bettinger made a motion to approve request for a 10 acre lot split, as recommended by the Planning and Zoning Commission and the City Council Findings of Fact and Decision dated December 8, 2015; Scheffler seconded.** Scheffler is perfectly fine with waiting until the property is platted to obtain park land and /or trail right-of-way. Rainville would like to take the attorney’s advice and require the applicant to show it. Reighard is fine with the way it was presented at the workshop. We don’t know until it is subdivided how it is going to be laid out. **Four in favor of Bettinger’s motion to approve the 10 acre lot split request by Kent Roessler; Rainville opposed. Motion carried.**

Roessler would like to address the Council at the February Meeting to discuss the way that his request was handled. He would like to itemize that for the Council.

Roessler would like to show the Council how much he was charged for this. Pilon stated that most of the discussion goes on at the workshop, so if the meeting is on the February 9th, the workshop would be the Thursday before. That would be an appropriate time to have that discussion. Roessler doesn’t want it discussed at the workshop because there are no minutes and the public doesn’t know what is discussed at the workshop. He thinks this item should be addressed in front of the residents and in a very public manner, so that all the residents can hear what he has to say. Pilon said that can be the result of the workshop as well. The Request for Council Action can be put in writing and go out with the Council Agenda’s and be part of the public record. Scheffler suggested that Roessler come to the Council Workshop and again at the Council Meeting under floor items. Roessler said that what he has to say will take about 20 minutes. Pilon said that the Council can discuss Roessler’s request at the January Workshop.

- c). **Code Enforcement Updates**
(1). **Rohach** – *Request for Council action* – **Bettinger made a motion to have staff work with Rohach to come up with self-embossed goals and time lines with follow up inspections and have that**

brought to the January Council Meeting; Rainville seconded. All in favor; motion carried.

- (2). **Phone and Email Complaints – Request for Council action – Pilon made a motion to continue processing the complaints as previously directed (See August 2014 CC Minutes); Rainville seconded. All in favor; motion carried.**

7). **Consent Agenda:**

- 1.1 **Approve the November 10, 2015 Regular City Council Meeting Minutes.**
- 1.2 **Financial Report**
- 1.3 **Approve All Audited Bills Claim # 9776 through Claim # 9833, plus Net Distribution reports dated November 10th, November 16th and November 30th, 2015.**
- 1.4 **Approve 2016 Tobacco License – Bill’s Superette and Burns Bottle Shop**

Bettinger made a motion to approve the Consent Agenda, as presented; Reighard seconded. All in favor; motion carried.

8). **Council Items:**

- a). **RFP Wage and Compensation Study– Bid opening** – Four bids received: Flaherty/Hood P.A for \$5,980; Springsted for \$4,607; Laumeyer for \$4,500; and Cost Review Service for \$500,000. **Rainville made a motion to postpone and table the discussion on the Wage and Compensation Study; Pilon seconded.** Rainville said that the Council received the packet Thursday night at the workshop. She has not had the opportunity to look through them and she would also ask for a workshop to further discuss this. She does not feel comfortable having discussions on it. They should have additional time to read through it. She would ask for a workshop on this matter, so they can, together, discuss the proposals.

Scheffler said that it was unfortunate that they all did not get a chance to review them. He personally has reviewed them and has no problem making a decision now. Mostly, he is opposed to having a special meeting just to award a bid.

Bettinger agrees, he read through them. There are just three bids to consider. He is ready and willing to make a decision on one of them tonight. The Council doesn’t need a special workshop to discuss the matter.

Reighard agrees that they don't need a special workshop. As far as making a decision tonight, he is not 100% sure because he has some questions. What surprised him is that two of them are relatively close in their bid amount and a 3rd that is slightly higher. In comparing, the number of hours that the higher bid proposed for each section is considerably higher than the others. Are they more detailed, or does it just take that much longer.

Pilon would like to clarify a few questions through staff to obtain clarity. Management is listed, but it is not clear who that is refereeing to. We can direct questions through staff. One of the biggest concerns he has is the private sector. One mentions it, but the other two do not. He would like to give them the questions and allow them time to amend their proposals and present them at the January Meeting.

Reighard thinks that if they table this, they need to have a date at which this is to be done, so it doesn't get drug out.

Rainville amended her motion to table the Wage and Compensation Study until the January workshop and to present the questions to LaDoucer by December 21st, so she can get them to the consultants for response by the next workshop and meeting. Rainville said that this would also give them the opportunity to determine where in the budget they are going to find the money.

Scheffler would agree to table it until the next workshop. The reason is only because Rainville did not get a chance to review this and he thinks that everyone should have a chance to review it.

Bettinger agrees with Scheffler's comments, but the Council needs to move this forward this January. We could be looking at next fall before the final project to be done. He doesn't think that is acceptable.

Pilon seconded Rainville's motion. All in favor; motion carried.

- b). **Proposed City Council Policy Amendment – Chapter 4 – (Liaisons) – Scheffler made a motion to approve the amended Proposed City Council Policy, with an effective date of January 1, 2016; Rainville seconded.** Pilon said that it should be effective January since there is a P&Z Meeting in December. **All in favor; motion carried.**
- c). **Proposed Ordinance Amendments – (Revise Ord. 2013-02) – Rainville made a motion to table this until the January meeting and to present this information to the three (3) Committee Chairs for their review and input and to ask that they attend the January Workshop; Pilon**

- seconded.** Rainville said that there are things in there that have never been done by the committees and aren't relevant to the committees. They should take the opportunity to look through them. Reighard questions if it should be an ordinance or policy. **All in favor; motion carried.**
- d). **Move Forward with P&Z Commission appointment** (Bettinger) – **Bettinger made a motion to appoint John Setala to the Planning and Zoning Commission; Scheffler seconded. All in favor; motion carried.**
- e). **Council Directives** (Reighard) – No direction, as noted in the Workshop.
- f). **January Workshop Date Change to January 6th** (Bettinger) – **Pilon made a motion to approve changing the January Workshop date to Wednesday, January 6th at 5:30 PM; Rainville seconded. All in favor; motion carried.**
- g). **Approval to purchase new stairs for Recycling Center** (Scheffler) – **Scheffler made a motion to approve purchasing new stairs for the recycling dumpster at the recycling center and to mark on them “Property of the City of Nowthen”; Pilon seconded. All in favor; motion carried.**
- h). **Recycling Update** (Scheffler) – Scheffler gave an update at the workshop.
- i). **Anoka Record – *Unsolicited Mail*** (Bettinger) – **Bettinger made a motion to have the Commission and Council Member advise LaDoucer if they no longer wish to receive the Anoka County Record and to advise the Record of those who no longer wish to receive them; Reighard seconded.** Pilon said that it can be communicated, but if this is coming through the mail, staff should still be giving to who it is addressed. **Four in favor; Pilon opposed. Motion carried.**
- j). **Proposed Land Use Signs** – **Pilon made a motion to direct staff to contact Ramsey and Andover on what size signs they are using, including other specifications and crash worthy and check into cost options with Trans Signal, Anoka County and Elk River (cost to include stands, bolts, sandbags, etc.) for two (2) land use, one as a variance and one as a public hearing sign; Bettinger seconded. All in favor; motion carried.**
- k). **Part-Time Snow Plowers** - **Bettinger made a motion to approve the list of Snowplowers, with the pay presented; Reighard seconded.** Rainville stated that the Council also discussed at the workshop the need of confirming with the insurance company and the County, as far as driving

records. That their driver's licenses are valid and that the insurance company doesn't see any issues with them. **All in favor; motion carried.**

Rainville made a motion to direct internal staff to perform background checks on all renewals and new drivers to determine that there is a valid driver's license; and submit that information to the insurance company to obtain approval for liability issues and to obtain clarification on how long after consuming alcohol does a driver have to wait before they could drive. Pilon seconded. All in favor; motion carried.

- l). **Request approval to terminate Park and Rec. Recording Secretary Contract - (30) days written notice – Council Consensus is to have Kelly Pearo continue to do the Park and Rec. Meeting minutes.**
- 9). **Introduction of New Items:** - Floor Items – Rainville would like to respond to statements referencing her made by Ms. Mahutga, during the floor items at the November 10th City Council meeting. She does so to provide, in her opinion, a more realistic view of the situation. Ms. Mahutga accuses Rainville of not following Council direction relating to a committee appointment request. At the October 13, 2015 City Council meeting, an October 5th memo from CM Bettinger requesting his appointment to the Road and Bridge Committee and for a change to City Code to allow for his appointment was introduced. CM Scheffler made a motion to appoint CM Bettinger to the R & B Committee. CM Bettinger seconded the motion.

Rainville said that, in her comments against the motion, she stated she couldn't support appointing CM Bettinger when we had three residents interested in participating in the Committee. There was much discussion regarding changing City Code per the request of CM Bettinger; the qualifications of CM Bettinger, and forwarding all four, (CM Bettinger and the three residents) to R & B for consideration. The motion to appoint CM Bettinger failed on a 3-2 vote with only CM Scheffler and CM Bettinger voting for it. Given the council voted not to forward CM Bettinger's name for consideration, she then moved that the Council forward the applications they have received to the R& B Bridge Committee for consideration. Rainville's motion was seconded by Mayor Pilon. The reason for her motion was that we had three residents interested in serving the City and that existing City Code didn't allow for a 2nd CM to be appointed to R & B. Discussion related to her motion was CM Reighard saying he hoped and advised the R & B Committee look at all qualifications of the applicants. That they choose based on qualifications and nothing more. Mayor Pilon responded – "You know the people on that Committee; I think it's safe, but just saying."

Rainville said that her motion passed 4 -1 with CM Bettinger voting against it.

Rainville stated that when the Road and Bridge packet was distributed, it included CM Bettinger's October 5th memo requesting his appointment to R & B and amending City Code to allow for it to happen. After receiving the packet, Rainville called the R & B Chair expressing her concern as her motion was to forward the applications received to R & B. CM Bettinger's memo asking to be appointed, in her mind, wasn't an application. She told the Chair she would be asking the Mayor to contact the City Attorney to clarify whether or not the Committee could recommend to appoint CM Bettinger to the Committee as current City Code didn't allow for it. The Chair said he wanted to use a secret ballot and Rainville told him that had never been done before and it was her belief that a ballot shouldn't contain CM Bettinger's name as City Code didn't allow for his appointment and it went against her motion of moving forward the applications received.

Rainville stated that what Ms. Mahutga and others have attempted to do is merge the discussion from the first motion into Rainville's motion. It's interesting to her is that she and others appear to be saying they know what her motion meant; however, it was her motion and she knew her intentions. And her intentions were to interview only the three residents who had applied for a position on the Road and Bridge Committee, which is what she stated as her opposition to the first motion. Ms. Mahutga also stated, that at the November 5th Council Workshop, that Rainville denied calling the R & B Chairman, which is false. Rainville never once said she hadn't called the Road & Bridge Chair and nor would she because she had and Rainville believe, Mahutga should apologize for saying so.

Bettinger said that he makes a motion that any items like this be brought up as a floor item; Scheffler seconded and stated that he doesn't like the fact that they are using the Council minutes to broadcast their opinion. All in favor; motion carried.

Bettinger made a motion to adjourn the City Council Meeting at 7:50 PM; Pilon seconded. All in favor; motion carried.

Respectively Submitted by:

Corrie LaDoucer, City Clerk

Mayor Jeffrey Pilon