

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

CITY COUNCIL MINUTES

MAY 2, 2011

1. **Call to Order/Pledge of Allegiance:** The regular City Council Meeting was called to order by Mayor Jerry Tveit at 6:00 pm.
2. **Roll Call:** Present were Mayor Jerry Tveit, Council members, Jeff Sandoval, LeRoy Schaffer, Steve Kane and Chris McClish. Also present were City Attorney Scott Lepak (Barna, Guzy & Steffen), City Engineer Jared Voge (Bolton & Menk, Inc.) Police Chief Jeff Harapat, Public Works Director Paul Teicher, Finance Director Darcy Mulvihill, City Administrator Matt Hysten, and City Clerk Barb Held.
3. **Adopt Agenda:** MOTION BY SANDOVAL SECOND KANE TO ADOPT THE MAY 2, 2011 CITY COUNCIL AGENDA. Motion carried 5-0.
4. **Consent Agenda:** MOTION BY SANDOVAL SECOND KANE TO APPROVE THE MAY 2, 2011 CITY COUNCIL CONSENT AGENDA A -H AS FOLLOWS:
 - a. Approve the City Council Minutes of April 18, 2011.
 - b. File the Amended City Council April 4, 2011 Minutes as requested by Council member Schaffer.
 - c. Accept Catherine Okerstrom's Letter of Resignation from the Liquor Store.
 - d. Approve the hiring of Bruce Olson and Nicole Dowell as Part Time Liquor Store Clerk.
 - e. Approve the Appointment of Lan Tornes to the Upper Rum River Watershed Management Organization as the Resident appointee.
 - f. Acknowledging the ISD #15 Wellness Program 5k Run/Walk Route on May 14, 2011
 - g. Approve Pay Estimate No. 5 for \$169,161.95 and Change Order No. 2 for \$3,616.67 to Geislinger & Sons, Inc. for the Ambassador Trunk Utility Improvements.
 - h. Approve the Payment of Claims for \$185,094.74.Motion carried 5-0.
5. **Meeting Open to the Public: (At this time, the meeting is open to the public. Since we have a large turn out here today, I would like to limit everybody to 3 minutes so everybody has a chance to speak.)** Jeff Titus, 4324-230th Avenue NW, was here to talk about high taxes and high water/sewer rates. I was here last December 6, 2010 to talk about the same issues. April 16, 2011 the City Council voted to raise the city's portion of our taxes to increase by 16.5%. Did you realize that when you voted on the resolution at the last meeting? You are driving citizens and businesses into financial ruins. Housing prices keep going down. You may ask why don't you just sell and move out, Mr. Titus. Well, I tried that for two years but nobody bought my house, no surprise. Mr. Mayor you and other council members campaigned for office on lowering taxes right? You sure did and now you're passing and have passed to raise my taxes 16.5%. This is absolute campaign fraud. I agree we have a maintenance department that has a

problem; I don't think anybody can deny that. We need better space, nobody can argue that if you look at it, its absolute truth, but I might suggest this; the city take the \$404,580 that they have set aside for building projects and the projected \$175,000 that they were putting aside this year and use that money to make changes to the building. By my calculations, it's about \$580,000. If you need to borrow a few hundred thousand dollars, let's say \$500,000 and you could do that and for about \$1 million you could probably put a pretty decent building together. Being on the city council myself and being a council member requires you to make tough decisions. I was on city council, I sat where you are. We had to make tough decision on the council. We had many needs but we had to prioritize our needs knowing we could not afford to do everything that we wanted to do. We made the city do as each and every other business and homeowner must do "live within our means". We didn't raise anybody's taxes 16.5 % when I was on the council. After reading the recent article published in the Anoka news, I believe you have chosen this route to lease this building absolutely because you're trying to shut the citizens out of the process and you're not looking out for the best interest of the citizens or businesses.

Mayor Tveit said Mr. Titus it has been more than three minutes.

Titus said I just have a few more comments here. I just have a few more comments here. Mr. McClish I understand that you are concerned that many officers are being forced to work out of small spaces and have equipment jammed into the police station. I understand this is an inconvenience, but frankly raising taxes on every citizen 16.5% is unacceptable. Which brings me to my final statement? What is next? We need a city hall, city council are you going come back later this year and go through another \$10 million dollars to build city hall or are they going to try to pass this legislation tonight, which is resolution 2011-12 which starts a new entity to try to attract businesses to the city but they're paid positions, they're all paid positions. The city has a spending problem. I would ask that you repeal the motion you made at the last council meeting.

Tveit said I would like to remind everyone to keep it more condensed.

Roland Willis, 23073 Eidelweiss Street NW: Good evening Mayor, Council and City Staff. I like Mr. Titus are in about the same condition. I voted for Mr. McClish understanding when I talked to you that you were not in favor of any buildings and I put my name to the citizens of St. Francis and asked people to vote for you based on that endorsement. I see you were the person that made the motion to go ahead with this. I'll go ahead and quote it exactly what it states; you made a motion to go ahead with a 20-year lease purchase revenue bond options to construct a public works and public safety facility. So understand that I put my name out there to ask people, my friends, family and relatives and citizens of this town to vote for you because you were against this and the mayor ran on, as Jeff pointed out on no new taxes. Unfortunately, we now have a new tax. Just like the revolving loan credit that was passed earlier this season or session. I don't know if there are any strings attached. I don't know if the citizens understand how this works but we're going to get money from the county. Essentially, you are funding businesses up here through the county because it does come out of your taxes, again because you are paying county taxes. So, it might look good to the city that we loan a business money and if we can grow, economic growth here and that's all fine and dandy. But really the citizens of Anoka County are paying for it we're just spreading the wealth instead of just the City of St. Francis. My main focus here, I have a laundry list but the mayor kind of squashed the public here

to speak, so I'll have to bring these up at another meeting. My main thing is resolution 2011-12. Now, I can sit here and read this but I made enough copies, 30 of them so everybody can come and read this. But, I'll read the finer points of it. This is basically, what we are going to vote on tonight, folks they are going to establish an Economic Development Authority. This authority will allow five people, men or women to go ahead and purchase lease or do anything they want in the city, I'll just give you an example. The authority may create and define the boundaries of an economic development district as allowed by law. Ok, the authority may acquire by a lease purchase, give, devise or condemnation proceeding that immediate rights, title and interest in property to facilitate its proposed purpose as authorized by law. The authority may sign options to purchase, sell and lease property and it also states here it will become like an LLC. So, understand, I can't read this 5 page thing but I encourage you all to read it and understand what they're going to do. This is a paid position and they want to pretty much have the right to do whatever they want, in fact, there are few things they have to come in front of the city council to do once they start establishing. And just to point out another fact, when this resolution comes in front of the city council it is not drafted by city staff. This is drafted by a law firm. This cost taxpayers of this town to draft a resolution. If I pay for a resolution, as far as I am concerned would be about \$1,000 each. So, understand when a resolution comes before city council, when things like this come in front of the city council and comes from a law firm they drafted, they cost money. It's just the way it is. Also, there is also a thing I just want to bring up from the last point on economic growth. The last thing on economic growth on April 4th there was a resolution passed to allow this county to look at our thorough way on County Road 24 that runs in front of the high school. The proposal is for two roundabouts. I really hope as a city council you guys really discourage them of even coming close to doing that in this city. If anybody's heard of this, that does not spur economic growth like the charter or authority is going to do. Because anybody I've talked to, if you're going to try and get any businesses to come up here, roundabouts are not the way to go because they discourage truckers. You put two over there; in fact, I talked with one businessman. His business resides across the way from the high school. He goes, what about my business? How are they going to get into my lot coming east/west bound? I don't know, that's not my problem, but is obviously his now if this goes through. I highly recommend you guys discourage that because that's not going to spur growth. The Mayor ran under no new taxes and economic growth and Chris McClish, Councilman you ran under no new buildings. I don't know what to tell you guys but the next elections are around the corner. The public will speak again. I just don't know where you guys will sit. Thank-you

LeRoy Schaffer asked to speak on the bonding issue. City Attorney, Scott Lepak stated Mr. Mayor, I am assuming Mr. Schaffer can address this under "Old Business". I recommend you move on. Mayor Tveit recommended we move on and the remainder of the council agreed.

Chad Mitchell, 23376 Ambassador Blvd, I agree with the other two gentlemen about the taxes, but the city went for a long time without updating a lot of stuff and if we need to update stuff we should do it the right way instead of the false estimates that Mr. Schaffer has passed out. I got neighbors coming up to me and they are mad \$31,000 for a building, that's just labor. Mr. Schaffer if you're going to pass out stuff like this you need to get your facts straight so the citizens realize it.

Tim Brown, 5268 Ambassador Blvd., Good evening Mayor and Council. I don't like more taxes either. Everybody is worried. I don't like more taxes. I think this council and mayor has done a fine job in keeping taxes at a reasonable level. People want to have services. They want police, they want fire, and they want public works until they have to pay for it. So, if you want to live with the services you're going to have to pay for it people. As far as the maintenance facility goes, I don't want to spend that kind of money, but we need it. If the council before me would have taken care of it, we wouldn't be talking about this right now. So as far as I'm concerned here is my checkbook. bring it on. We need the facility, we need to take care of the city, and we need to take care of our infrastructures. Otherwise, we're going to have problems ten years from now. When will be the right time? Now is the right time. Bids are going to be low; bids are going to be very competitive right now, let's get it done. I feel you guys are going forward and in the right direction. If anybody doesn't want it, you know, I suggest if 3500 people show up here then don't do it, but I don't see 3500 people here. Let's get it done. Thank-you.

William Gardner, 5304 238th Avenue; Basically, I have two issues and I would like to address tonight because I tried to understand what you people did at the last meeting. I spoke with Barb, I spoke with the Mayor, I spoke to the LeRoy and to Mr. Sandoval and out of all you people Mr. Sandoval is the only one that could explain to me what you did. Now I understand it, I get it. You took a vote on how much money the city will borrow to build a Public Works and Police Station. That doesn't mean that you're going to spend that amount of money and as the Anoka County Union article by Tammy Sakry it kind of reinforces that. So, yes I do agree we do need some buildings. I was the former Mayor here also. Now, I would like to go through the other issue and this is a complaint against the Mayor. I will give the council members a copy. Tonight, I like to file an official complaint against the mayor for making a racial remark to me on April 19, 2011 during a telephone conversation. I called the mayor to get an understanding of what just happened at a council meeting the night before regarding the proposed 9.5 million lease and levy. I had a very difficult time understanding what he was saying and how he was saying it. So, Mr. Tveit said to me the following: "Let me give you an analogy. Suppose I was going to buy a car and I went to a dealer, car dealership and I kicked the tires and I drive the car around and then went inside to the salesman and I tried to Jew him down." I told him I was offended by that remark because I am part Jewish. He stated he was sorry for making that statement. I then said there were more appropriate words he could have used and he said "that was true" but he was unable to come up with any other word until I said "maybe negotiate" would have been more an appropriate word to use instead of trying to "Jew" him down. When I posted his comments on my web site someone stated, "well at least he apologized" My reply to such as comment was the followings "If I used the "N" word and I apologized for it, then it must be OK. I don't think so. I don't think so, as the Mayor you're standards are a little higher than a non-elected official. I know the city has a code of conduct and I feel the mayor crossed that line. I request he be censored for such a comment and not only a person who is part Jewish or any person at all. In closing, I know this will be treated just like my last complaint with nothing being done but at least both my complaints will be part of official record.

6. Petitions, Requests, Applications:

a. Mystic Riders Lawful Gambling Premise Permit Application for Rum River Inn
Resolution 2011-11: MOTION BY SANDOVAL SECOND McCLISH ADOPTING
RESOLUTION 2011-11 A RESOLUTION APPROVING THE LAWFUL GAMBLING

PREMISE PERMIT APPLICATION FOR MYSTIC RIDERS SNOWMOBILE CLUB AT THE RUM RIVER INN. Schaffer said most of these are (inaudible) I would have liked more go to charities like the food shelf. I think we should fill needs not niceties. Kane said I would like to note that in the application they note where they donate their money. Kane went on to read the organizations; food shelves to area counties, school scholarships, local benefits, six other local area snow-Clubs, school sports, school proms and trail funding and equipment. Kane stated I think they do give to area organizations. Tveit said we didn't mention anything at that time when we approved the CHOPS Inc. for the Patriot Lanes, so why hold Mystic Riders to a higher standard. Sandoval said CHOPS, Inc. does put funds into this community they help under privileged kids and are based out of East Bethel. Tveit said I stand corrected. Motion carried 4-1. Schaffer voting nay.

b. St. Francis Area Jaycees: Temporary Liquor License and Dance Permit for Pioneer Days: MOTION BY SANDOVAL SECOND SCHAFFER APPROVING THE TEMPORARY LIQUOR LICENSE AND DANCE PERMIT FOR PIONEER DAYS JUNE 10-12, 2011. Motion carried 5-0.

c. St. Francis Patriot Lanes: Dance Permit for Pioneer Day: MOTION BY SANDOVAL SECOND McCLISH TO APPROVE THE DANCE PERMIT FOR PIONEER DAYS. Motion carried 5-0.

7. **Ordinances & Resolution:**

a. Resolution 2011-12: Enabling Resolution Establishing an Economic Development Authority for the City of St. Francis, Minnesota: Seems like a catch 22 we want business but listening to people tonight they are not in favor. Hylen said last week I was out of the office and there is a process that we will need to follow for developing an EDA. I would recommend you not consider this resolution tonight. Sandoval said let's get all the information together with financing options and an amount before we proceed. Kane said I would like to keep the public involved. MOTION BY SCHAFFER SECOND SANDOVAL TO TABLE RESOLUTION 2011-12 ENABLING RESOLUTION ESTABLISHING AN ECONOMIC DEVELOPMENT. Motion carried 5-0. Hylen said there is a formal process to follow and I will be communicating with the city attorney and will try to have more information in your off week memorandum.

8. **Reports of Consultants & Staff Members:**

a. Engineer:

b. Attorney:

c. Staff: Fire Department: No report.

Public Works: Lawn Care Proposals: The City received seven quotes ranging from \$30,000 to \$66,000. The amounts came in higher than expected and budgeted. Therefore, staff is recommending rejecting all proposals due to the higher than expected costs. Sandoval said we have heard from people of all these cost saving ideas and we need to better utilize contractors. We do have other jobs that need to be done by our employees and we wanted to see what kind of prices were out there. Schaffer asked what does it cost us. Kane asked that he remove himself from the vote being he knew one of the contractors who put in a bid. MOTION BY TVEIT SECOND McCLISH TO REJECT ALL BIDS FOR LAWN CARE PROPOSALS DUE TO THE COST BEING HIGHER THAN EXPECTED. Sandoval asked are we not going to go out again this year for proposals. Hylen said in our minds we were hoping that we would not go above the

\$25,000 dollar mark. Again, this year we will just utilize our part time seasonal to help with the mowing. Motion carried 4-0. Kane abstained.

Trail Lighting Update: We have more information coming in and recommend that we discuss all improvements at once. MOTION BY TVEIT SECOND SANDOVAL TO TABLE THE TRAIL LIGHTING. Motion carried 5-0.

Liquor Store: No report.

Police Dept: No report.

City Administrator Report: Cleaning Proposals: We did cease the current contract with our cleaners because of their work performance. The City received three quotes ranging from \$370.00 to \$562.00 per week. These quotes too came in higher than expected. We previously were paying about \$6,000 a year. This extra money was certainly not budgeted. Previously I had proposed to hire a part timer for about 10-20 hours per week at \$14.00 to \$18.00 per hour. Hylen said it would be around \$10,920 using 15 hours a week plus supplies and benefits. Kane asked did we try any temporary services. Hylen said we did not contact any temporary services. Kane said we do try this for our work when we need something temporary. Hylen said the only concern I may have right now is being able to do back ground checks on all workers. Hylen said we could contact a temporary service. Schaffer said we have to check these people out real close. Schaffer asked would this part timer take care of accidents from old people. Hylen said the contract would be for normal cleaning of public buildings. Certainly, the city council directs intentional acts on government buildings by seeking restitution. Sandoval said we are still going to have to buy the supplies. Schaffer said I want to abstain I am not sure. MOTION BY TVEIT SECOND KANE TO REJECT THE THREE QUOTES THE CITY RECEIVED FOR CLEANING PROPOSAL DUE TO THE COST OF THE PROPOSALS. Sandoval said I would like to table this until we get more information. McClish agreed with Sandoval. The council would like to see the total cost of hiring a part timer and supplies along with the cost of a temporary service. Motion failed 1-3. Schaffer abstained. MOTION BY SANDOVAL SECOND McCLISH TO TABLE THE PROPOSALS UNTIL WE GET FIGURES FROM COMPANIES OR A TEMPORARY SERVICE VERSUS HIRING A PART TIME EMPLOYEE. Motion carried 5-0. In the mean time have Hylen contact someone to come in for a cleaning service.

Joint Cooperation with Ramsey Fire Department: Hylen reported that after discussions with our Fire Chief, Buddy Vangelof and Ramsey's Fire Chief and City Manager, we are proposing to pursue a contract for an Interim Fire Chief from Ramsey. The City of Ramsey is currently preparing the cost associated with this contract. No action is needed at this time. Ramsey will be having a work session tomorrow night (Tuesday) to discuss this matter. At our next council meeting, we could have a contract for the City council to act on. Chief Vangelof is nearing the end of his 60-day extension as being the chief.

Green Acres Legislative Update: Hylen reported in relation to council direction and Ray Jones' concerns with Green Acres. A bipartisan reform act for the Minnesota' Green Acres program was signed by Governor Dayton on Friday, April 15th and is intended to protect farmers from rising property taxes due to nearby commercial and residential development. No additional Green Acres legislation for 2011 will be acted on and that is the reason ne letter was drafted for Council member Kane to take to our legislators. This happened the Friday before our Board of Review, which was held on April 18, 2011.

Schaffer said this is commendable.

9. **Reports from Council Members:** Schaffer said he has a URRWMO meeting tomorrow night.

Sandoval state he just has a comment on this bond issue and the issues raised. I understand how the people are concerned that they were left out of the process. Sandoval said we need to come up with a maximum dollar amount. There is a lot of miss information out there. I agree with Brown that we are dealing with issues that previous councils should have taken care of.

10. **Report from Mayor:** First, I want to apologize to the public regarding the comment I made in talking to Mr. Gardner. I did say the comment and had a slip of the tongue. I apologized to him several times during our phone conversation. I was kind of surprised to see him here tonight. I thought my apology was accepted. Again, I do apologize for having the slip of the tongue.

Tveit said he attended the Mayor's conference this past weekend. One of the topics was about how to overcome the mistrust in government. That is actually, why I ran for office because I too use to mistrust government. I don't anymore on local government but it is probably because I am better educated. At our work session in February one of the items mentioned was better communication with the public. Therefore, last week we went through the public works facility and the police department and made a video. We need to communicate better with the public on what we have. We are in charge of this city's assets. We have made it clear that none of us are comfortable with the 9.5 million. We have not voted on any dollar amount at all. The person earlier said his taxes are going up 16. %. I am not sure, how he can get that when we do not know what the amount would even be. In regards to water and sewer rates, we have our own system. We cannot compare to cities that have services with the Metropolitan Council. Isanti who has there own system too are increasing their rates significantly this year. Tveit said I do not want people to think we are stifling people from talking but we do have to keep order in the meeting.

Last year we talked about fundraising for Pederson Path. I would like to have a 1st Annual Motorcycle Ride as a fundraiser for Pederson Path Project. This event will take place on June 11th it will start at Zylstra's Harley Davidson in Elk River, then go to JR's Outpost-Anoka, Captains on Long Lake, Fatboys-East Bethel and end up at Billy's Neighborhood Bar & Grill in St. Francis The City will not have any liability with the event. I do have a flyer that I will be distributing.

11. **Old Business:** Sandoval said we previously talked about signage with the snowmobile trails. Police Officers said they are unable to determine what color permits snowmobilers have on their sleds. Part of the proposal is to not allow snowmobiles at all from Hwy 47 to County Road 9.

Schaffer read a motion from a piece of paper. (Typed as written and submitted to the city clerk)
"I councilman LeRoy T. Schaffer motion that we have public hearing on the issue of the lease

purchase revenue bonds which will be used to build new public works/public safety facility as per city staff, the cost of the project is estimated at \$9.5 million. That the public be informed at least 2 wks by mail before any final decision is made. That a special meeting should be held in the high school auditorium so that the public can participate unhindered by lack of space. Continuation of this motion is that we have a special election or referendum on the lease purchase revenue bond, bond issue to be held no less than 30 days after public hearing.” Pole barns are cheaper. This is not the time to spend money. Tveit said I do not think you can make a motion on the referendum because you were a nay vote. Lepak said he is not withdrawing the original motion he can go ahead with the motion before the council but there seems to be some legal conflicts with the content of the motion. Tveit asked several times if there was a second to the motion. There was none. Tveit said first you do not know the availability of the auditorium, a mailing does cost money and with a lease purchase, we are not required to have a public hearing. Schaffer said the perception is you are afraid to hold a meeting. Tveit said I am not afraid of holding a public hearing. I think a public hearing is a good thing; I welcome the opportunity to educate and interact with the public. I think we need to come up with some figures first. We need to come up with a design; I am not interested in 9.5 million dollars. Because they are going to want to know how it affects them. The public can say whatever they want and we have to listen and not argue with them. We just need to do a better job of educating and informing the public. That is why I think the video a good thing.

12. **New Business:**

a. **Efficiency Report Card-Public Works Department:** Public Works Director Paul Teicher reported in the last off week memorandum I mentioned we applied for a grant to help us with our well head protection plan that was adopted in 2004. We did receive the grant for \$7,500 to help with well surveying and also do some public education. The other item I wanted to report on was our hydrant flushing. Our hydrant flushing was completed last week in 48 hours compared to the 240 hours it use to take as recently as two years ago. This is a huge savings in man-hours and an improvement in our water quality. Teicher thanked the council for allowing us to continue to move forward and be as efficient as possible.

The tour videos are now online on our city website.

Tveit said he would like to publicly thank Bob and Jeff from County Market for donating six large pine trees for our parks. Please thank them when you see them in County Market.

13. **Adjournment:** The City Council meeting adjourned at 7:38 pm.