

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

CITY COUNCIL MINUTES

JUNE 15, 2015

1. **Call to Order:** The regular City Council Meeting was called to order by Mayor Steve Kane at 6:00 pm.
2. **Roll Call:** Present were Mayor Steve Kane, Council members Richard Orpen, Rich Skordahl, and Chris McClish. Tim Brown excused. Also present were City Attorney Scott Lepak (Barna, Guzy & Steffen), City Engineer Jared Voge (Bolton & Menk), Police Chief Jeff Harapat, Public Works Director Paul Teicher, Finance Director Darcy Mulvihill, City Administrator Joe Kohlmann, and City Clerk Barb Held.
3. **Adopt Agenda:** MOTION BY ORPEN SECOND McCLISH TO ADOPT THE JUNE 15, 2015 CITY COUNCIL AGENDA AS AMENDED. Motion carried 4 -0.
4. **Consent Agenda:** MOTION BY McCLISH SECOND ORPEN TO APPROVE THE JUNE 15, 2015, CITY COUNCIL CONSENT AGENDA AS A-C AS FOLLOWS:
  - a. City Council Minutes – June 1, 2015
  - b. Accept the resignation of part time Liquor Store Clerk Lisa Anderson
  - c. Approve the Payment of Claims for \$380,470.71 (ACH 116E-117E \$107,872.42 and Checks 69170-69238 \$272,598.29)Motion carried 4-0.
6. **Petitions, Requests, Applications:**
5. **Meeting Open to the Public:** Chris Sime, 22918 Silverod Street NW. The City has a problem, and the problem is the water treatment facility that we've been—the wastewater treatment facility has – maybe we need it because of growth and because of this the rates will increase and rates increasing will be something that will hit everyone in the city. So the actually reason for the growth is going to be the thing that's going to hinder our growth in this city, so to me, it's a problem. It's a conundrum. It's INAUDIBLE 3:00 where the solutions are part of the problems. So having said that, it is going be—it's very difficult to say that there is any reasonable or right solution before this point. I think the growth at this point is mythical, if you look at 2010 to 2013 census information; the people of St. Francis have growth by .3%. 44 residents have come to the city is those four-year period. Homes have been 1.7%, 27 homes. So we're at a rate that between 2020 and 2035, we're here—we have to get it meteoric to get to that growth rate so I don't see how our growth at this point is legitimate factor to create an immediate need to rush to build this facility tonight. The agenda is somewhat vague tonight. I don't know if there's a vote on it, there's no votes for ordinances, resolutions, petitions, or anything like that so I don't know what you have

planned at that point, but if the vote does go forward, it's going to be—it will be difficult to stomach for the people. I think what has to happen is they need to proceed to certify, secure the funding, we can wait until 2018. So get the money secured, wait until 2018, let's see if the growth happens. If the growth does happen and we've got to build this thing, great. We've got the money secured, there will be more people paying into it so it'll be less of a burden on the citizens—the 1200, the 1500 right now that are paying for it. If we have more then it'll be less of a burden for everybody. The bottom line is there's no reason to go through this right now. We need to do the responsible thing. The city, looking at the audit from last week, is not in a super awesome financial position. You know, we do have some history as far as the growth goes, you know the water facility, the water treatment facility the reasons why you're short on rates right now is because of the fact that they said that the growth didn't occur, so you built it then the growth didn't occur and so now we're short on water, so we have to tap reserve and now we're trying to make up for that transgression, bottom line is we vote to certify, we explore more options, and we get more time. Frankly, if you don't do this, it's a massive slap in the face to all the residents of this city and I know that they'll remember, November 2016, I know they'll remember. There's three up for election now, right? Thank you.

Steve Feldman, 22766 Poppy St NW. Pretty much Chris said everything I had to say, but I want to also say too that phasing this project in—when we talked in the last couple weeks about phasing in, I don't think anyone here thought 85/45 would change into 20/40 twice. Now our percentage increase, 20/40 starts November 1, and 60% December 1 of next year, that will be compounded. My bill will go from \$100 to \$160 INAUDIBLE 6:05 on a base bill. I think that's ridiculous. I sent the council an email showing them what's going on in Minnetrista, they're having the same problem with 1200 residents with an expenditure of \$20 million, ours is 1500 with an expenditure of \$21 million. The risk that I see here, the downside of this, rather, is that this city could go bankrupt if this goes on. If this continues, if this gets passed today. I think we need to do like Chris says, slow up a little bit, look at some other options, when the growth starts and it happens, then I say we do. Long term your idea may be right, it's just not affordable today. It's just not. And I agree with the residents here, people will be talking and the legion meetings we've had and the town hall meetings we're going to have, the City Council for some reason doesn't want, that we will have, the don't want this. They don't want this right now. They don't want the debt burden, they don't want to take it on. They want you to slow up a little bit and think what you're doing. And I'm not going to be threatening here or of any kind but I can just tell you that if this vote goes down the way we think it's going to go down, we are prepared for town hall meetings, we are prepared to get an attorney through a legal action. I just want you to know that because it's not going to stop here tonight. Unless this vote gets some common sense thinking behind it and we slow up a little bit and do what's right for all of us in this city. Thank you.

Joseph Muehlbauer, 3459 228th Avenue NW. Everything I'm about to say is in regards to the wastewater plant and raising the rates of the sewer. It appears to me that the council and city whether it be the administrator or Mr. Saffert or the entire administration has not been

completely up front about the wastewater project. As it appears, the facts and conditions seem to change from meeting to meeting. On May 18, Mr. Saffert speaking on behalf of the city stated in regards to the Met Council that “We wanted to, we tried to, and they don’t want us.” Mr. Saffert also stated that the Met Council would not respond to him, yet he spoke with Kyle Colvin of the Met Council on the phone the next day. Saffert also stated, we would need to bring the plant up to meeting the expectations of the MPCA regulations which we cannot do. And on June 1 during the cities presentation it was stated that it would cost \$10-12 million to make regulations. I also sent an email to the mayor asking why he appeared to be strongly against the Met Council and was told in reply that staff has been talking with them. Whether or not this is true, I do not know. Which I do know now, I spoke with Mr. Kohlmann this morning. However, what I do know is that the facts have been distorted and have not been presented in an objective, unbiased manner, not to mention how fiscally irresponsible this project is. I have sent emails to each member of the City Council requesting a town hall meeting. Mr. Orpen stated he would pass it on to the city administrator, Mr. Brown stated twice that it was a good idea but has yet to make a motion, so it appears his words are hollow. The Mayor simply followed the Minnesota Mayor’s Handbook and referred me to the city administrator. In all of our attempts to work with the city and the council, this council has failed to work with the public of which it serves, instead the facts were distorted to fit a political agenda. An example is in the city presentation that we cannot hook up to the Met Council in East Bethel and was presented as if that was the only choice. Now I must state that I appreciated that if it is true, that the staff has been talking with the Met Council then this council still needs to be held accountable for allowing fraudulent information to be fed to the public of which it serves trough the last two meetings. It is documented on record that what I have stated is in fact true and cannot be denied. It has also come to my attention that by voting in the rate increase in the last meeting on June 1st, that the Council has passed an ordinance to raise the rates with the 40/20 40/20 plan and by introducing the new proposal and voting it through without allowing the public any time whatsoever to form an opinion. This entire Council should be ashamed of their failure to work with the public and held accountable to the fact that we have been denied all of our attempts to work with the city and what you do not understand is you work for us, you are public servants, and yet we are dictated to speak in only three-minute segments and given answers two weeks after we ask the questions and the answers appear to be half-truths in an attempt to convince the public that this plant is the only thing we can do. Why is this plant so important? The truths of the city are changed and distorted in an attempt to push the plant through. Have you conducted an income survey to see if we qualify for a 30-year term in this loan as an attempt to make our annual payments less at a slightly higher interested rate? And if not, do you intend to? Please answer my statements and educate the public before you push a \$18-20 million debt on them. What you are doing is robbing your citizens by taking their money, not giving unbiased objected answer, denied town hall meetings, and failed to represent us as our voices have been heard and ignored. Thank you.

Leroy T. Schaffer, I live in Woodhaven trailer court over here. But like most people in trailer courts, we don’t have a lot of money and like a lot of people INAUDIBLE 11:10 is going door-to-door and in INAUDIBLE I found a lot of people have lost their homes and I feel bad

for them. I don't think the percentiles of 900 people that think we're going to have, we haven't gone up yet INAUDIBLE. It seems like we're always wanting more. Who says we have to? Why can't we stay a small, in-between farm community and suburbia? I don't think we always have to go for the ostentatious in this great, grand scheme of things. And I think a lot of it's INAUDIBLE. North Securities, Land Securities, is that the only one we ask? Is there a lot more companies out there? I would think there would be. Somebody has to take the time and energy to do that. I knew the two gentlemen over here, you look like young and intelligent young men. But you don't know anything about the people. You didn't even have one campaign sign, Steve Kane put signs up at least. He had no competition, which could have INAUDIBLE. Now it's our fault that you're in office. You just signed up for it, that's all you did. And like I say, that's our fault. Northland Securities, who else? INAUDIBLE Steve, who else besides Northland Securities INAUDIBLE.

Kane stated this is your time to speak with the Council; it's not a dialogue.

Schaffer said it's not a dialogue. Okay. INAUDIBLE Gridor Construction and Rice Lake Construction group also, I'd like to know who else. Was it absolutely necessary for this plant? What I can understand from the literature you gave us on it, it wasn't. We don't have to move on it. I would have personally – the apathy in this town has always been bad that way, it's not your fault. For anybody to run against you I will put up \$1,000 on their campaign But the thing is we have to have people get involved. They are at least getting involved regardless what you think of them. They are getting involved. You know, from past experience, INAUDIBLE this is the American thing to do. This INAUDIBLE. You two guys INAUDIBLE. And thank you Steve for listening to me, I know we don't have the best rapport in the world but you are at least trying to do your job because they're not. INAUDIBLE

Angie Bray, 22901 Rum River Blvd. I want to say thanks you guys for your time in taking this position, I know some of you it was—you didn't technically have to get voted in too but you offered and you wanted to do so, so thank you for your time, I know, I do a lot of volunteer work and thanks, so I really appreciate knowing that you guys are doing a lot for us as a community as well. And a lot of people in our community are—we've been absent, we haven't been here communicating with you guys, watching what's going on, all of a sudden this is happening and there's an uproar with the community. I think a lot of people are now learning, hey, we need to be proactive, we need to watch what's going on with our community and have a voice as well so I foresee in the future and I'm confident that a lot of people are going to be doing that in the future so please just keep that in mind that we will be active and I really don't believe that some of these citizens, that there's been a lot of uproar about this and whether it needs to be done or not, I don't know, but the cost seems really significant and I've been beautifying my house, I bought a house that was neglected for six years and I've been doing what I can and as I'm working I'm thinking am I going to be able to afford this water next year. Hopefully I can because I'll have higher sales in my position, but for the average person that may not be a realty for them and they'll need to back down on something, as well as our school district. I don't know where that lies right now but that fee

is going to be passed down to us citizens twice, just if you guys haven't thought of that before. But, frankly, you guys are employees of us the citizens and I just really would like to ask you guys to vote accordingly to what you think, as well, for what the citizens think even you did or did not get technically elected. Please think of what everybody else feels as well and what's really the best for our community. So, thank you.

Connie Tillman, 23615 St. Francis Blvd. First of all, I hope there would be a better turn out and I think a lot of that has to do with how the last meeting ended. Unfortunately, a lot of people assume that when you pass the fee schedule, a lot of people thought you passed the whole wastewater treatment plant and I had people ask me that question today. So just because they didn't show up, doesn't mean that they aren't interested, they just thought you guys just did it already so anyway, so maybe when you finish at the end and you go to pass these things, instead just say a number, maybe you could also clarify a little bit and name what it is you're passing just so everybody knows. I'd appreciate it. And then also I just wanted to suggest that maybe the City Council minutes could be posted under City Council minutes on the web site. They're found a month later under that, they're more current under the packet. The current meeting minutes aren't under that tab from what it looks like and I think a lot of people would find it easier to locate that information. So that's where I want to start, just to mention something that would be helpful to the citizens and then also, for myself and you know the rest of the community here, I feel that the population projections also are way out of line and assuming that the whole wastewater treatment project is based on the past growth projections, I think that all of that is obsolete and should be revised. The City of St. Francis does not need this giant facility. It's too big for the population we're going to have and as the gentlemen mentioned if you put it in anyway, we're sure going to have INAUDIBLE and probably a lot of more people leaving which is going hit you and we really don't need to be negative here. We want to grow. I think allowing more growth in those smaller acreage residential neighborhoods where people have two-and-a-half acres, they have their own septic, their own well would be a plus, you don't have to worry about people hooking up to the public facility so you don't have to worry about that growth there, but you know we really need to keep this realistic for our needs and the budget of the people who are paying the bill. It's not just that bill. We've got property tax increases, state and federal income taxes, you know medical insurance premiums and our deductibles and it goes on and on, we're just—they're coming at us from everywhere and this really needs to be cut in half. I think you need to go for a smaller project. Thanks for your time.

Stu Meyer, 3456 228th Avenue. I'm a new resident here in the last year. I was present at the last previous City Council meeting. I was disappointed in what I seen. My question to the City Council is what is the rush? What is the reason to rush this because I'm not—it seemed to me at the previous one that there's got to be some reason that we're in such a hurry to pass this. Is there a reason why we can't slow down and do more, you know, fact finding and things on different aspects? Why are we spending this amount of money and only getting two bids? It just doesn't seem—any other thing that we're going to spend almost \$20 million you think you'd get multiple bids or more than two. It's almost a common and best practice in any industry to get at least three bids on something like this. Also, it bothered me that it

was stated that we have over 350 or over 300 plots available in the city to hook up to the city sewer. If our infrastructure can't sustain that currently, why are we approving these permits for the city sewer connections more than what we can currently handle? Because even if we did pass this, it would take time to get it built. I understand that the plots won't all be filled instantly, but why is the city writing more checks than it can cash right now? Why are we giving out permits for more plots to connect to the city sewer's infrastructure than what we can—than the capacity can even handle? Are we trying to grow faster? Are we trying to push this through because we've given out more permits than what we have the current capacity for? And is there's anyway to just answer what's the rush? Because there's so many citizens here, I mean, so of your residents in your city stood up here last City Council meeting and stated that not everybody in the city is even aware of it yet. People living in the back of I believe it was The Ponds, which I think that's where it is. Why wouldn't we give them the time to at least make sure everybody's aware of what's going actually on here and you know, at the last City Council meeting, the vote at the end, you couldn't even hear it from the front row there. It was just disappointing to be a new resident here. Thank you.

7. **Ordinances & Resolution:**

a.

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

a. **Engineer: 1) Wastewater Treatment Facility Improvements:**

**Met Council Findings:** City Administrator Kohlmann stated before our engineer report I would like to discuss the Met Council Findings. At the last City Council meeting the City Council asked staff to investigate the options of having the Met Council acquire the City's Wastewater Treatment Facility. Included in the Council Packet a memorandum on the findings. In summary, about 2008 the City did have discussions with the Met Council, for whatever reason in our comprehensive plan we didn't identify them as one of the options we were considering at that time. In talking with Met Council, if we were to get involved with them and negotiations because there would be a lot of negotiations that we're financing of everything and what type of upgrade the facility would be, what that would involve, when it would happen, if everything went perfectly we'd be looking at a new plant in about six years. I could provide a process to—we'd have to make some amendments to our comprehensive plan, we'd have to abide by all of their requirements at this point.

Kane asked if we started the process, is there any guarantee that they would take the plant over?

Kohlmann said no.

Kane asked if the councilmembers, do you have any questions?

Skordahl stated I have just one or two. Some clarification, at the last council meeting, I can't remember how I raised it but we decided Met Council taking over is not something as simple as just bury a pipe from here to here. That's an option, but there's—I think what you're

referring to is the Met Council comes in and they become a dealer of what we have today. It's not this go hook up to somebody that already has a system, whether it's East Bethel or wherever. It's they come in, it's their system, they take over, whatever obligations we have with that, fine, whatever, and to do that, there's some pretty significant strings attached. They're now, once called them the master planner of the community but we follow some different rules that we haven't had a follow-up for living out here in a rural setting that we are.

Kohlmann said Yes, right.

Skordahl said I think that's why we thought it'd be put together for us and it's not as simple to have somebody come in, they pull the \$21 million of debt. You're now living by their rules. So that's my take on it. Right?

Kohlmann said that is exactly it. There's no guarantee that they would consume the debt that would have to be in negotiations that would have to take place.

Kane asked any other questions? We will move on to Mr. Voge.

**Resolution 2015-28 Awarding Bids:** Voge stated enclosed in your packets this evening, there's a memo related to the wastewater treatment facilities bids. After following the statutory advertising requirements associated with the project, which we follow on all public projects, we received two bids on May 14, 2015. The project was advertised through the local newspaper as well as a major trade publication as we do with all of our public projects. So it was advertised according to statute, we did receive two bids on the project, the first or the low bid was in the amount of \$21,832,300 from Gridor Construction, Buffalo MN and the high bid submitted for the project was in the amount of \$25,394,700. Rice Lake Construction, Deerwood, MN The project as it currently exists and it had been discussed with Council since the facility plan process which was discussed last year, is subject to June 30, 2015 deadline for MPCA certification and there's some supporting documentation enclosed in your packets today indicating that June 30, 2015 deadline. There is a resolution in your packets this evening which is the resolution receiving bids and awarding contract for the wastewater treatment facility improvement project. Prior to that resolution, I would recommend that Council pass a motion accepting the bids for the project if that resolution is to be considered. With that, Mayor, Council, I'll answer any questions that you might have this evening.

Kane asked the council do you have any question for Mr. Voge? Hearing none, I'll entertain a motion to accept the bids.

**MOTION BY SKORDAHL SECOND ORPEN ACCEPTING ALL BIDS RECEIVED FOR THE WASTEWATER TREATMENT FACILITY IMPROVEMENTS.** Councilmember McClish stated at the last City Council meeting I voted no for the proposed water and sewer rate increases because I wanted to explore all options. The two main sticking points for me

was the possibility of hooking up to Met Council sewer line in Andover and not East Bethel and exploring the option of a twenty-five or thirty year loan comparing it to a twenty year loan. Since the last meeting, our city administrator did an excellent job in contacting the met council and options for hooking up to the metro line. I am not in favor of hooking up to the metro line there are really strict guidelines. They have a huge says on future development and how big lots can be. Also some of the residents are getting confused between the water treatment and wastewater treatment facilities. We are discussing upgrading the wastewater treatment facility which is the wastewater that comes from the household toilets and drains. Motion carried 4-0.

MOTION BY McCLISH SECOND ORPEN TO ADOPT RESOLUTION 2015-28 A RESOLUTION AWARDDING THE WASTEWATER TREATMENT FACILITY IMPROVEMENTS TO GRIDOR CONSTRUCTION INC. OF BUFFALO, MN IN THE AMOUNT OF \$21,832,300.00 CONTINGENT ON FINALIZATION OF PROJECT FINANCING WITH THE PUBLIC FACILITIES AUTHORITY. Motion carried 4-0

**2) Kerry Street/232nd/Ivywood Street Improvement: Resolution 2015-29 Authorizing Advertisement for Bid:** Voge reported at the May 18, 2015 City Council meeting the City Council authorized the preparation of the plans and specifications for the Kerry Street, 232<sup>nd</sup> lake and Ivywood Street Improvement. The improvements are identified in the City's Financial Management Plan which identifies General Obligation Bonds and assessments as the funding sources for the improvements. MOTION BY ORPEN SECOND McCLISH TO ADOPT RESOLUTION 2015-29 A RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS FOR THE KERRY STREET, 232<sup>nd</sup> LANE AND IVYWOOD STREET PROJECT. Motion carried 4-0.

**b. Attorney:**

**c. Staff:**

**Bldg. Official:**

**Fire Dept.:**

**Public Works:**

**Liquor Store:**

**Police Dept:**

**City Administrator:** Staff is researching the process of selling the city's property located in Isanti County. This will be brought back to a future council meeting.

9. **Reports from Council Members:**

10. **Report from Mayor:** Mayor Kane read an email from an elderly resident that had car problems at the post office and another resident stopped and fixed his vehicle which took three hours and took no money for the repair and parts. Kane said I just think this is a phenomenal story.

11. **Old Business:** None.

12. **New Business:** None.
13. **Adjournment:** Mayor Kane adjourned at 6:33 pm

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Barbara I. Held, City Clerk