

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

CITY COUNCIL MINUTES

APRIL 18, 2011

5:30 pm: Board of Review: Anoka County Assessor's Office: Mayor Jerry Tveit opened the Board of Review and turned it over to the Anoka County Assessors Randy DeJong, John Leone and Mike Ducklow. Council present were LeRoy Schaffer, Steve Kane and Chris McClish. Jeff Sandoval absent. DeJong referenced the Anoka County 2010 Local Board of Appeal and Equalization-County Assessor's Report. Each year's assessment is based on arms-length transactions (sales that meet the criteria of an open market transaction that occurred the previous October through September. In accordance with current state law, Anoka County physically reviews all properties at least once every five years. Each year they also inspect all properties with new construction and at the property owner's request. During 2010 there were over 500 properties reviewed. This number included 9 new homes and townhomes, up from 5 new homes the previous year.

Gerald Palmer, 13538 Island View Drive, Elk River, MN (229th and Variolite Street, 33-34-25-33-0001) said he does not agree with the valuation of his land placed on by the Anoka County's assessors. Make my land value the average is all what Palmer said he wants. DeJong explained how they determined the valuation. Palmer said he went to the Anoka County Board of Equalization last year. DeJong said if the council decides not to change the value, he has the option to go before the Anoka County Board but the City Council can change it too. After some discussion, the City Council agreed not to change the value.

Sandoval arrived at 5:51 pm.

Jeff Titus, 4324-230th Avenue NW, (31-34-24-43-0034) read a statement to the City Council. Titus is asking that all properties in the City be dropped 10-15% in valuation. Titus stated DeJong came out this evening and did drop my valuation slightly. Titus said no one has ever showed him why you do not use foreclosed home sales when figuring out valuations. Mike Ducklow read MN State Statute 272.03 Subdivision 8; "Market value" means the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm's-length transaction. The price obtained at a forced sale shall not be considered. Titus again asked the City Council to lower his valuation by 10%. Titus said he will go to the Anoka County Board and also talk to his state representatives. Schaffer said he would vote for a 10% reduction on the valuation of his home. Motion by Schaffer to lower the valuation of his home 10%. Failed for a lack of second.

Kris Knutson, 24310 Riverbank Lane, (29-34-24-12-0023) gave his valuations over the past years and stated they have gone down compared to his taxes where they gone up, it has to stop. We do not get any services out there.

Ray Jones, 23725 Nacre Street, was here about agriculture land value and Green Acres. Ducklow gave the City Council a brief history on Green Acres. We understand what they are going through with the increase in Green Acre tax valuation. The Minnesota Department of Revenue is who has to answer this.

James Jones, 23725 Nacres Street, have a great empathy for you at this time. The only thing I have to say is that land is not valued equally.

Tveit asked if there was anyone else to speak, being none he closed the Board of Review at 6:15 pm.

6:00 pm: Regular City Council Meeting:

1. **Call to Order/Pledge of Allegiance:** The regular City Council Meeting was called to order by Mayor Jerry Tveit at 6:27 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, Assistant Public Works Director Eric Peterson, Finance Director Darcy Mulvihill, City Administrator Matt Hysten, and City Clerk Barb Held.

3. **Adopt Agenda:** MOTION BY KANE SECOND SANDOVAL TO ADOPT THE APRIL 18, 2011 CITY COUNCIL AGENDA. Motion carried 4-1. Schaffer voting nay.

4. **Consent Agenda:** MOTION BY McCLISH SECOND KANE TO APPROVE THE APRIL 18, 2011 CITY COUNCIL CONSENT AGENDA A -E AS FOLLOWS: Schaffer questioned the minutes for the meeting open to the public section and wants to have more detail of what he said during that time.

- a. Approve the City Council Minutes of April 4, 2011.
- b. Accept Aaron Simonson's Letter of Resignation as a Fire Fighter.
- c. Accept Mark Sorenson's Letter of Resignation as the Assistant Fire Chief.
- d. Massage Therapy License Application-Absolute Tranquility @ Johnson Chiropractic
- e. Approve the Payment of Claims for \$178,670.90.

Motion carried 5-0.

5. **Meeting Open to the Public:** No public.

6. **Petitions, Requests, Applications:**

a. **Rachel Horn: Outreach Coordinator for Congresswoman Michele Bachmann:**

Ms. Horn introduced herself to the City Council. Horn stated she works for U.S. House of Representative, Sixth Congressional District Michele Bachmann as an Outreach Coordinator out of the Woodbury Office. Ms. Horn stated they also have an office in Waite Park. Ms. Horn stated if there is anything of concern please contact our office. Schaffer said he wants to make sure they know about the federal funding application we applied for on Bridge Street.

b. **Northern Anoka County River Crossing Study Presentation:** Gina Mitchell introduced herself to the City Council. Ms. Mitchell stated she works for Bolton & Menk, Inc. the company hired to conduct the Northern Anoka County River Crossing Study. Ms. Mitchell gave a power point presentation on what their study involves and reported on what they heard during the public open house.

c. **Northland Securities: discussion on financing Options for Council Consideration regarding the Public Works/Public Safety Facility:** Tveit explained financing in government is different then you or I can finance. Therefore, Northland Securities is here this evening to explain the different financing options if we choose to move forward. First we need to know how much can we borrow due to our current outstanding bonds and debt. George Eilertson of Northland Securities stated he was here because of the potential construction of a Public Works and possibly a Public Safety Facility. Mr. Eilertson stated in financing the construction of a new public works/public safety facility there are two common options to finance this type of project. One is a Lease Purchase Revenue Bond and the second one is a General Obligation Capital Improvement Plan Bond. Mr. Eilertson explained both options.

Lease Purchase Revenue Bonds - the City has the authority pursuant to Minnesota Statutes, Section 465.71 to construct the facilities pursuant to a lease with option to purchase agreement. The City must have the right to terminate the lease purchase agreement at the end of any fiscal year during its term. Unless terminated at the end of any fiscal year the lease is payable from any revenues available to the City. Under current law, if the City wants the ability to levy taxes outside of levy limits to make the lease payments, the bonds must be issued by the Economic Development Authority (EDA). The EDA has the authority to issue revenue bonds payable solely from lease payments to be made by the City pursuant to the lease purchase agreement entered into between the EDA and the City. Under current law, a financing of this type does not require a referendum. In addition, because the project cost will exceed \$1.0 million, the entire lease purchase bond-financing amount counts against the City's statutory debt limit.

General Obligation Capital Improvement Plan Bonds – The 2003 Minnesota Legislature enacted into law a program that allows home rule and statutory cities to establish a capital improvement program and issue bonds for certain capital improvements – including public lands, buildings or other improvements for the purpose of a City Hall, public safety facility and public works facility without an election. These bonds would be subject to the City's debt limit. In addition, there are other limitations and procedural requirements involved:

1) Under current law, the maximum annual principal and interest on the bonds may not exceed 0.16% of the taxable market value in the City. The City of St. Francis's 2010 taxable market value is $\$517,621,700 \times 0.16\% = \$828,194$. This provision will allow for a bond issue of approximately \$10.5 million based upon an issue maturing over 20 years at 4.00%.

2) A capital improvement plan must be developed and approved by the City after a public hearing. The capital improvement plan must cover various cost, needs and revenue considerations as outlined in Minnesota Statute 475.521 subdivision 3.

3) No voter referendum is required, however the bonds are subject to a reverse referendum if the City receives a petition calling for a vote on the issuance of the bonds. The petition must be signed by voters equal to 5% of the votes

cast in the City's last general election within 30 days after the public hearing.

Tonight is just information on my perspective. Schaffer said on the reverse referendum which option is to allow this. Schaffer said on one of the option the public is left out completely. Tveit said on the lease revenue bonds we make the recommendation to start on the General Obligation Bond there is a potential of a referendum. McClish said he had residents call him about information that is out there on the 20 Year Bonds and their taxes would go up \$1,000 per year. McClish than explained why that is not true. Tveit said as mayor I would like to pursue the lease revenue bonds to go on and move forward. It is going to take at least a couple years for the process. Kane said he concurs and likes the lease purchase option and it does several things for us. The difference of the percentage rate between the two options is minuet. Schaffer said so the lease thing can have a reverse referendum. Tveit said to Schaffer open your packet; you received the same information as everyone else did it outlines the two options. McClish said we all know that city personnel have some serious building issues that we need to address. I agree with the Mayor and Council member Kane so with that said I would like to make a motion. **MOTION BY MCCLISH SECOND KANE TO GO WITH THE 20 YEAR LEASE PURCHASE REVENUE BOND OPTION TO CONSTRUCT A PUBLIC WORKS/PUBLIC SAFETY FACILITY.** Sandoval asked where did the 9.5 million come from. First, you said there were no figures out there now I see 9.5 million in the memorandum. Is this an estimate of what we could borrow? I just want to make sure, where the figures came from. It does not mean I am opposed to it. Tveit said the numbers came from the 2009 Space Needs Study that we had the architect develop. This study was for a public works facility and the public safety building. I believe they presented this information to the City council last year. Tveit said that amount is the maximum number and I am not comfortable with that number. Sandoval said so this is not an exact dollar amount, this is just the maximum amount we could borrow up to 9.5 million. Not saying that is what we are going for. I know when I walk out this door I am going to be hit with questions. I am tired of misinformation out there. Tveit said correct. This gives us the idea of what the taxes could be if the full amount was borrowed. Sandoval said my last question is we are moving forward with the lease bond revenue purchase so we can move forward at this time with minimal delay. We are not trying to circumvent the citizens and force something down their throat. We are trying to create something so we do not come back in a couple years to say we need to buy equipment because none of our buildings are useful. We are looking out for the best interest of the citizens. Kane said the construction costs are now lower and the longer we wait we are just going to add additional construction cost. Tveit said I would like to put some of these problems to rest. Tveit said since I have been mayor we have torn down a pole barn because of mold problem and now we have another one that could be red tagged at any time. Something needs to be done. Even if we repaired them, we still have buildings that are too small for our needs. We are here not to waste the taxpayer's money and throw money at a building that does not meet our needs. Schaffer said so if it is a lease thing we do not go out for a referendum right. The motion is to go out for a 20-year lease purchase revenue bond. Tveit read a portion of the memorandum that was in the council packet explaining the difference of the two options. Sandoval asked to call the question. 4-1. Schaffer voting nay. Original motion was called with a vote. 4-1. Schaffer voting nay.

- d. Public Hearing on Charter Commission Amendments: Tabled.**
7. **Ordinances & Resolution:**

a. None.

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

a. **Engineer: 2011 Seal Coating Improvements:** Voge reported that final plans and specifications have been prepared for the 2011 Sealcoating Improvements. The City Council and Public Works staff has been proactively completing street maintenance with the community. Such maintenance practices as Sealcoating will extend the useful life of streets within the City and reduce long-term maintenance costs. MOTION BY KANE SECOND SANDOVAL AUTHORIZING ADVERTISEMENT FOR THE 2011 SEALCOATING IMPROVEMENTS. Motion carried 5-0.

b. **Pederson Path Improvements:** Plans and specifications have been prepared for the Pederson Path Improvements project. MOTION BY TVEIT SECOND SANDOVAL ADOPT RESOLUTION 2011-10 APPROVING THE PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT OF THE PEDERSON PATH IMPROVEMENTS PROJECT CONTINGENT ON APPROVAL FROM THE MINNESOTA DEPARTMENT OF TRANSPORTATION. Motion carried 5-0.

b. **Attorney:**

c. **Staff: Fire Department:** No report.

Public Works: 2011 Dust Control: Teicher reported in his memorandum to the City Council applying dust control to our high traffic volume gravel roads has been successful. Last year the City offered its residents the opportunity to have the gravel road in front of their property treated with dust control chemical. The resident would meet with someone from the City, we would mark off the area to be treated, measure, calculate cost, send bill, receive payment, authorize contractor to perform work and we would travel with contractor to make sure everybody got what they paid for. This takes up a lot of staff time and is inefficient. Hylen stated this year the City will provide the residents the phone number to the contractor selected and authorized by the City to perform the chemical application so they can make arrangements with the contractor and take advantage of the City pricing. MOTION BY KANE SECOND SANDOVAL TO APPLY DUST CONTROL CHEMICAL TO THE APPROXIMATELY FIVE MILES OF HIGH TRAFFIC VOLUME ROADS AS IDENTIFIED BY THE MAP PROVIDED. Motion carried 5-0.

Liquor Store: No report.

Police Dept: No report.

City Administrator Report: Police Chief Harapat is asking for authorizing to apply for a COPS Grant. We just received the email and there is a lot of information to gather in the 28-day window to get the application in. If awarded the City would hire a police officer and the grant would pay the base pay for three years. The only requirement is that after those three years you have to keep this officer for additional twelve months. All the council members agreed to move forward with the application except Schaffer.

Hylen said himself; the Public Works Director and the Police Chief toured a couple Public Works/Public Safety facilities this past week. Hylen asked the Council if they would like to set up some tours in May to tour of some facilities. Please check your calendars and give me some dates we could tour these facilities.

The Fire Chief and I have been in discussion of analyzing options of how to handle the short-term transitions due to the fact of the recent Fire Chief and Assistant Chief's resignation. The mayor, fire chief and I did already meet with one city on a joint cooperation. Tveit said one more city did contact him to look at the possibility of working together.

Efficiency Report Card: Hylen stated going back on the Work Session that we had at the end of February. Hylen wanted to talk about some of the comments that come out of the session.

Some of the *Strengths* were; Quality Services, Sense of Community, Efficient and Strong Team and Forward Thinking Leaders. Just some examples from each were good infrastructure, strong schools, family oriented, efficient management team and staff and the council's willingness. Council "Willingness" such as in allowing us to do pilot programs.

Weaknesses were; To Few Public/Private Amenities, Negative Perception, Mixed Message, Insufficient Resources, No good Access to St. Francis, Poor citizen Involvement, Negative Thinking and Development Planning.

Opportunities; Time, Low Cost/Rates, Grants, Shared Resources, New Energy and New Technology. Examples if these were building cost are now lower, Anoka County Fiber Optics and Share resources.

Challenges and Threats; State budget, weather, fuel costs and image control.

Hylen stated I will be referencing this report from time to time.

Tveit said we are getting calls from neighboring communities for potential joint cooperation, which helps build future partnerships.

9. **Reports from Council Members:** McClish wanted to thank the Mayor on how he handled the meeting a couple weeks ago during the open public forum. The new City website is being worked on and looks good. Qwest will be upgrading the internet service in the area to have available high-speed internet.

Sandoval said I was on vacation last meeting in Cancun, Mexico. I am on vacation and I have to defend my community. There were people from New York, Iowa and Minnesota stating oh you are from the city that is in the newspaper again. We try to network with people and they know what is going on in our city from the newspaper articles, how embarrassing. I had calls when I got home and the question that I was asked is, what is wrong with our council. So, that is my question tonight, what is wrong with our council.

Kane reported he had the pleasure of being nominated to the Metro Cities, Association of Metropolitan Municipalities board of directors and Thursday night I was appointed. We bring a voice from the Cities directly to the State Legislature and the Metropolitan Council.

Schaffer said sorry I embarrassed you. (inaudible) Schaffer read from a memorandum on the pole building structures. I don't believe we should go over a million dollars.

10. **Report from Mayor:** On behalf of myself and the rest of the City Council, I congratulate Steve Kane for being appointed to the Metro Cities board of directors.

The St. Francis Area Chamber Business EXPO was well attended. I walked around and talked to vendors and they did indicate that business is picking up, it is slow but picking up.

End of April, I will be attending the Mayor's Annual Conference in Owatonna.

I had another City contact us about joint cooperation. The City we already met with was Ramsey. We are looking at sharing cost.

11. **Old Business:** McClish would like to discuss the police department space shortage. McClish said his recommendation is to build a police facility and the current police department be turned over to the fire department to help with their space shortage. The police department currently has 900 square feet for office space; the hallway is used for storage. There was a temporary storage room built in the police garage. In addition, the police chief currently has his office at city hall and I believe he should be in the same building as the officers. McClish explained some of the potential funding sources. I am asking to move forward. Sandoval agrees with one building for both public works and public safety. Tveit said I think that one of the options when we did a space needs study was for a joint building. Kane agrees and fully supports that the police need additional space. Schaffer said I have to commend you (McClish) that you did your research. Tveit said so are we in consensus that we move forward.

Tveit asked about the Pederson Path construction account and how much do we have in there. Hysten said he will check and put it in the off week memo.

12. **New Business:** Kane said after listening to both Ray and Jim Jones tonight, I am appalled on what the State is doing with Green Acres classification. **MOTION BY KANE SECOND TVEIT TO DRAFT A LETTER ADDRESSING THE GREEN ACRES ISSUES AND HAVE KANE DELIVER THE LETTER TO OUR STATE REPRESENTATIVES.** Motion carried 5-0.

A couple weeks ago, I was in County Market and they are supportive with the construction of the Pederson Path. I have been thinking of some fund raising ideas. Kane said I would like to help. Schaffer said if you have a silent auction, I have some things to donate.

13. **Adjournment:** The City Council meeting adjourned at 8:15 pm.