

**City of Columbus
Regular City Council Meeting
08.08.18**

The 08.08.18 meeting of the City of Columbus City Council was called to order at 7:03 p.m. by Mayor Dave Povolny at the City Hall. Present were Council Members Jeff Duraine, Denny Peterson, Bill Krebs and Mark Daly; City Administrator Elizabeth Mursko, City Attorney Bill Griffith, City Engineer Dennis Postler, and Public Communications Coordinator Jessica Hughes.

Also in attendance were: Kris King, Paul Peskar, Shelly Logren, Arlen Logren, Mary Zastrow, Janet Hegland, and Julia Parent (Forest Lake Times).

A. CITY COUNCIL REGULAR MEETING

- 1. Call to Order - Regular Meeting – 7:03 P.M.**
- 2. Pledge of Allegiance**

B. CONSENT AGENDA

- 1. Motion – Approval of the City Council Meeting Minutes 06.13.18**
- 2. Motion – Approval of the City Council Meeting Minutes 06.27.18**
- 3. Motion – Agenda Approval with Additions**
- 4. Motion – Pay Bills as Posted**
- 5. Motion – Constitution Week Proclamation**
- 6. Motion – Domestic Violence Awareness Month Proclamation**
- 7. Motion – RAHP Proclamation**

Motion by Daly to approve the Consent Agenda by Daly. Seconded by Duraine. Motion carried unanimously.

C. PRESENTATIONS

8. Planning Commission Report

Jim Watson presented the Planning Commission report. The Planning Commission met on 08.01.18 and discussed one (1) application.

6917 153rd Avenue NE Variance Request

The Planning Commission is recommending approval of a Variance request for a Type 3 septic system located at 6917 153rd Avenue NE. The property has 6” of separation, and zoning requires 12”. Therefore, the Zastrows have applied for a variance to build a Type 3 system. The City’s Building Official Leon Ohman reviewed the application and also recommended approval.

There were no questions from the Council.

Motion by Duraine to approve the variance request to build a Type 3 septic system at 6917 153rd Avenue NE. Seconded by Peterson. Motion carried unanimously.

9. Public Open Forum

Shelly Logren – 14063 Furman Street NE

Logren came forward to read a letter on behalf of Norma Heurer – 8289 20th Avenue N, Lino Lakes. The letter referenced the Bituminous Roadways facility being constructed in Columbus' Freeway District. Heurer claims that because her home is in the vicinity of where the asphalt plant is being built, she was forced to sell her property at a loss of \$35,000. She added that during the approval process for the plant, she regularly attended City Council meetings, spoke up against the project, and was met with disrespect.

The letter continued by saying that Heurer's family moved into their home in 1955. Her goal was to keep the homestead in the family, but she claims they will no longer be able to because living near the asphalt plant is too great a risk for her family.

Further, the letter from Heurer addressed Council Members' attendance at the Veteran's Memorial dedication ceremony on Coon Lake. She recited what is written on the memorial; "A never ending appreciation, respect and gratitude to those who have and will serve in the armed forces in the United States of America, and the loved ones who stand by them." Heurer said Council Member attendance at this event is hypocritical and self-promoting, because her brother (a disabled Vietnam veteran) can no longer live at their family's home because the asphalt plant is going to be located nearby. Her brother was exposed to Agent Orange during the Vietnam War, and his doctor said that living near an asphalt production facility would shorten his life.

Logren finished reading the letter, saying she felt obligated to make Heurer's voice heard out of empathy for her situation. She added that she felt citizen's concerns about property values were ignored during the Bituminous Roadways' approval process. She finished by saying that the Council's decisions will have consequences.

Jesse Preiner – 8220 Lake Drive NE

The first topic that Preiner raised was categorizing Zurich Street as a no haul route. He said that at one time he was told there would be no truck traffic on that road. However, now that the bridge project is in full swing, there is a significant flow of dump trucks, buses, and semis using that road to avoid the I-35 and TH 97 intersection.

Mayor Povolny asked City Engineer Dennis Postler what the weight limit is on Zurich Street? Postler replied that he is guessing that it is a five (5) ton road. Krebs asked if the City can post Zurich Street as a no haul route? Postler replied that the City can if the Council chooses to. Mursko noted that Public Works Superintendent Jim Windingstad has previously expressed the same opinion about both Zurich Street and Howard Lake Drive; that they should be posted as no haul routes.

Mayor Povolny noted that increased traffic on Zurich Street is likely due to the Bridge project, and the question before the Council is really what they would like to do with Zurich Street once the project is complete. He continued to say that he is concerned about posting a no haul route on that road because of delivery trucks going to Running Aces Harness Park and Gander Outdoors. Postler added that construction vehicles will likely be trying to use that route through

the duration of the realignment of CSAH 54 (W. Freeway Drive).

Griffith noted that it is certainly possible to post Zurich Street and Howard Lake Drive as no haul routes, however there is a process that the City must go through to get to that point. Postler agreed to research weight limits on both roads, and Griffith agreed to bring a resolution to the next meeting with appropriate language for posting the roads as no haul routes.

The second topic Preiner raised had to do with his family's home on Freeway Mini Storage's property. He displayed pictures of the house being torn down and expressed to the Council that their decisions have consequences for residents.

10. Motion – Bond Issue 2018A Financial Plan and Resolution

Tammy Omdal from Northland Securities came forward to discuss the issuance of a general obligation bond. She presented to the Council what is called a “trigger resolution” which would begin the process of issuing bonds up to the maximum amount of \$4,450,000. This number includes \$1,740,000 for improvements that the Council has already acted on, which will be funded entirely by special assessment revenue collected. There is no anticipated tax levy associated with this portion. The other portion is the refunding of two existing bond issuances; the 2007A bond at \$570,000 and the 2007B at \$2,080,000.

The refunding would not occur until after the pricing date of 09.06.18. On this day, the interest rates can be locked in, and the Council will take final action at their 09.12.18 meeting. Tonight's resolution gives Mayor and City Staff authority to make a decision on the pricing date. If the pricing is not ideal, they would be able to push the pricing date back as far as 12.31.18. Omdal noted that if savings drop below the current estimate of 2.97%, the refunding portion of the bond would likely not be pursued.

Duraine asked Omdal what the total amount the City is bonding for? Omdal replied that the City could bond for up to \$4,450,000, however based on current project costs the plan is to bond for \$4,390,000. She continued to say that interest payments would be issued semi-annually. The true interest rate is estimated at 2.97%. The first payment would be due in February of 2019, with an estimated interest rate of 1.65%. And the final term payment has an estimated interest rate of 3.25%. She finished by saying that the main purpose for refunding is to save money on interest payments and refunding the two (2) bonds should save the City \$14,500 and \$62,500 each. Omdal also recommended that the City seek a rating with Moody's, and the current rating is A1.

Mayor Povolny asked what the City would do for funding the \$1.7 million if the interest rate increased before the 09.06.18 pricing date? Omdal replied that there would be a bond issuance solely for the public utilities, which would be entirely assessed.

Mayor Povolny continued to say that he expected greater savings from the bond sales, so Omdal took some time to explain how the amount saved is calculated. Because the City is issuing new money, it makes financial sense to reissue the 2007A and 2007B bonds. Reissuing will save the City roughly \$14,200 in interest payments for the 2007A bond and roughly \$62,000 in interest payments for the 2007B bonds. Reissuance is recommended because timing is good. If rates

rise it may not make financial sense.

Mayor Povolny asked what the cost of issuance is? Omdal pointed to a line item of \$27,000 which includes all legal fees, rating, and pricing opinion. That amount is included in the \$14,200 and \$62,000 mentioned above. Griffith commented that the cost of issuance will be paid once for all three bonds, rather than once for each issuance.

Mayor Povolny said that he was under the impression that interest rates were increasing. Omdal said that it is true that interest rates are increasing, but the market is anticipating that. Because there is a short time frame between now and when the interest rate is fixed, it is not unreasonable to assume that interest rates will hold. However, if something does happen and the rates increase the Council will still have the opportunity to opt out.

Daly asked why it is not possible to lock in interest rates now? Omdal said that is how bonds work, and they are different from other financing programs such as mortgages. The bonds are marketed to investors on a specific date which they can accept interest rates. That date is 09.06.18.

Duraine asked Mursko how much money the City has in savings? Mursko replied that she is not sure off the top of her head because capital funds for different projects have different schedules. She added that last year Staff figured the City had enough in savings to finance \$300,000 without impacting capital expenditures. There is some latitude, but not a significant amount. Duraine followed up by suggesting that the bonds be paid by money the City has in savings. Mursko said that would be difficult. The City is paid twice a year, and that money has to go toward funding six (6) months' worth of expenditures. In other words, a lot of the money which the City receives semi-annually is already allocated to fund operating and capital funds.

Griffith noted that, as mentioned previously, the new money will be completely financed with special assessments, so there will be no effect on budget or tax rate. The remainder is an obligation regardless of whether it is refunded.

Duraine asked if the City should be putting additional assessments on properties when there are still many assessments being deferred in the City? Griffith replied that in terms of this bonding series; the Predevelopment Agreement for the NE Quadrant land does not qualify for deferrals, and the extension of utilities into the triangle area involves one property that does not qualify for deferrals and one which does.

Motion by Daly to approve Resolution 18-20, a resolution approving the issuance of general obligation bonds, series 2018A. Seconded by Krebs. Motion carried unanimously.

11. Motion – Financial Planning Agreement for TIF District

Mursko recalled to the Council discussion from a previous meeting, where TIF financing was discussed as an option for a new e-commerce business interested in coming to the City. Based on discussion from that meeting, Omdal put together an agreement for the Council to consider. Griffith reminded the Council that they previously made a motion prioritizing TIF money for public infrastructure improvements and specifying a “pay as you go” system.

Omdal noted that the TIF financing will create an Economic Development district where the business locates, which limits how much tax increment money can be spent outside the boundaries of the district. In this case the boundary will be the business' property lines and the immediately adjacent Right-of-Way. The agreement leaves the Council the ability to spend up to 20% of the money in other areas of the City.

She continued to say that because there is a limited amount of information from the applicant at this time (such as projected tax increment), it would not be unreasonable for the Council to ask for additional information before making a decision. The project would not truly begin until a Public Hearing is called at a future meeting.

Omdal noted that Northland Securities will not start charging for work until a service agreement is signed. If the Council would like to wait until a future meeting to approve the resolution, they could also decide to sign the service agreement then. Omdal said that Northland bills based upon work that has been completed, so if the agreement with the developer does not go through, the City would only be billed for work which has been completed. She added that the "not to exceed" amount in the service agreement is \$8,400. Mursko noted that she told Omdal to put certain assumptions into the cost for services. She added that typically a developer would put down somewhere between \$10,000 and \$20,000 to fund the necessary work.

The Council agreed that they would like to wait for additional information before making a final decision.

D. STAFF AND CONSULTANT REPORTS

12. Engineer Report

City Engineer Dennis Postler did not have a formal report, however Mayor Povolny asked him about the closure plan for John's Black Dirt. Postler said that truck hauling is completed, and City Staff have not received a closure plan. Mursko noted that she has been expecting to connect with Forest Lake Contracting for some time but has not received a phone call as of today.

13. Attorney Report

Griffith began by stating the Settlement Agreement with the DNR is nearing approval. He called attention to a public canoe access which has been added to the plan. The developer, Jay Gustafson, is asking for the canoe access to be credited against parkland dedication fees since the access will be open to the public. Mursko added that there will be a fair amount of parking to handle traffic to the access.

Daly asked if there will be a sign indicating the canoe access is located on the property? Griffith said it is his understanding that there will be minimal signage located off Lake Drive indicating the canoe access is there.

Griffith asked the Council if they felt credit for the canoe access against the parkland dedication fees would be acceptable? The Council agreed that it would.

14. Mayor and Council Members Report

Council Member Krebs

No report.

Council Member Daly

No report.

Council Member Duraine

Council Member Duraine reported on the Cable Commission meeting which he attended. He said that the Principal from Forest Lake High School was in attendance. He added that the Cable Commission will have space in the high school to hold classes in the future. In addition, a press box has been added to the Forest Lake Ice Arena for the Cable Commission to record games from.

Mayor Povolny

No report.

Council Member Peterson

No report.

15. Public Works Report

No report.

16. Public Communications Coordinator Report

No report.

17. City Administrator's Report

Mursko began by asking the Council about the schedule for budget conversations. She said that the preliminary levy is due on 10.01.18, and there are three (3) Council meetings scheduled between now and then. She asked if the Council would like to discuss budget during those three meetings or if they would like to have independent meetings for budget? The Council agreed they would prefer to discuss budget during a regularly scheduled Council meeting.

Secondly, Mursko noted that the Anoka County Sheriff's Office submitted their contract for the upcoming year, which includes a cost of living increase of roughly \$3,000. Mursko asked the Council if they would like a representative from the Sheriff's Office to attend a Council meeting to discuss the budget? Mayor Povolny replied that he would.

Tablet Question

The next topic was iPads that were distributed to the Council a number of years ago. Mursko reported that three (3) of the iPads have stopped working because the operating systems can no longer update. She is looking into purchasing new ones for the City, and is wondering if the Council has a preference for the type of tablet which is purchased? Mayor Povolny asked if a Samsung or Android tablet could be a possibility? Mursko replied that it could. She noted that iPads and Microsoft Surface Pros are available for government pricing. Mayor Povolny and Peterson suggested that the Council switch to using the Microsoft Surface Pro.

Mayor Povolny then asked if there are plans to put monitors in the chambers at each Council member's spots? Mursko replied that there is nothing wired to connect to monitors, so that is not currently in the plan.

He followed up by asking about the monitors that were to be placed on the walls of the chambers? Mursko replied that they have not finalized that purchase, because there was concern that 55" screens would not be large enough, and monitors over that size are a significant investment.

Treasurer's Report

Receipts:	\$	0
Disbursements:	\$	97,576.96
Balance:	\$	5,972,508.34

E. ANNOUNCEMENTS & REMINDERS

18. Calendar of Meetings.

The next Planning Commission meeting is 08.15.18.

F. ADJOURNMENT

Motion by Daly to adjourn. Seconded by Krebs. Motion carried unanimously.

Meeting finished at 8:04 pm

Respectfully Submitted:

Jessica Hughes, Public Communications Coordinator