

December 5, 2018

The City Council conducted a Work Session on the above date. Mayor Maefsky called the meeting to order at 6:30 p.m. The following were present: Council members Bob Hegland, Steve Kronmiller, Chris Ness, Jim Schneider and Mayor Christine Maefsky. Staff members present: City Administrator Neil Soltis, Fire Chief Mike Hinz and Deputy Clerk Brenda Eklund.

APPROVAL OF THE AGENDA

Ness, seconded by Kronmiller, moved to approve the agenda as presented. The motion carried 5-0.

TRUTH IN TAXATION PUBLIC HEARING ON 2019 BUDGET AND TAX LEVY

A public hearing was held for the purpose of gathering public comments on the City's 2019 budget and the property taxes needed to pay for the budgeted expenditures. In September, the Council set a maximum levy increase of 2.48% for 2019, or \$2,318,380. Council may lower the levy at final adoption, but cannot increase it. Administrator Soltis described the changes assumed for the general fund and capital funds for the next year. Levies for the Local Road Improvement Funds are lowered while the Debt Service Fund is increased to pay for the 2018 Road Improvement Project, with minimal effect to the total levy. Soltis stated that this puts the City in very good shape with miles of reconstructed roads.

New in 2018 was the special revenue fund called the Cable Television Fund. This holds the cable franchise and PEG fees collected upon the departure of the City from the Forest Lake Cable Commission in the second half of 2018. The PEG revenues must be used for equipment purchases to provide public access according to the cable franchise agreements. Funds of \$8,000 are earmarked for audio improvements in the Council chambers.

Soltis described other capital projects planned in 2019, such as LED lighting improvements at the fire station, wetland restoration at Lilleskogen, and funding engineering costs in preparation of a 2020 road project. Replacement of the 2008 Ford F-350 is the only equipment replacement proposed out of the Equipment Replacement Fund. Fire Chief Hinz reported that the primary jaws of life equipment recently broke down during a training exercise and is in need of replacement because parts to repair it are no longer available. Soltis proposed that funds of \$30,000 be included in the 2019 capital budget for this equipment. Hinz agreed that a replacement can be purchased in early 2019.

Soltis provided graphs showing Scandia's tax rate lowered by 5.6% in 2019, placing the city in the middle of all Washington County communities at 33.11%.

Mayor Maefsky opened the hearing at 7:07 p.m.

Janie O'Connor explained that she frequently cannot hear what is being discussed and voted on during meetings, and asked that adding microphones to the meeting room be part of the 2019 budget.

There were no other public comments and Mayor Maefsky closed the hearing at 7:09 p.m.

Soltis explained that the Cable TV Fund has dedicated PEG fee revenue as the source of funding audio improvements, and this is in the 2019 budget based on previous estimates of \$8,000.

Council discussed the budget in more detail later in the meeting.

DISCUSSION ON ELECTRICAL INSPECTION FEES

Administrator Soltis presented a proposal from Electrical Inspector Joseph Wheaton for an increase to current electrical permit fees. Fees are currently based on the state schedule, which has not been adjusted for 12 years. An electrical fee comparison to surrounding communities was prepared, showing new house fees of \$175 (Scandia at \$135) and trip fees of \$40 (Scandia at \$35). Soltis stated that this inflationary bump could be included in an updated fee ordinance for consideration at a future meeting.

Council member Ness stated that \$50 proposed as a minimum is too high as compared to other cities, and he would like to see this set at \$40; he is satisfied with all the other proposed rates. Council members Schneider and Hegland agreed that the increases appear fair and minimal. Council was in consensus to update the fee schedule with these proposed rates, with a minimum fee of \$40.

DISCUSSION ON PROVIDING SUBSIDIES FOR SKATING PROGRAMS

Mayor Maefsky said she would like to implement lowered registration fees for all recreation programs to those in financial need. She cited that 19% of students attending Scandia Elementary qualify for the free lunch program, and may be getting shut out of participating in Scandia's recreation programming for winter and summer activities. With the potential of adding senior programming, she said it would be prudent to look into a policy and that there are models out there to base this on. Maefsky added that it's important to offer this as it says something about the community as caring for their citizens.

Council members Schneider and Kronmiller said they would be open to looking at this, but questioned how income eligibility would be determined by staff. Administrator Soltis explained that families could provide the school district's pre-qualification determination for the free or reduced rate lunch program, but was unsure of a way to determine this for senior income levels.

Staff will research this conceptual rate structure for future discussion.

2019 OPERATING AND CAPITAL BUDGET

Administrator Soltis presented the budgets for the general funds by department, the EDA and Cable TV special funds, debt service, capital and sewer funds for 2019. Building permit revenue exceeded projections in 2018 due to last year's storm events. Soltis explained that projections for next year will be reduced to a more typical year, basing it on 2016 permit revenue.

Council member Ness asked what it would take to lower the city's levy to 0%, stating that taxes will go up for those in the Forest Lake School District due to a bond approval being added to property owner's taxes starting next year. Council member Kronmiller agreed that excess revenue from 2018 should go towards setting a flat levy. Soltis explained that the unassigned

fund balance at the end of 2018 is projected to be \$1,538,849, of which approximately \$60,500 could go towards reducing the General Fund levy so that the total levy remains unchanged from last year's amount of \$2,575,872. The excess above the target fund balance of 50%-65% of the general operating fund could be transferred to the capital improvement fund for future projects; approximately \$635,000 (50%) or \$381,000 (65%).

Council was in consensus to set a 0% levy and transfer the excess over 65% of the general operating budget to the Capital Improvement Fund. Soltis noted the addition of \$30,000 to the Equipment Replacement Fund for the fire department's jaws of life replacement in 2019. The final budget will be presented for adoption at the December 18, 2018 Council meeting.

DISCUSSION ON CLASSIFICATION AND COMPENSATION STUDY

Administrator Soltis presented the proposal from Springsted to prepare updated job descriptions and a compensation plan at a fee of \$4,900. Soltis explained that development of the 2017 pay equity report concluded that descriptions and pay scales have not been updated for many years. It is common for job analysis to be done every 5 years so that job duties are matched to proper point values. Soltis recommended having an outside firm that specializes in human resources complete the study to allow for a fair and objective review. Soltis noted that no other proposals were received, and the City's legal firm did not have the staffing.

Council member Hegland asked if the League could assist with this instead. Soltis explained that specialized job duties differ in each community and job analysis must be based on what people do and not job titles. Springsted proposes in-depth work on the study to evaluate, assign points and relate to comparable cities. Soltis noted that there are funds in the budget to begin this year.

Kronmiller, seconded by Hegland, moved to approve hiring Springsted to conduct a classification and compensation study at a fee of \$4,900. The motion carried 5-0.

DISCUSSION ON AMENDMENT TO RIGHT-OF-WAY ORDINANCE NO. 197

Administrator Soltis presented amendments to the right-of-way ordinance for compliance to the FCC's ruling on small cell wireless and for the addition of an unopened streets policy. The League provided a memo on action that cities need to take to comply with the new FCC rules to address the timing of permits, size and aesthetic requirements which go into effect on January 1st.

In October, the Council reviewed a policy for platted but unopened road right-of-ways. The Council asked for clarification to address the City's liability related to personal use of public property. The City Attorney advised that this be addressed by ordinance instead of a policy. The language was included as Article Five in the draft ordinance. The City will not maintain those unopened roads being used as driveways, and removes any liability arising from use of the easements or unopened street.

Council was in agreement to schedule adoption of an amended right-of-way ordinance for the December 18th Council meeting.

DISCUSSION ON UPDATE TO THE PENALTY ORDINANCE NO. 72

Ordinance #72 was approved by the Town Board in 2001, establishing the penalty for

misdemeanor violations of town ordinances. City Prosecutor Welsh advised amending the ordinance to establish a penalty for petty misdemeanors as cited in the dog and right-of-way ordinances.

Administrator Soltis introduced a draft ordinance that sets the penalty of a petty misdemeanor at the maximum amount allowed by the State (\$300), continues the penalty of \$1,000 for a misdemeanor and repeals Ordinance No. 72.

Council was in consensus to schedule adoption of the ordinance at the December 18th Council meeting.

DISCUSSION ON UPDATE TO THE 201 SEWER ORDINANCE NO. 189

The Wastewater Committee recommended establishing a penalty for tampering and misuse of the 201 Community Sewer Treatment System that causes extra expenses to the City. The Committee suggested offenders be billed up to double the actual costs so as to penalize undesirable actions.

Administrator Soltis presented the amended ordinance with updated language to Section 8 and Section 10 establishing the violations for this disturbance to the system occurring on the user's property. Soltis noted that the burden to the property owner could include the full cost of repairs including cost of employee time, vehicle, and an administrative fee. The new ordinance would repeal number 189.

Council was in agreement to schedule adoption of the ordinance as presented for the December 18th Council meeting.

DISCUSSION ON ADMINISTRATIVE CITATION ORDINANCE

Over several work sessions, the Council discussed the establishment of an administrative citation process for issues such as junked cars, exterior storage, parking and other nuisances as an alternative to a court process to reconcile the violations. Administrator Soltis worked with legal counsel to draft an ordinance establishing this citation process that could be issued by the Sheriff's Department or a designee such as a Building Inspector. As requested by the Council, a notice for an order to correct the violation may be the first step, with exceptions as provided for in Section 4. The ordinance establishes the procedures for payment of fines, request and procedures for a hearing, and recovery of civil penalties.

Council member Kronmiller stated that this process is better than going through the criminal court system. Soltis agreed that this will be a more efficient and timely procedure to obtain compliance.

Council was in agreement to move the ordinance forward for adoption at the December 18th Council meeting.

FUTURE WORK SESSIONS

Topics to be covered at the next Work Session will include further discussion on establishing a policy on financial assistance for recreation programs.

ADJOURNMENT

Ness, seconded by Hegland, moved to adjourn the meeting. The motion carried 5-0.

The meeting adjourned at 8:05 p.m.

Respectfully submitted,

Brenda Eklund
Deputy Clerk