

April 9, 2013

A work session meeting of the City Council was held on the above date. Mayor Simonson called the meeting to order at 6:30 p.m. The following were present: Mayor Randall Simonson, Council members Dan Lee, Jim Schneider, and Sally Swanson. Chris Ness was absent Staff present: City Administrator Kristina Handt, Maintenance Superintendent Tim Kieffer, Treasurer Colleen Firkus and Office Assistant Judi Negus.

### **APPROVAL OF THE AGENDA**

**Swanson, seconded by Lee, moved to approve the agenda. The motion carried 4-0.**

### **CRABTREE COMPANIES PRESENTATION**

Clay Baer and Curt Thompson of Crabtree Companies, Inc. presented a digital Enterprise Content Management solution created by Laserfiche with which the City could store their documents digitally. The solution includes a *Server* to control access to the repository and database. Enterprise Content Management solutions provide value by improving efficiency in search, retrieval and filing documents, saving money and time, and making it easier to comply with regulations, and providing employee/customer convenience. They have implemented this digital document system in 60 cities and 15 counties. The software was created in 1987 and is privately owned. It is considered open architecture in that the City's data can be exported from the software and used in another program. Annual maintenance includes updates about every 18 months, remote support and training. Maintenance costs have remained stable over the past 13 years. The total project cost of \$12,254 includes software, support, installation, training, and a scanner (tax not included). Mr. Baer suggested budgeting additional \$1,000 per year for Project Management costs. The City would also have to modify its retention policy to address digital documents.

### **WARNING SIREN LOCATIONS**

The two sirens being donated by Forest Lake require phase three power to operate. There are very limited locations in the City of Scandia that have phase three power currently. City staff met with representatives of the utility companies (Xcel and Connexus) and Ready Watt Electric on April 5, 2013. Ready Watt Electric will be installing the new sirens in Forest Lake so it makes most sense to use them to install the sirens in Scandia at the same time.

There is currently phase three power and a transformer at the Big Marine Store on Manning Ave. Chief Finnegan spoke with both of the owners of the store and they indicated they were willing to grant the City an easement to locate the siren behind their store. While this location is slightly north and east of the original location proposed in the Bliss area in 185<sup>th</sup> St., staff believes it will still provide coverage over the lake area where most of the population is located. Additionally, it saves roughly \$10,000 it would cost to place a transformer on 185<sup>th</sup> St.

Since the current siren at the fire hall is single phase, staff is proposing to move that siren to the property the City owns on Lofton Court (across from Neil Hanson's) and then install the other donated siren from Forest Lake at the fire hall.

Scandia would be responsible for removing the sirens from Forest Lake and the installation in Scandia. It will cost \$3,800-4,000 to install each of the sirens donated by Forest Lake, \$1,500 to move the siren from the fire hall to Lofton Court and approximately \$1,000 for some upgrades needed to the fire hall electrical system to accommodate the phase three power siren. Total project costs are estimated to be \$10,100-10,500. Staff is in the process of getting written quotes from Ready Watt Electric but these were the number discussed at the April 5, 2013 meeting.

The budget does include \$7,500 that would have been used this year for the grant match but could be redirected to cover some of the costs associated with getting the sirens from Forest Lake and installing them in Scandia. This was the only planned expenditure from the Capital Improvement Fund for 2013. Staff recommended installing the phase three sirens at the Big Marine Store and the Fire Hall and moves the single phase siren to Lofton Ct.

Sue Rivard, Lofton Ct. lives across the street from the proposed site and is vehemently opposed to the siren being located so close to her house. She asked the Council to consider another location not so close to her house. Margie Schmidt, President of Bone Lake Assoc. also is opposed to the siren by Bone Lake. She indicated people move out to the country and lakeshore for the peace and quiet. She would like time to poll the residents of Bone Lake about the siren location. She also wondered if it would disturb the bird population on the lake. Judi Negus, a resident of Bone Lake, expressed her desire for a siren.

Council member Schneider doesn't see the need for more sirens. **Mayor Simonson, seconded by Schneider, moved to not accept the sirens or consider any for the future.** Council member Lee asked if a compromise could be reached about the siren location. Schneider indicated there was no time to investigate as the new sirens are coming in three weeks to Forest Lake and they will need to move the old ones. Swanson opposed the motion as the sirens have been in the CIP for a long time. **Motion failed with Simonson and Schneider voting yes and Swanson and Lee voting no.**

**Swanson, seconded by Lee, moved to accept the two sirens from Forest Lake, place one at the Big Marine Lake Store and store the second siren until a location can be determine. The motion passed 4-0.**

### **FIRE ENGINE FUNDING OPTIONS**

At the March regular Council meeting, the Council approved the purchase of a new fire engine for \$344,952.98 from Custom Fire. At the March work session the Council discussed refinancing the 2005 and 2007 bonds in order to help offset the costs of the new fire engine. Following that meeting, Northland Securities provided details on the refinancing, and discovered that there would not be enough savings in the refinancing to offset the fire engine purchase. Although interest rates would be lowered, there are not enough principal payments left on those two bond issues to realize enough savings. Staff continued to work with Northland Securities to find a way to pay for the fire engine without increasing next year's levy. One option would be to pre-pay part or all of the 2005 bond issue when it is callable later this year. The savings would allow for an additional payment of the same amount for the purchase of the fire engine while still not increasing the levy. The Council would not be able to pass the resolution to pre-pay all or part of the 2005 G.O. Bond until September. A new bond could be issued this year for the fire engine.

As previously mentioned, there is projected to be a balance of about \$320,000 in the equipment replacement fund at the end of 2013. The Council could decide to pay for the chassis from that fund and bond for less. Alternatively, the Council could pass a reimbursing resolution (if needed) should the bond proceeds not be available until after the July due date.

If fund balance is applied to the 2005 G.O. Bonds, the levy could decrease or remain the same depending on the amount of any new bonds or other spending. If fund balance is not applied to the 2005 G.O. Bonds this year, the debt service levy would increase by about \$26,000 in 2014. Note that the increase is not the full amount of the new bond payments because overall debt service payments are projected to decrease by about \$10,000 in 2014 if there are no changes to borrowing.

Staff recommended: 1) Direct staff to prepare the resolution and other documents to bond for the entire fire engine purchase. This would include a reimbursing resolution. 3) Direct staff to prepare the resolution to pre-pay part (an amount equal to the fund balance for the 2005 Bond) to be placed on the September Council agenda.

**Lee, seconded by Swanson, moved to accept staff recommendations of Options 1 and 3. The motion passed 4-0.**

#### **DUMP TRUCK PURCHASE AND FUNDING**

Per the 2013-2017 Capital Improvement Program, the purchase of a third dump truck with plow for approximately \$200,000 to improve the speed of snow removal is planned for 2014. The plan also identifies the debt service fund as the funding source. Since interest rates are expected to rise, staff is asking the Council to consider adding this to the bond for the fire engine. Minimal savings will also be realized in bond issuance costs by combining the two. Issuing the bonds this year will still allow the City to purchase the truck in 2014 as originally planned. Bond proceeds could be invested until used for the purchase of the dump truck.

This new truck would replace the 1997 Ford 8000 Dump Truck with Plow. Staff sees no reason to retain the 1997 Ford once a new dump truck is purchased. The funds from the sale of the 1997 Ford truck could be applied to the purchase of the new truck or deposited into the Equipment Replacement Fund.

This truck is important to the speed of snow removal in that it allows the maintenance staff to operate three plow routes. This was the first year the City had three routes, as opposed to two. In most cases, all city streets were cleared within 4-6 hours of the end of the snow event. Additionally, having the third reliable truck is important in case one of the other two breaks down and is out of service for some time.

Council member Schneider voiced his opposition to any more truck purchases and that a plow could be put on the new 550 truck, or the grader could be used to plow snow. Maintenance Superintendent Kieffer pointed out chemical can't be applied with the grader.

**Schneider, seconded by Lee, moved to not add financing for a dump truck to the fire truck bond.** Swanson expressed her desire to follow the CIP and move forward with the purchase. Mayor Simonson recommended delaying further discussion until the next meeting with a full

council. **The motion failed with Lee and Schneider voting yes, and Swanson and Simonson voting no.**

### **COMPARABLE CITIES**

Administrator Handt asked the Council's opinion on what they would deem comparable cities to include developing a Compensation Plan. Council selected from the list provided: Columbus, Bayport, Rush City, Lindstrom, Newport and Chisago City.

### **CONTRACTS**

Council directed staff to place the contracts for the following companies, to monitor the Zavoral Mine, on the next meeting's Consent Agenda: Indoor Environment Group for air quality, Leggette, Brashears & Graham for groundwater, and SBP Associates for noise.

### **TRAFFIC MONITORING FOR ZAVORAL MINE**

During the CUP process for the Zavoral Mine, it was suggested there was a conflict of interest with the city's planner recommending TDKA for a traffic monitoring contract. To alleviate any concerns of a conflict of interest, Mayor Simonson suggested, and the rest of the Council concurred, that the City use its own engineering firm, Bolton and Menk, to monitor mine traffic.

### **REVIEW BOLTON & MENK ENGINEERING CONTRACT**

Council accepted staff's recommendation of the general engineering services contract with Bolton & Menk with one change to the termination period from 7 days to 30 days.

### **WHEELAGE TAX RESOLUTION**

No action was taken on the County's request for a resolution supporting an increased Wheelage Tax.

### **LMC ANNUAL CONFERENCE**

The Annual League of Minnesota Cities Conference is scheduled for June 19-21 in St. Paul. The Council had previously discussed Council members attending various training events. Since the best pricing is available if registered by May 1<sup>st</sup>, brought this up for discussion. Swanson and Lee asked staff to register them for the conference.

### **SALARY ADJUSTMENT FOR ADMINISTRATOR**

On August 28, 2012, the City Council approved an Employment Agreement with Kristina Handt. The agreement included the following language: "Upon completion of the Probationary Period and thereafter during the Term, Employee's salary may be adjusted from time to time by the Employer in its sole discretion." On December 18, 2012, the City Council approved 2013 pay rates. Most employees received a 2% increase. The City Administrator's rate was not increased at that time but on the attachment to the resolution it was noted \*\*subject to change after probationary period, per employment agreement.

Since there is no policy in place that provides guidance on the appropriate increase amount following a probationary period, Council may consider past practice. In January, the Council approved a 5% increase for the Maintenance Superintendent following a satisfactory performance evaluation at the end of the probationary period. Since a 5% increase for the Administrator would not into effect until late April, the increase in wages, taxes and benefits to the administration department would be \$2,830 for 2013.

**Lee, seconded by Simonson, moved to put resolution approving a 5% increase to Handt's salary effective with the next payroll on the next consent agenda. Motion passed 4-0.**

**SPEED STUDIES**

Kieffer suggested the Council request a speed study in the Bliss area. Parts of the area are designated 20 mph and a speed study would determine if that is really necessary or if the state standard of 30 mph should apply. Also, during the Council review of the Tiller CUP application it was noted that the City may want to ask MNDOT to complete speed studies on TH 95 north and south of TH 97; on TH 97 near the Scandia Elementary School; and on TH 97 near the intersection with County Road 91 (Lofton Avenue). A letter from Deputy Majeski was also received that requested a speed study on Hwy. 97 near the Lofton intersection. Council consensus was to proceed with these speed studies.

**FUTURE WORK SESSION ITEMS**

Carnelian-Marine Watershed District is requesting to meet with the Council.

**ADJOURNMENT**

**Schneider, seconded by Lee, moved to adjourn the meeting. The motion carried 4-0.**

The meeting adjourned at 9:08 p.m.

Respectfully submitted,

Colleen Firkus  
Treasurer