

Mayor Beyer, called the July 27, 2010 Regular Meeting of the Rockford City Council to order at 7:00 p.m. The meeting was held in the Council Chambers of City Hall 6031 Main Street, Rockford, MN.

ROLL CALL

Roll call was taken, the following members were present: Beyer, Graner, Hafften, Martinson and Nichols. Also in attendance were: Attorney Couri, Administrator Carswell, Engineer Statz and Acting Public Works Supervisor Doug Duda.

The Pledge of Allegiance to the Flag was given.

Public Hearing for 2010 Sidewalk Improvements

A notice of the public hearing was mailed at least ten days in advance and published twice in the official newspaper the last publication was at least three days prior to the hearing.

Mayor Beyer opened the hearing at 7:02 p.m.

Engineer Mark Statz of Bonestroo stated that the city staff has inspected the city trail system and found some safety hazards. The city council requested a feasibility study that was reviewed and the replacement of sections of the city trail were found to be financially feasible. Some of the trail system repairs will be assessed per the assessment policy and those affected parties were sent notice of the hearing and a preliminary assessment roll has been prepared for their review. The proposed costs for the sidewalk repairs are \$19,400.

Mayor Beyer asked for public comments three times and found none. Mayor Beyer closed the hearing at 7:05 p.m.

RESOLUTION #10-33 Order Improvement & Preparation of Specifications/2010 Sidewalk Improvements

MOTION was made by Graner, seconded by Martinson to approve Resolution #10-33 to order the improvement and preparation of plans and specifications for the 2010 Sidewalk Improvement.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND NICHOLS

***CONSENT AGENDA**

MOTION was made by Nichols, seconded by Graner to approve all items on the consent agenda.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND NICHOLS

***Approve Minutes/July 13, 2010**

MOTION was made by Nichols, seconded by Graner to approve the minutes of the July 13, 2010 regular Council Meeting.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND NICHOLS

***Approve Payment of Claims**

MOTION was made by Nichols, seconded by Graner to approve the payment of claims #17991 to #18037 the amount of \$84,703.36

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND NICHOLS

***Resolution #10-34 /Approving the use of the Central Counter 650 for the 2010 Elections**

MOTION was made by Nichols, seconded by Graner to adopt Resolution #10-34 approving the use of Central Counter 650 to count absentee ballots for Hennepin County during the 2010 primary and general elections.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND NICHOLS

OPEN FORUM

Mayor Beyer called Open Forum. No one from the public was present to address the council.

Debt Management Report

Administrator Carswell presented the debt management report which includes eight outstanding bonds with a total of principal value of \$8,400,128. The city just paid off the Millennium Park bond early on February 1, 2010.

The city's debt consists of four revenue bonds for Water and Sewer Improvements. Water debt equals \$1,862,500 and Sewer Debt equals \$1,537,628. These bond payments are paid by user fees and/or SAC and WAC fees from new connections.

The general obligation debt consists of the following:

2001 GO Haug Avenue & Street Improvement Bond

2007A GO Bond for the Public Works Facility

2009A GO CIP Bond/Fire Station & Library Project

2009B GO Tax Abatement Bond for the Flood Levee project

These bonds are paid by tax levy and assessments for a total value of \$5,000,000.

The report also included the cash balance remaining from 2004A PIR Refunding Bond that has been paid in full in the amount of \$291,649. The cash balance from this debt service fund will be used for capital improvement and loss of general fund revenue.

Mayor Beyer asked for more information on the water and sewer funds projections. The water fund cash balance is extremely high and the sewer is very low. Administrator Carswell stated that the sewer projections that were done when the base fee was established has been reviewed by our financial consultant and seems to be performing as expected. However, staff stated that the city may choose to transfer funds from the water into the sewer fund if needed for expenses. Staff will submit a capital improvement plan for the water and sewer department along with debt service and cash balance for council review.

There was discussion about the delinquent assessments owed the city on the Haug Avenue project in the amount of \$87,000. The delinquent assessments and taxes are due to the vacant commercial lot that is part of the Marsh Run development. Staff will research the future of this lot as it is in the process of a Wright County sale. Attorney Couri stated that he feels it would be best for the staff to meet with the county auditor, assessor and county attorney on the value that should be placed on this lot since the assessments are owed. However, the discussion went on to say that if the assessments owed bring the value too high so that no one will develop the lot then the city may have to take the loss. Staff will submit further information after discussing this lot with the county. However, the city has money that has been transferred into this debt service fund to make the payment in 2010 and then there is one more year where the city will probably be forced to pay this delinquent assessment portion of this bond again. The funds remaining from the 2004A debt service fund that was paid are adequate to pay the last years payment if needed.

Personnel Committee Report

The personnel committee consisting of Marlys Elsen, Darcy Desens, Council Nichols and Hafften presented a report regarding the sick leave bank that was frozen as of January 29, 2010. The report showed the liability that the city currently owes employees for this sick leave bank which totals \$68,193.92.

The committee made a recommendation that employees may have the option of getting paid for some of the current value after council approval. The committee also recommended that money be set aside each year to offset the risk to the city budgets when an employee resigns.

The discussion continued regarding an amount such as \$12,000 to be set aside in the budget each year to build up a fund that will cover this liability. Carswell noted that she has already made a note in the transfer to funds budget worksheet for 2011 that \$12,000 will be designated for sick leave liability. The council wants a specific fund for this and did not agree with staff's recommendation of designating a portion of the general fund reserve for this purpose.

Hafften asked the city attorney whether the city could pay employee sick leave in five year installments after the employee resigns so that if two employees resigned the same year that would not create a financial hardship on the city. Attorney Couri stated he would research that because he was not sure about the laws for sick leave, he did state that any vacation time has to be paid in full when an employee retires. Mayor Beyer stated he would rather the city pay out all leave owed the employee when they resign.

The discussion about employees requesting to cash out some of this sick leave bank will be further reviewed once the city builds up a cash fund.

The city council will determine the amount to be budgeted for this purpose in 2011 at the budget workshop meeting on August 17, 2010.

The committee also discussed the current sick leave policy that was recently adopted and recommend that the city establish a cap of 480 hours of sick leave per employee. Hafften stated that the cap was set for long term disability.

Any ordinance amendment will be submitted to council for adoption at the next meeting with the 480 cap on sick leave.

Ongoing Directives

The ongoing directives were reviewed and discussed. Nichols stated that a clean up day policy should be established for next year that will not allow garbage and to address other safety hazards. Administrator Carswell suggested a clean up day committee be formed to discuss the policy starting in February 2011. Nichols and Martinson will be part of the committee along with Deputy Clerk Etzel and public works supervisor D. Peterson.

Fire Department Report

Fire Chief Kevin Reed and Jim Kizer Fire Department Equipment Deputy presented 11 pages including pictures of the equipment, the name of the equipment i.e.: engine 11, purchase date, replacement schedule and purchase cost owned by the city fire department.

Reed stated that the department's plan is to purchase equipment that will be used for multiple purposes. Reed stated that the fire department wants to replace Grass 11 and wants council approval to create specifications for bids to purchase the equipment in 2011.

The replacement of the equipment does not include today's costs only the purchase price. A fire boat was included in the equipment which was purchased by the Fire Relief Association with money from the Pancake Breakfast.

Administrator Carswell recommended that before a decision is made about whether or not to replace equipment should first include financial information, budget projections, and discussion at the fire board meeting as a courtesy. No action was taken.

Reed reported that the department has responded to 180 calls this year. Plans to assist with National Night Out on August 3rd, article in the Star and Tribune about a recent training burn in Rockford, new fire prevention projects planned, CPR class is coming up, finished remodeling the fire station. Administrator Carswell asked Reed to thank all of the volunteer fire department members that assisted setting up and taking down the movie screen for Movie in the Park on July 23rd. They did a great job and many residents came out to watch the movie.

Attorney's Report

Attorney Couri gave an update on the status of the public works facility. The city attorney met with the contractor's bond company representative last week and the unresolved issues were all discussed and should be resolved soon. The HVAC system has been repaired and staff trained on how to operate the system. The manufacturer of the roofing material was out to inspect the roof and a warranty should be submitted once some extra caulking is installed. The contractor provided a map of the in floor heat and Dennis Peterson will double check the map to make sure it is correct using infrared detector. Council feels that a contractor should be responsible, but Couri stated that Dennis wanted to perform this task so that he knows it is correct. There are 9 heat zones in the floor heating system.

The leaking wall was tested by putting a hose to the wall to make sure it was not the roof and the wall did leak. The southwest side of the site adjacent to the building needs to be graded so that water runs away from the building because the current grade allows water to run into the building.

The drain tile material is sand on all areas except where the added waterproofing was completed. That area will be dug up and sand installed around the drain tile.

Couri stated that Rochon the contractor is still planning on taking legal action against the city for the \$57,000 cost they incurred on the project when they improved the water proofing on the exterior wall. Couri is reviewing the contract documents to see if the city may choose to mediate this claim instead of going to court.

Administrator's Report

The Administrator's Report included: working on general fund budget, wage proposal withdrawn, north Ash Street plan, dog calls after hours policy, new employee benefit agent, water and sewer maintenance budget information, Parkwood concept plan submitted for review August 10, fire board meeting August 9th, Rockford Township wants to bill for incidents in their district, Ann Fiedler submitted an incomplete application for second hand store. Council directed staff to send a second letter to the second hand store at 8905 Autumn Oaks Drive informing them that they do not have a license to operate and the business must cease or the city will prosecute.

Adjournment

MOTION was made by Graner, seconded by Martinson to adjourn the meeting.

Mayor Beyer adjourned the meeting at 9:45 p.m.

Michael Beyer, Mayor

ATTEST:

Nancy Carswell, Administrator