

Mayor Beyer called the **December 13, 2011** Regular Meeting of the Rockford City Council to order at 7:05 p.m. The meeting was held in the Council Chambers of City Hall at 6031 Main Street, Rockford, MN.

**ROLL CALL**

Roll call was taken. The following council members were present: Beyer, Graner, Hafften, Martinson and Wenz. Absent: none. Also in attendance were: Engineer Mark Statz, Finance Clerk Huettl, Administrator Carswell and Public Works D Peterson and David Drown the Financial Consultant arrived at 8:00 p.m.

The Pledge of Allegiance to the Flag was given.

**PUBLIC HEARING – TRUTH IN TAXATION**

Finance Clerk Mary Huettl presented the proposed General Fund budget for 2012 and the Tax Levy 2011 collectible 2012. Huettl explained the changes that the state legislature made which becomes effective in 2012. Homestead property no longer receives the Homestead Residential Market Value Credit. In the old law this homestead credit reduced the property taxes paid. The new law excludes a portion of the homestead’s property value from the taxation which is being called “homestead market value exclusion” (HMVE). The exclusion is done on the percentage basis and starts at 40% on the first \$76,000 of a property’s value. The amount excluded is reduced as value rises above \$76,000 (the exclusion is equal to 9% of the value above \$76,000). Homesteads that exceed \$413,800 in value will not receive homestead exclusion.

Huettl presented a few preliminary tax statement examples for Wright and Hennepin County properties in Rockford payable in 2012. The tax statements reflected reduction in city taxes for most.

Huettl then presented the 2011/payable 2012 preliminary tax levy which is an increase of 2.9% from the past years levy and is made of the following:

The 2011/payable 2012 tax levy consists of:

General Fund tax	\$ 1,246,406
GO Bond Public works building	\$ 114,500
Tax Abatement Bond Flood Levee	\$ 48,812
LGA Unallotment	<u>\$ 20,000</u>
TOTAL TAX LEVY	\$ 1,429,718

Huettl reviewed the changes in the preliminary general fund budget.

Revenue sources are limited and here is the following budget numbers proposed:

Taxes	\$1,246,406
Other taxes	\$ 58,000
Grants	\$ 24,000
Fees/License	\$ 114,188
LGA	\$ 142,623
Interest	\$ 7,200
Reserves	\$ 74,000
Fiscal Disparities	\$45,555

The largest decrease in revenues is in the building permit fees that have been very low for the past two years. Expenditure budget changes were explained per department as follows are budget numbers:

Administration	\$422,219
Transfers Out	\$217,500

Safety/police/fire	\$453,848
Streets	\$430,744
Parks/Library	\$189,661
Contingency	\$ 10,000

Mayor Beyer opened the public hearing at 7:20 pm, as there were no comments Mayor Beyer closed the public hearing at 7:23 p.m.

**APPROVE CONCENT AGENDA/SET AGENDA**

Mayor Beyer pulled check #19869 Honda Electric in the amount of \$9,200 from the accounts payable since they have not chipped the stumps below grade. There was some discussion about the deadline on the contract and charging the contractor penalties.

**MOTION** was made by Martinson, seconded by Wenz to approve all items on the consent agenda with the exception of Check #19869 to Honda Electric.

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

**\*Approve Regular Council Minutes/November 22, 2011**

**MOTION** was made by Martinson, seconded by Wenz to approve the minutes of the November 22, 2011, Regular Council Meeting.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON and WENZ.

**\*Approve Payment of Claims**

**MOTION** was made by Martinson, seconded by Wenz to approve the payment of claims #19814 to #19902 in the amount of \$265,888.17.

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

**\*Approve Building Permits**

**MOTION** was made by Martinson, seconded by Wenz to approve the building permits #11-151 to #11-170.

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

**\*Resolution #11-53 Approve Investments**

**MOTION** was made by Martinson, seconded by Wenz to approve Resolution #11-53 to approve investments.

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

**\*Approve Fund Balance Policy**

**MOTION** was made by Martinson, seconded by Wenz to approve the fund balance policy.

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

**\*Resolution #11-54/Policy Committing Revenues Related GASB54**

**MOTION** was made by Martinson, seconded by Wenz to adopt Resolution 11-54 Approve Policy Committing Revenues related to GASB54.

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

**\*Resolution #11-55/Policy Committing Fund Balances for Specific Purposes**

**MOTION** was made by Martinson, seconded by Wenz to approve Resolution #11-55 Policy for Committing fund balances for specific purposes.

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

**\*Revised Hennepin County Election Equipment Contract**

**MOTION** was made by Martinson, seconded by Wenz to approve the revised Hennepin County Election Equipment contract.

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

**\*Approve Rockford River Days Fireworks Display Contract 2012, 2013 & 2014**

**MOTION** was made by Martinson, seconded by Wenz to approve the contract and Martinson asked to check to see if some of the “big fire balls or flamingo” could be added to the contract and to bring the costs back to council for review if there are added costs.

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

**OPEN FORUM**

Mayor Beyer called for open forum, no one from the public spoke.

**Reduce the Line of Credit/Parkwood Development**

US Homes the developer from Parkwood has requested a reduction in the letter of credit which has a current value of \$144,210.55. The engineer reviewed the punch list and notes in his report to council that there are still approximately \$110,000 worth of items that need to be completed such as seeding the park, wear course paving , striping, topsoil, engineering and administration costs, etc. The engineer is suggesting that the letter of credit be reduced \$34,210.55 for a remaining letter of credit in the amount of \$110,000. The developer was invited to the meeting but was not present to discuss these issues.

**MOTION** was made by Graner, seconded by Hafften to approve a reduction in the letter of credit for Parkwood/US Homes to maintain a letter of credit in the amount of \$110,000 as per the engineer’s letter dated November 22, 2011.

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

**Resolution #11-56/Approve Final General Fund Tax Levy**

**MOTION** was made by Graner, seconded by Martinson to approve Resolution #11-56 to adopt the final fund budget/levy 2011 payable 2012 in the amount of \$1,429,718.

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

**Request for Proposal/Event Center Landscape Architect**

Engineer Mark Statz presented a proposal for preparing the site plan/landscape information for the proposed event center at Riverside Park which would include the fill to bring the building out of the flood plain as discussed at the committee meeting.

Statz stated that the costs for the preparation of plans for the landscape architect are \$4,500. Some of the council noted that they would like the proposal to include a site plan for lots 5 & 6 Block 6 Original Plat. Statz stated to include that into the plan the cost would increase an estimated \$2,000. Mayor Beyer stated that he is interested in seeing what the project is going to look like with the amount of fill that is needed as this should help the council to determine whether they want to proceed with this project. There is no need to include the other property at this time as this will should how the landscape will look after the six feet of fill is added.

**MOTION** was made by Martinson, seconded by Graner to authorize Stantec Consultants prepare the plans and specifications for the landscape/site plan for the event center on Block 5 of the original plat of Rockford at a cost not to exceed \$4,500.

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

**Resolution #11-57/Ordinance #11-09 Council Salaries**

Council member Hafften requested staff draft an ordinance that would pay the mayor and council members for all special and regular council meetings held during the year at their regular rate even if they did not attend the meeting. The city council attends many meetings that they are not paid for and this will alleviate the administrative time checking attendance at meetings.

**MOTION** was made by Hafften, seconded by Wenz to approve Resolution #11-57 to approve Ordinance #11-09 revising language that all special and regular council meetings will be paid at regular rate.

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

**Resolution #11-58/Ordinance #11-10 Park and Recreation Commission**

The ordinance is incorrect as it states the park commission meets monthly and they are meeting every other month. The revision clarifies that the park commission meets every other month.

**MOTION** was made Hafften, seconded by Martinson to approve Resolution #11-58 to approve Ordinance #11-10 amending Park and Recreation Commission.

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

**Resolution #11-59/Refund Water Tower Bond Issue 2006A**

David Drown of David Drown and Associates was present to present the results of the bond sale for the refunding 2006A Water Tower Bond issue which is callable in February 2012. The cost to refinance the bonds is \$35,000. The results of the sale included two bids as follows:

Robert W. Baird & Co.	purchase price \$1,624,600.70
	Net interest cost \$147,374
	Net Interest rate 1.7652%
United Bankers Bank	Purchase price \$1,592,962.50
	Net Interest cost \$148,591.25
	Net Interest Rate 1.7798%

The city will experience a net savings of \$128,964 by refunding the bond at this reduced interest rate. There was some discussion as to the cost for refunding the bonds and Drown noted that those costs are approximately \$35,000.

**MOTION** was made Hafften, seconded by Graner to approve Resolution #11-59 to approve the bid sale from Robert W Baird and to re-fund bond GO Water Revenue bond issue 2006A and to reissue GO Water revenue Refunding bond Series 2012A.

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

**Resolution #11-60/Approve and Interfund Loan from Water to Sewer**

David Drown informed the city council that the city is not authorized to refinance the PFA with the water bond due to the contract language written as part of the bond. Instead staff is suggesting that we pay off a large portion of the PFA bond for the Sewer Department since the interest rates are at 3.99%. The city water fund has a large cash balance which is not earning much in interest and per the interfund loan policy 40% of a department cash balance may be loaned if there are no immediate plans for its use. Staff prepared an amortization schedule showing the payments on this loan and how the end result would be that the sewer department would save approximately \$38,000 in interest costs. Therefore, staff recommends that an interfund loan be approved per the terms of the resolution. Dennis Peterson public works supervisor stated that the water department will be replacing some mains in 2014 but that the cost of that project is estimated to be \$3,000,000 and that would be financed by a bond.

**MOTION** was made by Hafften, seconded by Graner to adopt Resolution #11-60 to approve an interfund loan from the water fund 601 to pay off \$455,000 of the PFA Bond at a term of 7 years at an interest rate of .50%.

**MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND WENZ.**

**Fire Department Equipment**

Ben Sanderson newly appointed Fire Chief and Jim Kizer Fire Captain and truck committee representative were present. Sanderson reported that the fire board reviewed the bid results at a meeting on December 12<sup>th</sup> of the fire brush truck and EMS Kubota and trailer at a cost of \$245,843.65. All members of the Fire Board agreed to the acquisition of the equipment with the exception of Mayor Hertaus who suggested the department bid out the equipment again since they only received one bid. Kizer said he sent the bids specs out to Custom Fire and other companies but they chose not to bid.

Hafften asked how the rest of the fire department felt about acquiring this equipment and if they had voted to purchase. Jim Kizer from the truck committee stated that the fire department had 30 days to review the plans and specifications and there were no comments from anyone on the fire department. Although there was no formal vote on the equipment, they were all asked at the fire department meeting if they had input before the specifications went to council and no one voiced any opposition.

Hafften asked who is maintaining the fire equipment as these items are a large investment. The city public works department purchased Manager's Plus program and the fire department should add their equipment to that software program to keep up to date and for budget purposes. Kizer noted that the turn table on the aerial ladder truck is being maintained soon and this in the budget for 2012.

Kizer stated that the new truck is needed for grass fires and car fires and noted the equipment is user friendly unlike what they have now. Dennis Peterson public works supervisor noted a one ton pickup with a skid

mount unit would cost much less. Mayor Beyer stated that money is not an issue with this purchase as a lease purchase is being paid off and this payment will be much less. However, Beyer stated that the city council needs to know that this equipment is necessary. The city council informed the fire department members present that they are not the experts as they do not use this equipment and depend on them to provide the reasons that equipment is necessary.

Kizer noted that the EMS Kubota RTV is a demo unit at a discounted price of \$10,000 for a total cost of \$45,000. The city council stressed that they need to be able to answer to the residents why they approved the purchase of the equipment. Beyer noted that the fire department has to provide service to the Rockford Township and the City of Greenfield which is mostly why this equipment is necessary. Kizer explained that the Kubota will also be used in the snow to rescue people that are in snowmobile accidents. Council asked if other fire departments in the area have this type of equipment. Kizer responded that Rockford would be the first to get this type of equipment/vehicle.

The 350 system that the department has now is dangerous to use and has a small capacity pump. The new truck has more water capacity and will be replacing the skidster which was manufactured in 1992. The truck could be used in the city also, such as in the mobile home parks, grassy areas in the industrial park, undeveloped Wagner property, Miske property north on Gabler, etc.

Council asked when the city will receive the equipment and Kizer responded in about 140 days.

**MOTION** was made by Martinson, seconded by Wenz to authorize the purchase of the high pressure/high flow brush truck, EMS Kubota RTV and trailer for the fire department as per the bid submitted by EJ Metals 1201 Maple Creek Lane, New London, WI 54961 in the amount of \$245,843.65.

**MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND WENZ.**

Finance options will be presented to the council on December 27<sup>th</sup>. Staff will also look into the costs of repairing the heated floor which was quoted at \$37,000.

### **Administrator's Report**

Council reviewed the administrator's report including the following items: benefits information, levee inspection meets RIP with a few punch list items, 8740 Highway 55 old motel was demolished, Wright County Economic development partnership new director, newsletter, staff pot luck party and HRA on December 27<sup>th</sup> at 6 p.m.

### **Engineer's Report**

Council reviewed the engineer's report including the following items: levee inspection, letter of credit for Parkwood were reviewed, downtown master plan estimated costs are being prepared, trunk highway 55 utility improvements, and some miscellaneous items such as phosphorus. Stantec Consulting will not be increasing their fees for 2012.

### **Council Reports**

Martinson- reported he wants to pursue a traffic signal at Autumn Oaks Drive and Highway 55

Hafften – calibration meeting for personnel reviews needs to be re-scheduled-Beyer said he would know by the end of this week

Graner – thanked Dennis Peterson for helping deliver the shelves to the fire station

Beyer – wished everyone a Merry Christmas!

**ADJOURNMENT**

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

**MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND WENZ.**

Mayor Beyer adjourned the meeting at 9:43 p.m.

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Michael Beyer, Mayor

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Nancy Carswell, Administrator