

CITY OF HERMANTOWN
CITY COUNCIL CONTINUATION MEETING
June 20, 2016
6:30 p.m.

Pledge of Allegiance

ROLL CALL: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher; John Mulder, City Administrator; Debbie Lund, City Clerk; Jim Crace, Chief of Police; Kevin Orme, Finance Director; Eric Johnson, Community Development Director; Steve Overom, City Attorney

VISITORS: 4

PUBLIC HEARING ON INTENTION TO ISSUE GENERAL OBLIGATION CIP BONDS

NOTICE IS HEREBY GIVEN, that the City Council of the City of Hermantown, Minnesota will meet on June 20, 2016 at 6:30 p.m. at the Government Services Building, 5105 Maple Grove Road, Hermantown, Minnesota, for the purpose of conducting a public hearing on (a) the intention to issue general obligation capital improvement plan bonds in an amount not to exceed \$7,500,000 and (b) the proposal to adopt a capital improvement plan therefor. The proceeds of the bonds will be used to finance various capital improvements within the City pursuant to Minnesota Statutes, Section 475.521; specifically to exercise the City's option to purchase the existing public safety and administrative services facility from the Hermantown Economic Development Authority under the lease-purchase agreement entered into on December 5, 2006 to reduce interest rates and debt service costs to the City; and to finance two new fire halls in the City. Refunding the lease-purchase indebtedness with general obligation bonds issued by the City is expected to provide lower interest rates on the indebtedness.

All persons interested may appear and be heard at the time and place set forth above.

If a petition requesting a vote on the issuance of the bonds is signed by voters equal to 5 percent of the votes cast in the City in the last general election and is filed with the City within 30 days after the public hearing, the bonds may only be issued upon obtaining the approval of the majority of the voters voting on the question of issuing the bonds.

Individuals unable to attend the public hearing can make written comment by writing to Kevin Orme, City Finance Director, 5105 Maple Grove Road, Hermantown, Minnesota, 55811.

Written comments must be received prior to the public hearing.

The Public Hearing held Monday, June 20, 2016 regarding the Intention to Issue General Obligation Capital Improvement Plan Bonds And Proposal To Adopt A Capital Improvement Plan Therefor has been recorded, however, has not been transcribed. Todd Hagen from Ehler's was present to review the Bond reports. The following action was taken:

Resolution 2016-75

Resolution Giving Preliminary Approval For The Issuance Of General Obligation Capital Improvement Plan Bonds In An Amount Not To Exceed \$7,500,000 And Adopting The City Of Hermantown, Minnesota Capital Improvement Plan For 2016 Through 2020 Under Minnesota Statutes, Section 475.521

Motion made by Councilor Peterson, seconded by Councilor Koski to adopt Resolution 2016-75, Resolution Giving Preliminary Approval For The Issuance Of General Obligation Capital Improvement Plan Bonds In An Amount Not To Exceed \$7,500,000 And Adopting The City Of Hermantown, Minnesota Capital Improvement Plan For 2016 Through 2020 Under Minnesota Statutes, Section 475.521. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

Public Hearing recessed at 6:38 p.m.

COMMUNICATIONS

No communications.

PRESENTATIONS

John Mulder, City Administrator – I wanted to give you a brief report on the staffing for the 2017 budget. The City has 37 employees and a projected budget for 2017 in personnel costs alone of \$3.5 million.

This is about an 8% increase that assumes a 10% increase in health insurance. It also takes into consideration the negotiated increases with the unions that are already settled. This is a preliminary number and we will fine tune that as we get more information.

There are some ongoing concerns in staffing that may or may not result in some personnel changes. One concern is the depth that we have in various departments, it is a small size of staff and a lot of different departments and one person is responsible for a lot of program areas. The second area we have talked about in the past is community relations and communication and as we work with a lot of different user groups to keep good communications with them and how we partner together to improve services. We don't know exactly where we are at with the Regional Wellness Center because that might be another issue where we need staff that are dedicated toward those relationships. The third issue we have talked about is the increased fire calls and our inability to add and recruit volunteers.

The potential changes for 2017 include more seasonal help in the parks department and public works, and appointing a Deputy City Clerk. We have a number of potential retirements next year in the police department which would create additional vacancies as employees are promoted.

This report is the first part of the budget process. We complete personnel costs first and sometime in July we will present the full Capital Improvement Plan and what is budgeted for 2017. At the end of August you will see the preliminary general fund budget and tax levy for adoption.

PUBLIC DISCUSSION

Todd Hagen, Ehlers – With interest rates low, it is a good time to refinance and that is what you did today. Up until 10 am this morning we took bids on refinancing the 2009A Bond. We received six bids and the best bid was from United Bankers out of Bloomington Minnesota with a 1.555% was lower than what we had estimated. The difference between the high bid and low bid is \$38,078. It increased the City's savings by a little over \$40,000 for total savings on a bond issue of \$306,413 over the period that the bond is outstanding. We also reduced the bond issue down \$105,000 because rates are low. You are now at \$3,285,000 instead of the \$3,390,000. The city has a strong economy, strong management, strong budgetary performance; strong budgetary flexibility and strong liquidity so keep doing what you are doing.

CONSENT AGENDA

Motion made by Councilor Koski, seconded by Councilor Nelson to approve the Consent Agenda which has the following items:

- A. Approval of June 6, 2016 City Council Minutes
- B. Approve general city warrants from June 1, 2016 through June 15, 2016 in the amount of \$278,655.85

Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

MOTIONS

Motion made by Councilor Peterson, seconded by Councilor Geissler to approve the Community Event Temporary On-Sale Intoxicating Liquor License for Area Communities Association for Summerfest. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

Motion made by Councilor Koski, seconded by Councilor Peterson to approve the appointment of Brent Malvick until December 31, 2017 due to resignation of Mark Reed. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

Motion made by Councilor Geissler, seconded by Councilor Nelson to approve the written consent with Fryberger, Buchanan, Smith & Frederick with regard to the representation of multiple parties, Jackson Estates 4th Addition Development Agreement and City of Hermantown. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

RESOLUTIONS

2016-76 Resolution Establishing An Absentee Ballot Board For The City Of Hermantown

Motion made by Councilor Peterson, seconded by Councilor Nelson to adopt Resolution 2016-76, Resolution Establishing An Absentee Ballot Board For The City Of Hermantown. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2016-77 Resolution Appointing Election Judges For The Primary Election Of August 9, 2016

Motion made by Councilor Nelson, seconded by Councilor Koski to adopt Resolution 2016-77, Resolution Appointing Election Judges For The Primary Election Of August 9, 2016. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2016-78 Resolution Proclaiming July 13th Through July 16th As Hermantown Summerfest 33

Motion made by Councilor Peterson, seconded by Councilor Koski to adopt Resolution 2016-78, Resolution Proclaiming July 13th Through July 16th As Hermantown Summerfest 33. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2016-79 Resolution Approving The Transfer Of \$300,000 From General Fund 101 To The Capital Projects Fund 401

Motion made by Councilor Geissler, seconded by Councilor Peterson to adopt Resolution 2016-79, Resolution Approving The Transfer Of \$300,000 From General Fund 101 To The Capital Projects Fund 401. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2016-80 Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver Development Agreement With JLG Enterprises Of Hermantown, LLP

Motion made by Councilor Nelson, seconded by Councilor Koski to table Resolution 2016-80, Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver Development Agreement With JLG Enterprises Of Hermantown, LLC to July 18, 2016. Motion carried.

2016-81 Resolution Approving An Amendment To The Management Compensation Plan

Motion made by Councilor Geissler, seconded by Councilor Koski to adopt Resolution 2016-81, Resolution Approving An Amendment To The Management Compensation Plan. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2016-82 Resolution Approving Pay Request Number 1 For Street Improvement District No. 524-N, S.A.P. 202-103-009 Stebner Road To Ulland Brothers, Inc. In The Amount Of \$167,291.41

Motion made by Councilor Peterson, seconded by Councilor Koski to adopt Resolution 2016-82, Resolution Approving Pay Request Number 1 For Street Improvement District No. 524-N S.A.P. Stebner Road To Ulland Brothers, Inc. In The Amount Of \$167,291.41. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2016-83 Resolution Providing For The Issuance, Sale And Delivery Of \$3,285,000 General Obligation Refunding Bonds, Series 2016A And Awarding The Sale Thereof

Motion made by Councilor Koski, seconded by Councilor Nelson to adopt Resolution 2016-83, Resolution Providing For The Issuance, Sale And Delivery Of \$3,285,000 General Obligation Refunding Bonds, Series 2016A And Awarding The Sale Thereof. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2016-84 Resolution Approving Dance Permit For Beacon Sports Bar

Motion made by Councilor Nelson, seconded by Councilor Koski to adopt Resolution 2016-84, Resolution Approving Dance Permit For Beacon Sports Bar. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

Mayor Boucher thanked Neil Witikko for running the video camera.

Motion made by Councilor Geissler, seconded by Councilor Peterson to recess meeting at 7:08 p.m. to Monday, June 27, 2016 at 5:00 p.m.. Motion carried.

Mayor

ATTEST:

Clerk