

OFFICIAL PROCEEDINGS OF THE CITY COUNCIL

ADJ. REGULAR SESSION

SHAKOPEE, MINNESOTA

DECEMBER 20, 2011

Mayor Schmitt called the meeting to order at 7:06 p.m. with Council members, Matt Lehman, Steve Clay, Pat Heitzman, and Pamela Punt present, as well as Mayor Elect Brad Tabke and Councilor Elect Jay Whiting. Also present Mark McNeill, City Administrator; Kris Wilson, Assistant City Administrator; Jim Thomson, City Attorney; Judith S. Cox, City Clerk; R. Michael Leek, Community Development Director; Bruce Loney, Public Works Director/City Engineer; Julie Linnihan, Finance Director; Jeff Tate, Police Chief; and Rick Coleman, Fire Chief.

The Pledge of Allegiance was recited.

Mayor Schmitt asked if there were any additions or deletions to the agenda. Mr. McNeill said there were no changes to the agenda.

Clay/Punt moved to approve the agenda. Motion carried 5-0.

In the Mayor's report Mayor Schmitt said he attended the SCALE executive and regular meetings. The primary items discussed at both meetings related to transportation and transit. We've agreed to pursue the purchase of two busses. We've also authorized Scott County to proceed with the hiring of an architect for the new transit site at Marschall Road and 17th Avenue. Mayor Schmitt also attended the Transportation Economic Development meeting. He said they are trying to arrange a meeting with MN-Department of Transportation to discuss the Highway 101 crossing before the items are discussed with the Governor.

Mayor Schmitt asked if there were any additions or deletions to the Consent Agenda. There were no additions or deletions to the Consent Agenda.

Clay/Heitzman moved to approve the Consent Agenda. Mr. McNeill read the Consent Agenda. Motion carried 5-0.

Clay/Heitzman moved to authorize the appropriate City officials to execute Amendment No. 1 to Construction Cooperative Agreement on County Project No. CP-101-07 (C.R. 101). (Motion carried under the Consent Agenda)

Clay/Heitzman moved that the existing overhead power lines on CSAH 69, from the Shakopee Substation to Scott Street, be relocated and shall be placed underground; and, that the existing overhead power line crossings on CSAH 69 at west of Shakopee Substation, north of railroad bridge and 3rd Avenue remain overhead. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to authorize staff to utilize the re-purchase agreement with Ziegler, Inc. on unit #166 a 2011 Cat 287C Track Skid-steer Loader for the price of \$9,832.50 to be expended from the Surface Water Fund. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to authorize staff to utilize the re-purchase agreement with Lano Equipment, Inc. on unit #147 a 2011 S-185 Bobcat for the price of \$3,985.37 to be expended from the Internal Service Equipment Fund. (Motion carried under the Consent Agenda)

Clay/Heitzman offered Resolution No. 7152, A Resolution Accepting Work on the 2010 Bituminous Overlay, Project No. 2010-2, and moved its adoption. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to authorize the purchase of one Ford F-150 Crew Cab 4x4 from Midway Ford Commercial for the amount of \$30,020.88 in accordance with State of Minnesota Contract # 37667. The funds to be expended from the Capital Equipment Internal Service Fund. (Motion carried under the Consent Agenda)

Clay/Heitzman offered Resolution No. 7149, a Resolution of the City of Shakopee, Minnesota, Accepting a Donation of a Utility Vehicle from the Toro Company, and moved its adoption. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to accept, with regrets, the resignation of Brad Tabke from the Parks and Recreation Board, thank him for the contributions he has made for the residents of Shakopee and authorized the staff to advertise to fill the vacant position during the annual City wide advertisements for expiring terms on boards and commissions. (Motion carried under the Consent Agenda)

Clay/Heitzman offered Resolution No. 7150, a Resolution of the City of Shakopee, Minnesota, Accepting \$1,000.00 from Wal-Mart, to fund the "Shop with a Cop" Event, and moved its adoption. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to authorize the purchase of a Scott brand air compressor from Municipal Emergency Services, Inc. at the total cost not to exceed \$40,000. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to authorize the promotion of Joseph Theis to the position of police officer at Step 1 of the current labor contract and subject to a one-year probationary period. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to appoint the named individuals to the indicated officer positions within the Shakopee Fire Department, effective January 1, 2012; Assistant Chief of Operations, David Judd; Deputy Chief of Training, Ryan Yttreness; Deputy Chief of Engineering, Jacob Theisen; Captain – Station 1, Tom Pitschneider; Captain – Station 2, Eric Bender; Lieutenant – Station 2, Trevor Geis; Lieutenant – Station 2, Tom Breeggemann; Lieutenant – Station 1, David Giddings; Lieutenant – Station 1, Shawn Remme. (Motion carried under the Consent Agenda)

Clay/Heitzman offered Resolution No. 7153, a Resolution of Appreciation for Eileen M. Klimek, and moved its adoption. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to approve the bills in the amount of \$960,102.24 and electronic transfers in the amount of \$368,582.34 for a total of \$1,328,684.58. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to approve the minutes of November 22, 2011 and December 6, 2011. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to approve 1. The application and grant a Pawnshop License to DRM LLC of Shakopee, dba Excel Pawn, 450 West First Avenue. 2. Approve the application and grant a Pawnbroker, Precious Metal Dealer and Secondhand Dealer's license to Mark Pearson, DRM LLC of Shakopee, dba Excel Pawn, 450 West 1st Avenue. 3. Approve the application and grant a Pawnshop License to PawnXchange LLC, 1133 Canterbury Road. 4. Approve the application and grant a Pawnbroker, Precious Metal Dealer and Secondhand Dealer's license to

Mark Smith, PawnXchange LLC, 1133 Canterbury Road. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to approve the applications and grant a Taxicab License to Timothy R. Dressen Jr. dba TNT Taxi, 1529 West 6th Avenue, Shakopee, for 3 vehicles; Randy Busch dba Southwest Metro Transportation, 2953 Terrace Circle SW, Prior Lake, for 5 vehicles, and Bradford Transportation, Inc. dba Shakopee Taxi, 102 Woodland Circle, Jordan, for 2 vehicles, contingent upon meeting all licensing requirements in a timely manner. (Motion carried under the Consent Agenda)

Clay/Heitzman offered Ordinance No. 851, Fourth Series, An Ordinance of the City of Shakopee, Minnesota Amending City Code Section 6.22, Taxicabs and Drivers, and moved its adoption. (Motion carried under the Consent Agenda)

Clay/Heitzman offered Resolution No. 7144, A Resolution of the City of Shakopee, Minnesota, Accepting Donations to the City for Calendar Year 2012, and moved its adoption. (Motion carried under the Consent Agenda)

Clay/Heitzman offered Resolution No. 7154, a Resolution Adopting an Amended Shakopee Public Access Policy Handbook, and moved its adoption. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to approve and declare the list of Public Access checkout equipment as surplus property and authorize staff to dispose of it by offering it first to the other City departments, then to the school district and finally for sale to the general public via eBay.

List of equipment

- (3) Camera Kits -- Including Mini-DV camcorder, batteries, and charging cable
- (1) Light Kit
- (4) Large Tripods
- (2) Small Tripods
- (1) Monopod
- (3) Headsets
- (2) Shotgun microphones
- (2) Handheld microphones
- Various amounts and types of cables

Portable Studio

- (1) Audio/Video switcher system
- (3) Pan, tilt, zoom cameras
- (3) Small tripods
- (1) DVD record deck (1) Flat panel monitor
- (1) Play-by-play announcer system -- including microphones, headsets and amps (1)
- Ruggedized case
- Various amounts and sizes of bags and cases
- Various amounts and types of cables
- (Motion carried under the Consent Agenda)

Clay/Heitzman moved to authorize the carryover of \$17,000 from the 2011 Telecommunications Division operating budget to the 2012 Telecommunications Division operating budget. (Motion carried under the Consent Agenda)

Clay/Heitzman offered Resolution No. 7151, A Resolution Cancelling Debt Service Levy, for 2011/12, and moved its adoption. (Motion carried under the Consent Agenda)

Clay/Heitzman moved to authorize the appropriate officials to enter into a contract for fire alarm and sprinkler testing service with Simplex Grinnell at a cost not to exceed \$12,844 per year. (Motion carried under the Consent Agenda)

Mayor Schmitt asked if there was anyone in the audience who wished to speak on a topic that was not on the agenda.

Fatima Franzen, 1830 Switchgrass Lane, addressed Council thanking Mayor John Schmitt and Councilor Pat Heitzman for their years of service.

Clay/Lehman moved to open the public hearing on the Vacation of Public Right-of-Way of a Portion of Clay Street North of County Road 69. Motion carried 5-0.

Michael Leek, Community Development Director, stated that on November 1, 2011, City Council adopted a resolution setting December 20, 2011 as the public hearing date for the vacation request. Two week publishing public notice is required prior to conducting the public hearing. The notice was published in the Shakopee Valley News for 12 days rather than the required 14 days. Mr. Leek asked that Council continue the public hearing to the January 3, 2012 meeting to allow for the 14 day notice to be published. Mr. Leek identified the portion of the street to be vacated as part of the upcoming road improvement for County Road 69.

Lehman/Heitzman moved to continue the public hearing on the proposed vacation of a part of Clay Street north of County Road 69, to the January 3, 2012 meeting. Motion carried 5-0.

Mayor Schmitt asked for Council liaison reports. Cncl's. Punt, Clay and Lehman had nothing to report. Cncl. Heitzman said he attended a reception for the outgoing school board members.

Heitzman/Clay moved to recess for the Economic Development Authority Meeting. Motion carried. 5-0.

Mayor Schmitt reconvened the meeting at 7:30 p.m.

Bruce Loney, Public Works Director/Engineer, presented Council with the Discussion of Street Funding.

Mr. Loney said that in 2010 Council decided to change the Assessment Policy for street overlay projects and not assess any cost of overlay projects. That same year Council adopted a resolution amending the Special Assessment Policy to not assess bituminous overlay projects.

In October 2011, Council discussed the Capital Improvement Plan (CIP) and future tax levy. There was discussion regarding street overlay projects and the fact that they could not be bonded under MSA 429 unless at least 20% of the project can be assessed. Staff proposed using existing fund balance in the Capital Improvement Fund (CIF) with an increasing tax levy for funding overlays.

Mr. Loney said that the Finance Director, Julie Linnihan, received a memo from Springstead on various options available to the City concerning future funding of street projects. Ms. Linnihan discussed those options with Council. Of the options presented, Ms. Linnihan said that staff would recommend the following policies:

1. Incorporate street overlays as part of street reconstruction bonds utilizing one inch removals of payment. This policy would give the City financial flexibility in funding street projects. This would also require the Council to consider the addition of debt service levies to the annual property tax certification, which will result in an increased property tax levy.
2. Incorporate a significant portion of general fund balance transfer each year. The fund balance is increased in years where the budget is greater than actual expenditures. These available funds could be transferred to the CIF for street improvement projects.
3. Utilize the CIF to the extent possible before bonding due to the cost of bonding. The annual debt service levy also to be considered before debt issuance.

After discussion, Council agreed to look at the MSA 475.58 Street Reconstruction bonding scenario and staff will keep monitoring the need to bond or not to bond as staff moves forward with projects.

Mr. Loney presented Council with the Discussion of Sewer Availability Charges (SAC) Credit Policy.

Mr. Loney said that in 2008 the City of Shakopee received 1,494 SAC credit units from the Metropolitan Council Environmental Services (MCES) due to Rahr Malting coming off the regional sewer system. Currently a SAC is set at \$2,230 per unit for 2011 and \$2,365 for 2012.

Ms. Linnihan provided a memo in regards to SAC Credit Policy information. She stated that a minimum of 894 units is recommended, valued at approximately \$2,000,000, which should be reserved for future sewer needs. An estimated current amount of total SAC Credits applicable to the City of Shakopee is valued at approximately \$3.3 million.

In development of a SAC Credit Policy, staff believes a determination of how many SAC credits should be used for the future repair/replacement costs to the facilities given to the City by MCES. Remaining SAC credits could be available for use in economic or financial reserves, as determined in a SAC Credit Policy. The City has a remaining balance of 599 SAC credits that will be applied against the payments that are typically paid to the MCES, as permits are issued.

The remaining SAC credits could be used as an economic development tool. The fee waiver would need to meet the criteria of the City's business subsidy policy. Another use of SAC credits would be in a sewer project in which the City wants to provide incentives to bring sanitary sewer to an area and/or avoid assessment appeals.

After discussion, Council agreed that staff should formulate a policy of the use of SAC credits and take the draft policy to the Economic Development Advisory Committee (EDAC) for their input and comments. Upon development of a policy and review by the EDAC, the City policy on SAC credits will be brought back to a future Council meeting, along with resolution for Council review and approval.

Punt/Heitzman moved to recess for executive session to discuss labor negotiations. Motion carried 5-0.

Mayor Schmitt reconvened the meeting at 9:00 p.m. and stated that the council met in executive session to discuss union negotiations and that they took no action.

Kris Wilson, Assistant City Administrator, presented Council with the Patrol Officer's Labor Contract. Ms. Wilson said that the City has reached an agreement with Law Enforcement Labor Services, which represents the patrol officers. The contract would cover a two-year term, 2012 and 2013, with a 2% general wage increase for both years, an increase in monthly stipends for officers on special assignments and 12 days of holiday pay.

Punt/Clay moved to authorize the appropriate officials to enter into the negotiated labor agreement for 2012 and 2013 with Law Enforcement Labor Services on behalf of the City's patrol officers, with the exception of Appendix C, which is held open for further negotiation and future settlement. Motion carried 5-0.

Ms. Wilson presented Council with the Contract with the City's Police Sergeants. Ms. Wilson said that the City has reached an agreement with Law Enforcement Labor Services, which represents the Sergeants. The contract would cover a two-year term, 2012 and 2013, with a 2% general wage increase for both years and 12 days of holiday pay, and an increase in monthly stipends for the Investigation Sergeant.

Clay/Heitzman moved to authorize the appropriate officials to enter into the negotiated labor agreement for 2012 and 2013 with Law Enforcement Labor Services on behalf of the City's Police Sergeants. Motion carried 5-0.

Ms. Wilson presented Council the 2012 pay plan for the City's non-union employees and Elected Officials.

Ms. Wilson said the plan reflects a 2% general wage increase for the City's non-union employees. The salary amounts for the Mayor and City Councilors will remain unchanged.

Punt/Clay offered Resolution No. 7155, A Resolution Adopting the 2012 Pay Plan for Certain Non-Union Employees of the City of Shakopee and Authorizing 2011 Salaries for Elected Officials, and moved its adoption. Motion carried 5-0.

Mayor Schmitt asked if there were any council concerns or other business and there were none.

Heitzman/Punt moved to adjourn. Motion carried 5-0.

The meeting ended at 9:10 p.m.