

**CITY COUNCIL MEETING
CITY OF RIDLEY
JANUARY 8, 2018**

The City Council meeting for the City of Fridley was called to order by Mayor Lund at 7:00 p.m.

ROLL CALL:

MEMBERS PRESENT: Mayor Lund
Councilmember Barnette
Councilmember Saefke
Councilmember Varichak
Councilmember Bolkcom

OTHERS PRESENT: Wally Wysopal, City Manager
Jay Karlovich, City Attorney
Deb Skogen, City Clerk
James Kosluchar, Public Works Director
Shelly Peterson, Finance Director
Pam Reynolds, 1241 Norton Avenue N.E.
Dave Ostwald, 6675 East River Road

APPROVAL OF PROPOSED CONSENT AGENDA:

APPROVAL OF MINUTES:

City Council Meeting of December 11, 2017.

APPROVED.

City Council Meeting of December 18, 2017.

APPROVED.

NEW BUSINESS:

1. Resolution Designating Official Depositories for the City of Fridley.

ADOPTED RESOLUTION NO. 2018-01.

2. Approve Contract for Towing, Impounding, and Storage of Motor Vehicles between the City of Fridley and Schmit Towing, Inc.

APPROVED.

3. Approve 2018 City Council and Staff Appointments.

APPROVED.

4. Claims (ACH PCard 1712; 179232-179405).

APPROVED.

5. License – Temporary On-Sale Intoxicating Liquor.

APPROVED.

ADOPTION OF PROPOSED CONSENT AGENDA:

MOTION by Councilmember Barnette to adopt the proposed consent agenda. Seconded by Councilmember Varichak.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

OPEN FORUM, VISITORS:

No one from the audience spoke.

ADOPTION OF AGENDA:

MOTION by Councilmember Bolkcom to adopt the agenda. Seconded by Councilmember Saefke.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS:

6. First Reading of an Ordinance Amending Fridley City Charter, Chapter 7. Taxation and Finances

Deb Skogen, City Clerk, stated the Fridley Home Rule Charter is the fundamental law defining the powers citizens agree to give to the City. The Charter Commission is comprised of 15 court-appointed citizens who meet 8 times annually to discuss and refine the Charter in response to the needs of the community.

Ms. Skogen said Minnesota Statute Section 410.12, Subd. 7, allows for a charter amendment by ordinance upon recommendation of the Charter Commission. It requires notice of public hearing and publication of the full text of amendment at least two weeks prior to the public hearing. On November 6, a recommendation for an amendment by ordinance was made to the City Council.

On November 13, the public hearing was scheduled. The text of the proposed ordinance was published in full in the City official newspaper and on the City's website. The public hearing was held on December 18.

Ms. Skogen said the Charter Commission discussed and reviewed Chapter 7 extensively over the past year in light of budget concerns, current regulations in state and federal law, and generally accepted accounting standards and procedures. Amendments are necessary to correct inconsistencies in state and federal law. The proposed amendment requires a first and a second reading and a unanimous vote of the City Council to become adopted. If the vote is unanimous, the ordinance becomes effective 90 days after publication, or on May 16, 2018. Staff recommends waiving the first reading of the ordinance and holding the first reading of the ordinance amending Fridley City Charter, Chapter 7. Taxation and Finances.

Pam Reynolds, 1241 Norton, requested a reading of the full ordinance.

A pre-recorded reading of the ordinance made by Ms. Skogen was played.

Ms. Reynolds said she is a member of the Charter Commission. The process for this ordinance amendment is based on the assumption of this group that everybody has cable and gets the City newsletter, and they do not. That is why the ordinance needs to be read in full. She missed some of the Charter meetings and the votes held by the Charter Commission on these changes. She felt that some of the sections did not need to be taken out but instead could have been updated. The new language refers people to look at the State Statute. She thanked Deb for recording this ordinance to be read and Council for listening and upholding the Charter.

Dave Ostwald, 6675 East River Road, Chair of the Charter Commission, said the purpose is to review the Chapter and make clear language to modern standards. The Commission consists of 15 members and 12 voted and had unanimous vote throughout the year in voting on these changes. The Commission utilized the Finance Director, City Manager, and staff to clarify and not omit or remove power to anyone. The Commission does not want to change the original intent to what was originally written. Some of the context was difficult to understand and the Commission wanted to update it to modern practices and accounting standards. He thanked Council for taking the time to review and read this ordinance.

Mayor Lund said he understands Ms. Reynolds' concerns and comments and agreed that it can be a struggle to get information out to the public. This was not staff-initiated. The Charter Commission reviewed the ordinance and made the changes. These changes condense this chapter and it is now more conducive to State Statute.

MOTION by Councilmember Saefke to approve the first reading the ordinance. Seconded by Councilmember Bolkom.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

7. Resolution Approving the Revised Investment Policy for the City and the Fridley Housing Redevelopment Authority.

Shelly Peterson, Finance Director, stated the Investment Policy Revisions amend the policy adopted by Council on June 25, 2012. The City investment advisor, Prudent Man Advisors Inc. (PMS) recommends a few updates to more closely align with MN Statute 118A and change terminology and measurements for consistency with industry standards. This investment policy outlines the investment philosophy of the City and the Fridley HRA.

Ms. Peterson said that Section VIII removes the sentence related to securities with more than two NRSROs so that language is consistent with MN Statute 118A. Section IX replaces “class of securities” language with “market sector” to align with industry standards. To make Section X consistent with MN Statute 118A, language was added to allow for Federal Home Loan Bank letters of credit as an additional tool for deposit collateralization. Collateralization is a pledge to fulfill financial obligations. It acts as a second line of defense when investing. Section XII replaces language to allow maturity durations to include average life, worst call date or expected life rather than “final maturity” to align with industry standards. Staff recommends Council adopt by resolution the revised Investment Policy.

Councilmember Bolkcom noted that this aligns with State Statute and industry standards. She asked how often staff reviews this and makes revisions.

Ms. Peterson replied that changes were made in 2012 and updated due to law changes. Now that we have a new investment advisor, she does not anticipate this policy to be looked at unless there are changes in the law. Policies are required to be reviewed every year and the investment advisor would advise staff on any changes that need to be made.

Councilmember Bolkcom asked why the City did not have an investment advisor in the past.

Ms. Peterson replied that the past Finance Director did some research and she conducted further research. Having an investment advisor will allow experts to look at investments on a daily basis to make sure the City is getting the best return on investments. We have a contract for two years and then staff will evaluate to see if this is a worthwhile venture.

Wally Wysopal, City Manager, added that investments for municipalities are limited and we want to make very low-risk investments to maximize returns. The investment marketplace has gotten sharper and better at doing these kinds of things and reducing our risk and helping in areas where we do not have expertise.

MOTION by Councilmember Saefke to adopt Resolution No. 2018-02. Seconded by Councilmember Barnette.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

8. Resolution Approving the City of Fridley Procurement Policy for the City and the Fridley Housing Redevelopment Authority.

Shelly Peterson, Finance Director, stated the Procurement Policy provides consistent guidelines for staff authorized to purchase on behalf of the City, and replaces all prior internal memorandums and policies related to purchasing requirements. This policy complies with Fridley Charter Chapter 7, Minnesota Statute, and the Federal Uniform Guidance Act.

Ms. Peterson noted the Procurement Policy is consistent with current practices and ensures that taxpayer dollars provide goods and services as economically as possible. It assures all City purchases have public purpose and staff must be authorized to make purchases in accordance with laws as allowed in the annual budget.

Ms. Peterson stated the Procurement Policy establishes thresholds for purchases requiring quotes and bids per MN Statute 471.345. Exceptions outlined include cooperative purchasing agreements, sole source, emergency purchases and other allowable types of expenditures. Level of pre-approval includes the Department Manager or delegate, City Manager and City Council. The Procurement Policy defines enforcement, non-compliance, conflicts of interest and ethics and the acceptance of gifts. Also, payment procedures documentation, proof of authorization, classification for financial recording, timely payment processing, consent to release prior to City Council approval (for list see Appendix C), and claims list submitted to Council.

Ms. Peterson said the policy also included in the appendix the Procurement Card Policy that replaces the 2008 credit card policy. In 2013 the City implemented Pcards through a cooperative agreement with the State of Minnesota. Approximately 40 employees are authorized to use P-Cards. P-Cards allow more security and control as there is a per transaction limit, monthly limits, number of transactions and allowable types of transactions. A P-Card agreement form is still required and this policy is consistent with the form. The appendix also includes a travel policy that replaces the 1982 policy. Three significant changes to note are the broadening of the definition of “forms of transportation,” the decentralization of travel arrangements and the implementation of per diem rates for meals incurred. Staff recommends Council adopt by resolution the City of Fridley Procurement Policy.

Councilmember Bolkcom asked what Section D meant under “Decentralized Purchasing.” She asked if staff could buy their own paper.

Ms. Peterson replied that there are better prices when buying larger quantities. Some supplies are purchased by individual departments and others are purchased in bulk.

Councilmember Bolkcom asked how an estimate is acceptable on a purchase order when the cost is unknown.

Ms. Peterson replied that if staff is working with a vendor, staff will provide their best estimate for the cost and the purchase order would be adjusted once the price is known. Finance maintains a list of delegates authorized to sign purchase orders.

Councilmember Bolkcom asked on page 137, under “Emergency and Disaster”, must the City consult with the City Attorney prior to making a purchase.

Jay Karlovich, City Attorney, suggested removing the word “must.”

Councilmember Bolkcom suggested in the last paragraph, first line, to add “or designee” after City Manager

Ms. Peterson replied that language is referenced earlier in document but will note the change.

Councilmember Bolkcom asked what sole source purchases were.

Ms. Peterson replied that in some situations there is only one local vendor identified who can repair a unique piece of equipment or purchase parts from.

Mr. Kosluchar also explained that there could also be proprietary restrictions. He provided the example of the City’s water meters being proprietary and requiring only Itron parts for repairs.

MOTION by Councilmember Saefke to adopt Resolution No. 2018-03. Seconded by Councilmember Barnette.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

9. Resolution Designating the Fridley Sun Focus as the Official Newspaper of the City of Fridley for the Year 2018.

Deb Skogen, City Clerk, stated that Minnesota Statutes, Section 311A, and Fridley City Charter, Section 12.01, require designation of an official newspaper for publishing of public notices authorized by law or by order of the court. A newspaper who desires to be a qualified newspaper for the City of Fridley must fulfill the distribution requirements of MN Statute, Section 331A.02, Subd. 1(3), in the City of Fridley.

Ms. Skogen said the Fridley *SunFocus* submitted a request to the City. It is the only newspaper to have submitted any information to the City. The Fridley *SunFocus* has submitted its cost of legal publications and has shown proof they have met the state’s circulation requirement of having at least 400 printed copies regularly distributed without charge to City of Fridley residents. The City has utilized the services of the Fridley *SunFocus* for the past 48 years and has received reliable and timely publication of the materials provided for publication. Staff recommends Council’s approval.

MOTION by Councilmember Barnette to adopt Resolution No. 2018-04. Seconded by Councilmember Varichak.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

10. Informational Status Reports:

Jim Kosluchar, Public Works Director, said that information was sent out on the emerald ash borer to the Melody neighborhood for a removal plan. 60 trees were identified for removal. Any questions can be addressed by calling the telephone number on the notice. Xcel is retrofitting the streetlights in Fridley starting the end of this month through mid-February. This will result in over 50% reduction in power for those lights.

Mayor Lund said the Fridley School Foundation has a Gala Event on January 25. Contact Fridley School for tickets. This event funds a number of projects including scholarships to graduating seniors. There is a recycling event January 13 at Greenlights Recycling in Blaine. A flyer was mailed out with coupons.

ADJOURN:

MOTION by Councilmember Barnette to adjourn. Seconded by Councilmember Varichak.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 8:32.

Respectfully submitted,

Krista Peterson
Recording Secretary

Scott J. Lund
Mayor