PRESENT: Mayor Doug Anderson; Council members Phil Forseth, J. Kevin Anderson, Tim McNeil, Scott Hoke
ABSENT: none
ALSO PRESENT: Administrator Samantha Orduno, Police Chief Richard Pietrzak, Public Works Director Rick Hass, Fire Chief Denny Young, City Clerk Sandra Borders, Assistant to the Administrator Erin Stwora, City Engineer Mark Hanson, City Attorney George Hoff

CALL TO ORDER - 7:00 p.m.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Administrator Orduno asked the Council to Amend agenda to allow for the following additional item:
Add under Consent Agenda: Appointment of Public Safety Commissioner Peggy McAlpin

MOTION: Motion made by McNeil seconded by Hoke to approve the agenda of November 25, 2008 as amended.

Ayes: D. Anderson, Forseth, K. Anderson, Hoke, and McNeil Nays: none
MOTION DECLARED PASSED

CONSENT AGENDA:

- **A.** Approval of Council Meeting minutes of November 10, 2008
- **B.** Payment of Claims – November 25, 2008
- **C.** Canvass Board Meeting Minutes of November 6, 2008
- **D.** Consideration of Approving the Contract with KDV for Auditing Services for Audit Year 2008 **S.R.#159-2008**
- **E.** Consideration of Partial Payment/Retainage Reduction – NE Dayton Contract 2, Areas 3, 4, & 6 for S.R. Weidema, Inc. **S.R.#160-2008**
- **F.** Consideration of Partial Payment/Retainage Reduction – NE Dayton Contract 3, Area 5 for Kuechle Underground, Inc. **S.R.#161-2008**
- **G.** Consideration of Approval of Specifications for Fire Pumper Truck & Authorization to Advertise for Bids **S.R.#162-2008**
- **H.** Appointment of Peggy McAlpin to the Public Safety Commission

Council member Forseth had a question regarding the minutes of November 10 as follows: page 5 of 5 paragraph #4 Council member Forseth questioned a future river crossing in the City

and wanted it noted for the record that a future Mississippi River crossing is not included in the final 2030 Transportation System Plan; therefore corridors connecting to a river crossing are not identified. If a future river crossing is considered, connecting corridors would be studied at that time.

Council member McNeil requested removal of ***Item F*** for discussion: Partial Payment/ Retainage Reduction for Kuechle Underground, Inc.

Council member Hoke requested removal of ***Item E*** for discussion: Partial Payment / Retainage Reduction for S.R. Weidema.

MOTION: Motion made by McNeil, seconded by Hoke to approve the consent agenda with the removal of A, E, and F as amended.

Ayes: D. Anderson, Forseth, K. Anderson, Hoke, McNeil Nays: none
MOTION DECLARED PASSED

Item A: Approval of Meeting Minutes of November 10, 2008 as amended

MOTION: Motion made by McNeil, seconded by Forseth to approve the Meeting Minutes of November 10, 2008 as amended.

Ayes: D. Anderson, Forseth, K. Anderson, McNeil Abstention: Hoke Nays: none *MOTION DECLARED PASSED*

Item E: Consideration of Partial Payment/Retainage Reduction – NE Dayton Contract 2, Areas 3, 4, & 6 for S.R. Weidema, Inc.

Council member Hoke asked if a punch list has been created for both Items E & F, and if the 2% would cover the punch list items. Engineer Hanson responded that the punch list had been created and that the 2% retainage would cover the items on the punch list.

Council member McNeil noted he had questions from an individual about deficiencies (such as placement of the water stub) in the NE Projects and he had asked the residents for pictures of the deficiencies. He would like more time to explore the deficiencies and get more information. Administrator Orduno mentioned that this could be moved to the December meeting regarding ***Item F*** for reduction of the retainage. Council member Hoke would like staff to investigate the how many problems there were in the project area.

MOTION: Motion made by Hoke, seconded by McNeil to approve Item E the retainage

reduction for S.R. Weidema as recommended by staff review.
Ayes: D. Anderson, Forseth, K. Anderson, McNeil, Hoke Nays: none
MOTION DECLARED PASSED

MOTION: Motion made by Hoke, seconded by McNeil to TABLE Item F until the pending staff review until December 9, 2008 meeting.

Ayes: D. Anderson, Forseth, K. Anderson, McNeil, Hoke Nays: none
MOTION DECLARED PASSED

OPEN FORUM:
No one was present for Open Forum

ITEM J: Consideration of Exemption from Water / Sewer Connection Policy to Anoka-Hennepin School District for Dayton Elementary School S.R. #164-2008

Tom Redmann was present as representative of the School District to request an exemption from the Council policy that requires that water and sewer be connections be made at the same time. The school is pleased with the sewer and water project and was awaiting the sewer connection. The water and sewer need to be connected and they requested that they have the ability to connect to sewer at this time and connect to the water during the summer months. The sewer is a straight forward connection and would not interrupt the school business. They have made application to Metropolitan Council for their plans for the sewer connections. They need to connect the water when school is not in session and have the ability to shut the water off and check the systems.

Council member McNeil asked if this would add any stress to the system. The water meter that the school presently has can be read manually by the Public Works department. Council member Hoke asked about the easement requirements that were outlined in the staff report. An easement may be needed easement across the City property for the benefit of the school to connect to the manhole. Council member Hoke asked about a time limit for the water connection. Mr. Redman stated that he anticipated the earlier part of the summer. Attorney Hoff recommended sending the issue back to staff to draft the exemption policy. Attorney Hoff stated that an easement would not be necessary from the City's perspective.

MOTION: Motion made by McNeil, seconded Forseth to draft the exemption policy with a deadline for water connection by September 1, 2009.

Ayes: D. Anderson, Forseth, K. Anderson, Hoke, and McNeil Nays: none
MOTION DECLARED PASSED.

PUBLIC HEARING: ASSESSMENT HEARING ON THE WEST FRENCH LAKE UTILITY IMPROVEMENTS:

Engineer Mark Hanson presented a summary of the West French Lake Utility Project. He noted the properties that had been included at one time, but are no longer are in the project area. The properties excluded are Remer, Beach and Queen of Peace. The property did not benefit from the proximity of the utilities. The project has changed from what was previously bid. The project changes included:

- Elimination of trunk sanitary sewer, lift station, force main on West French Lake Road.
- Extension of a 10" sanitary sewer and 12" water main to serve Dayton Park Properties and ICA.
- Elimination of Reamer, Queen of Peace Foundation, and Beach's properties from Parts 3 & 4.

Mr. Hanson explained that the existing easement during the change of ownership of ABC was expanded. There are also agreements with Dayton Park Properties for the easements. The public hearing on this project was held on January 22, 2008.

The modified project costs are $4,251,167 and the revenue is $4,771,326. The original project cost estimates were $6,075,100 and the revenue, $6,639,032. Bids were received and opened on October 7, 2008 for Parts 1, 2, 3, & 4. The low bid for the project was from Northwest Asphalt, Inc. in the amount of $3,549,191.97, and the engineer's estimate had been $4,500,000.

The Project is divided between the trunk utility, street, and lateral utility. The property owners have 30 days from the date of this assessment hearing to pay off the assessment or the assessment will be included on property tax statements. The assessment would extend over a 20 year time frame at a proposed assessment rate of about 6%. There will be a sewer and water permit fee for the connections and each of the commercial property connections will need to be submitted to the Met council for the cost of the SAC fees. Water supply will be provided by Maple Grove, and connection charges consistent with their requirements. There will also be cost for the septic system abandonment.

The project time line was reviewed. The options for the were reviewed:

- Close the Public Hearing and adopt the assessment as presented
- Close the Public Hearing and adopt an amended assessment roll
- Continue the Public Hearing
- Close the Public Hearing and cancel the project

Comments from the public were:

1. Mark Sundman, Sundman Paving and Seal Coating, 18271Territorial Road. The assessment is $78,900 for his property. Mr. Sundman stated that the assessment is about six times the amount that he originally paid for the property. The business occupying the building doesn't use much water. The assessment will be a hardship on his business. He would like it tabled for a year.
2. Jeff Ophoven, owner of the property at 11700 Troy Lane currently has a go-kart track on the property with a steel building or not a lot of value. The business in there is behind in the rent is failing. With the economy the way it is – they don't seem to need utilities now and would like to have utilities at a later date. He doesn't see it adding much value to the property.
3. Joe Baecker, Codema Property, 11790 Troy Lane. This is a multi tenant building. He asked about the percentage increase of the property value with the improvements. The key thing for his property is that the septic and water work just fine, and he is concerned about increased value of the property and increase in the taxes. He is concerned about the economy and the tenants in the building. He asked what would happen if the assessment weren't paid? He asked about the three properties, identified earlier, that were not included in the project. Mark Hanson commented that two of the properties will not be served as the project was modified and the other property will have an easement across the property. Mr. Baecker asked about the assessing the properties 5-6 years in the future as part of future development, and having them tying into the sewer system. Mark Hanson explained that everyone pays the same for the trunk lines, and new businesses would also pay lateral costs.
4. Jeff Ophoven asked about the connection charges and noted that his building is about 75 feet from the road. Rick Hass mentioned that the contractor making the connections to the businesses would need to examine how to best make the connection.
5. Doug Baines, 13000 Overlook Road, expressed concerns about the Beach property and the septic being close to French Lake. Was the septic system would be up to code? He asked about the pumping records and inspections for the septic system. Staff noted that information can be provided, but it was not known at this time.
6. Administrator Orduno noted the she had received a letter from ICA Corporation who are in support of the project.
7. DDMA Holding were not present but submitted a letter to the Council asking that the Council take a "wait and see" approach in light of the significant economic downturn.
8. Malkerson, Gilliland, Martin submitted a letter on behalf or the owners of the property doing business as ABC Minneapolis, located at 18270 Territorial Road, objecting to the project.

Mayor Anderson closed the public hearing.

Mayor Anderson mentioned the letter from ABC Minneapolis, and referred to the attorney on behalf of Adesa. Mr. Tim Keane presented a letter of Notice of Objection for the assessment. City Attorney Hoff commented that the letter from Malkerson Law firm is a letter of objection according to the law. The letter would preserve their right to challenge the assessment in District court. He further noted that a Resolution accepting the assessment roll was not prepared for the meeting and the bids for the project have not been awarded.
Mayor Anderson expressed that the concerns from the property owners are valid, but that the City has a responsibility to move forward in some manner. Mark Hanson mentioned that the easements for Adesa are in place, and that there is not an opportunity to reengineer the project. He further noted that Dayton Park Properties have an agreement with MPCA to connect to sanitary sewer by January 2010.

Bruce Kimmel, Ehlers, (City financial council) was asked about bond interest rates. Interest rates are at average rate of 4.75 %. A city rate of 1.5% over bond rate would bring the interest rate to about 6 %.

Mayor Anderson stated that the need for the sewer and water is critical in Parts 3 & 4 of the project, and staff will need to meet with property owners in parts 1& 2 to assess the need.

Council member Hoke stated he did not want to adopt the assessment roll until the project was rebid. Council member McNeil mentioned that the project has been discussed since he has been elected and based on what has been spent on the project, if it wasn't for the need in Part 3 he would vote to abandon the project.

Administrator Orduno wanted it noted for the record that Adesa and ABC Auto have been informed every step of the way in this project, and that the City was not aware that an appeal of the assessment would be presented. There have been multiple meetings between the business and the City. Attorney Hoff mentioned that the city had the ability to adopt the assessment and this would force any objections to come forward within the 30 days. If the contracts have not be awarded; the bids could be rejected.

Mark Hanson mentioned that the City could adopt the assessment roll and see what objections come in the 30 days and not award the contract at this time. Mark Hanson mentioned that there could be another $25,000 – $40,000 cost to align the easements and redo the project. Council member McNeil stated he would not like to spend any more money and take a look at the Project again after the first of the year.

Mark Hanson stated that the largest part of the Project assessment is the Pearson/ Scherber property. The City has heard from them and it was that they would like to move forward.

Mr. Kimmel mentioned that the assessment could be spread over the 20 years and have a level payment amount; amortized like a mortgage payment.

MOTION: Motion made by Forseth, seconded by McNeil would be to direct this item back to the City Attorney for appropriate actions to prepare the resolution for the assessment roll.

Ayes: D. Anderson, Forseth, K. Anderson, Hoke and McNeil Nays: none
MOTION DECLARED PASSED.

Item: K: **2008 Comprehensive Plan Update Approval for Submittal to the Metropolitan Council** **S.R. #165-2008**

Assistant to the Administrator Stwora explained the 2008 Comprehensive Plan Update for submittal to the Metropolitan Council. Stwora mentioned that the Comprehensive Plan Task Force, Planning Commission, and City Council engaged in 25 meetings regarding the 2030 Comp. Plan, and that nine of those meetings were public open house/ presentation formats. The goal is to submit the plans to the Met Council by December 31, 2008. Comments have been received from the cities of Ramsey, Rogers, Champlin, Anoka, Maple Grove, Hassan, Township, Wright County, Hennepin County Department of Environmental Services and Three Rivers Park District. The Public Hearing was held by the Planning Commission on November 6, 2008. The review process started in March and ended in October of this year.

Consultant Goodroad began her presentation. She stated that City Staff met with the Met Council on numerous occasions, and at the task force meeting on October 7, 2008 City Staff presented the latest draft future land use plan excluding existing development in NE Dayton from future density except for parcels 10 acres or larger based on an agreement made with the Met Council in November 2007. Since preparation of the draft submittal, the Met Council requested this area now be included in future housing units and net density calculations. City Staff met with the Met Council a second time and explained the case that its not feasible to assume a higher density for all NE Dayton, and the City's task force would not be supportive of such a change. After two additional meetings, the Met Council agreed to the following terms consistent with the task force consensus:

- Clearly indicate the parcels on the FLU plan that are 10 acres or greater that could subdivide using a 2 u/a density.
- Since the NE area will not be counted towards net density calculation the remaining low density minimums must be 2.3 u/a density.
- Mixed use areas calculated at 25% residential rather than 40%-50%.

Council member Hoke mentioned that most of the comments were regarding turtles and river crossings. Council member K. Anderson asked about the river crossing and the issue of preserving any right of way when not knowing exactly where the road would be or the type of road.
Council member McNeil brought up the issue of the Crow River Crossing and its connection to Dayton River Road (CSAH 12) stating that he felt it was a logical connection to Brockton Lane (CSAH 13) and points west if there were ever a Mississippi river crossing.
Councilmember McNeil discussed the need for the connection from Brockton Lane (CSAH 13) to Dayton River Road (CSAH 12) even if there were never a crossing of the Crow River.

Consensus: page 8.6 Figure 8.1: Council member McNeil mentioned that the plan should show the alignment that has been chosen on the Transportation study maps and not mention that it is a Crow River crossing. Show the alignment, but stop the alignment at Brockton, and not show the crossing just south of 152nd Ave. Leave the east/west connection between CR 13 and CR 12 and remove the Crow River Crossing. This would remove Figure 8.2 from page 8.6.
The discussion included that either CR 12 or CR13 would at sometime need to be improved to handle the increase in traffic sometime in the future.

Mark Hanson summarized that the City could show the alignment that has been identified from CR 12, across Lawndale Lane, and connecting with Brockton Lane, and not show a Crow River Crossing going across the River and identify it as a community collector road.

Consensus: Keep the references for the north alignment, and show the south alignment and the crossing on the Crow River, keep the maps as is.

Redundant language on page 8.2~~: Dayton is supportive of~~ …

Language Chapter: Page 4.18: second paragraph reference is 2.3 acres and it is to be <u>2.0 acres.</u>

Council Discussion:
Council member McNeil noted that in the final land use map, the neighborhood park designations have been moved, and he thought that the Blesi property (directly south of City Hall) was going to be retained. The 40 acres of land south of city hall would be as Neighborhood Park on the map for public use.

Communication: Council member McNeil asked about County Road 144 as a four lane road at some time. Indicate in the plan that it would be a 4 lane road at some point in time.

Council member McNeil did want it noted that he was disappointed that we didn't have anything in the plan to leave 10 acres parcels horse farms. The Comp Plan does not provide for areas to develop as large lot (10+acres) subdivisions / estate zoning.

MOTION: Motion made by McNeil, seconded by Forseth to approve 62-2008 approving the Comprehensive Plan with changes discussed and agreed upon.
Ayes: D. Anderson, Forseth, K. Anderson, Hoke and McNeil Nays: none
MOTION DECLARED PASSED.

Council member McNeil wanted to thank staff for the work that has been put into the Comp Plan.

Item L: **2009 Certifications to Taxes:**
Resolution: #60-2008: Certify Unpaid Utilities to Taxes
Resolution: #61-2008: Certify Unpaid Escrows to Taxes / Quilling Issue
Resolution: #64-2008: Certify Unpaid Assessments to Taxes / Assessment of Street and Utility Improvements to property owned by Kevin and Ann Faulds

Resolution: # 60-2008: Certify Unpaid Utilities to Taxes

MOTION: Motion made by Forseth , seconded by K. Anderson approve 60-2008 approving the Certification to taxes the unpaid Sewer and Water utilities as outlined.

Ayes: D. Anderson, Forseth, K. Anderson, Hoke and McNeil Nays: none
MOTION DECLARED PASSED.

Resolution: #61-2008 Certify Unpaid Escrows to Taxes / Quilling Issue

MOTION: Motion made by Forseth, seconded by McNeil to approve 61-2008 approving the Certification to taxes the unpaid escrows.

Council member Hoke stated that he needed to disqualify himself from part of the Resolution. He stated he would not vote on the Resolution because of his relationship with Mr. Quilling.
Attorney Hoff stated that Council member Hoke should abstain from voting on the resolution in totality.

Jason Quilling was present and is objecting to the assessment. He noted that the City had his restoration plan which was prepared several months ago. He reported that he had a statement

from BWSR and has an objection to assessment. Attorney Hoff mentioned that Mr. Quilling has the right to object to the assessment. If the city would adopt the assessment Mr. Quilling would have the ability to object to assessment. Mr. Quilling had filed an appeal with BWSR with respect to the city's refusal to adopt or to process the application of the wetland replacement plan. The city is the LGU and is in charge of the local administration of WCA. The appeal that has been filed will determine whether or not is will be accepted by BWSR and the city will be filing a response to the appeal. This should take place in the next 30 days. The City has not received a financial deposit from Mr. Quilling to cover the cost of the review of the wetland application and restoration plan. Mr. Quilling has been billed for costs incurred to date and has not paid, therefore his application has been deemed incomplete and both he and his attorney have been notified.

Mr. Quilling filled in wetlands while building a pole barn and creating a pasture. Council member Hoke mentioned that the City Council has been kept in the dark about this project, and it is an enforcement cost. Council member Hoke mentioned that this was an enforcement action, and that we don't routinely charge an assessed cost to residents for enforcement actions, and he felt there has been too much charged for the engineering and legal fees.

Asst. to the Administrator Stwora reported that the enforcement action began last November. Legal and engineering fees have been incurred to date and there will be additional fees incurred for engineer review and attorney response to Mr. Quilling's attorney's requests. The City's has a responsibility to work with BWSR, Hennepin County Conservation Soil and Water, DNR, and others that are involved when enforcement action is taken. The City's LGU representative is Robb Kelzer with Bonestroo. The restoration document is a very large document that was mailed to the City Council in May of 2008. She further mentioned that at the time we received the document there were $4,000 - $5,000 in engineering and attorney fees. These had not been paid by Mr. Quilling. The city didn't reject any application. The city attorney advised not to move forward with the application because it was incomplete, because of non payment of an escrow to cover review costs. She mentioned that the City has asked for a $5,000 escrow for the application to move the application forward. The City would like to take the $5,000 escrow and move the project forward and is willing to discuss the previous bills at a later date. Mr. Quilling's attorney said they were not willing to accept that offer. She mentioned that there has been no willingness by Mr. Quilling to pay any of the costs. Council member Hoke would like to see the bills and Council member Forseth mentioned he didn't think it was fair for the taxpayers to pick up the tab for the action. Council member Forseth thought it should be completed in a timely manner. Mr. Quilling mentioned that he was not informed that he would be charged. Ms. Stwora informed the Council that Mr. Quilling was informed all consultant fees are charged back to the property owner / developer on any project. Mr. Quilling was informed by his attorney that the City

doesn't have a policy to be able to charge for services. The City does have a fee schedule and ordinance in place that allows for such a request.

City Attorney Hoff mentioned that there are two things to consider: 1.That the city has made an offer that the past due bill could be discussed at a later date; and 2. The $5,000 escrow would move review of the plan forward.
Mr. Quilling is not willing to make the deposit.

Ms Stwora mentioned that the last bill of $7,629 is due plus a $5,000 escrow. Futurereview of the restoration plan would be billed to the $5,000. She also mentioned that if the $5,000 escrow wasn't totally used the balance would be refunded to Mr. Quilling. The previous bills would be kept separate and any future review per the restoration order would be billed to the $5,000 escrow. None of the City Staff time has been billed to this project. The project needs to be reviewed once the escrow has been received. The plan needs to be approved and agreed upon by BWSR and all of the involved parties. Mr. Quilling did get a building permit to build his barn, and he did fill in the wetland.

Attorney Hoff summarized the problem: Mr. Quilling is unwilling to make the $5,000 deposit for future expenses, and to leave the other amounts for resolution at a later date.

Council member Hoke thought that the Council should decide how much he should pay and not have the staff decide the amount. Mr. Hoff mentioned the escrow ordinance that the City has had in place for a number of years. The staff's direction is that for matters such as this, is to collect an escrow so any consultant fees are paid for by the property owner/ developer. He mentioned that if the Council would like to make an exception they can do that, but staff has been following the general direction. Staff agreed to move this forward and gave a review estimate of $5,000.

RESCIND: The motion made by Forseth, seconded by McNeil to rescind the motion to approve Resolution 61-2008 as written.

AMENDED MOTION: Motion made by Forseth, seconded by McNeil to remove item #3 – Jason Quilling regarding PID# 07-120-22-11-0005 in the amount of $960.13 from the resolution, approve Resolution 61-2008 as amended.

Ayes: D. Anderson, Forseth, K. Anderson, Hoke and McNeil Nays: none
MOTION DECLARED PASSED.

Mr. Quilling would be talking to his attorney and getting back to the City.

Resolution 64-2008: Resolution adopting the assessments against benefited lands for sewer and water connection charges for the property located at PID# 35-120-22-44-0001: Kevin and Ann Faulds Property.

Mr. Faulds was unable to make the meeting but did send an email to Administrator Orduno objecting to several things that have happened in the project and to the assessment. Administrator Orduno noted that his time for objections to the assessment has passed. Council member McNeil mentioned approving the resolution and addressing the concerns. Administrator Orduno would like to review the project with Mr. Faulds. There was discussion regarding Paragraph #3 and adding the following to the last line: *In accordance with the signed development agreement*.

MOTION: Motion made by McNeil, seconded by Forseth approve 64-2008 approving the assessments against benefited lands for sewer and water connection charges for the property located at PID# 35-120-22-44-0001 as amended.

Ayes: D. Anderson, Forseth, K. Anderson, Hoke and McNeil Nays: none
MOTION DECLARED PASSED.

Item M: Ordinance #2008-20 : Relating to Criminal History Background for Applicants for City Employment and City Licenses: S.R.# 167-2008

Assistant to Administrator Stwora presented the Ordinance to the Council.

MOTION: Motion made by McNeil, seconded by Forseth to approve Ordinance 2008-20, relating to Criminal History Background for Applicants for City Employment and City Licenses.
Mayor Anderson opened the item up for discussion. Council member Hoke had a number of questions. He asked why the City would need criminal history for non criminal purposes. The City would like to check backgrounds before the City would hire new employees. There were questions regarding licensed employment especially Section 1 on page 2. Attorney Hoff will review the ordinance and bring it back to December 9, 2008 City Council meeting.

AMENDED MOTION: Motion made by K. Anderson seconded by McNeil to **TABLE** Ordinance 2008-20 pending review by City Attorney.

Ayes: D. Anderson, Forseth, K. Anderson, Hoke and McNeil Nays: none
MOTION DECLARED PASSED.

Item: N: Consideration of Resolution #63-2008 Approving an Interfund Transfer from the General Fund Fund Balance to Individual Department Budgets for 2008 Compensation / Benefit Adjustments. S.R.# 168-2008

Administrator Orduno stated that on March 25, 2008, the City Council approved the 2007/2008 Compensation Study completed by Springsted, Inc. The Study represented a comprehensive review of the components that affect an organization's compensation program – job descriptions, current compensation structure, the City's pay philosophy, regional market competitiveness of municipal salaries, the internal equity of salaries paid to comparable City positions, benefits, and ongoing maintenance and administration of the compensation system.

The 2008 budget included $25,000 for compensation/benefit adjustments. As year end approaches, staff reviewed all department budgets and compensation/benefit adjustments and has determined that an additional $11,441 must be transferred from the General Fund fund balance to the individual department budget to show actual personnel expenditures for 2008.

MOTION: Motion made by Forseth, seconded by McNeil to approve Resolution 63-2008 approving the Inter fund transfer from the General Fund Fund balance.

Ayes: D. Anderson, Forseth, K. Anderson, Hoke and McNeil Nays: none
MOTION DECLARED PASSED

Item: O: Discussion of 2009 Draft Water/ Sewer / Cable Budgets S.R.# 169-2008

Administrator Orduno reviewed that the revenues have been estimated conservatively and the expenses have been estimate and are before the Council for discussion purposes. The Public Works Director Rick Hass has estimated the expenses for the water / sewer treatment. Included in the budget would be expenses for one more staff person.

The Cable budget had a fund balance at the end of 2007.

Council member McNeil mentioned about City Hall personnel time in the budget. The Finance Director's time (2.5% in water and 2.5% in sewer) is in there for a portion of the time. Finance Clerk time has 10% is in water and 10% sewer.
Direction: Administrator Orduno would like to come to the Council and have the budgets adopted on December 9th. There is a rate increase of 5% included in the budget sewer / water. This is consistent with the sewer / water rate resolution passed in May of 2008.

Council member McNeil asked if the Enterprise Fund should pay interest to the General Fund for the money that has been borrowed on the short term in the event there are deficits in the fund and if the General Fund would be paid back with interest. This would be a policy decision by the Council. This will be discussed in 2009 when the City has a Finance Director. Council member Hoke asked about the balance in the Cable Fund and what the money could used for. He inquired if it could be used to upgrade the website and the sign in front of City Hall for communications.

REPORT OF OFFICERS

1. **ADMINISTRATOR ORDUNO:** She asked the Council regarding dates annual events.
   - ❖ Annual Employee Appreciation Party for 2009. She suggested either January 10th or 31st.
   - ❖ Date for 2009 Strategic Planning Work Session – Feb 7th
   - ❖ She mentioned that City offices will be closed for the upcoming holidays with the request to be closed December 24th, 25th, 26th and Jan 2nd

ADJOURNMENT

MOTION: Motion made by McNeil, seconded by K. Anderson to adjourn.

Ayes: D. Anderson, Forseth, K. Anderson, Hoke and McNeil Nays: none
MOTION DECLARED PASSED.

APPROVED:____December 9, 2008_____ ATTEST:_____