



CITY COUNCIL MEETING

May 24, 2021

7:00 PM

Fridley Civic Campus, 7071 University Avenue N.E.

MINUTES

CALL TO ORDER

PRESENT:

Scott Lund

Ann Bolkcom

Stephen Eggert

Dave Ostwald

Tom Tillberry

OTHERS PRESENT:

Wally Wysopal, City Manager

Jim Kosluchar, Public Works Director

Dan Tienter, Finance Director

Melissa Moore, City Clerk

Andrew Biggerstaff, City Attorney

David Mohl, Redpath and Company

Mayor Lund called the meeting to order at 7:00 p.m.

APPROVAL OF PROPOSED CONSENT AGENDA

Motion made by Councilmember Ostwald. Seconded by Bolkcom.

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

APPROVAL OF MINUTES

1. Approve the Minutes from the Local Board of Appeals and Equalization Meeting of May 10, 2021.
2. Approve the Minutes from the City Council Meeting of May 10, 2021.

NEW BUSINESS

3. Resolution No. 2021-41, Awarding 2021 Street Rehabilitation Project No. ST2021-02.
4. Resolution No. 2021-44, Amending the 2019 Clean Water Efficiency Grant Program.
5. Resolution No. 2021-45, Approval of Gifts, Donations and Sponsorships received between April 20, 2021 and May 17, 2021.

LICENSES

6. Resolution No. 2021-42, Approving 2021-2022 Junkyard Business License Renewals.

CLAIMS

7. Approve Claim Nos. 192738 – 192881.

ADOPTION OF REGULAR AGENDA

Motion made by Councilmember Eggert. Seconded by Councilmember Tillberry.

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

OPEN FORUM, VISITORS: Consideration of Items not on Agenda – 15 minutes.

No one from the audience spoke.

REGULAR AGENDA ITEMS**NEW BUSINESS**

8. Resolution No. 2021-43, Approval and Acceptance of the Comprehensive Annual Financial Report and the Schedule of Expenditures of Federal Awards for the Fiscal Year ending December 31, 2020

David Mohl, from Redpath and Company, presented the 2020 Audit Review. He said this year there were five reports issued by the auditor and included Opinion on the Fair Presentation of the Financial Statements, Report on Internal Controls, Report on Minnesota Legal Compliance, Report on Federal Compliance and Communication to those Charged with Governance. The City has received the GFOA Award for excellence in financial reporting for eight consecutive years. The award demonstrates a commitment to financial statements that are comprehensive, transparent and consistent with accounting standards.

Mr. Mohl said the Opinion on Financial Statements determined the financial statements are presented in accordance with established accounting principles and free of material misstatement. Audit standards in accordance with the American Institute of Certified Public Accountants and Government Accountability Office. Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An unmodified or "clean" opinion was issued on the 2020 financial statements.

Mr. Mohl said with respect to internal controls, we gained an understanding of internal controls in place and their effectiveness in order to design audit procedures for expressing an opinion on the financial statements. Deficiencies in internal control that are identified are discussed with management and reported to the City Council. Data mining. No items were noted.

Mr. Mohl said it was determined the City complied with certain Minnesota Statutes that pertain to financial transactions. The audit guide is published by the Office of the State Auditor, and consists of

seven sections: conflict of interest, contracting bid laws, miscellaneous provisions, depositories of public funds and investments, public indebtedness, claims and disbursements, and tax increment. A sample of transactions were selected to test for compliance with statutory provisions. No findings of noncompliance were found.

Mr. Mohl indicated the Report on Federal Program Compliance determined the City complied with various requirements of federal programs (Coronavirus Relief Funds - \$2,185,801). Federal programs have up to twelve areas of compliance. A sample of transactions were selected to test for compliance with statutory provisions, and no findings of noncompliance were found.

Mr. Mohl said with respect to Communications with those Charged with Governance, there were no changes in accounting policies in 2020. Accounting estimates in the financial statements were net OPEB Obligation (\$1,598,000), Net Pension Liability (\$11,000,000), and Depreciation expense (\$6,079,000). No material adjustments were identified during the audit and no difficulties or disagreements were encountered.

Dan Tienter, Finance Director, added the City took in quite a bit of money related to COVID and was able to expend and meet compliance requirements. This is a compliment to Fridley staff and department directors in handling those funds. He thanked the accounting department for your work in making this audit a success.

Motion made by Councilmember Eggert to adopt Resolution No. 2021-43. Seconded by Councilmember Bolkcom.

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

9. Ordinance No. 1386, Proposed Amendment to the Fridley City Charter Chapter 12, First Reading.

Melissa Moore, Deputy City Clerk, stated in January of 2020, the Charter Commission began a review of Chapter 12. To draft the amendment, staff and the City Attorney reviewed comparable municipal Charters and state law. The City Attorney reviewed the proposed amendments. On April 5, 2021, the Commission recommended the amendment of Chapter 12 by ordinance. On May 10, 2021, the City Council conducted a public hearing to review and take public comment on the proposed amendment.

Ms. Moore said Section No. 12.01 recommended amendments: "In addition to publication by mailing or posting required above, such notices shall also be posted on the City website." It also moved the last sentence from the Section 12.01 to the end of Section 12.11.

Ms. Moore said Section No. 12.03 recommended amendments: Replaced the Oath of Office with the following, "I, (Name), do solemnly swear to support the Constitution of the United States, the Constitution of the State of Minnesota, the Fridley City Charter and City Code; and to discharge faithfully the duties entrusted upon me as (Official Title) of the City of Fridley to the best of my judgement and ability."

Ms. Moore said Section No. 12.04 recommended the amendment: "With the exception of lawful compensation, including authorized expenditures or salary as such member of the City Council or as such employee, no member of the City Council or employee of the City shall:

- a. Solicit or receive from any interested person any pay, commission, money, or thing of value included but not limited to any pass, frank, free ticket, free service, or any other favor upon terms more favorable than those granted the general public; or
- b. Derive any profit, directly or indirectly, from or by reason of any improvement, alteration for repair required by authority of the City or any contract unto which the City shall be a party.

A violation of any of the provisions of this section may subject the offender to disciplinary procedures pursuant to all applicable laws, rules, and regulations, up to and including termination from employment with the City. Any contract with the City in which any member of the City Council or employee of the City is, or becomes, directly or indirectly interested personally shall be voidable at the option of the City Council; and any money which shall have been paid on such contract by the City may be recovered from any or all of the persons interested therein by joint or several action."

Ms. Moore said Section No. 12.05 recommended amendments: "A copy of the list and amount of the bonds for each office as outlined above, shall be provided to the City Council on an annual basis for reference purposes."

Ms. Moore said Section No. 12.06 recommended amendments: "No real property of the City shall be sold or disposed of except after conducting a public hearing on such sale. The City shall provide notice in the Official Publication ten days before conducting a public hearing."

Ms. Moore said Section No. 12.07 recommended amendments: Repealed and replaced the entire section with "The City Council shall have the exclusive power to vacate or discontinue highways, streets, easements, alleys, and all other interests held in trust for the public, in accordance with the procedures outlined in State law, except that all vacations thereunder shall require an affirmative vote of four-fifths of all members of the City Council."

Ms. Moore said staff recommended repealing Section Nos. 12.08 and 12.09.

Ms. Moore said Section No. 12.11 recommended amendments are to repeal the last half of the first paragraph because the Charter already addresses these powers in Sections 1.02 and 7.02. The last sentence should be moved from Section 12.01 to the end of Section 12.11 and renumbered.

Ms. Moore said staff recommend the City Council approve the first reading of Ordinance 1386, amending the Fridley City Charter, Chapter 12, Miscellaneous Provisions. Assuming Council approves the first reading, Council would then hold a second reading and consider adoption on June 14, 2021, and publish the City Charter Amendments on June 18, 2021. The recommended amendments would not take effect until 90 days after publication or on September 16, 2021.

Andrew Biggerstaff, City Attorney, said he has reviewed the changes and they simplify the Charter and bring it into conformance with State law making it a more efficient way to govern. Overall, this is a good modernization of this section.

Mayor Lund thanked the Charter for their diligence and work on this chapter.

Motion made by Councilmember Tillberry to adopt the ordinance on first reading. Seconded by Eggert.

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

INFORMAL STATUS REPORTS

Wally Wysopal, City Manager, reminded residents of the upcoming Town Hall Meeting on June 5 at 10:00 a.m. at Springbrook Nature Center.

ADJOURN

Motion made by Councilmember Ostwald to adjourn. Seconded by Councilmember Eggert.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING WAS ADJOURNED AT 7:38 P.M.

Respectfully Submitted,

Krista Peterson
Recording Secretary

Scott J. Lund
Mayor