

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Rosemount City Council was held on Tuesday, September 20, 2016 at 7:00 p.m. in the Council Chambers at City Hall, 2875 145th Street West, Rosemount.

Mayor Droste called the meeting to order with Council Members DeBettignies, Nelson, Weisensel and Demuth attending.

Staff present included the following;

o City Administrator Johnson	o Assistant City Administrator Foster
o Finance Director May	o City Attorney Vose
o Parks & Recreation Director Schultz	o Police Chief Scott
o Fire Chief Schroeder	o Communications Coordinator Cox

The Pledge of Allegiance was said.

ADDITIONS OR CORRECTIONS TO AGENDA

City Administrator Johnson stated that 6.o Approval of Travel Expense for the Mayor and 6.p Appointment to Environment and Sustainability Task Force should be added to the Consent Agenda. The two memos are at their desk.

Motion by DeBettignies. **Second** by Weisensel.

Motion to Adopt the Agenda with the addition of two items.

Ayes: DeBettignies, Nelson, Droste, Weisensel, Demuth

Nays: 0. Motion carried.

PRESENTATIONS, PROCLAMATIONS, & ACKNOWLEDGMENTS

PUBLIC COMMENT

CONSENT AGENDA

Motion by DeBettignies. **Second** by Demuth.

Motion to Approve the Consent Agenda

- a. Minutes of the September 6, 2016, Regular Meeting Proceedings
- b. Minutes of the September 6, 2016, Special Work Session Proceedings
- c. Minutes of the September 12, 2016, Work Session Proceedings
- d. Bills Listing
- e. Tobacco License Amendment - Green Leaf Tobacco
- f. Ice Resurfacer Purchase
- g. Replacement of Fire Department Pagers
- h. Receive Donation – Approve Expenditures – Shop with a Cop
- i. Receive Donation – Approve Expenditures – Public Safety in the Park
- j. Receive Grant Funds – Approve Expenditure – Traffic Safety Programs

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- k. Application for Xcel Energy's Partners in Energy
- l. Water Supply Plan Update
- m. Approval of Subdivision Agreement for Prestwick Place 13th Addition
- n. Approval of Fiber License Between the City of Rosemount and Arvig
- o. Approval of Travel Expense for the Mayor
- p. Appointment to Environmental and Sustainability Task Force

Ayes: DeBettignies, Nelson, Droste, Weisensel, Demuth

Nays: None. Motion carried.

PUBLIC HEARINGS

OLD BUSINESS

NEW BUSINESS

9.a. Franchise for Cable Television Service by Frontier Communications

City Attorney Vose stated the Apple Valley-Farmington-Rosemount Cable Commission is recommending the approval of a cable system franchise for Frontier Communications. The City Council did hold a public hearing regarding the franchise. The application has been carefully reviewed for its service plan and qualifications. Charter's comments have been considered. CenturyLink has 42 competitive franchises in the metro area. Frontier Communications has successfully obtained franchises from the cities of Burnsville, Farmington and Lakeville. There are two resolutions and an ordinance to approve the franchise to Frontier Communications included in the council packet. Mr. Vose summarized the resolutions and ordinance needed for the franchise approval.

Council member DeBettignies asked if there was a release clause in the franchise. Mr. Vose said there is state law language with a limited release clause in the agreement. Substantial completion of the build out requirements was discussed.

Council member Weisensel asked about enforcement of the build out and if it can be enforced during the five year build out term or after the five years. Mr. Vose said there were a variety of enforcement tools to use during the five-year build out requirement.

Kevin Seville, Vice President and Deputy General Counsel for Frontier Communications, stated Frontier Communications is actively seeking expansion in the metro area. They have provided telephone and high speed internet in the past and are seeking expanding into video services to the community.

Mayor Droste stated Frontier Communications is enhancing their existing infrastructure and will not generally be tearing up streets or the ground to expand their infrastructure.

Jane Bremer Counsel of Charter Communications stated that Charter has no opposition to Frontier Communications obtaining a competitive franchise. The concerns Charter has with the process and terms of the agreement are: The application remains incomplete from Frontier Communications and with an incomplete application they are unqualified for the franchise, the franchise violates the level playing field provisions of state law and the Charter franchise. Charter does have a franchise in

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place. The franchise for Frontier Communication is less burdensome than the franchise for Charter. The upfront grants of PEG fees for the Frontier Communication franchise is unfair as it relates to the Charter franchise. The build out language for Frontier Communication franchise is not written clearly. The Frontier Communication franchise states that they provide service to public buildings that Charter does not provide service to. Charter does provide service to all public buildings.

Mr. Vose stated that most of those points were raised in the public hearings and were heard. There were two special meetings of the Cable Commission regarding these arguments. Charter does not have an existing franchise but does have the right to continue to operate until a new franchise is approved or denied. The cable commission did not feel that the Frontier Communication franchise was less beneficial for the community than the Charter franchise. Charter's predecessor was required to make upfront payments 17 years ago to purchase equipment and it was able to collect those payments from their customers. PEG fees are agreed to be paid by Frontier Communications. Negotiations for a renewal of Charters franchise are underway.

Mayor Droste asked for clarification of what the PEG fees are. Mr. Vose responded that Charter charges cable customers a 50 cents per customer/per month fee to the Cable Commission to cover programming and equipment costs. Frontier Communications will be meeting or exceeding that fee requirement.

Motion by Weisensel. **Second** by Demuth.

Motion to Approve a Resolution approving application for franchise for cable television service for Frontier Communications.

Ayes: Nelson, Droste, Weisensel, Demuth, DeBettignies
Nays: None. Motion carried.

Motion to Approve Ordinance No. 2016-03, An Ordinance granting a franchise to Frontier Communications of Minnesota, Inc. to construct, operate, and maintain a cable system in the City of Rosemount, setting forth conditions accompanying the grant of the Franchise; providing the regulation and use of the system, and prescribing penalties for the violation of its provisions.

Motion by Weisensel. **Second** by Nelson.

Ayes: Droste, Weisensel, Demuth, DeBettignies, Nelson
Nays: None. Motion carried.

Motion by Weisensel. **Second** by DeBettignies.

Motion to Approve a Resolution for summary publication of franchise ordinance for cable television service to Frontier Communications.

Ayes:, Weisensel, Demuth, DeBettignies, Nelson, Droste

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Nays: None. Motion carried.

9.b. 2017 Budget

City Administrator Johnson gave an overview of the 2017 budget stating the preliminary budget needs to be adopted by council by the end of September with final adoption in December. The proposed levy will increase 3.52%, which would amount to an estimated \$21.00 increase per household for the median valued home. The biggest change from last year's budget is the addition of a patrol sergeant to the police department. The number of police calls in the community is going up. Adding a new patrol sergeant would also help cover shifts on the street.

Finance Director May stated the main component of the budget would be the general fund which would be going up 5% with the 3.52% levy increase. The increase is for additional personnel, health insurance and union negotiated cost of living increases. The estimated tax base from 2016 has increased 5.79%. The overall tax levy is still under what it was nine years ago.

City Administrator Johnson stated that the budget hearing is set for December 6, 2016, at 7:00 pm at city hall. Mayor Droste said there will be a PowerPoint presentation at that public hearing and staff and city council have been working on the city budget since April.

Council member Nelson asked if additional bids were being sought for health insurance.

City Administrator Johnson said that bids should be received on Thursday for health insurance for 2017.

Finance Director May talked about health insurance costs and the monies used to cover costs in the past. The costs for health insurance in 2017 will not impact the budget figures.

Council member DeBettignies said because of volatility with the health insurance rates there was money set aside to cover the rising costs.

Council member Weisensel stated there is some movement in the property tax base. He also asked if approximately \$100,000 added to the tax levy would be a 1% increase. Finance Director May said that was correct.

Council member Weisensel asked what the increase was compared to other cities in the county. Finance Director May said last year Rosemount had the lowest increase in tax levy in the County. This year the information is not completely available yet. However, among seven cities in the county that have information available we are currently the second lowest.

Motion by Nelson. **Second** by DeBettignies.

Motion to adopt a resolution to setting the preliminary 2017 general fund operating budget, the preliminary 2017 C.I.P. budgets, the preliminary 2017 insurance budget, the preliminary 2017 Port Authority operating levy, and the preliminary 2016 levy, and a budget hearing date of December 6, 2016, at 7:00 p.m. at city hall.

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Council member Weisensel commented that earlier in the evening the Port Authority approved their 2017 operating levy.

**Ayes: Demuth, DeBettignies, Nelson, Droste, Weisensel
Nays: None. Motion carried.**

Mayor Droste thanked Finance Director May, City Administrator Johnson, and department heads for their work on the budget.

Finance Director May read part of a press release regarding a new online tool called Open Gov for the public that will help provide government transparency.

Council member Weisensel complimented Administrator Johnson for his leadership and Finance Director May for making it happen.

Mayor Droste asked if residents would be able to submit comments to the city.

Finance Director May said they would be able to submit comments and/or ask questions.

ANNOUNCEMENTS

Mayor Droste reviewed the calendar of events. The next City Council meeting will be held on Tuesday, October 4, 2016, at 7:00 p.m.

ADJOURNMENT

There being no further business to come before the City Council and upon a motion by Droste, second by Weisensel, the meeting was adjourned at 7:55 p.m.

Respectfully Submitted,

Nancy Bauer, Recording Secretary