

**BIG LAKE CITY COUNCIL
REGULAR MEETING MINUTES
FEBRUARY 10, 2010**

1. CALL TO ORDER

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

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. ROLL CALL

Council Members present: Dick Backlund, Raeanne Danielowski, Chuck Heitz, Lori Kampa, and Duane Langsdorf. Also present: City Administrator Scott Johnson, Finance Director Corey Boyer, Community Economic Development Director Jim Thares, City Clerk Gina Wolbeck, Senior Planner Katie Larsen, Public Works Director Mike Goebel, Fire Chief Tony Eisinger, City Attorney Soren Mattick of Campbell Knutson, and City Engineer Brad DeWolf of Bolton & Menk, Inc.

4. OPEN FORUM

Mayor Kampa opened the Open Forum at 7:01 p.m.

Donald Orrock – Sherburne Wright Cable Commission (SWCC) Representative; Updated Council on recent SWCC meetings and informed Council that the Commission will be turning over a portion of the Franchise fees collected to the City. Orrock also noted that the City will be getting a 2nd cable channel to utilize and the Commission will be purchasing a trailer for taping outside events.

Mayor Kampa closed the Open Forum at 7:07 p.m.

5. PROPOSED AGENDA

Council Member Heitz motioned to adopt the proposed Agenda with the addition of item no. 7D – Temporary Portable Sign Discussion. Seconded by Council Member Langsdorf, unanimous ayes, agenda adopted.

6. CONSENT AGENDA

Council Member Danielowski motioned to approve the Consent Agenda with the removal of item no. 6J for separate consideration. Seconded by Council Member Backlund, unanimous ayes, consent agenda approved. The Consent Agenda consists of: 6A) Approve Regular Council Meeting Minutes of January 27, 2010, 6B) Approve an Exempt Permit for the Lynnda Laubach Breast Cancer Awareness Ride at the Friendly Buffalo and Big Lake Marketplace Banquet and Conference Center, 6C) Approve an Exempt Permit for the Sherburne County Swamp Bucks MDHA at the Friendly Buffalo and Big Lake Marketplace Banquet and Conference Center, 6D) Approve Appointment of Volunteer Reserve Officer, 6E) Approve Resolution No. 2010-12 approving the 2010 Carousell Works Consumption and Display Permit, 6F) Approve Spud Fest Fee Waiver Request from the Snowmobile Races held on January 23/24, 2010, 6G) Authorize the Sale of Recovered Bikes at the Anoka-Big Lake Auction, 6H) Approve Release of 5647 Loon Drive from Development Contract for NSP Purchase, and 6I) Authorize the use of Lakeside Park for the Big Lake Women of Today Annual Easter Egg Hunt on March 27, 2010.

6J) Authorize submittal of Appropriations Form for the Rail Park Infrastructure

Jim Thares reviewed the draft appropriations submittal that will seek the allowed percentage of funding for both the Rail Spur and the Collector Street under the T-HUD program. The amount that is being requested has been increased due to the spur expansion and the potential for increased costs.

Council Member Heitz motioned to authorize an appropriation submittal that seeks the allowed percentage of funding for both the Rail Spur and the Collector Street under the T-HUD program at an estimated total cost of \$8,688,000.00. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

7. BUSINESS

7A. PROCLAMATION – The Month of March as MN Food Share Month

Mayor Kampa read aloud a Proclamation proclaiming the month of March to be Minnesota Food Share Month.

Council Member Danielowski motioned to approve Resolution No. 2010-13 proclaiming the month of March to be "Minnesota Food Share Month". Seconded by Council Member Backlund, unanimous ayes, motion carried.

7B. PUBLIC HEARING – Taxicab Ordinance Amendment

Scott Johnson reviewed the draft Ordinance Amendment that includes changes to licensing requirements, display of license number in the vehicle, vehicle conditions, insurance requirements, and changing the annual fee from \$10 to \$50.

Mayor Kampa opened the public hearing at 7:17 p.m.

Dean Syvertson from Orange Cab Company asked Council to consider tabling the Ordinance Amendment and to allow staff to meet with him to discuss possible changes to the new language.

Larry O'Connell from Friendly Shuttle Service asked to be included in the discussions with staff.

Mayor Kampa closed the public hearing at 7:20 p.m.

Council Member Heitz motioned to table the Taxicab Ordinance Amendment to a future meeting to allow interested taxi cab companies to meet with City staff to discuss changes to the Ordinance language. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

7C. Building Permit Fee Discussion

Corey Boyer reviewed discussions held at the Fee Committee Meetings relating to the possible reduction in building permit fees in an attempt to spur residential building activity in hopes of increasing the tax base for the City. Boyer noted that it is expected that a reduction in fees could provide the incentive needed for some builders to construct homes in Big Lake in 2010. Boyer also noted that Council should be made aware of all potential issues that could surface with lowering these types of fees. Potential issues that were discussed included; 1) non compliance issues relating to debt covenants on our existing debt, 2) negative impact on the City's bond rating, 3) limitations on what types of structures would receive the fee reduction, 4) the length of the fee reduction, 5) proper expenditure of public funds, and 6) assessment of SAC/WAC charges to allow the payment of these charges over a specified period of time.

Soren Mattick reviewed Bond Counsel's concerns relating to treating the reductions as a rebate or as an actual fee reduction. Mattick noted that if Council approves a decrease in

building permit fees, he would not recommend a rebate of collected fees as auditors may have concerns with proper public expenditure rules. Mattick also discussed the need to be uniform on the type of fee structure. All building permits should receive the decrease instead of only residential. Mattick also clarified that the City cannot increase fees later to recoup the lowered fees and that the City fee system has to be consistent.

Council Member Heitz asked for clarification on Business Subsidy Agreements and why this type of fee reduction wouldn't fall within these guidelines. Mattick explained that Business Subsidies are only available to businesses and that rules such as job creation requirements would not pertain to residential structures. Residential Subsidies are generally income based.

Council Member Danielowski stressed her concern with rushing this concept and asked that Council take time to completely review all concerns of the City advisors. Council Member Heitz stated his concern that if the City does not act quickly on this fee reduction, there will not be any new construction in 2010.

Council Member Heitz reviewed his discussions with various builders and noted that his intent is to help spur the economy by setting a goal of issuing 40 new construction permits in 2010. Council Member Danielowski noted that the housing market is already sluggish and that the reduced building permit fee will not guarantee that the spec homes will sell. Discussion was held on the need to focus on job creation. Heitz indicated that new home construction will provide job creation and increase sales for local businesses. Heitz noted that the City is still charging fees consistent with previous years. Danielowski responded that the City still has infrastructure to pay for which is why our fees are at the level they are at. Heitz also asked staff to focus more on telling Council how the fees can be reduced. Heitz stated that he feels that in the end, there won't be a shortage in the SAC/WAC line item.

Donald Orrock – 140 Will Street; noted that the SAC/WAC fees act as a mortgage on our water treatment facilities and that the reduction in fees could jeopardize the City's Bond Rating.

Jim Dickinson – 3310 Lake Ridge Drive; noted that the City's SAC/WAC needs to be protected and discussed that covenants are a promise to pay. Dickinson also discussed the existing housing stock in Big Lake and stressed that by allowing discounted structures to be added to the market will pull the current properties out of the running as viable sales. Dickinson also questioned why the City would agree to a fee reduction if we aren't getting anything in return.

Council Member Heitz explained that he feels the City's bond rating will not be hurt if the City approves the fee reduction. Council Member Backlund indicated that he is in support of the fee reduction.

Council Member Danielowski motioned to table the issue until the February 17th Council Workshop. Motion failed due to lack of a second.

Scott Johnson asked Council if the City should attempt to negotiate some type of agreement with the builders to ensure they fulfill their commitment to build a certain number of homes in 2010. Mattick responded that Development Contracts are generally negotiated with developers instead of builders.

Council questioned what affect a bond rating decrease would cause. Boyer noted that the City would more than likely get fewer bids on future bond issuances and that the City could see a possible 25 basis point increase.

Council Member Langsdorf motioned to table this issue to the February 17th Council Workshop for further discussion. Seconded by Council Danielowski. Council Member Heitz asked for discussion on the motion. Mayor Kampa allowed discussion. Heitz noted that he is open to further discussion but wanted Council to understand that the City advisors concerns most likely will not change. After discussion, a final vote count was taken. Motion passed with a vote of 3:2 with Council Members Danielowski, Kampa, and Langsdorf voting aye, and Council Members Backlund and Heitz voting nay. Motion carried.

7D. Temporary Portable Sign Discussion

Katie Larsen reviewed the current code as it relates to temporary portable signs. In May 2009, the City issued portable sign permits to two businesses for one year until May 6, 2010. After the permits were released, staff realized the misinterpretation of the Sign Ordinance and that the permits should only have been issued for 60 days per calendar year. Since this error was realized, sign permit applications have been processed under the 60 day guideline. Staff is seeking Council direction on how they would like the two permits issued incorrectly be handled.

Mayor Kampa indicated that she has received numerous complaints regarding Trails and Boone Family Chiropractic signage due to the length of time they have been allowed to keep the signs up. Council discussed the permit error and that the applicants should be able to keep the signs up until the deadline stated on the permits. It was also the general consensus of the Council that sign permits should be issued by calendar year beginning with January 1st and ending with December 31st. The property owners of the two incorrect sign permits would be able to reapply after their May deadline for their 2010 permits.

8. LIST OF CLAIMS

8A. Consider List of Claims

Council Member Danielowski motioned to approve the List of Claims Check Payments ranging from Check No. 57765 through Check No. 57851 with the exception of Checks #57846, #57847 and #57849 for separate consideration, and Electronic Payments #994E to #1004E. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

8B. Consider AutoStop Payment in the Amount of \$169.87

Council Member Heitz motioned to approve payment of Check No. 57847 in the amount of \$169.87 payable to AutoStop, Inc. Seconded by Council Member Danielowski, vote passed with a vote of 4 to 0 with 1 abstention with Council Members Backlund, Heitz, Kampa, and Danielowski, voting aye and Council Member Langsdorf abstaining. Motion carried.

8C. Consider Audio Communications Payment in the Amount of \$3,532.81

Council Member Danielowski motioned to approve payment of Check No. 57846 in the amount of \$94.81, and Check No. 57849 in the amount of \$3,438.00 payable to Audio Communications, Inc. Seconded by Council Member Langsdorf vote passed with a vote of 4 to 0 with 1 abstention with Council Members Danielowski, Heitz, Kampa, and Langsdorf, voting aye and Council Member Backlund abstaining. Motion carried.

9. ADMINISTRATOR'S REPORT

Jim Thares discussed the upcoming Comprehensive Economic Development Strategy (CEDS) meeting scheduled on February 25th from 3:00 p.m. to 5:00 p.m. at the Sherburne County History Center in Becker. A CEDS is an official economic development plan and process that is used the U.S. Economic Development Administration to assess regional issues and formulate strategies that address the needs of the region. The St. Cloud Area Economic Development Partnership has recently been awarded a grant to conduct the CEDS planning process, and to compile a document that is representative for Region 7W. Council will be receiving invitations to attend this meeting and staff is recommending that Council set a Council gathering to ensure compliance with the open meeting law requirements.

Council Member Langsdorf motioned to set a Council gathering for the CEDS meeting scheduled on February 25th from 3:00 p.m. to 5:00 p.m. at the Sherburne County History Center in Becker. Seconded by Council Member Heitz, unanimous ayes, motion carried.

10. MAYOR & COUNCIL REPORTS and QUESTIONS/COMMENTS

Council Member Backlund: Reviewed the February Parks Advisory Board Meeting. Council Member Backlund also discussed the upcoming June 19th Pollinator event scheduled at McDowall Park.

Council Member Danielowski: Updated Council on the February Community Education Advisory Meeting.

Council Member Heitz: Discussed the February EDA Meeting and the recent Marketing Committee Meeting.

Mayor Kampa: Introduced Ron Wasmund from Inspectron, Inc.

Council Member Langsdorf: Discussed the February Planning Commission Meeting.

11. OTHER

Council Member Danielowski informed the public of upcoming events including the Lions fish fry, the Jaycee's fishing contest, and the Chamber of Commerce Business Expo.

12. ADJOURN

Council Member Heitz motioned to adjourn at 8:54 p.m. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

Gina Wolbeck
Clerk

Date Approved By Council _____ 02/24/10