

**BIG LAKE CITY COUNCIL
WORKSHOP MEETING MINUTES**

OCTOBER 21, 2009

1. CALL TO ORDER

Mayor Kampa called the meeting to order at 6:00 p.m.

2. 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, Police Chief Sean Rifenberick, Public Works Director Mike Goebel, Liquor Store Manager Jan Kostrzewski, and City Engineer Brad DeWolf of Bolton & Menk, Inc.

3. PROPOSED AGENDA

Council Member Heitz motioned to adopt the proposed Agenda. Seconded by Council Member Langsdorf, unanimous ayes, agenda adopted.

4. BUSINESS

4A. Building Official RFP Discussion

Jim Thares reviewed previous Council discussion relating to staff drafting an RFP for Building Official Consulting Services. Thares noted that the 2010 preliminary budget has been approved by Council which includes retaining the three person building inspections staff at a reduced 32 hour work week. Staff asked for Council clarification on what issues still exist with the building inspections department, what service level is desired, possible solutions to provide necessary services, and what is the direction and action plan for the department. Discussion was held on current duties of the Building Inspectors and in-house staff working in conjunction with future Building Consultants. Jim Thares discussed potential costs for Building Department certification training which should be less than \$1,000 in expenses. Discussion was also held on turn-around time for permits, and building department staff indicated that permits are generally completed within 3 to 5 days.

Council discussed the need for the new Building Official contract to include set fees, to identify previous experience, and to increase the insurance requirements. Council clarified that the reason the City is going out for RFP on Building Consultant Services is that it has been quite some time since the last RFP was done. Council also discussed if there is still a need to keep the full building department and utilize a building consultant. Council identified the importance to meet the needs of the community while remaining fiscally responsible when utilizing Building Consultant services. Council also identified that the 2011 budget could bring future changes to staffing levels. Staff suggested that two Council Members participate in the RFP interview process. Mayor Kampa and Council Member Danielowski offered to assist.

4B. 2010 Enterprise Budgets

Corey Boyer reviewed summary forecasts for the City's Utility Enterprise Funds and proposed 2010 budgets for all enterprise funds. Boyer noted that staff is proposing a 5.16% increase in water/sewer rates for 2010 to balance these utility enterprise funds. Boyer also noted that staff has completed a utility fee survey of surrounding communities which indicated that the City of Big Lake is approximately \$4.00 to \$5.00 higher due to other communities subsidizing their utility costs through their general fund. Staff noted that Monticello, Becker, and Elk River have power plants that provide additional tax capacity to their general funds. Council discussed the possibility of limiting the increase to 3% due to the economy. Boyer indicated that the City could focus the increases on the sewer funds and keep the water funds at current rates. Staff also discussed the improved Liquor Enterprise Funds.

4C. City Project Funding Update

Corey Boyer presented information on several projects that are on-going or proposed. Staff felt it important to update Council on the current status as it relates to the City's investment in various projects and the funding of the related debt associated with each project. 1) There are currently two outstanding debt issuances for 429 Infrastructure projects which funded developer-petitioned infrastructure improvements. The projects funded were the utility extension project out to 172nd Street and the street and utility improvements in Marketplace South comprised of 166th Street and 197th Avenue. There is \$1.1 million still outstanding on these assessments in which a portion of these assessments are currently delinquent or deferred until time of development. If the delinquent or outstanding assessments are not paid when due, the City will need to cash flow a portion of the debt obligations. 2) In December 2007, The City and Big Lake Township invested in 38 acres north of the original BLIPE. The land purchase, related acquisition costs, and infrastructure improvements totaled approximately \$2.8 million which will be recouped through land sales in the park. To date, no parcels have been sold and the City and Township will need to cash flow the related debt issuances. Land was also purchased at the Hwy 10/CR 5 intersection as part of the intersection improvements and redevelopment of the area in the City's TIF 1-4 Redevelopment TIF District. Some of the investment in this project will be recouped from the sale of remaining developable land on the corner, with the remainder to be paid over time from taxes from the TIF District. In 2005, the BLEDA purchased the old Stevens grocery store for the relocation of the Liquor Store. The purchase price was approximately \$1.6 million. From that purchase, the City still has two vacant parcels near the Lake Shopping Center remaining and one vacant tenant space adjacent to the liquor store still remaining. The City will be relying on land/tenant space sales to pay the outstanding bonds/loans related to these three projects. 3) Utilities were extended through the Prairie Meadows Development to service the new BLIPE expansion area. Bruggeman Properties is responsible for 72% of the assessment for this project. The City is currently in discussion with developers for the Cobblestone Development to extend utilities out to their site. Estimated costs to extend the utilities down Hwy 25 to the river are

expected to be \$1.5 million. Cobblestone would be responsible for approximately \$275,000 of the total utility extension project cost with the remaining \$1.2 million cost to be paid from future trunk fees from a defined project area along the Highway 25 corridor between Big Lake and Monticello.

Council discussed pricing available land more competitively and not offering additional incentives. Council directed staff to meet with a potential developer for a Laundromat service and to check into hiring a Broker to market all three project areas that have vacant land. Council also discussed the need for reliable revenue sources for any future bonding projects.

4D. Pandemic Flu/COOP Information and Police Department Update

Sean Rifenerick reviewed the Continuity of Operations Plan (COOP) and the Pandemic Influenza/Public Health Emergencies Plan. The COOP Plan provides policy and guidance for city personnel at various locations to ensure that critical operations are continued in the event of an emergency or threat of an emergency. The Influenza Pandemic/Public Health Emergencies Plan's purpose is to provide an outline of a coordinated and rational City response to a possible outbreak of pandemic Influenza. An Influenza pandemic occurs when a new influenza virus emerges when there is little or no immunity in the human population and begins to cause serious illness and contamination. Chief Rifenerick also discussed the open Secretary position. Council authorized leaving this position vacant for six months into 2010 and asked that staff report back if the vacancy becomes a work load issue. Rifenerick updated Council on the vacant Police Officer application status, the use of City funds for the SAFER program, and the Crime Scene Processing Team.

4E. 2010 Goal Setting Workshop Discussion

Scott Johnson discussed the upcoming annual Goal Setting Session that will be held on December 16th. Council indicated that they would like to hold the Goal Setting Session during the December 16th Council Workshop starting at 6:00 p.m.

5. OTHER

Jim reviewed the status of the Duffy Development project and invited the developer to provide an update to clarify tenant use of their facility.

John Duffy discussed requirements for their governmental grant funds and noted that the Pawlenty Administration has generally required a specific number of units in these types of projects be designated for use by homeless families in the area. Duffy Development will be responsible for outreach of these individuals and ensuring that all criteria requirements are met.

Scott Johnson updated Council on surrounding communities use of Council participation in union negotiations.

Council Member Heitz asked that a subcommittee be established to look into reducing City fees due to the economy. Heitz and Langsdorf offered to serve on the committee along with Corey Boyer. Boyer indicated that he would contact the City of Monticello to inquire how their subcommittee is set up.

Mayor Kampa reminded Council of the upcoming Rachel's Challenge event at the High School and the Senate Capital Committee Meeting scheduled on October 26th.

Mike Goebel informed Council that the 79 acre parcel along Hwy 25 has been sold and that the Park Board Members have been researching other locations for a possible future park area.

Jim Thares informed Council that the NSP Grant amendment request has been approved by the State of MN.

Council Member Danielowski asked that the 3.5% tax increase be discussed at the next Council Workshop.

6. ADJOURN

Council Member Danielowski motioned to adjourn at 7:34 p.m. Seconded by Council Member Backlund, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

10/28/09
Date Approved By Council