

**BIG LAKE CITY COUNCIL
WORKSHOP MEETING MINUTES**

JANUARY 20, 2010

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, City Clerk Gina Wolbeck, Community Economic Development Director Jim Thares, Senior Planner Katie Larsen, Police Chief Sean Rifenberick, Public Works Director Mike Goebel, Liquor Store Manager Jan Kostrzewski, City Attorney Soren Mattick, and City Engineer Brad DeWolf of Bolton & Menk, Inc.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. Rail Park Discussion

Corey Boyer discussed the status of the proposed Rail Park. Boyer noted that while there is great potential for job creation and tax base growth related to this project, the City should consider other impacts this type of private/public partnership could have on the City. Various concept plans have been presented to staff which could include additional industrial land to the west and north sections of the Marketplace East Development. The developer has indicated that he would like to change the development from mixed use to completely industrial use. Katie Larsen informed Council that the developer dropped off an official Concept Plan today but staff has not had an opportunity to review it. The Concept will be reviewed through the normal planning process. Discussion was also held on potential competition with our existing industrial park space which could delay the build-out of the new expansion area. Boyer also noted that the developer has been discussing 429 bonding for this project. It would require the City to bond for approximately \$6 to \$7 million which the developer would need to secure. Council and staff agreed that the City can't afford to take risks right now and that if the City participates in bonding for this project, the developer would need to provide 100% security in a form acceptable by the City. The developer has also raised the idea of a public rail spur. The City should be aware of the responsibilities that accompany public ownership of a rail spur. The operation and maintenance plans and budget outlays would need to be discussed as well as the various options of accomplishing the operations and maintenance activities. It is also expected that there will be some over-sizing of the utility related to this development. The City Engineer

has estimated over-sizing costs could amount to \$200,000. This cost would be assumed by the City and would need to be cash flowed until future development occurs in the area. Jim Thares will be presenting the rail park feasibility study to the Sherburne County Board. The County Board will need to determine if they wish to participate in this project. Council discussed the option of phasing the project and just concentrating on the rail spur instead of the whole development. Council also noted that staff time costs need to be paid by the developer through additional escrow dollars. Council directed staff to contact the developer to inform him of the City's possible assistance with the rail spur, but not the other infrastructure. Discussion was also held on the possibility of the City hiring a Lobbyist to solicit grant funds for various City projects.

4B. 2010 LGA Funding Discussion

Corey Boyer discussed the recent budget forecast announcement for the current biennium, and indicated that the State faces an approximately \$1.2 billion deficit. LGA payments are generally sent in two installments, which fall in July and December. A major concern of cities is that we could lose some or all of these funds in 2010. Currently, the city has the designated LGA funds included in the 2010 General Fund Budget. Boyer noted that our reserves are approximately \$2M, which is slightly over our 50% goal. Council discussed the need for the City to be reflective of the current and changing economic conditions and that we are at a point to start weaning ourselves off of the LGA dollars as they are no longer dependable. Council directed Staff to cut the \$156,014 2010 LGA amount from the Budget and to bring possible options to cut the \$156,014 from the budget to the February Workshop. Cuts will more than likely include personnel reductions and further Department spending reductions.

4C. Hwy 10/25 Intersection Improvement Project Cost Breakdown

Brad DeWolf reviewed the potential Hwy 10/25 Intersection Improvement project costs and corresponding financing. The total estimated project cost is \$2,465,000 which includes right-of-way acquisition costs in the amount of \$550,000. Staff has been notified by MNDOT that local initiative funds in the amount of \$400,000 are available for the project. A TIF District also exists in the vicinity of the project and can be utilized for project costs totaling \$100,000. Staff has submitted a Transportation Revolving Loan Fund (TRLF) Application to MNDOT, and that the Big Lake project was one of only four applications approved. MNDOT has also indicated the City's State Aid Funds can be utilized for repayment of the TRLF Loan. In 2009, the City received \$286,922 in State Aid Funding and staff is expecting a 16% per year increase for the next ten years. With these factors taken into consideration, staff is expecting \$1,965,000 in TRLF loan proceeds will be needed. DeWolf also discussed other funding that could potentially become available for use in finalizing this project. DeWolf noted that under the current plan, there would be no General Fund obligation to complete the project. Council Member Heitz stated that he would like to bring the project to Council for a vote. Council Member Danielowski questioned if the City would lose out on potential federal Funding if the project starts sooner rather than later. Council also discussed the possibility of burying power lines using funds

from a Franchise Fee. Council also asked about the possibility of upgrades to the awnings on the buildings in the downtown area.

4D. 2010 Council Goals and Priorities Review

Scott Johnson reviewed a draft of the 2010 Council Goals and Priorities that were discussed at the December 16th Goal Setting Session. Council asked that the Goals and Priorities be readdressed at the February Workshop prior to final Council adoption.

4E. Fee Survey Discussion

Corey Boyer reviewed discussions of the Fee Committee who have been discussing the City's building permit fees. A comparison of surrounding communities was conducted which reflects that building permit/plan review fees appear to be consistent with surrounding communities. Boyer noted that a difficult part of conducting the survey was trying to get an "apples to apples" comparison since the various cities fund their enterprise systems differently through access fees, trunk fees, and monthly usage fees. Council Member Heitz suggested the City implement a 50% reduced building permit fee for one year to encourage housing growth in the City.

5. OTHER

Council Member Backlund asked for feedback on the Senior Groups request for phone and internet service at the Big Lake Senior Activity Center. Council discussed the lack of budget dollars for this type of service and suggested that the senior group solicit donations to cover the annual costs of phone and internet service.

Sean Rifenberick updated Council on the police officer recruitment process and the upcoming snowmobile races.

Katie Larsen updated Council on the status of the code violation at 381 Lake Avenue.

Discussion was also held on creating a Welcome to Big Lake letter for new residents, establishment of a Convention and Visitor's Bureau, the potential for a Farmer's Market and Community Garden, and changing the holiday hours at the municipal liquor store.

6. ADJOURN

Council Member Heitz motioned to adjourn at 8:28 p.m. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

01/27/10
Date Approved By Council