

**BIG LAKE CITY COUNCIL
REGULAR MEETING MINUTES
APRIL 13, 2011**

1. CALL TO ORDER

Mayor Lori Kampa called the meeting to order at 5:00 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. ROLL CALL

Council Members present: Dick Backlund, Raeanne Danielowski, Lori Kampa, Duane Langsdorf, and Mike Wallen. Also present: City Administrator Scott Johnson, City Clerk Gina Wolbeck, Community Economic Development Director Jim Thares, Public Works Director Mike Goebel, Police Chief Sean Rifenberick, Fire Chief Randy Miller, 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. No one came forward. Mayor Kampa closed the Open Forum at 7:02 p.m.

5. PROPOSED AGENDA

Council Member Danielowski motioned to adopt the proposed Agenda. 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. 6B and 6D 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 March 23, 2011, and 6C) Approve Mutual Aid Agreement with the Monticello Nuclear Generating Plant.

6B) Approve Assessment Agreement with Forest Creek Properties, LLC.

Council Member Danielowski asked that approval of the assessment agreement be contingent upon the property owner being responsible for any and all costs associated with the assessment agreement. Danielowski also asked for Council feedback on interest rates for future agreements. Council discussed the need for the interest rates on these types of agreements to be across the board. Council clarified that the reason that the City agreed to the assessment was to encourage commercial growth and that future interest rate figures need to be reasonable. Soren Mattick noted that when interest rates for street assessments are figured, it is generally in line with bonding costs that the City will incur during the term of the assessment. Mattick noted that Council could set the interest rate on commercial assessment agreements to match the prime index rate. Council Member Danielowski also asked that the Assessment Agreement recording language under item 4 read as "This Agreement will be recorded against the title to the subject property".

Council Member Danielowski motioned to approve Resolution No. 2011-21 approving the Assessment of Water and Sewer Access charges against Unit 2, 564-CIC #80, North Star Place, and to approve the Assessment Agreement with Forest Creek Properties LLC with the change to the recording information under item 4 to read as "This Agreement will be recorded against the title to the subject property" and that the approval is contingent upon the property owner paying any and all costs associated with the assessment agreement. Seconded by Council Member Wallen, unanimous ayes, motion carried.

6D) Authorization to Send Found and Recovered Property to Auction

Sean Rifenberick reviewed the list of items and vehicles to be sold at auction. Rifenberick asked that 4 weapons be removed from the list as the County Attorney's Office has not cleared them for release and that a 1994 Nissan vehicle be authorized to send to auction.

Council Member Wallen motioned to approve the sale of found and recovered Big Lake Police Department property at auction as discussed. Seconded by Council Member Backlund, unanimous ayes, motion carried.

7. BUSINESS

7A. Letters of Credit Update

Scott Johnson reviewed the discussions held at the subcommittee level relating to the Letters of Credit for Hudson Woods, Big Lake Marketplace, and Big Lake Marketplace North. Johnson noted that subcommittee members asked that staff bring the issue back to Council for further review and direction. Johnson also informed Council that Riverwood Bank will be moving forward with foreclosure proceedings and that the subcommittee directed staff to mail out the 5-day Notice of Default letter for the Hudson Woods 1st Addition Development which was sent out on April 7th. Johnson reviewed the options the

City has in proceeding with the Letters of Credit. Mayor Kampa asked for feedback from each Council Member. Council Member Langsdorf discussed the need to complete the Hudson Woods 1st Addition project due to the large number of people that live within the development. Langsdorf stated that he is hoping that the rail park project will continue to move forward. Langsdorf also commented that he would like the City to hold off on the Marketplace Letters of Credit until a meeting can be scheduled with Riverwood Bank. Council Member Danielowski stated that her level of concern increased with the foreclosure process starting and questioned what kind of position the City will be in as far as drawing on the Letters of Credit. Danielowski also stated her concern that the potential buyer for the rail park has struggled with finalizing funding for the project. Danielowski also discussed the need for the subcommittee to meet with Riverwood Bank and to re-evaluate these Letters of Credit at the next meeting. Council Member Backlund stated the need to proceed with completing the Hudson Woods 1st Addition project and reiterated the need to do whatever is best to secure the funds. Council Member Wallen encouraged the City to take a step back and to allow time for the subcommittee to meet with the lender prior to Council making a final decision.

Soren Mattick reviewed the Letter of Credit process and reviewed options the City has in drawing on the documents. Mattick also clarified that the foreclosure process is a separate component from drawing on the Letters of Credit and that ownership of the parcels should not affect the City's ability to draw on the Letters of Credit. Mattick noted that the unknown is if the lender has the ability to pay on the Letters of Credit if the City chooses to draw on them. Jim Thares read a statement submitted by the developer asking for continued patience from the Council. Council discussed the need to move forward with the Hudson Woods project and draw on the CMIC Letter of Credit, and to open up discussions between the subcommittee and Riverwood Bank officials to discuss the options that would best suit both the City and the lender. Council also directed staff to bring this item back to the April 27th meeting for further review and possible action.

Council Member Danielowski motioned to immediately draw on the CMIC Letter of Credit for the Hudson Woods 1st Addition Development and directed the subcommittee to meet with Riverwood Bank officials and report back at the April 27, 2011 Council Meeting. Seconded by Council Member Backlund, unanimous ayes, motion carried.

7B. Lakeside Park Vendor Agreement with Brain Freeze, LLC

Mike Goebel reviewed the bid results submitted for allowing a vendor to operate in Lakeside Park. Goebel noted that the City only received one bid which was from Brain Freeze LLC in the amount of \$3,050.00. Brain Freeze sells ice cream products from a mobile truck.

Council Member Wallen motioned to approve the Lakeside Park Vendor Agreement

authorizing Brain Freeze LLC to operate in Lakeside Park from April 30, 2011 through October 30, 2011 for a fee amount of \$3,050.00 contingent upon submittal of all required fees and documentation. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

7C. Neighborhood Stabilization Program 3 – Grant Agreement

Jim Thares reviewed the Minnesota Housing Grant Agreement for the City of Big Lake Neighborhood Stabilization Program Three (NSP3) Grant totaling \$822,000. Thares indicated that the target impact for the program would be approximately 16 homes. Thares also provided an update on the NSP rehab homes.

Council Member Wallen motioned to approve Resolution No. 2011-22 authorizing the City to receive Neighborhood Stabilization Program funds in the amount of \$822,000 and authorizing City officials to execute grant documents. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

7D. County Commissioner Ewald Petersen Update

Sherburne County Commissioner Ewald Petersen provided an update on Legislative issues including redistricting, the MN Water Sustainability Network, library funding, and Northstar Commuter Rail.

8. LIST OF CLAIMS

8A. Consider List of Claims

Council Member Danielowski motioned to approve the List of Claims ranging from Check No. 60542 through Check No. 60673 with the exception of Check No's. 60545, 60646, and 60647 for separate consideration, Check No. 60651 for future consideration, and Electronic Payments #1334E to #1337E. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

8B. Consider AutoStop Payment in the Amount of \$3,109.64

Council Member Danielowski motioned to approve payment of Check No. 60647 in the amount of \$3,109.64 payable to AutoStop, Inc. Seconded by Council Member Backlund, vote passed with a vote of 4 to 0 with 1 abstention with Council Members Backlund, Danielowski, Kampa, and Wallen voting aye and Council Member Langsdorf abstaining. Motion carried.

8C. Consider Audio Communications Payment in the Amount of \$646.70

Council Member Danielowski motioned to approve payment of Check No. 60565 in the amount of \$550.94, and Check No. 60646 in the amount of \$95.76 payable to Audio Communications. Seconded by Council Member Wallen, vote passed with a vote of 4 to 0 with 1 abstention with Council Members Danielowski, Kampa, Langsdorf, and Wallen voting aye and Council Member Backlund abstaining. Motion carried.

9. ADMINISTRATOR'S REPORT

Scott Johnson discussed the future need for a Space Needs Study to determine what type of facilities the City needs and the most cost effective way to provide those facilities. Johnson discussed the upcoming League of MN Cities Annual Conference being held in Rochester in June. Johnson also informed Council that the City has been approached about implementing another Building Permit Rebate Program. Johnson noted that staff has been putting together financial impact information from last year's rebate program which will be discussed in detail at the April 20th Workshop Agenda. Johnson also reviewed the press release for the upcoming City Services Showcase scheduled from 5pm to 7pm on Thursday, April 28th in the City Council Chamber. Staff has placed about 20 flyers at various businesses in the City, and has posted the information on the City Website, City newsletter and in the Chamber of Commerce newsletter. Johnson informed Council that discussion on the future of the finance director position will be discussed at the April workshop. Council discussed holding WWTP and WTP facility tours in June 2011.

10. MAYOR & COUNCIL REPORTS and QUESTIONS/COMMENTS

Council Member Backlund: Reviewed the 2nd Quarter Fire Board Meeting. Randy Miller discussed potential changes to weather spotting procedures at the department.

Council Member Danielowski: Reviewed the April EDA Meeting and the April Community Education Advisory Meeting. Council Member Danielowski also discussed the Business Retention site visit at White Bear Clothing and informed the public about the Town Hall Meeting at McPete's on April 16th and the Lions Club Pancake Breakfast on April 17th.

Mayor Kampa: Encouraged the public to come out and enjoy the City Services Showcase event scheduled on April 28th and to help celebrate the City population reaching 10,000 residents.

Council Member Langsdorf: Discussed the April Planning Commission Meeting and the Big Lake Community Lake Association Meeting.

Council Member Wallen: Reviewed the April Parks Advisory Board Meeting and encouraged residents to report vandalism.

11. OTHER

Council Member Danielowski encouraged residents to review the City newsletter that was sent out with the April utility billings.

Council Member Backlund motioned to recess the regular session at 7:09 p.m. to go to Closed Session for item 12A) Attorney/Client Privilege allowed under MN Statute 13D.05, subd. 3b. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

12. CLOSED SESSION – Attorney Client Privilege

Mayor Kampa opened the Closed Session at 7:14 p.m.

Council Members present: Dick Backlund, Raeanne Danielowski, Lori Kampa, Duane Langsdorf, and Mike Wallen. Also present: City Administrator Scott Johnson, City Clerk Gina Wolbeck, Police Chief Sean Rifenberick, City Attorney Soren Mattick of Campbell Knutson, and League of MN Cities Attorney Thomas Peterson.

League Attorney Thomas Peterson updated Council on a Worker's Compensation Claim. No action was taken by Council.

Council Member Danielowski motioned to close the Closed Session and reconvene the regular meeting at 7:45 p.m. Seconded by Backlund, unanimous ayes, motion carried.

13. ADJOURN

Council Member Wallen motioned to adjourn at 7:46 p.m. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

Gina Wolbeck
Clerk

Date Approved By Council _____ 04/27/11