

**BIG LAKE CITY COUNCIL
WORKSHOP MEETING MINUTES**

APRIL 20, 2011

1. CALL TO ORDER

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

2. 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 Development Director Jim Thares, Senior Planner Katie Larsen, Police Chief Sean Rifenerick, Public Works Director Mike Goebel, Liquor Store Manager Jan Kostrzewski, Consultant City Engineer Brad DeWolf from Bolton & Menk, Inc., Consultant Finance Director Brad Falteysek from AEM Financial Solutions, and Consultant Building Official Ron Wasmund from Inspectron, Inc.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. Finance Update

Brad Falteysek from AEM, Inc. provided the April finance update and presented Council with a proposed three year Finance Contract. Council asked to receive bound copies of the Audit reports and directed staff to bring the Finance Contract to the next Council Meeting.

4B. Utility Rate Discussion

Brad Falteysek reviewed the cash flow projections for the water, sewer, and storm sewer funds. Falteysek noted that the funds continue to experience declining fund balances due to City improvement projects and developments. These projects forecasted a certain level of growth potential, which have instead, substantially declined in growth. Falteysek indicated that the revenues have not kept up with the debt service requirements related to the improvement and development projects. Falteysek reviewed rate changes dating back to 2008 and the impacts those adjustments had on total revenues. A review of different rate adjustments was provided and discussion was held on potential rate adjustments beginning with the 2012 budget year. Council directed staff to check into how a senior rate would affect the overall projections.

4C. Delinquent Utility Accounts Discussion

Mike Goebel reviewed the status of the city's delinquent utility accounts. Goebel noted that records show there are 540 utility accounts that are over 60 days past due. Previous Council direction allowed the City to assess past due utility bills to the owners property taxes with the exception of inactive accounts. In the summer of 2010, Council acted to send these accounts to collections instead of making them the responsibility of a new owner purchasing a property. As of February 2011, the City has sent \$14,300.67 to the collection agency and has only been reimbursed for \$71.66 from those accounts. Once these delinquent accounts are sent to the agency, they are no longer on the City's or Opus' records which means the City has lost its leverage or potential to retrieve some of the balance on these outstanding accounts. Goebel reviewed collection procedures used by various surrounding communities which include water shut offs and assessments of past due accounts. Goebel reviewed the Lindy's Collection Agency contract and water shut off constraints. Council discussed the need to be more aggressive on either collections or shut-offs and that once the City sets the policy, that it be enforced. Council also directed staff to leave the accounts that have been to the collection agency, but not to send any further accounts due to the lack of collected funds. Council directed staff to prepare a plan for implementing a shut-off and assessment program to bring past due accounts current.

4D. Building Department Update

Ron Wasmund from Inspectron, Inc. provided the April building department update.

4E. Single Family Rental Registration Program Discussion

Ron Wasmund discussed the possibility of the City implementing a Single Family Rental Registration Program. With the increased demand in rental properties in the last few years, there are more single family homes on the market being purchased as investment properties. Some of these owners are absentee landlords and property conditions may not be regularly monitored. Responsibility for performance of required maintenance of rental property lies with the owner and if property maintenance and repairs are not completed, these properties can start to affect the neighboring properties. Wasmund explained that cities cannot require building code provisions regulating components or systems of any structure that are different from any provision of the MN State Building Code. Wasmund noted that the State of MN is currently working on the adoption of a new code that may include a model code known as the International Property Maintenance Code. This code would provide the tools needed for local units of government to apply the standards of this code to existing structures. While some property owners feel that rental inspections are an invasion of privacy, courts seem to recognize the need for an inspection program to protect the livability of rental units. They do require that the ordinances be reasonable and that inspections be carried out lawfully within the scope of the ordinance. Wasmund stated that he feels it would be worthwhile to track complaint frequency to try to get some idea of the number of properties that are non-homesteaded and to start development of an ordinance

that will allow lawful inspections. Council discussed the concern with taking a fragile housing market and making it worse by implementing this type of program at this time. Council directed staff to track complaints and if a reasonable concern emerges, the City could re-evaluate the need for a single family rental registration program.

4F. Single Family Home Builder Rebate Program Discussion

Katie Larsen reviewed the 2010 Single Family Home Builder Rebate Program which ran from March 1, 2010 to June 30, 2010. The program offered a \$4,000 refund to single family home builders. 27 home permits were approved during this time which totaled lost revenue to the General Fund in the amount of \$125,121.74. Larsen noted that 24 of the 27 homes were built by Woodside Development who had already committed to building those structures in 2009, and 1 parcel that had already applied for a CUP in 2009. Larsen explained that the only homes built due to the rebate program were the remaining 2 parcels. Larsen also noted that Single family building permits in Big Lake have decreased over the past years which indicates a shrinking demand for new single family housing. There are, on average, 75+ homes listed on the MLS for sale on a daily basis (this includes foreclosures) in the City of Big Lake. This indicates a positive supply of housing units already within the City. Staff has spoken with the cities of Becker and Monticello and neither community is considering single family building permit rebates or reductions at this time. Larsen explained that smart growth and community development are top priorities for all communities. The intent to stimulate single family house growth was valiant; however, given the financial and housing stock analysis, goals of the program were not met. Staff and Council should continue to “think outside the box” to build the community in a positive and fiscally responsible manner. Council discussed the need to get through the current housing stock and to continue to promote commercial/industrial to make better use of our dollars.

4G. Community Attitudes Survey Update

Katie Larsen reviewed the draft Community Attitudes Survey which will obtain input from Big Lake residents regarding City services and facilities. The survey will be included with the May monthly utility billing and will be sent to approximately 3,600 households and commercial/industrial users. Staff is also working on creating a mailing list of all individual units of multi-family complexes in order to send the survey to those residents. The survey submittal deadline will be June 10th.

4H. 2011 Council Goals and Priorities Update/Council Comments

Scott Johnson presented to Council a status update of the 2011 Council Goals and Priorities. Johnson also discussed the possible LGA dollars the City could receive in 2011 and suggested the funds be used for one time expense. Johnson suggested an update to the City’s Comprehensive Plan and to conduct a professional Space Needs Study. Council discussed using in-house staff to create a space needs study and when we get closer to an

actual build, to hire a consultant if necessary. Council also discussed the need to keep an open mind on the possibility of hiring a consultant, and directed staff to prepare a report on financial commitments of this type of report and how the City would benefit by using a consulting firm versus in-house staff. Council also discussed the library lease and whether or not this lease is the best option for the City. Johnson also discussed the possibility of bringing the City Hall administrative staff back to full-time status due to the funds saved from outsourcing the Finance Director position. Council discussed the possibility of holding those dollars instead of spending them. Johnson will report back to Council on this concept.

5. OTHER

Scott Johnson reminded Council of the Board of Review Hearing scheduled on April 21st, updated Council on the Letter of Credit draw at CMIC, and provided information on the League of MN Cities Loss Control Workshop. Johnson also updated Council on a potential job opportunity for Jim Thares at the City of St. Cloud.

Sean Rifenerick informed Council that there will a 2011 COPS Grant available this year and asked for Council feedback on if the City should be applying for this program again. Council directed staff not to proceed with applying for this grant this year.

Council Member Danielowski discussed the option of changing the dog license program from the lifetime of the animal to a one or two year cycle. Council directed that the program not be changed at this time.

6. ADJOURN

Council Member Langsdorf motioned to adjourn at 7:13 p.m. Seconded by Council Member Backlund, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

04/27/11
Date Approved By Council