

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES**

AUGUST 10, 2016

1. CALL TO ORDER

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

2. ROLL CALL

Council Members present: Raeanne Danielowski, Seth Hansen, Duane Langsdorf, and Mike Wallen. Scott Marotz arrived at 5:04 p.m. Also present: City Administrator Clay Wilfahrt, City Clerk Gina Wolbeck, Finance Director Deb Wegeleben, Public Works Director Mike Goebel, Community Development Director Hanna Klimmek, Liquor Store Manager Jan Muehlbauer, and Assistant City Engineer Jared Voge from Bolton and Menk, Inc.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. 2017 Budget Discussion

Deb Wegeleben reviewed 2017 General Fund budget and Enterprise Fund budget concept numbers and reviewed proposed Capital Improvement Plan (CIP) needs. Wegeleben explained that the proposed Preliminary Net Tax Capacity increase is 3.91% over 2016 of which approximately 1.41% is new construction and a 2.52% increase in residential property value. Commercial is estimated at a 2.95% decrease. Wegeleben discussed a levy increase of \$157,834 which is a .03% increase to the City's tax rate. Wegeleben also reviewed that the total preliminary budget is projected to be \$4,272,626 which is \$260,997 over last year's total budget. Increases include hiring a fulltime City Engineer, a 2% COLA and step increases, a 4% increase in health insurance, partnership with ECFE to have a summer Parks and Rec staff, allocating funds to pay for City usage of water and sewer services and a transfer of \$73,000 to the Capital Improvement/Replacement Funds for yearly transfers. As part of this fund, staff is recommending replacement of specific streets, police and fire vehicles and conducting a complete Comprehensive Plan Update. Council discussed city facility water/sewer costs that will now be calculated annually into the budget, laptop replacement which will be funded from the new Capital Improvement/Replacement Fund, and the potential for LGA increases if the State Legislature has a Special Session.

4B. Palmer Wireless Antenna Lease Agreement Discussion

Hanna Klimmek discussed ongoing negotiations the City has had with Palmer Wireless to fill a gap in internet service in the Big Lake Industrial Park. Palmer Wireless would like to move forward with installation of their equipment on the water tower near Public Works. Palmer Wireless plans to put three antennas on the property at the onset of the project. Generally the City charges \$150 to \$200 per antenna for this type of agreement. Klimmek explained that Palmer Wireless has agreed to provide their service on a speculative basis to fill a need that the City has. As this service will benefit the City, staff has had discussion about offering a sliding scale fee for the lease agreement. The sliding scale model has been discussed with the Finance Committee and staff was directed to forward the lease agreement to Palmer Wireless. If there are no issues raised by Palmer Wireless, the signed agreement will be brought to City Council for consideration. Klimmek also noted that Palmer Wireless will be required to submit an Administrative Building Permit for review. Klimmek noted that at this time, they will only have infrastructure in place to service the Industrial Park. Council directed staff to bring the finalized lease agreement terms back to Council for consideration.

5. OTHER

Hanna Klimmek discussed the recently adopted SAC/WAC Payment Plan Policy that was approved by Council at the June 22, 2016 meeting. At the July 27th Workshop, the Council was asked to consider an amendment to the policy that would increase the maximum principal balance from \$100,000 to \$200,000 at the request of Northern Star Apartments due to gap financing concerns from the developer. Staff was directed to draft an amendment to the policy and bring to the August 10th Council Consent Agenda. Staff was also directed to bring the policy to the BLEDA to discuss other areas the policy could be amended including requiring the applicant to prove their gap in financials, maximum amount of payment plans administered at any given time, and amortization timing requirements. At the August 8th BLEDA Meeting, the Board recommended the need to obtain a Sources and Uses Statement to prove the developers gap in financing, they favored the amortization schedule to being 90 days after a Certificate of Occupancy is issued, and they did not recommend setting a cap on how many payment plans are administered at one time. BLEDA also expressed their opposition to the increase in the maximum payment plan principal balance amount. BLEDA discussed that the original intent of the SAC/WAC Payment Plan was set up for small business expansion and to attract small businesses into the community. BLEDA felt that the \$100,000 cap is sufficient for this intent. Klimmek noted that BLEDA discussed offering the developer the financing option of a 429 Assessment. Staff reviewed pros and cons of this type of financing and asked for Council feedback on if they would like to remove the SAC/WAC Payment Plan Policy amendment from tonight's Consent Agenda for further discussion. The primary difference between the Policy and an Assessment Agreement is that the 429 Assessment allows us to only enter into an agreement with the specific developer which limits the City's liability of setting precedence and having to allow other applicants to max out at \$200,000. Council discussed Sources and Uses of dollars, the need to position ourselves as best we can, noted that assessments are positioned before mortgages, and the need to have teeth in the project to get the developer to complete their projects.

Council directed that the item be removed from tonight's Consent Agenda and directed staff to proceed with discussions with the developer on the offer of a 429 Assessment Agreement.

Clay Wilfahrt provided information on the City owned Big Lake Community Service Building that is home to the Big Lake Police Department and the Library. The Cargill Room is a large room that is located in between the library and the police office. It has primarily been used for library programming and community events. The room use is guided by a policy that was developed by the City in 2010. Wilfahrt reviewed the Policy rules which stipulates who controls the use and access to the room. Currently the room reservations and inspections are administered by the library. Wilfahrt noted that this format made sense when the library was the primary tenant and the Church and Police Department were there in limited capacities with few or no administrative personnel. Wilfahrt explained that the police department now has the largest presence in the building and has the most hours which has led to an increase in need for the community room by the police department. The existing policy states that the community room will only be open during library hours. The total number of hours is about 20 hours per week. Additionally anyone wishing to use the room would need to schedule something through the library, who has limited staff and limited staff hours. The police department is open 40 hours per week, and has a presence in the building 24 hours a day on most days, so the room can be monitored at all hours. Staff is proposing that the Police Department be the main contact for administration of the room. Changes to the policy that staff is proposing would greatly increase the availability of the room and the times available to schedule the room. Wilfahrt also noted that the name of the room "The Cargill Room" has led to some confusion. Persons intending to come to an event at the Cargill room have often been misled by its name and gone to Cargill's industrial plant looking for a meeting. Due to this confusion staff is recommending a name change to the "Big Lake Community Room". The room was honorarily named the Cargill room after a donation of a few thousand dollars from Cargill about a decade ago. Wilfahrt presented a draft of a new policy and is seeking Council's feedback. Staff would also like direction on bringing this item to a future regular agenda, along with allowing the City Administrator to make all final decisions on use of the Community Room until a new policy is adopted. Council questioned if the Library has any comments on the policy changes. Wilfahrt noted that staff wanted to put the draft in front of the Council before specifics were presented to the Library. Council stressed that they want to be sure the Library has priority over outside parties to use the space.

Council directed staff to proceed with finalizing the draft policy for future Council consideration. The general consensus of the Council was also to authorize the City Administrator to make all final decisions on use of the Community Room until a new policy is adopted.

6. ADJOURN

Council Member Hansen motioned to adjourn at 5:39 p.m. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

08/24/16
Date Approved By Council