

**BIG LAKE CITY COUNCIL
REGULAR MEETING MINUTES
SEPTEMBER 12, 2012**

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 Todd Bodem, Finance Director Paula Mastey, City Clerk Gina Wolbeck, Senior Planner Katie Larsen, Public Works Director Mike Goebel, Police Chief Joel Scharf, Fire Chief Randy Miller, and City Engineer Brad DeWolf of Bolton & Menk, Inc.

4. OPEN FORUM

Mayor Kampa opened the Open Forum at 5:02 p.m.

Gary Snyder – Spoke to the issue of raising taxes. Snyder stated that he feels there is no justification for the raising of taxes.

Mayor Kampa closed the Open Forum at 5:05 p.m.

5. PROPOSED AGENDA

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

6. CONSENT AGENDA

Mayor Kampa asked that item 6F be removed for separate consideration. Audience member Gary Snyder asked that item 6A be removed for separate consideration. Council Member Danielowski motioned to approve the Consent Agenda with the removal of items 6A and 6F for separate consideration. Seconded by Council Member Langsdorf, unanimous ayes, consent agenda approved. The Consent Agenda consists of: 6B) Approve Regular Council Meeting Minutes of August 22, 2012, 6C) Accept Exempt Raffle Permit from Big Lake Sno-Cruisers to be held on September 29, 2012 at McPete's Sports Bar and Lanes, 6D) Approve Charitable Event Temporary Sign Permit Fee Waiver for the 5K Walk/Run for Hope Event scheduled on September 22, 2012, and 6E) Authorize Paula Mastey be moved from Probationary Status to Regular Employee Status.

6A) Approve Budget Workshop Minutes of August 22, 2012

Gary Snyder stated his concern that Council would be certifying a levy amount to the County Auditor. Council explained the difference between certifying a Preliminary Levy in September and adopting the final Levy in December.

Council Member Langsdorf motioned to approve the August 22, 2012 Budget Workshop Minutes as presented. Seconded by Council Member Wallen, unanimous ayes, motion carried.

6F) Set Budget Workshop on Wednesday, October 3, 2012 at 4:00 p.m. in the City Council Chamber

Mayor Kampa asked for an additional budget Workshop to be held on Tuesday, September 25th along with the proposed October 3rd Workshop.

Council Member Danielowski motioned to set Budget Workshops on Tuesday, September 25, 2012 and Wednesday, October 3, 2012 beginning at 4:00 p.m. Seconded by Council Member Wallen, unanimous ayes, motion carried.

7. BUSINESS

7A. Northern Star Apartments – Final Plat, Development Contract, Maintenance Agreement, and Warranty Deed

Katie Larsen reviewed the Final Plat application submitted by Homestead Multi-Family Development Corporation for the Northern Star Apartments project. The site is located at the southeast corner of Forest Road and Station Street in the TOD area near the Big Lake Station. Larsen explained that the project is proposed to be a 76 unit apartment complex

consisting of two, 3-story apartment buildings, conjoined by a single story community center. The development is proposed to be constructed in 2 phases. Phase 1 will include 38 units, and Phase 2 will include 38 units and the community center space. Larsen also reviewed the Development Contract, Maintenance Agreement and Warranty Deed that will require Council approval.

Mike Schneider discussed a change in fees in the Development Contract and asked Council to consider reducing the fees to what he was initially quoted in 2011. Larsen explained that when the developer first proposed the project, 2011 fees were in place. Every year, staff and Council reviews the entire fee schedule to determine if the fees in place are covering the City's costs for each line item. SAC and WAC fees were increased approximately \$200 per unit on the 2012 Fee Schedule to cover true expenses the City incurs. As the Development Contract was drafted in 2012, and the building permit will be pulled in 2012, staff's recommendation is that the developer pay fees from the 2012 fee schedule.

Council clarified that the developer has already received TIF assistance on this project and that park dedication fees have also been held off on the 2nd phase of the project as an incentive. If the developer doesn't cover all costs associated with the development, the waived fees would have to be passed on to taxpayers. Staff noted that the difference between SAC/WAC fees from 2011 to 2012 are \$18,000 and explained that SAC/WAC fees are generally calculated at time the building permit is pulled. Council explained to the developer that the City Council has made a collective agreement to stick to the fees set in the fee schedule as the costs need to be covered by the developer, not the taxpayers. Council also discussed concerns with setting a precedence on reducing fees. Todd Bodem explained that staff's recommendation continues to be that in order to cover our debt service, we would need to collect fees identified on the 2012 fee schedule.

Council Member Langsdorf motioned to approve Resolution No. 2012-55 approving the Final Plat of Northern Star Apartments, Development Contract, Maintenance Agreement and Warranty Deed for the Homestead Multi-Family Development Corporation project known as Northern Star Apartments as presented. Seconded by Council Member Wallen, unanimous ayes, motion carried.

7B. LGL Real Estate Investments, LLC – Special Assessment Deferral Request

Todd Bodem discussed the assessment deferral request submitted by Larry Palm from LGL Real Estate, LLC. Palm has requested the City defer payment of all the special assessments for Outlot parcels 65-546-0060 and 65-546-0070 in the Big Lake Marketplace 3rd Addition for a period of 18 months. Bodem noted that staff is recommending Council deny this request as that action could set a precedence for deferral of other special assessments.

Larry Palm from LGL Real Estate, LLC discussed that they are having some of the same financial challenges as the City. Palm noted that carrying these costs are becoming monumental. Palm also clarified that they are not asking for a waiver, they are just asking for an 18 month deferral. Council questioned what will happen in 18 months when their financial situation hasn't changed. Palm explained that they will pay the assessments at that time.

Paula Mastey noted that the Assessments total \$42,600 per year which would total out to be a \$61,000 deferral amount for 18 months. Mastey reminded Council that the bonded debtness still needs to be covered by the City whether the assessments are paid or not. Council discussed their concern with setting a precedence on deferring assessments.

Palm questioned if the City could restructure the amount due. Palm also discussed how the parcels are taxed and informed Council that they will be going to the County to ask for a reclassification and will be coming back to the City asking for a rezone to agricultural. Council noted that they strongly support the project, but that the fix cannot come from the City's budget.

Council Member Danielowski motioned to deny the Special Assessment deferment request submitted by LGL Real Estate, LLC for parcels 65-546-0060 and 65-546-0070. Seconded by Council Member Wallen, unanimous ayes, motion carried.

7C. Set the Preliminary 2013 Tax Levy

Paula Mastey reviewed the proposed 2013 Preliminary Property Tax Levy which included both the operating levy and special levies for the City. The proposed Levy of \$3,493,265.00 is a \$199,224.00 increase over the 2012 property tax levy. Mastey explained that the preliminary levy can be reduced, but cannot be increased prior to the final levy certification in December. Mastey explained that \$111,000 (3%) of the levy is associated with debt payments, and \$67,000 is for a special revenue levy (EDA special revenue fund) currently operating on a negative cash flow which has become a significant audit finding. Mastey clarified that the funds being put into the EDA special revenue fund won't offset the current negative balance, it will just prevent it from becoming worse. Mastey clarified that the 2012 Budget and Levy used \$137,000 in fund reserves while the 2012 Budget and Levy contains zero dollars in fund reserves. Mastey reviewed the annual and monthly increases residential property owners and commercial businesses would experience at a 6% increase.

Council Member Danielowski motioned to approve a zero increase in the 2013 Preliminary Budget and Levy. Seconded by Council Member Backlund, vote failed with a 2:3 vote with Council Members Backlund and Danielowski voting aye, and Council Members Kampa, Langsdorf, and Wallen voting nay. Motion failed.

Council Member Danielowski discussed the possibility of using Local Government Aid dollars to offset the zero increase. Mayor Kampa suggested using the 3% bonded indebtedness percentage as the increase amount for the Preliminary Levy to ensure those payments are covered. Council Member Langsdorf noted that while Sherburne County is at a zero increase on their Preliminary Levy, they are drawing heavily on their reserves to balance their budget.

Council Member Langsdorf motioned to approve Resolution No. 2012-57 adopting the Preliminary 2013 Tax Levy at a 6% increase from the 2012 Tax Levy. Seconded by Council Member Wallen, vote passed with a vote of 3:2 with Council Members Kampa, Langsdorf, and Wallen voting aye, and Council Members Backlund and Danielowski voting nay. Motion carried.

7D. Traffic Safety Diversion Program

Joel Scharf reviewed the proposed Traffic Safety Diversion Program that would allow Big Lake Police Officers to issue a summons for first time traffic offenders to attend a traffic safety class in lieu of paying a traffic ticket. Scharf noted that the Sherburne County Sheriff's Office and the City of Becker have well established, successful programs that the Big Lake program could be modeled after. Benefits of the program include providing first time offenders the opportunity to receive training with the goal of building safe driving habits. The program would also provide the opportunity for officers to interact in a positive environment with members of the community.

Council Member Wallen motioned to approve the establishment of a Big Lake Traffic Safety Diversion Program and to approve an amendment to Ordinance 2011-07 amending the 2012 Fee Schedule implementing a \$75 Traffic Safety Diversion Program fee and approve Resolution No. 2012-58 authorizing summary publication of the amended ordinance. Seconded by Council Member Backlund, unanimous ayes, motion carried.

7E. DONATIONS – Big Lake Night Out Event

Joel Scharf reviewed donations made to the Police Department for the 2012 Big Lake Night Out event held on August 10th.

Council Member Danielowski motioned to approve Resolution No. 2012-59 accepting donations for the 2012 Big Lake Night Out Event. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

7F. Department updates

Fire Department

Fire Chief Randy Miller provided an update on Fire Department activities which included the annual Fire Department Dance that was held on August 25, 2012, informed the Council of the upcoming October 14th open house at the Fire Department from 11am to 2pm, and discussed the four new members that have completed firefighter 1 and have started responding to calls. Miller also noted that the department is at approximately 150 calls for the year, and that burning restrictions are in effect. No burning permits are being issued in the County at this time, but residents can continue to have recreational fires using extreme caution.

Police Department

Joel Scharf updated Council on police statistics and discussed theft issues in the City. The theft of lawn ornaments has become an issue and Scharf encouraged residents to contact the non-emergency number at the Police Department if they notice any suspicious activities. Scharf also informed Council that the Police Department is working on setting up a Facebook page for the Department. Scharf provided an Emergency Management update and informed Council that there is a County wide mitigation plan public meeting scheduled on Sept. 27th at the Sherburne County Government Center. Scharf also updated Council on charges that have been filed on three juveniles on the Saron Lutheran Church vandalism case and recognized investigator Rich Berg for his efforts in the investigation. Officer Dan Sherburne was recognized recently for his efforts in volunteering at ground zero during the 9/11 tragedy. Officer Sam Olson was recognized for his efforts in assisting with a medical.

Council clarified the misinformation provided during open forum in regards to police calls for service. Council also asked when the department will be putting call logs in the local newspaper again. Scharf indicated that he will be visiting with the newspaper to discuss implementing this information again. Council reiterated that the presence of a police force is a great deterrence of criminal activities.

Debbie Cochiarrello asked if the department has a crime watch program. Scharf discussed the "Block Clubs" which are similar to neighborhood watch programs and are coordinated by Officer Cindy Finch. Scharf also encouraged citizens to watch their surroundings and environment explaining that eyes in the community can help solve many crimes.

Community Development Department

Katie Larsen reviewed efforts of the Community Development Department and explained various job duties of staff. Larson also updated Council on recent activities in the department. KleinBank is moving along on the construction of their new facility at the

corner of Hwy 10 and CR 43, the status of the Lake Shopping Center 4th Addition project, the final plat for the Northern Star Apartments project, the Crossings of Big Lake, the filing of the Station Street Select East Plat, the status of the Friendly Buffalo remodel project, and the space needs assessment.

Public Works Department

Mike Goebel from the Public Works Department updated Council on recent activities in the Public Works Department including street markings, the biosolids plant operation, cleaning storm sewers, the new utility billing process, water meter readings and how to check for high usage concerns, the work being done by T-Mobile on the Lakeside Park water tower, and maintenance being conducted at the new River Oaks Park. Goebel informed Council of the plan to hold an open house at the River Oaks Park sometime in May 2013. Goebel also noted that public works staff continues to work on equipment repairs. Goebel informed Council that public works will be coordinating a tour of the Waste Water Treatment Plant either this fall or during the next operational run.

8. LIST OF CLAIMS

8A. Consider List of Claims

Council Member Danielowski motioned to approve the List of Claims ranging from Check No. 63332 through Check No. 63563 with the exception of Check No's. 63336, 63401, 63402, and 63403 for separate consideration, and Electronic Payments #1805E to #1817E. Seconded by Council Member Wallen, unanimous ayes, motion carried.

8B. Consider AutoStop Payment in the Amount of \$738.90

Council Member Wallen motioned to approve payment of Check No. 63402 in the amount of \$738.90 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 Payments in the Amount of \$116.24 and \$184.53

Council Member Wallen motioned to approve payment of Check No. 63336 in the amount of \$116.24 and payment of Check No. 63401 in the amount of \$184.53 payable to Audio Communications. Seconded by Council Member Danielowski, 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.

8D. Consider Mona Backlund Election Judge Payment in the Amount of \$77.99

Council Member Danielowski motioned to approve payment of Check No. 63403 in the amount of \$77.99 payable to Mona Backlund. Seconded by Council Member Langsdorf, 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** – No report given.

10. **MAYOR & COUNCIL REPORTS and QUESTIONS/COMMENTS**

Council Member Backlund: Reviewed the September Parks Advisory Meeting.

Council Member Danielowski: Reviewed League of MN Cities committee meetings.

Mayor Kampa: Discussed the Xcel Energy Community Meeting, the Met Council Outreach Meeting, and informed the public of the upcoming Movie in the Park event scheduled on September 14th. Mayor Kampa also discussed the Block Party that was held on September 8th.

11. **OTHER** – No other.

12. **ADJOURN**

Council Member Langsdorf motioned to adjourn at 6:28 p.m. Seconded by Council Member Backlund, unanimous ayes, motion carried.

Gina Wolbeck
Clerk

Date Approved By Council _____ 09/26/12