

**BIG LAKE CITY COUNCIL
REGULAR MEETING MINUTES
SEPTEMBER 14, 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: Interim City Administrator Todd Bodem, City Clerk Gina Wolbeck, Community Economic Development Director Jim Thares, Senior Planner Katie Larsen, Public Works Director Mike Goebel, Police Chief Sean Rifenberick, Assistant Fire Chief Paul Nemes, Liquor Store Manager Jan Kostrzewski, City Attorney Soren Mattick of Campbell Knutson, City Engineer Brad DeWolf of Bolton & Menk, Inc.

4. OPEN FORUM

Mayor Kampa opened the Open Forum at 5:01 p.m. No one came forward. Mayor Kampa closed the Open Forum at 5:02 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

Council Member Danielowski motioned to approve the Consent Agenda with the removal of item no. 6F for separate consideration. Seconded by Council Member Backlund, unanimous ayes, consent agenda approved. The Consent Agenda consists of: 6A) Approve

Special Council Meeting Minutes of August 22, 2011, 6B) Approve Budget Workshop Minutes of August 22, 2011, 6C) Approve Regular Council Meeting Minutes of August 24, 2011, 6D) Approve City Administrator Professional Announcement and Position Profile, and 6E) Approve Community Reader Board Sign Use Policy.

6E) Approve Moving Part Time Lead Liquor Store Clerk Lisa Miller to Regular Employee Status

Council Member Danielowski asked for clarification on the responsibilities of the lead liquor clerk position. Jan Kostrzewski reviewed the supervisory duties of the position and explained the 5 step wage schedule that was established when the position was approved. Council questioned if the wage schedule is in line with other part time positions. Kostrzewski explained that the position was created to replace the former Liquor Store Assistant Manager position but at a lower wage due to budget constraints. Kostrzewski reiterated that the lead position has specific supervisory duties, which is why the position has a higher wage schedule than a regular part time employee. Todd Bodem reviewed pay equity compliance requirements for cities.

Council Member Danielowski motioned to approve moving Lead Liquor Store Clerk Lisa Miller from probationary to permanent part time employment status. Seconded by Council Member Wallen, unanimous ayes, motion carried.

7. BUSINESS

7A. Preliminary 2012 Tax Levy

Brad Falteysek reviewed the Payable 2012 Preliminary Property Tax Levy which included both the operating levy and the special levies for the City. Falteysek identified that the Proposed 2012 property tax levy is \$3,458,743 which is a \$164,702 (5%) increase over the final 2011 Property Tax Levy. Falteysek explained that the levy being proposed can be reduced. Staff continues to work through various cost-cutting scenarios which could allow for the reduction of the property tax levy for the City. As tax capacities are calculated at the county level, staff will provide Council with a better analysis as to the impacts to residential and commercial properties. Council Member Danielowski questioned if the library expenses are supposed to be paid out of reserves instead of out of the general fund. Council Member Danielowski also asked to hold the Levy Public Hearing prior to the adoption of the Levy to provide Council adequate time to consider comments from residents. Council stressed the need to continue to cut costs to keep the City tax rate at an acceptable level.

Council Member Danielowski motioned to approve Resolution No. 2011-69 adopting the Preliminary 2012 Tax Levy. Seconded by Council Member Wallen, vote passed with a vote of 4:1 with Council Members Danielowski, Kampa, Langsdorf, and Wallen voting aye, and Council Member Backlund voting nay. Motion carried.

Jim Thares discussed the recommendation from the BLEDA asking the City establish an Economic Development Levy between \$30,000 to \$45,000 for the BLEDA to utilize for marketing efforts, economic development tours and events, loan program seed dollars, and to conduct studies. Council Member Langsdorf questioned how much this Levy would increase the tax rate. Brad Falteysek explained that the tax rate would increase approximately 1% for every \$30,000 levied. Jim Thares noted that the Levy would help Big Lake to compete with surrounding areas and would give the City a bigger tool to carry out the tasks of the BLEDA. Council questioned how much the City currently budgets in the general for EDA activities. Staff noted that if Council wishes to set a Preliminary EDA Levy, the amount can be reduced, but not increased prior to final adoption in December.

Council Member Langsdorf motioned to approve Resolution No. 2011-70 adopting the Preliminary 2012 EDA Tax Levy at an amount not to exceed \$30,000. Seconded by Council Member Wallen, unanimous ayes, motion carried.

7B. Duffy Development SCDP Grant Assignment

Jim Thares discussed the request submitted by Duffy Development asking the City to consider assigning their \$330,000 SCDP grant award to a non-profit organization to allow Duffy to make the most effective use of its Section 42 Federal Tax Credits. Duffy Development is proposing that the Community Housing Coalition (CHC) act as the responsible entity for the SCDP grant funding in the form of a deferred, low interest loan to the developer. Thares explained that the deferral will stay in place as long as the development remains affordable according to MN Housing and DEED definitions for the duration of the loan term of 30 years. Thares noted that the proposed assignment and loan structure will help the developer to avoid taxation issues in the Federal Tax Code. Thares also noted that the City attorney has reviewed the request and finds the terms acceptable.

Jeff Von Feldt from Duffy Development reviewed the tax credit process and assured the Council that there is no risk to the City to assign the grant. Thares reviewed the five year reporting requirement and noted that the City will receive funds to cover our costs to administer this reporting. Brad Falteysek informed Council that there could be additional auditing requirements with the assignment of this grant. Thares assured Council that all the City's costs will be covered which includes any additional auditing costs that will be covered by the developer.

Council Member Wallen motioned to approve Resolution No. 2011-71 authorizing the City Council to assign the \$330,000 SCDP grant funding award to the CHC subject to the terms and conditions of the grant agreement between the City and CHC and with the provision that all repayments from "The Crossings of Big Lake" back to CHC be reused/utilized for affordable housing development activities in the City of Big Lake. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

7C. Floodplain Ordinance Amendment

Katie Larsen reviewed the planners report for the Floodplain Ordinance Amendment. Larsen explained that in 1968, Congress created the National Flood Insurance Program (NFIP) in response to rising cost of taxpayer funded disaster relief for flood victims, and the increasing amount of damage caused by floods. The Federal Emergency Management Agency (FEMA) manages the NFIP, and oversees the floodplain management and mapping components of the Program. Nearly 20,000 communities across the United States participate in the NFIP by adopting and enforcing floodplain management ordinances to reduce future flood damage. In exchange, the NFIP makes Federally backed flood insurance available to homeowners, renters, and business owners in these communities. The City of Big Lake participates in the NFIP and currently uses the May 4, 2000 FEMA issued Flood Insurance Rate Map (FIRM). FEMA has been in the process of updating the Flood Insurance Study and FIRM for Sherburne County, including Big Lake. Larsen noted that in order to remain a participant in the NFIP, the City must update its Floodplain Ordinance to reflect changes in the revised FIS and FIRM by November 16, 2011. The City has received conditional state approval and is seeking Council approval on the proposed ordinance.

Council Member Danielowski motioned to approve Ordinance No. 2011-05 enacting revisions to the Municipal Code relating to Floodplain Districts and approve Summary Publication Resolution No. 2011-72. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

7D. Water Shut Off Update

Mike Goebel updated Council on water shut off efforts that were started earlier this summer. To date there have been 281 delinquent accounts of which 35 were shut off. The remaining 174 accounts that received shut off notices are being processed this week. Goebel noted that the shut off process has been effective, but time consuming for both public works staff and the finance department. Public Works staff have shifted or deleted tasks to accommodate the shut off process while the finance department continues to fall behind on their tasks. With the work load and short staff situation, staff is asking to stop the shut offs temporarily until staff can catch up on their tasks. The timing for delaying shutoffs would be appropriate as the City will be gearing up to start the assessment procedure for year end assessments of delinquent utility accounts. With this timeframe, shut offs would most likely start up again in November.

Council Member Wallen motioned to authorize staff to proceed with the fall assessment process and to hold off on water shut offs until after the assessment process is complete. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

7E. Finance Update

Brad Falteysek from AEM, Inc. provided the September finance update and answered questions from Council.

Council Member Danielowski motioned to call for a Special Meeting on Wednesday, November 30, 2011 at 6:00 p.m. in the City Council Chambers located at 160 Lake Street North, Big Lake, MN to hold a Budget and Tax Levy Public Hearing. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

7F. City Hall Furlough Discussion

Todd Bodem provided information on the need to reinstate 40 hour work weeks for the administrative staff at City Hall. At the beginning of the year, all administrative staff at City Hall were put on 36 hour work week furloughs. The Senior Planner and City Planner were returned to regular hours in April 2011. Staff that is currently restricted to a 36 hour work week includes the City Clerk, EDA Assistant, and Finance Assistant. Bodem identified immediate staffing needs which include water shut offs, storm damage building permits, development proposals, the space needs study, and upcoming assessment procedures. With most of these duties being unanticipated events, staff concern is that tasks will get too far behind and that morale is at risk coupled with a noticeable reduction in service delivery. Bodem also identified a source of funding for the reinstatement which would come from unbudgeted LGA funds that the City has already received.

Council discussed the need to reinstate City Hall staff back to a 40 hour work week, and noted the staffing differences that exist now compared to when the original 2011 budget was set.

Council Member Wallen motioned to reinstate the 40 hour work week for the City Clerk, EDA Assistant, and Finance Assistant for the balance of 2011. Seconded by Council Member Backlund, unanimous ayes, motion carried.

7G. City Showcase Award

Katie Larsen informed Council that the City has been selected as a participant in the 2011 National League of Cities City Showcase for our accomplishments on the Highway 10/25 Improvement project. The City is one of 36 applicants to be honored nationwide at this event. Larsen also asked Council to set a Special Gathering for the dedication of the new Jefferson Square Park to be held on Wednesday, September 28, 2011 at 4:30 p.m.

Council Member Danielowski motioned to call for a Special Gathering on Wednesday, September 28, 2011 at 4:30 p.m. at Jefferson Square Park located at the intersection of

Highway 10/25, Big Lake, MN to hold a dedication ceremony for the new park and intersection improvements. Seconded by Council Member Wallen, unanimous ayes, motion carried.

7H. DONATION – Sherburne County Agricultural Society

Paul Nemes reviewed the donation provided by the Sherburne County Agricultural Society in recognition for the assistance provided by the Big Lake Fire Department during the Sherburne County Fair event. Nemes thanked the Sherburne County Agricultural Society for the generous donation and thanked the Fire Department staff who volunteered their time helping out at the fair.

Council Member Langsdorf motioned to approve Resolution No. 2011-73 accepting a donation that has been made to the City of Big Lake towards the Big Lake Fire Department. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

8. LIST OF CLAIMS

Council Member Langsdorf motioned to approve the List of Claims ranging from Check No. 61435 through Check No. 61449, and Electronic Payments #1447E to #1458E. Seconded by Council Member Wallen, unanimous ayes, motion carried.

Gina Wolbeck explained that the List of Claims was very minimal due to the increased workload in the finance department. Wolbeck noted that the List of Claims presented at the next meeting will be substantially larger.

9. ADMINISTRATOR'S REPORT

Todd Bodem discussed the Xcel Energy Civic and Business Leaders meeting and informed Council that the City of Monticello has invited the City of Big Lake to attend an informational meeting relating to fiber optic services. Mayor Kampa and Council Member Backlund volunteered to attend this meeting with Interim Administrator Bodem.

10. MAYOR & COUNCIL REPORTS and QUESTIONS/COMMENTS

Council Member Backlund: Reviewed the September EDA Meeting.

Council Member Danielowski: Discussed the Greater MN Organization meeting that she attended with Jim Thares. Council Member Danielowski also reviewed the September Community Education Advisory Meeting and the upcoming 1-day Bond Sale special election that will be held at Independence Elementary on September 20th.

Mayor Kampa: Provided an update on the September 9th Movie in the Park event and thanked the financial sponsors of the event.

Council Member Wallen: Discussed the September Parks Advisory Board Meeting and informed the public of the City's concern with graffiti and vandalism that has been occurring in our park system.

11. **OTHER** – No other.

12. **ADJOURN**

Council Member Langsdorf motioned to adjourn at 6:27 p.m. Seconded by Council Member Backlund, unanimous ayes, motion carried.

Gina Wolbeck
Clerk

Date Approved By Council _____ 09/28/11