

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES
NOVEMBER 20, 2013**

1. CALL TO ORDER

Mayor Danielowski called the meeting to order at 6:00 p.m.

2. ROLL CALL

Council Members present: Dick Backlund, Nick Christenson, Raeanne Danielowski, Seth Hansen, and Mike Wallen. Also present: City Administrator Todd Bodem, Finance Director Jessica Green, City Clerk Gina Wolbeck, Public Works Director Mike Goebel, Police Chief Joel Scharf, and Liquor Store Manager Jan Muehlbauer.

3. PROPOSED AGENDA

Council Member Wallen motioned to adopt the proposed Agenda with the addition of item 4F. City Technology Discussion. Seconded by Council Member Hansen, unanimous ayes, agenda adopted.

4. BUSINESS

4A. 2014 Budget and Levy Discussion

Jessica Green reviewed the proposed 2014 Budget and Levy. Green reviewed the Total City Market Value by year, which determines the City tax capacity and tax rate each year. Green also reviewed the City levy by year, along with revenues and expenditures by year. Green noted that the 2014 budget is considered a balanced budget with no draws on reserves, which should remain at approximately 57.13%. Council questioned if any of the leases at the 790 Minnesota Avenue property are calculated into the 2014 budget. Staff noted that Wreckless Driving Academy is on a month-to-month lease and has remained current on their payments. The Alive Worldwide lease has not been current and their lease will end when the City takes ownership. Staff noted that no dollars have been budgeted for lease revenue as the City does not have a history on the building. Staff discussed that any lease dollars collected should be set aside for incidental costs that could be incurred with the ownership of the building.

Green discussed the need for Council to complete an overall review of our CIP in early 2014. Green also noted that including the 2014 levy increase, the overall levy increase in the last five years has been 1.04%.

Council Member Hansen identified that the City financially is in a hole, and that we have to do what's necessary to correct the current budget issues. Hansen also expressed that we

need to budget appropriately for the City's needs better than we have in the past. Council Member Christenson stated that he doesn't necessarily like the levy increase that we are facing, but that he feels residents will appreciate it in the future. Mayor Danielowski noted that we need to allocate and document where LGA dollars are being used. Danielowski also stated that we have to take care of our infrastructure which will cost money. Discussion was held that Council and staff need to advocate that we are doing the right thing for our City. Staff also noted that Sherburne County has indicated that the market values have hit the bottom and should start to climb back up. Council Member Backlund stated that he is fine with the 9.22% as it is necessary to get our debt under control. Backlund also stated that he feels department heads have done a good job of trimming waste over the years. Council Member Wallen stated that he has been advocating for a levy increase since he was elected to Council.

Green noted that the 2014 budget includes a 2% COLA increase, and reviewed proposed LGA dollars expected in 2014. Staff discussed possible uses which could include additional staff training, possible additional staff to assist with shutoffs, and a strong need for a permit tech/receptionist position. Mayor Danielowski questioned where we are at with the compensation study. Staff noted that meetings have been held with staff and that Springstead is working on the study. Council directed staff to proceed with the budget/levy as discussed to the November 25th Public Input Hearing.

4B. Proposed 2014 Fee Schedule Changes

Jessica Green reviewed proposed changes to the 2014 Fee Schedule which include changes to water and sewer rates, storm sewer drainage utility fees, the addition of a street light utility fee, amendments to building permit fees, and reductions to some zoning fees. Discussion was also held on increasing the water shut-off/turn-on/no heat rates to \$25 each. Council also directed staff to discontinue compounding late fees.

4C. Fuel Oil Cost Report

Mike Goebel provided cost comparisons on the City purchasing fuel in bulk, or continuing to fuel city vehicles at Super American Gas Station in Big Lake. Goebel noted that while the City has historically found a savings by purchasing bulk diesel fuel from Beaudry Oil, it has not proven cost effective to purchase bulk regular fuel oil. Goebel explained that new price comparisons were obtained on September 23, 2013 and these same findings were quoted.

4D. Proposed Street Light Fee Discussion

Todd Bodem discussed previous Council direction for staff to proceed with drafting an Ordinance to implement a Street Light Fee. Bodem explained that the intent of this type of fee would be to offset street light expenditures. The fee will be added to residential and business utility bills at the beginning of 2014. Bodem explained that the adoption of this type of Ordinance does not statutorily require a public hearing or a notification process prior to adoption, but that the City does have the option of holding a public hearing to take

public comment on this type of fee. Bodem asked for Council feedback on how they would like to proceed with adoption of this fee. Council directed staff to place this item on the December 11th Consent Agenda.

4E. 790 Minnesota Avenue Space Use Discussion

Todd Bodem discussed possible use ideas for the property located at 790 Minnesota. Bodem explained that the City is scheduled to close on the purchase of this property on December 18th and staff is looking for Council feedback on potential uses for vacant areas in the building. Joel Scharf reviewed spaces the police department could utilize for additional space for the police department.

Council Member Hansen left the meeting at 8:25 p.m.

4F. City Technology Discussion

Gina Wolbeck and Kevin Thompson from DataSuccess, Inc. discussed quotes received from Charter Communications, Vocalocity, and Marco for upgrades to internet and phone services. Wolbeck expressed the cost savings the City could experience by switching services from Windstream to Charter. Thompson discussed the type of services Charter can offer compared to Windstream. Council directed staff to proceed with executing internet and phone contracts with Charter Communications at all City buildings where this service is available.

5. **OTHER** – No other.

6. **ADJOURN**

Council Member Christenson motioned to adjourn at 8:40 p.m. Seconded by Council Member Wallen, unanimous ayes, motion carried.

Gina Wolbeck
Recorder

12/11/13
Date Approved By Council