

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES**

JULY 22, 2020

1. CALL TO ORDER

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

2. ROLL CALL

Council Members present: Seth Hansen, Rose Johnson, Paul Knier, Mike Wallen, and Scott Zettervall. Also present: City Administrator Clay Wilfahrt, Finance Director Deb Wegeleben (via Zoom), Community Development Director Hanna Klimmek, City Engineer Layne Otteson, Police Chief Joel Scharf, City Clerk Gina Wolbeck, Liquor Store Manager Greg Zurbey, Code Enforcement Officer Jack Johansen, and Big Lake School Liaison Ella Dotzler.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. 2021 Budget Discussion

Deb Wegeleben provided information on the 2021 General Fund and Enterprise Fund budget concept numbers, and the proposed Capital Improvement Plan (CIP) needs. Wegeleben explained that the Net Tax Capacity is projected to increase 7.33% over 2020, and the total Levy amount for 2021 is projected at \$4,906,022 which is an increase of \$340,069. The tax rate is projected to remain almost flat at 50.59%. Wegeleben also discussed the General Fund Levy increase of \$309,691 for a total amount of \$3,601,402, a Debt Levy increase of \$30,378 for a total amount of \$1,174,629, and that the EDA Levy is projected to remain the same at \$130,000. Wegeleben also reviewed current budgeted expenditures. Expenditure items causing significant change from the 2020 budget include an increase to wage/benefits by \$183,208, an increase of 6% to Health Insurance premiums, an approximate 5% increase to workers compensation insurance, a 1.8% COLA increase to the comprehensive pay scale, and projected step increases of 3%. Wegeleben also noted a 9.04% increase to professional services, a 6.82% increase to the operations line item, and a decrease of \$40,683 in transfers to other funds. Wegeleben also discussed proposed budgeted revenues. Revenue items causing significant change over the 2020 budget include a decrease of \$65,336 in license and permit revenues, and the Liquor Store transfer leveling off at \$450,000.

Wegeleben noted that at this time, Staff is specifically seeking feedback on personnel line items with the anticipation of further in-depth discussion on the overall budget in August. Council asked for information on what the process will be for setting our budget. Wegeleben noted that Council will be asked to set the Preliminary in September and the final budget in December. In the past,

budget discussion has been on Council Workshop agendas as needed from August throughout the adoption of both the Preliminary and Final Budgets. Council Members also discussed the benefits of setting a special budget workshop in the coming weeks to provide adequate time to review budget and levy needs. Council also asked for further discussion on the overall budget at tonight's Workshop if time allows.

Council Member Hansen stated that he feels the COLA increase is not a huge amount, but noted that we should be considerate of the financial situation we are in. Hansen also discussed that we have received our first half LGA which we weren't sure we would get. Hansen recapped that when the recession hit in 2008, we did have to restrict COLA increases. Hansen also stressed that he feels the Council overall has been in favor of lowering debt and we have made great strides in reducing our debt. Hansen expressed that to run a City effectively, we are going to have debt.

Council Member Johnson stated that she is in complete agreement that we need park attendants at Lakeside Park. Johnson discussed that her initial reaction to a COLA increase was that it might not be the best time for increases due to the environment, and stated that she feels we should follow private industry in COLA increases. Johnson discussed debt and projects that require large amounts of funds, stressing that bonding allows for a better fixed asset cost distribution for both current and future residents. Johnson stressed that she doesn't feel our debt is out of control.

Council Member Knier reviewed discussions at the Finance Committee meeting where they landed on a 1.8% COLA increase, as that was where inflation is at. Knier stated that since that committee meeting, he now feels the COLA increase seems a little high, noting that we should follow the private sector. Knier discussed the possibility of doing a partial increase, and relooking at it mid-year. Knier also discussed paying down debt, and the need to use cash for future street projects when we are able to. If we don't have to borrow to do street projects this would save taxpayers interest costs and would give our City freedom and flexibility during unexpected financial times. Knier stated that while he appreciates that our debt has gone down, he would like to see it lower. Knier also stated that he feels we should wait to budget for the Full-time Fire Chief position until we have the need for the position.

Council Member Zettervall stated that he wants to make sure City government isn't growing faster than the City itself, and would like to see the City tax rate trend down. Zettervall discussed that he prefers to leave in the proposed Full-time Fire Chief position and if we don't hire, then instead of transferring those funds to the street project fund, the dollars could be used to lower the levy amount the following year.

Mayor Wallen stressed that we have worked really hard to build the team that we have and we need to remember that. Wallen also stressed that we have reduced 56% off our debt amount in ten years, and reminded Council that bonds have restrictions on pay back. Wallen indicated that our bond rating continues to improve, and noted that we are doing a tremendous job of paying down debt and gave City Staff credit for their efforts.

Council directed Staff proceed with scheduling a Special Workshop at 5:00 p.m. on Tuesday, August 4, 2020 to further discuss the 2021 Budget.

4B. Review Proposed Guidelines for Small Cell Facilities

Jack Johansen discussed the Small Cell Wireless Facility Aesthetic Requirements that were approved by Council in April 2019. The City's intention was to protect the look and location of Small Cell installations within public rights-of-way. Johansen noted that with evolving technology and the new 5G network, it is anticipated that an increase in small cell facilities will be installed throughout the City in the coming years. Johansen reviewed applications the City has received to-date noting that these applications will not have to adhere to any design requirements adopted after they are submitted. Johansen also noted that at the May 27, 2020 Workshop, Council directed Staff to proceed with drafting an ordinance implementing as restrictive of regulations that we are allowed to. Johansen reviewed the draft ordinance language and asked for Council feedback.

Council Member Hansen discussed the need to have higher elevations and consider site lines. Hansen also stressed that some people are going to want 5G technology and that we shouldn't have ordinance regulations that are overly restrictive.

Council Member Johnson reviewed that these companies pay substantial dollars when they implement these structures, and stated that they are not into wasting their money. Johnson stated that she has read the draft ordinance language in detail, and is comfortable with the language as written.

Council Member Knier questioned placement of support structures located directly in front of existing residential, commercial, or industrial structures, noting that he prefers to see the infrastructure as least intrusive as possible. Knier stressed that there hasn't been one study that shows 5G is safe to human beings, and sincerely hopes that we don't have similar future implications that tobacco use and weed killer has had. Knier recognized that our hands are tied with the level of restrictions we can have, but stated that he wants the ordinance to make 5G technology less dangerous, and we need to look at alternatives to mitigate future health issues. Knier stated that there are a lot of places that are banning this technology and asked if there is anything we are doing that can be done better to mitigate health concerns.

Council Member Zettervall noted that we could have multiple providers in an area. Zettervall stated that there are studies to determine the safety of 5G technology, and feels it is not the role of City government to determine the safety level of this technology. Zettervall also clarified that this ordinance language would also regulate technology that isn't necessarily going to be 5G technology.

Mayor Wallen stated that we want to be extremely strict on aesthetics. Wallen also indicated that consumer demand is what is driving this technology.

The general consensus of the Council was to direct Staff to bring the Ordinance to an upcoming meeting for consideration.

4C. New Ideas Discussion

Council Member Zettervall discussed the June ATV run, noting that the event met social distancing requirements. He feels there is demand to do that type of event again, and he has met with the Police Department and they are supportive of doing this again. The general consensus of the Council was support for hosting another ATV run sometime this fall. Zettervall also discussed the City's communication policy and questioned what triggers notification requirements. Zettervall asked if we should consider notification processes extending beyond statutory requirements. Council directed Staff to provide an update on this at a future Workshop.

5. **OTHER** – No other.

6. **ADJOURN**

Council Member Hansen motioned to adjourn at 5:51 p.m. Seconded by Council Member Zettervall, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

08/12/2020
Date Approved By Council