

**BIG LAKE CITY COUNCIL
SPECIAL WORKSHOP MINUTES
AUGUST 4, 2020**

1. CALL TO ORDER

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

2. ROLL CALL

Council Members present: Seth Hansen, Paul Knier, Mike Wallen, and Scott Zettervall. Also present: City Administrator Clay Wilfahrt, Finance Director Deb Wegeleben, Police Chief Joel Scharf, City Clerk Gina Wolbeck, City Engineer Layne Otteson, Community Development Director Hanna Klimmek, and Liquor Store Manager Greg Zurbey.

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. Council Vacancy Discussion

Clay Wilfahrt discussed the unexpected death of Council Member Rose Johnson which has created a vacancy on the City Council. Wilfahrt explained that the Council will be required to declare a vacancy and is obligated by MN Statute to fill the seat. The seat is set to be voted on in a Special Election on November 3, 2020, and Staff will be clarifying with the City Attorney next week whether the seat can be left vacant until that time, or if the Council must appoint through either an interview or a recruitment process. Wilfahrt expressed that whatever decision Council makes will be a hard choice due to the circumstances of the vacancy and the death of Rose.

Mayor Wallen acknowledged that he has struggled with what to do with Rose's seat. He noted that his initial preference was to leave the position open, but stressed the need for continuance of governance, and recognized important items coming to Council through the end of the year. Wallen stated that he feels Rose would have wanted us to fill the position in order to get the City's business done.

Council Member Hansen stated that he also initially felt we should leave the position open, but would like to hear a recommendation from the City Attorney before making a final decision. Hansen stressed that he would be opposed to appointing any person that will be running for a Council seat in November. Hansen also discussed that if we choose to appoint a person to fill the seat, we should consider appointing someone that has served on Council previously as they would be familiar with the inner-workings of City government.

Council Member Knier stated that he is in favor of leaving the seat open in honor of Rose, but would also like feedback from the City Attorney. Knier also reviewed that this seat is up for a Special Election in November and he has confirmed with the League of MN Cities that the candidate with the most votes in November would take office as soon as the votes are certified in November. Knier stressed that he feels we can leave the seat open without any major issues for a few months. Knier also discussed that if we do appoint to fill the seat, this would be the fourth appointment since 2019 using four different methods of appointment. Knier restated that he is willing to leave the seat open if authorized by the City Attorney.

Council Member Zettervall stated that his initial thought was to leave the seat open as well, but would be open to an appointment depending on what the City Attorney recommends. Zettervall also discussed the pros and cons of doing an interview process versus a recruitment process. Zettervall stressed that if Council does decide to appoint, we should look at the experience of interested persons.

4B. 2021 Budget Review

Deb Wegeleben provided updated information on the 2021 General Fund Budget concept numbers. 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 \$4,859,273 which is an increase of \$292,320 amounting to a 6.42% increase. The tax rate is projected to remain almost flat at 50.11%. Wegeleben also discussed the General Fund Levy increase of \$262,942 for a total amount of \$3,554,653, 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 \$136,762, an increase of 4% 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 5.84% increase to professional services, a 7.17% 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 \$65,273 in license and permit revenues, and the Liquor Store transfer leveling off at \$450,000. Wegeleben discussed the benefits of maintaining market rate wages, and the need to be sure our compensation plan remains competitive with other municipalities. Wegeleben provided information on what surrounding communities are proposing for COLA increases. Wegeleben also informed Council that the City's Certified Local Government Aid (LGA) amount for 2021 is \$756,115.

Council Member Hansen stated that he likes the budget as presented. Hansen also discussed that he feels the COLA increase should be set at a 2% increase, but would settle with a 1.8% increase. Hansen also reviewed full-time fire department staffing at a neighboring community who has 5 full-time fire employees, noting that he feels we are significantly under-staffed in the fire department.

Council Member Knier discussed the proposed Community Development Part-time Administrative Assistant position and asked for clarification on the difference in wage amounts between that position and the code enforcement intern position. Wegeleben compared the wage and hours worked for each position, explaining that we are going to get a permanent employee who will be invested in the City, instead of having a seasonal short-term employee. Knier stated that he is comfortable with the 1.8% COLA increase as that is comparable to inflation figures. Knier also discussed the proposed Full-time Fire position asking why we can't leave it out of the budget until a time that we approve that position, for addition into the following year's budget. Wegeleben noted that keeping the position in or removing it is a Council decision. Clay Wilfahrt discussed the complex budget amendment process, noting that if implementing the position is something Council wants to consider, it would be best to leave the funding in the 2021 budget. Wegeleben noted that to add that funding in after budget adoption, a Budget Amendment Public Hearing would be required. Council Member Zettersvall asked if Staff can provide additional information at a later time so that Council can make a determination on how to proceed.

Council Member Zettersvall stated that his goal is to see a 1% to a 1.5% reduction in the City tax rate. Zettersvall also noted that he feels a 1.8% COLA increase is appropriate, and that he would like to keep the Full-time Fire position funding in place.

Mayor Wallen reviewed past budgeting concerns, especially during the recession years when we cut our budget numbers significantly during that time. Wallen stressed that we have been scrambling ever since trying to make up for those cuts. Wallen agreed with Staff's comments about market rate wages being vital to hiring high-level City employees. Wallen also reviewed the importance of the City's decision to not budget LGA dollars, and instead fund capital purchases through LGA funds in our Capital Improvement Plan (CIP) fund, expressing that the City has, and continues to spend wisely and prudently. Wallen also recognized the amount of volunteer hours the Fire Department Staff put in, noting that he remains in favor of having the conversation of implementing the Full-time Fire Chief position. Council Member Zettersvall confirmed that it is nice to have the position in the budget so we can hire it when we need it. Wallen discussed staffing needs in the Fire Department, and Council directed Staff to bring back more information on this for further discussion.

Wegeleben reviewed the need for Council to discuss Enterprise Funds, Capital Improvement Plan (CIP) funding, and the 2021 Fee Schedule. Council directed Staff to set up a Special Workshop date for further review of these areas of the budget as well as continued discussion on the Full-time Fire position. Council indicated that we do not need continued discussion on the general fund unless Staff feels it is necessary.

Wegeleben asked Council for Council direction on proceeding with a specific COLA increase amount. This percentage will need to be presented to BLEDA Board as a percentage of the Community Development Director's wage is paid through the BLEDA levy so their approval is required. Council unanimously directed Staff to proceed with a 1.8% COLA increase for 2021.

5. ADJOURN

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

Gina Wolbeck
City Clerk

08/12/2020
Date Approved By Council