

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES
SEPTEMBER 9, 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, Paul Knier, Mike Wallen, and Scott Zettervall. Also present: City Administrator Clay Wilfahrt, Finance Director Deb Wegeleben, City Engineer Layne Otteson, Police Chief Joel Scharf, Community Development Director Hanna Klimmek, City Clerk Gina Wolbeck, Liquor Store Manager Greg Zurbey, and Big Lake Student Liaison Ella Dotzler.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. 2021 Budget Review

Deb Wegeleben reviewed the draft 2021 budget including any scenarios that could arise in the coming budget years for 2021 - 2025. One area that was changed was the allocation of wages for specific job duties that pertain to the enterprise funds. In prior budgets, these duties were allocated to the general fund, but are now being proposed to be allocated to the water and sewer funds. Additionally, a \$0.10 increase to the night shift differential pay as well as a \$0.65/hour pay increase for the lead positions within the streets, parks, water, and wastewater departments are being proposed. Also included in this budget is the additional positions and services that could possibly be implemented in year 2021 including the fire position. Wegeleben clarified that Staff has not officially vetted these positions at this time, but needed to have an estimation of expenditures to set the preliminary budget. The allocation changes plus the increases discussed result to a \$51,193 savings to the General Fund. Wegeleben also noted that if Council wishes to maintain a flat tax rate, the transfer amounts could be increased.

Council Member Zettervall stated that the budget method doesn't really matter to him, but that his goal is to lower the tax rate 1% to 1.5%, and also expressed that we can re-adjust and reallocate before we set the final budget in December.

Council Member Hansen stated that he would prefer to set the tax rate at 49.83% which equates to a 5.82% levy increase.

Council Member Knier stated that he would be ok setting the tax rate the same as last year and re-evaluate before the final levy adoption. Knier also questioned whether we should have the

\$51,193 Locates wage paid for by the levy, or paid for by water bills. Wegeleben stated that how the wage is allocated is a Council decision, but historically the wage has been allocated in-part to the water and sewer funds as well as the general fund. Staff is proposing that that full wage and benefit package be allocated fully to enterprise funds. Mayor Wallen asked that from an accounting standpoint, does it make more sense to charge and apply the wage cost to the enterprise funds, or to the levy. Wegeleben noted that by allocating all costs to the appropriate enterprise funds it would reflect a truer picture of the cost of the operations of the funds. Clay Wilfahrt discussed that the media generally reports increases/decreases to the tax levy, not the tax rate.

Mayor Wallen discussed that most residents are concerned about what will their monthly cost will be for their tax payment. Wallen stressed that the City provides services that the public expects to continue, and clarified that the City can only affect levy increases/decreases on the City's portion of the tax payment, not what the County and School levy portions will be. Wallen stressed that we shouldn't be setting our levy amount based on what other entities are setting their levy amounts at, but should set our levy based on what services we should be providing to our citizens. Wallen stated that he would like to go with the 49.83% tax levy amount for the preliminary, and to continue looking at ways to reduce the levy at final adoption in December.

Council Member Zetervall discussed that if we use a model of keeping our tax rate the same every year and not grow City expenses, this could potentially let us put more money into our CIP fund and not have to increase our debt. Wegeleben noted that if property values go down and we keep the tax rate level, it will affect the general fund. Wegeleben also clarified that we can't cut the debt levy. Wilfahrt noted that it is hard to control property tax rates as there are factors out of our control such as fluctuations in property values set each year by the County. We can however control all the factors that go into the City's levy.

Council continued discussion on the Locates wage and whether the wage should be allocated to the general fund or to the appropriate enterprise funds. The general consensus of the Council was that we shouldn't subsidize wages that should be allocated to an enterprise fund. Direct costs for the service should be allocated to the appropriate funds. The general consensus of the Council was to bring forward adoption of a Preliminary Tax Levy of 49.83% for consideration at the September 23, 2020 meeting, and to continue budget discussions prior to final adoption in December.

4B. City Hall Hours Discussion

Clay Wilfahrt reviewed previous Council discussion at the last Workshop on how summer hours have worked at City Hall. Council had directed Staff to produce a survey available to citizens, contractors, and business owners and to report back to Council with the results. Wilfahrt reviewed the survey results which indicate that extending the current summer hours to be year-round is the most popular option. There was overwhelming support for consistent hours year-round, and some survey participants mentioned that they would like to see evening or weekend hours as well. Wilfahrt also reviewed that participants expressed that they prefer an extension of hours beyond "normal business hours", favoring the longer hours Monday – Thursday because they allow residents to come in before and after work. Wilfahrt also noted that there seems to be

a desire among some to push evening hours even further. Staff believes there is obvious support for making the current summer hours permanent. It accomplishes the public's preferences of keeping City Hall open later, while also keeping things consistent. Wilfahrt reviewed other alternatives including longer work hours Monday through Thursday and closing City Hall on Fridays, and the option to have City Hall open later on Wednesday evenings since many Staff are already working late on Wednesdays due to meetings. Staff's recommendation is to make the current "summer hours" permanent and asked for Council feedback.

The consensus of the Council was the need for consistent hours based on citizen feedback. Council directed Staff to bring back a Personnel Policy amendment to change core hours to 7:30 a.m. to 5:00 p.m. Monday through Thursday, and 7:30 a.m. to 11:30 a.m. on Fridays throughout the year.

4C. Update on Street and Utility Repair Work

Layne Otteson provided an update on repairs needed on street and utility work in 2020. With Council rejecting the ST2020-2 bids due to the high costs, Staff has been meeting with contractors to discuss the work needed to be done this year. Currently all work that was planned in the bid is still being considered. Several paving and utility contractors have been very receptive to work schedules, with one concrete contractor willing to quote the work so far. Otteson reviewed repairs needed to be completed this year. Street pavement repairs include large area patching and small sinkholes, and other repairs needed include water service insulation, a 12" water main break repair, sidewalk and pedestrian ramp upgrades, curb repairs, and a culvert pipe adjustment. Otteson noted that multiple quotes can be obtained for each work trade. The scope of the work will be adjusted to fall within the available funding of \$175,000 which will be provided by fund 196 and 399. Staff would provide project management and inspection to save costs. Staff recommended the City proceed with continuing to receive competing quotes from contractors and complete the work within budget.

Council directed to continue to move forward with obtaining quotes to complete the necessary work.

4D. Utility Billing Discussion

Deb Wegeleben reviewed water/sewer utility billing issues the City has recently experienced. Wegeleben discussed the option to place water/sewer billings on hold for properties that have been destroyed by fire or other natural disasters for a specific period of time. Staff recommended that the City hold all base fees for those property owners that have experienced these types of disasters for a period of one year. Wegeleben also discussed that in March 2020, Council authorized holding all late fees on utility bills due to the COVID Pandemic. Staff is seeking Council feedback on when Council feels it would be appropriate to charge late fees again. Wegeleben noted that currently there are \$173,400 in delinquencies, which will increase once we start charging late fees again. Wegeleben also provided an update on certification of delinquent balances that will be certified to the 2021 property taxes. There are currently 327 accounts with balances greater than \$100. Of these, there are 8 with balances of \$2,000 to \$4,000, 40 accounts that have balances of \$1,000 to \$2,000, and the remaining accounts are

less than \$1,000. Wegeleben also clarified that certified delinquent balances will be due and payable in one year.

The general consensus of the Council was to authorize Staff's recommendation to hold all base fees for those property owners that have experienced a fire or natural disaster until a Certificate of Occupancy is issued or for a period of up to one year from the date of the disaster.

Council also discussed re-establishing late fees on delinquent utility accounts. It was discussed that we are still under Executive Orders and a Pandemic. The City has been extremely accommodating to affected residents and business owners, but we have seen some that are habitually not paying their bills. At some point, we have to think about what is best for the community as a whole. Council directed that the City start charging late fees beginning with the September billing.

4D. New Ideas Discussion – No other discussion.

5. OTHER – No other.

6. ADJOURN

Council Member Hansen motioned to adjourn at 5:49 p.m. Seconded by Council Member Knier, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

09/23/20
Date Approved By Council