

**BIG LAKE CITY COUNCIL  
REGULAR MEETING MINUTES**

**APRIL 8, 2020**

**1. CALL TO ORDER**

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

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

**3. 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, Community Development Director Hanna Klimmek, City Engineer Layne Otteson, Deputy Police Chief Matt Hayen, City Clerk Gina Wolbeck, Liquor Store Manager Greg Zurbey, and Assistant Fire Chief Mark Hedstrom.

**4. OPEN FORUM**

Mayor Wallen opened the Open Forum at 6:01 p.m. No one came forward. Mayor Wallen closed the Open Forum at 6:02 p.m.

**5. PROPOSED AGENDA**

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

**6. CONSENT AGENDA**

Council Member Knier motioned to approve the Consent Agenda with the removal of item no. 6I for separate consideration. Seconded by Council Member Johnson, unanimous ayes, Consent Agenda approved. The Consent Agenda consists of: 6A. Approve List of Claims, 6B.

Approve Council Workshop Minutes of March 25, 2020, 6C. Approve Regular Council Meeting Minutes of March 25, 2020, 6D. Accept Resignation of Part-time Liquor Clerk Stacie Theisen, 6E. Rescind Appointment of Building Official Patrick Moonen, 6F. Approve Hiring Part-time Liquor Clerks Carol Larson and Tara Schowalter, 6G. Authorize Sale of Ag-Gator Model 2004 Equipment, 6H. Approve Personnel Policy Amendment Establishing the Summer Hours Schedule, ~~6I. Approve Franchise Agreement Ordinances 2020-06, 2020-07, and 2020-08 and Summary Publication Resolutions 2020-31 and 2020-32 for CenterPoint Energy and Northern States Power Company,~~ 6J. Approve AIS Inspection Grant and Agreement with the Sherburne Soil and Water Conservation District, 6K. Approve Final Payment for the CR 5/Hiawatha Avenue Signal Project No. ST2018-2, and 6L. Public Works Copier Lease Agreement with Marco.

#### 6I. Franchise Agreement Ordinances for CenterPoint Energy and Northern States Power Company

Council Member Knier asked for further discussion on utility Franchise Fees and stated that he is not in favor of these types of fees and asked that the Agreements be tabled.

Motion by Council member Knier to table item 6I until the next Council Workshop to give people in Big Lake an opportunity to weigh in on renewing the Franchise Agreements and to give the Council a chance to discuss the Agreements. Discussion followed.

Council Member Johnson asked if there is an urgency to approve these Agreements. Clay Wilfahrt discussed the timeline for approval of the Franchise Agreement extensions, indicating that from Xcel Energy's standpoint, delaying approval would give them a tight timeline with moving through the PUC for approval. Wilfahrt noted that he does not know if a delay will interrupt collection of these fees and would need to discuss with the utility companies.

Mayor Wallen discussed the history of when the Franchise Ordinances were adopted as a means to more equitably balance the amount that citizens pay for services that the City provides. Wallen reviewed property taxes collected and how services are provided to the community. Deb Wegeleben stated that \$429,000 is collected each year through utility franchise fees, which are transferred to our CIP Street Fund. Mayor Wallen stated that he feels it is a fair and equitable charge/tax to all residents and businesses in the City, and provides a fair way to raise revenue to provide necessary services.

Council Member Johnson stressed that these franchise fees are part of the current 2020 budget calculations, and if we don't renew the franchise agreements, we will need to figure out a way to fund this amount, or cut services. Johnson stated that while she does not like franchise fees, she is not recommending we cut services, but indicated that she would be in favor of looking at whether we should continue with the franchise fee model, or look at other ways to raise revenue for the 2021 budget.

Council Member Knier stated that he feels levying tax revenue would be a more open and transparent way of taxing, over raising revenue through franchise fees.

Council Member Zettervall stated that franchise fees are out in the open, clarifying that a franchise agreement is an agreement between the City and a utility company that allows them access to the public right-of-way areas, so we are getting something in return for providing that access. It is up to the utility company on how they charge that fee back to their customers. These agreements also alleviate a certain amount of liability for the City, so there is value to these agreements. Zettervall stated that the fees should not be considered a tax.

Council Member Hansen stated that these renewals should be approved now so it doesn't affect our current 2020 budget, and noted that he is willing to have a conversation about franchise fees during the 2021 budgeting discussion.

Mayor Wallen stressed that adding \$429,000 as part of the budget will increase the City's levy by approximately 15%. Wegeleben discussed that residents who don't pay property taxes share in franchise fee payments to help provide City services. Council Member Johnson stated that she feels renters pay property taxes through their rent payments.

Clay Wilfahrt discussed that utilities are not typically favorable to franchise agreements, and overall they would most likely be in favor of rescinding or lowering fees if the City moves in that direction.

Mayor Wallen asked for a second on the Motion made by Council Member Knier. Motion made by Council Member Knier failed for lack of a second. Motion failed.

Council Member Johnson motioned to approve Franchise Agreement Ordinances 2020-06, 2020-07, and 2020-08 and Summary Publication Resolutions 2020-31 and 2020-32 for CenterPoint Energy and Northern States Power Company. Seconded by Council Member Zettervall, motion passed with a 4 to 1 vote with Council Members Hansen, Johnson, Wallen, and Zettervall voting aye and Council Member Knier voting nay. Motion carried.

## **7. BUSINESS**

### **7A. PUBLIC HEARING – Annexation by Ordinance – Parcel No. 10-324-1200**

Hanna Klimmek reviewed the annexation petition submitted by the Anderson Family Trust for the 57 acre parcel that is located north of US Highway 10, and west of Big Lake. Klimmek noted that the parcel abuts City limits on its north, east, and south boundaries, and by law this parcel can be considered as urban in character and the City can annex it by passing an Ordinance. The sole property owners petitioned the City for annexation on

February 22, 2020 and MN State Statute 414.033, subd. 2(3) allows for the annexation of the parcel by Ordinance. Klimmek noted that the parcel is considered urban in character and all required persons were notified of the public hearing by certified or hand delivered mail.

Mayor Wallen reviewed the property owner's annexation petition filed in February 2020, which is what Council is considering at this time. This annexation petition is unrelated to any future development applications for the site.

Mayor Wallen opened the public hearing at 6:23 p.m. No one came forward. Mayor Wallen closed the public hearing at 6:24 p.m.

Council Member Zettervall motioned to approve Ordinance No. 2020-09 annexing parcel no. 10-324-1200 and approve summary publication Resolution No. 2020-33. Seconded by Council Member Hansen, unanimous ayes, motion carried.

## **7B. Emergency Declaration for the COVID-19 Pandemic**

Clay Wilfahrt reviewed the City's current procedures to responding to the COVID-19 Pandemic. There have been many issues including needing to change hours of operation, changes to policies and procedures, and communications. The changing of hours, providing leniency on sick time and personnel policies for working at home haven't been very convenient since staff has to wait until official action from the Council. Wilfahrt also noted that staff believes there will be disaster relief dollars available once the COVID-19 outbreak is over. Wilfahrt reviewed that the proposed Emergency Declaration being presented to Council will address Disaster Reimbursements and the waiving of typical policies and procedures during the Pandemic.

Mayor Wallen discussed his opposition to a Mayoral Emergency Declaration but recognizes the need for the Council as a whole to declare the emergency so we can be in line for federal funds.

Administrator Wilfahrt also discussed the declaration language that allows the City the option to meet electronically or to offer other participants to participate in the meetings electronically.

Council Member Knier agreed that the declaration should not ever produce a declaration that would strip residents of their rights, and emphasized that the City should only be declaring costs that are honestly reimbursable. Council Member Hansen discussed his conversation with Minnesota Homeland Security Director Joe Kelly who provided guidance on submitting valid requests for federal reimbursement for costs directly related to the COVID-19 pandemic.

Council Member Knier motioned to approve Resolution No. 2020-34 declaring a Local Emergency pursuant to Minnesota Statute 12.29. Seconded by Council Member Zettervall, unanimous ayes, motion carried.

### **7C. Liquor Store Wage Increase Extension**

Greg Zurbey reviewed the on-going major impact the COVID-19 Pandemic continues to have on the operations and staff of Lake Liquors Municipal liquor store. Zurbey reviewed current staffing at the store, the substantial increase in sales and the increased number of customers Liquor Store Staff are in direct contact with. Zurbey also noted that the number of hours the store is open has been reduced from 83 hours per week down to 53 hours per week, which has generated a net savings in payroll costs. Staff recommended Council approve an extension of the temporary hourly increase of \$4.00 per hour for all Non-Exempt Liquor Store Staff effective through April 22, 2020.

Council Member Hansen asked if we should extend the pay increase further out than April 22, 2020 to be in line with the Governor's Stay At Home Order extension into May. Mayor Wallen stated that he prefers that Staff bring the discussion back every meeting as it allows the Liquor Store to publicly discuss the sales figures as we move forward.

Council Member Knier stated that while he appreciates our Liquor Store Staff and the work they do, he feels we need the extra Liquor Store revenue and that a \$2.00 increase is adequate, which is more in line with increases that were given in the private sector. Knier also stated that other City Staff haven't received this type of increase.

Council member Knier motioned to go back to a \$2.00 temporary wage increase for Non-Exempt Liquor Store Employees through April 22, 2020. Motion failed for lack of a second. Motion failed.

Zettervall commented that payroll has been stable with the \$4.00 increase and stands behind the continuation of a \$4.00 wage increase until the pandemic is over. Zettervall stated that he recommended the \$4.00 wage increase over the \$2.00 increase as he was concerned that the Liquor Store Staff wouldn't be as motivated to work during the pandemic. Council Member Knier asked if there was specific criteria placed on employees to receive the increase. Zurbey stressed concern with implementing criteria on part-time staff who do not have regularly scheduled hours. Council Member Johnson asked if any employees have indicated concerns with working during the pandemic. Staff discussed two employees who have had concerns. Knier also asked if any other employees have questioned who gets the increase. Wilfahrt indicated that he has not been contacted by any other Staff with this type of request. Knier also questioned if we will have issues when the wage goes back down after the pandemic. Zurbey indicated that the Liquor Store Staff wasn't aware that the wage increase was being considered, and doesn't feel there will be an issue when they go back to regular pay.

Council Member Johnson motioned to approve an extension of the temporary pay increase of \$4.00 per hour for all Non-Exempt Liquor Store Staff effective through April 22, 2020. Seconded by Council Member Zettervall, motion passed with a 4 to 1 vote with Council Members Hansen, Johnson, Wallen, and Zettervall voting aye and Council Member Knier voting nay, motion carried.

#### **7D. Monthly Department Reports**

Fire Department – Assistant Fire Chief Mark Hedstrom provided statistical information on calls for service for the month of March. Hedstrom also reviewed the recent training opportunity at Nutrien Ag Solutions, discussed two recent fires, noted that Probationary Firefighters Brady Bagne and Clinton Maxson completed Firefighter 2 training, and reviewed the recent retirements of Daniel Mooney (32.5 years) and Ken Halverson (30 years). Hedstrom also noted that the department is advertising for the hiring of new firefighters, and thanked the public for support of the department during the COVID-19 Pandemic.

Police Department – Matt Hayen updated Council on police statistics, calls for service, significant arrests, and self-initiated policing activities for the month of March. Hayen thanked the Fire Department for use of their exercise room during the pandemic, reviewed the sale of the F150 pursuit vehicle to the Big Lake Fire Department and the purchase of a 2015 Dodge Charger as a replacement vehicle, and discussed the PurpleAir sensors that were recently installed at the Police Department and at Lakeside Park. Hayen encouraged citizens to sign up for emergency weather alerts through the City Website, and reviewed the department's operations during the Coronavirus Pandemic.

Engineering/Public Works Department – Layne Otteson provided an update on engineering projects underway in the City and activities in the various areas of the Public Works Department. Otteson reviewed new employee training, the department's staffing plan during COVID-19, discussed newly installed AED machines, provided an update on the Safe Routes to School Program which is under MNDOT review, and discussed current high water issues. Otteson also provided an update on activities in the Streets/Parks and Water/Wastewater Divisions.

Council Member Knier questioned what the status is on the freeze up issues on properties on the north side of the lake. Otteson indicated that insulation improvements have been added to the 2020 Street project.

**8. ADMINISTRATOR'S REPORT**

Clay Wilfahrt discussed Zoom meetings that we are using indicating that the equipment worked well during the Planning Commission Meeting and tonight's Council Meeting. Wilfahrt provided a status update on the reorganization of City Staff that occurred at the beginning of the year, noting that he has been doing interviews with Staff that were affected by the reorganization. Wilfahrt also thanked Finance Director Wegeleben for encouraging Council to set up the budget as they have, which will help the City weather the economic impact of the COVID-19 crisis.

**9. MAYOR & COUNCIL REPORTS and QUESTIONS/COMMENTS**

Council Member Zettervall reviewed the March Planning Commission Meeting.

**10. OTHER**

At the request of Mayor Wallen, Hanna Klimmek provided information on local businesses open during the Pandemic and encouraged citizens to shop local.

**11. ADJOURN**

Council Member Hansen motioned to adjourn at 7:23 p.m. Seconded by Council Member Knier, unanimous ayes, motion carried.

Gina Wolbeck  
Clerk

Date Approved By Council 04/22/20