

**BIG LAKE CITY COUNCIL
REGULAR MEETING MINUTES**

APRIL 24, 2019

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: Dick Backlund, Seth Hansen, Rose Johnson, Paul Knier, and Mike Wallen. Also present: City Administrator Clay Wilfahrt, Finance Director Deb Wegeleben, Community Development Director Hanna Klimmek, Public Works Director Mike Goebel, Police Chief Joel Scharf, City Clerk Gina Wolbeck, City Planner Michael Healy, and Liquor Store Manager Greg Zurbey.

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 Knier motioned to adopt the proposed Agenda with the removal of item 7B. Concept Plan Review – The Crossing at Big Lake Station-Apartments. Seconded by Council Member Hansen, unanimous ayes, agenda adopted.

6. CONSENT AGENDA

Council Member Hansen motioned to approve the Consent Agenda as presented. Seconded by Council Member Johnson, unanimous ayes, consent agenda approved. The

Consent Agenda consists of: 6A. Approve Council Workshop Minutes of April 10, 2019, 6B. Approve Regular Council Meeting Minutes of April 10, 2019, 6C. Approve Establishment of Lake Maintenance Capital Improvement Fund 197, 6D. Approve Resolution No. 2019-26 in Support for the Submittal of Two Low Income Housing Tax Credit Applications by Aeon Development, 6E. Approve the Removal of Two Parcels from the 2019 Sherburne County Tax Forfeiture Sale List, 6F. Approve Resolution No. 2019-27 Receiving Bids on the 2019 Street Resurfacing Project and the McDowall Trail Overlay Project and Award Contract to Knife River Corporation of Sauk Rapids, MN, 6G. Approve the 2019-2021 Audit Engagement Agreement with BerganKDV, and 6H. Approve the Appointment of Kim Lundeen to the Seasonal Part-time Public Works Position.

7. BUSINESS

7A. PRESENTATION – 2018 Audit Report (Bergan/KDV)

Caroline Stutsman from BerganKDV presented the 2018 management letter and the audited financial statements.

Council Member Knier asked for information on the City's Sewer Fund in relation to the fund balance and cash to pay down debt. Stutsman reviewed operations of the Fund, noting that the equity and cash positions did increase.

Mayor Wallen discussed that it is nice to see the City's funds improving after many years, and commended Council and staff's financial planning efforts. Wallen also credited the Finance Department for their efforts in preparing for a successful audit.

Council Member Knier motioned to approve the 2018 Audit report as presented. Seconded by Council Member Johnson, unanimous ayes, motion carried.

7B. Concept Plan Review – The Crossing at Big Lake Station-Apartments

Item was removed from the Agenda at the request of Duffy Development.

7C. Lake Café SAC/WAC 429 Assessment Agreement

Hanna Klimmek reviewed the 429 Assessment requested by Tim and Tami Cox to cover the Sewer and Water Access Charges (SAC/WAC) in the amount of \$8,910 for their expansion project at the Lake Café. Mr. Cox has indicated that the expansion will bring eight additional jobs in addition to the increase in valuation at the commercial establishment. Klimmek noted that the Big Lake Economic Development Authority reviewed the application and unanimously agreed that the application does qualify for the incentive and formally recommended a 5-year term with a 6% rate. Klimmek informed

Council that the applicant has countered the interest rate asking for a 4% interest rate. Klimmek noted that per the City's Special Assessment Policy, interest rates charged on assessments should be set at 1.5% greater than the net interest rate of the last bond issued which was 3%.

Council Member Backlund motioned to approve Resolution No. 2019-28 approving the requested 429 Assessment for the Lake Café expansion project SAC/WAC fee for a principal balance of \$8,910 with an interest rate of 4.50%. Seconded by Council Member Johnson, unanimous ayes, motion carried.

7D. Ordinance – Chapter 390 (Allowing Falconry)

Michael Healy reviewed a request from Jason Behrendt who recently purchased a house in the Sanford Select Acres Development. Behrendt is an apprentice falconer with a falconry permit from the DNR and is seeking to have his red-tailed hawk live in an accessory building on his property. Healy explained that current City Code prohibits the keeping of this type of non-domesticated animal, but that several Minnesota communities have worked with the DNR to make an exception for licensed falconers, which is heavily regulated by the State. Healy noted that Behrendt is currently allowed through State licensing to have one red-tailed hawk which he captured, possessed, and has hunted with since the fall of 2017. Healy reviewed discussions at the April 10, 2019 Council Workshop where Council directed staff to draft an ordinance amendment making an exception to the animal ordinance for licensed falconers.

Council Member Johnson questioned where birds can legally be trapped, stating her concern with allowing trapping within City limits. Mayor Wallen, and Council Members Backlund, Hansen and Knier were in favor of the conditions as presented.

Council Member Knier motioned to approve Ordinance No. 2019-06 allowing falconry as presented, and approve Resolution No. 2019-29 authorizing summary publication. Seconded by Council Member Hansen, unanimous ayes, motion carried.

7E. Monthly Department Reports

Deb Wegeleben provided a year-to-date financial update on unaudited revenues, expenditures, and enterprise funds. Wegeleben also reviewed the City's outstanding debt.

Council Member Knier thanked Deb for her hard work, and discussed the City's end of year cash reserves which was at 64% of next years budgeted expenses, and asked if this is the number we like to see. Wegeleben reviewed the City's financial policy which regulates that the City retain at least 50% of cash reserves, compared to the State of MN requirement of 33%. Historically, the City has kept the reserve balance at approximately 60% as that level

reflects nicely on the City's bond rating. Any additional cash over the 60% is transferred into our Capital Improvement Plan fund to help fund future projects. Knier stated that he likes seeing the City's aggressive debt reduction efforts. Mayor Wallen noted that the City Council and Staff have worked really hard to get the City's financing to this point. Wegeleben thanked Council for empowering Staff to think of ways to look outside the box, and look at what is best for our citizens.

Greg Zurbey provided a liquor store year-to-date review including financial information, discussed in-store tastings, noted that the Girl Scouts Organization sold cookies in the entryway and members from the Big Lake Fire Department sold dance tickets at the store, and informed Council that the Loyalty Club program has launched and staff has set up more than 1,000 accounts. Zurbey also reviewed beer cooler price decreases, discussed the All-Night Grad Party wine tasting fundraiser that was held at the Friendly Buffalo on March 29, 2019, and discussed the Spring Wine sale.

Hanna Klimmek provided an update on activities in the Community Development Department. Klimmek reviewed housing/commercial development statistics/projects, and redevelopment projects. Klimmek also discussed the installation of bike racks at City buildings and some parks, and reviewed the upcoming Bike Big Lake event scheduled on May 1, 2019. Staff clarified that no City dollars have funded the Bike Big Lake event.

8. LIST OF CLAIMS

8A. Consider List of Claims

Council Member Hansen motioned to approve the List of Claims dated 04/04/19 through 04/17/19 with the removal of Check No. 79773 for separate consideration, and approve payroll no. 8. Seconded by Council Member Johnson, unanimous ayes, motion carried.

8B. Consider Audio Communications Payment

Council Member Hansen motioned to approve payment of Check No. 79773 in the amount of \$2,959.25 payable to Audio Communications for services rendered. Seconded by Council Member Knier, vote passed with a vote of 4 to 0 with 1 abstention with Council Members Hansen, Johnson, Knier and Wallen voting aye and Council Member Backlund abstaining. Motion carried.

9. ADMINISTRATOR'S REPORT

Clay Wilfahrt discussed activities of the Highway 25 Coalition and the membership's desire to find a way to align interests of all partner communities. Wilfahrt also noted that he attended the Executive Training Institute (ETI) at the MN Chief of Police's Conference, and the LMC Loss Control Workshop that focused on ways cities can address liability issues.

10. MAYOR & COUNCIL REPORTS and QUESTIONS/COMMENTS

Mayor Wallen: Reviewed the ETI Training he attended with Administrator Wilfahrt and Police Chief Scharf, and noted that he will be attending the MN Mayor's Conference in Stillwater on April 26. Mayor Wallen also discussed his attendance at the Lupulin Brewing expansion celebration.

Council Member Johnson: Discussed the upcoming Annual Lake Association Meeting that will be held this coming Saturday at Russell's on the Lake.

11. OTHER – No other.

12. ADJOURN

Council Member Hansen motioned to adjourn at 6:53 p.m. Seconded by Council Member Knier, unanimous ayes, motion carried.

Gina Wolbeck
Clerk

Date Approved By Council 05/08/19