

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES**

JUNE 14, 2023

1. CALL TO ORDER

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

2. ROLL CALL

Council Members present: Ken Halverson, Paul Knier, and Kim Noding. Council Members absent: Sam Hanson and Paul Seefeld. Also present: City Administrator Hanna Klimmek, City Clerk Gina Wolbeck, Finance Director Deb Wegeleben, Community Development Director Therese Haffner, City Engineer Layne Otteson, Police Chief John Kaczmarek, Streets/Parks/Fleet Superintendent Norm Michels, Water/Wastewater Superintendent Dan Childs, and Big Lake Student Liaison Allie Cross.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. Land Sale Update – Parcel No. 65-402-0222

Therese Haffner reviewed the proposed land sale of City owned parcel no. 65-402-0222. Troy and Connie Stegora have submitted a request to purchase the 0.13-acre parcel to clean up an easement issue at their property located at 490 Sullivan Way. Haffner indicated the City has an interest in securing a drainage and utility easement over a portion of the parcel for snow storage, an existing hydrant and a turnaround at the end of Sullivan Way. There is a tentative easement agreement with the Stegora's and they have submitted the purchase price of \$700 as well as \$1,000 in escrow for legal costs associated with preparation of closing documents. Haffner reviewed the City has incurred \$869.38 in legal expenses and \$1,090 in engineering expenses to date. There will be an additional engineering expense of \$1,500 to prepare the easement exhibit as well.

Mayor Knier discussed concern with how the City will recoup all expenses with the sale of this parcel, noting the expenses already exceed the escrow collected.

Council Member Halverson stated he feels the City should retain ownership of the property for City use, and provide an easement to the adjacent parcel. Halverson stated he feels it is a terrible idea to get rid of the parcel.

Mayor Knier stated he has no problem selling the parcel to the Stegora's, as long as they pay all the City's

expenses to transfer ownership and establish an easement.

Council Member Noding recapped that the Stegora's originally requested to purchase the parcel due to access issues affecting the refinancing of their property and asked if that issue still exists. Staff responded that due to the length of time since the request, we only can assume their issue has been resolved.

Layne Otteson reviewed selling the parcel would increase the amount of tax the Stegora's have to pay, noting we would still have an easement on the parcel so it shouldn't affect operations of the City.

Mayor Knier stated government should step out of the way if it's not harming us, and reiterated the requestor should pay all costs associated with the sale/easement.

Council Member Noding asked what the additional easement expense is covering. Haffner reviewed the City's Consultant Engineer has estimated the cost for their services is \$1,500 which covers drafting an easement exhibit that is required to identify the location of an easement. Deb Wegeleben reviewed when this was originally brought forward, the Stegora's had agreed they would cover all costs, including legal and engineering costs. Halverson reiterated he doesn't want the City to sell the parcel now and then have to buy it back in the future when the property owner decides to develop the larger area. Halverson again stated he doesn't like the idea of selling the parcel. Noding asked how feasible it is that the adjacent parcel will develop. Otteson reviewed he believes there will be challenges with carving out more lots in this area, noting it wouldn't be just a simple plat and go project. If something does develop in the future, then we would open up negotiations regarding the end area. Noding agreed the City shouldn't lose money on the sale. Halverson stated he is against it, but with just three of us at the meeting we can move it forward. Halverson reviewed the large lot adjacent to Hwy 25 and the possibility of a road going through there to connect a future neighborhood.

Council directed Staff to move forward with the sale of City owned parcel no. 65-402-0222 to Troy and Connie Stegora with all costs being paid by the buyers.

4B. Discuss Budget Workshop Dates

Deb Wegeleben reviewed proposed dates in August to hold special workshop budget discussions, noting Council is asked to choose at least 2 dates to hold workshops.

Council directed Staff to set special council workshop dates on August 10 and 17, 2023 beginning at 4:00 p.m. in the City Council Chambers.

4C. Water Leak Survey Repair Discussion

Norm Michels discussed the water survey that was conducted in May. The survey found six service leaks, five hydrant leaks and one usage concern. After talking with the resident, the usage concern was found to be warranted due to resident water consumption. Michels indicated hydrant leaks will be repaired by Public Works staff at the City's cost, and the six residential service leak repairs will be contracted out. Staff has received a proposal from Brenteson Companies for the service repairs, which will be the

responsibility of the affected property owner(s) per City Code Section 800.09. These property owners will be required to execute a Public Improvement Agreement (PIA) prior to any work being scheduled or completed by the contractor. Upon direction from the City Council, the costs could be assessed to the property owner through a PIA Assessment Agreement.

Council Member Halverson reviewed the City covered this expense in 2021 when water leaks were found during the last survey. Deb Wegeleben responded that these were paid in error, noting that staff didn't realize city code regulated this cost. Halverson stated he has a hard time charging the cost back to the property owners now, when we have already set a precedence. Michels reviewed increased costs when curb stops are located in driveways that involve asphalt or concrete.

Mayor Knier asked what causes this type of damage. Michels responded with various reasons service leaks can occur including; residents plowing their driveways, people driving over them, frost issues, bad flares on a copper line, etc. Wegeleben reviewed back in 2020, there was a leak found that the City decided to split the cost with the resident. Halverson stated we are going to get ourselves into a pickle if we change our processes now. Michels reviewed the curb stops on older properties have very old infrastructure, and with the upcoming meter replacement program, we could have issues with some of that equipment. Dan Childs provided information on an insurance plan available through Rural Water which offers low cost coverage, and the option for the City to partner with this insurance company. Council Member Noding asked if a resident can decline to have the repairs done, and Childs responded it is mandatory to fix the infrastructure due to the massive amount of water loss that can occur. Childs reviewed water leak surveys will continue to be done every other year, and Halverson suggested we offer a cost sharing option to affected property owners, with the City covering half the cost up to \$4,000. Council discussed offering the insurance plan option, after which the City would no longer offer the cost share if a resident chooses to decline coverage. Knier expressed that we have to remember we are talking about other people's tax dollars. Halverson responded the City overall is paying for the wasted water already. Michels stated we are trying to manage our infrastructure and losses. Halverson noted if someone refuses to pay, we will incur legal fees and staff time also. Wegeleben suggested Council consider offering a one-time cost share of half the cost, with the City's share capping at \$4,000. After this round of water service leak repairs, we offer residents the insurance option at the same time as we notify residents that the City will no longer participate in a cost-share program to fix water service leaks.

The Council unanimously directed staff to work with the six affected residents to determine a cost-share for this round of water leaks, with the City covering half the cost up to \$4,000. Council also directed staff to work with Rural Water to establish an insurance plan that the City would partner on.

4D. Trail Grant Discussion

Layne Otteson provided an update on the City's application for grant funding through the Transportation Alternatives (TA) program. The program focuses on pedestrian/bicycle safety and connectivity. Otteson noted the City partnered with the Big Lake School District and Big Lake Township in the applications submitted, which identified maintenance and reconstruction work that will reduce impact to budgets. Two grant applications were submitted to the State of MN which focused on different needs. The first grant was safety focused in the vicinity of the schools and lakes. The second grant focused on pedestrian

gaps and maintenance issues throughout the City. Otteson informed Council both grant applications were successful with both applications being fully funded as requested and will have construction target dates in 2025 and 2026. Otteson reviewed how services and costs will be split/reimbursed between all three applicants. Otteson provided detailed information on each grant application. The Pedestrian and School Crossing Safety Enhancement Project focuses on sidewalk, flasher systems, ADA improvements and street crossings, which is estimated to cost approximately \$176,500 for improvements and \$30,000 for design/testing/administration. The Pedestrian Connectivity Project will focus on gaps, and extension or repairs within the City's sidewalk/trail system. This project also includes segments within the Township and Liberty Elementary School. The total construction cost is estimated to be \$211,000 with \$30,000 in design/testing/administration costs. The combined project costs are \$560,750, with the City's estimated cost share expected to be \$74,000. The balance of the costs will be paid by the TA grant, and through a Joint Powers Agreement with the Township and School District.

Mayor Knier discussed the sidewalk area located on the east side of CR 43 that leads to nowhere. Council Member Halverson reviewed this was built this way based on feedback at a school board meeting that when the Smith property develops, this sidewalk area would help guide student pedestrian traffic.

4E. Discuss Advertising to fill an upcoming Public Works Fleet Position

Norm Michels informed Council that long-time Public Works employee Kurt Goenner has submitted an Advance Resignation Notice which will be effective September 29, 2023. Goenner started his employment with the City on June 1, 1989 working in the Public Works Department and then moving to the Fleet Department in 2000 when the shop was constructed. The Advance Notice policy is intended to provide early notice so that a replacement can be found/hired before the retiring employee leaves, allowing time to train a new employee. This also provides a level of cross training and transfer of knowledge throughout the process. Michels asked for Council direction to authorize advertising to fill this position within the Fleet Department.

Council directed Staff to move forward with advertising to fill this position within the Fleet Department.

5. OTHER

Dan Childs discussed the City is in the beginning phase of updating Big Lake's Water Supply/Well-head Protection plans. In discussion with the Sherburne Soil and Water Conservation District (SSWCD), the Minnesota Department of Health (MDH) and the Minnesota Rural Water Association (MRWA), some potential education opportunities were presented. SSWCD, MDH, and MRWA are all willing to assist in a community education event which would consist of teaching better methods of fertilizing and watering of lawns as Nitrogen is a pollutant of concern which has been getting into public water supplies. A suggested way of getting the community interested in attending such an event is to offer hot dogs, bottled water, and maybe some door prizes from local businesses. Childs asked for Council feedback and direction on staff seeking donations from local businesses to supply giveaway items at the educational event. Council authorized staff to seek donations for the event and to allow for a parking fee waiver at Lakeside Park during the event.

6. ADJOURN

Council Member Noding motioned to adjourn at 5:45 p.m. Seconded by Council Member Halverson unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

06.28.23
Date Approved by Council