

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES**

MARCH 9, 2022

1. CALL TO ORDER

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

2. ROLL CALL

Council Members present: Ken Halverson, Sam Hanson, Paul Knier, Kim Noding, and Paul Seefeld. Also present: City Administrator Clay Wilfahrt, City Clerk Gina Wolbeck, Finance Director Deb Wegeleben, Community Development Director Hanna Klimmek, City Engineer Layne Otteson, Acting Police Chief Sam Olson, Liquor Store Manager Greg Zurbey, Streets/Parks/Fleet Superintendent Norm Michels, Water/Wastewater Superintendent Dan Childs, and Big Lake Student Liaison Ella Dotzler.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. Review Financial Policy Amendments

Deb Wegeleben reviewed proposed amendments to the City's Financial Policy. Amendments included wording changes in the Capital Assets section which is required per GAAP and GASB and include lumping together software and computer purchases. The second change includes adding guidelines for donating, disposing of, or selling surplus property, as well as identifying interactive selling environment requirements. Wegeleben also reviewed amendments to the fund balance year-end classification, and purchasing guidelines in regards to an RFP process for professional services. Wegeleben also discussed the old i-pad devices that were turned in when new devices were purchased for Council Members and Committee Members, asking if Council would like to donate them or recycle them. Wegeleben also asked for feedback on donating or selling outdated City shirts and items that have the old logo.

Council Member Halverson asked if all City assets are inventoried, not just the ones that reach the \$5,000 threshold. Wegeleben explained that items valued in excess of \$5,000 are classified as capital assets and are audited annually, noting that inventory for lower valued items is done for insurance purposes only. Halverson stated that he is the one that talked to Finance about the use of other electronic sale tools such as eBay, and suggested that we put in the policy that it has to be on the City's account, not a staff person's personal account. Wegeleben indicated that we don't currently have a City

eBay account but we could set one up. Halverson stated that he wants to be sure the issue that happened previously, doesn't happen again. Halverson also asked about advertising for professional services, and suggested we include in the policy a financial cap that would require three RFP's, if they are attainable. Right now, it is only expected that an RFP be done, but it isn't currently in the policy. Wegeleben discussed that it should only be required if there are three attainable quotes. Halverson also discussed the other things that he is after is because we need to bid things out and be fair to every business and everybody around. Wegeleben discussed that when an RFP is sent out, all quotes and contracts come back to the City Council for final consideration. Wegeleben clarified that this is just for professional services, and explained that the dollar amount doesn't really matter as all contracts are brought to Council for their approval. Council Member Hanson asked what would happen if we can't get three quotes submitted. Council Member Noding reviewed that we only received two quotes back for the Code Revision Project, which would be acceptable. Clay Wilfahrt reviewed the varying cost differences between types of municipal projects, and discussed the process and expense for a firm to put proposals together. Wilfahrt also noted that he understands Halverson's comments in that professional service costs need to be reviewed so that it doesn't lead to expenses getting out of control from one vendor. Wilfahrt asked if there should be a floor where we would go for a full RFP, or are there instances where we would engage one firm due to the small size of the services needed where it wouldn't make sense for them to go to the expense of producing a full proposal. Layne Otteson indicated that for services that will cost between \$2,500 to \$3,000 we haven't gone out for quote and we usually use a firm familiar with the City operations, and one that has an institutional knowledge of our community. Otteson suggested that services projected to cost in excess of \$10,000 would be a good number for requiring an RFP process. Wegeleben clarified that our current policy already requires that quotes be obtained for purchases from \$1,000 to \$25,000. Halverson stated that is why we should leave the dollar amount up to staff. He is just making the recommendation, and leave it to Staff to come up with the dollar amount. Hanson questioned why we would add language like this in if it isn't going to be a requirement. We have been working on eliminating redundancy in the City Code and questioned why we would add in the requirement for three quotes, unless we can't get three. Hanson stated that he feels that by adding this language into the policy it would just create more redundancy. Halverson responded that we should just list the three-quote requirement. Wegeleben clarified that this section of the Financial Policy is just for competitive bidding which is anything over \$175,000; however, we do like to do RFP's for anything at \$25,000 to \$100,000 anyways. Mayor Knier asked if by adding this language in, will we be tying our hands and wasting time. Wilfahrt asked for clarification if anything from \$1,000 to \$25,000 requires a quote(s) be obtained when possible. Wegeleben confirmed that the policy already states that anything from \$1,000 to \$25,000, when possible, quotes should be obtained from various vendors. Knier noted that by adding in language to require three quotes, it would keep it clear in the future. Wegeleben responded that we could add in language to require three quotes whenever possible. While a bid process isn't statutorily required for these types of services, we have found that by doing an RFP it has been financially beneficial. Halverson stated that this language will give guidance to future staff as well as current.

Council Members also discussed that the City should try to donate old tablets and outdated city shirts to local organizations when possible.

Council directed Staff to bring forward recommended amendments to the City's Financial Policy as discussed, to the March 23, 2022 Council Meeting.

4B. Update Regarding Support of Jurisdictional Exchange for CSAH 11 and Minnesota Trunk Hwy 25

Layne Otteson reviewed past discussion on the request from Sherburne County regarding a jurisdictional exchange between County Road 11 and Minnesota Highway 25. At this time, the County is requesting the City support legislative efforts to amend Minn. Stat. §161.114, Subd. 2. to define the northerly terminus of MN 25 from "at Big Lake" to "at the Big Lake area". Otteson noted that City Staff has presented numerous questions to Public Works Director Andrew Witter, and provided information on his responses. Clay Wilfahrt reviewed that County Administrator Bruce Messelt communicated they would be willing to move forward with the understanding that the City only supports this if the County will incur any additional costs that arise from a change in how the intersection costs are split.

Otteson reviewed additional language to the resolution that includes a contingency of receipt of an acceptable agreement from Sherburne County by April 8, 2022 which will specify that the City will not incur additional costs arising from the jurisdictional exchange, and to strike language relating to land use. This agreement will hold the County to a performance standard and will require an agreement be drafted that is agreeable to the City Council. The contingencies will strengthen the City's position, will be due by April 8, 2022, and will identify that if there is failure to perform will result in a letter to our Legislature rescinding our support. Otteson noted that from his perspective, these contingencies will provide the City with protection, while also showing the City's goodwill in moving forward; however, if they don't live up to their end of the agreement it would not look good for the County if the City has to send a letter to the Legislature to rescind our support.

Mayor Knier asked if the County will require an end date on the agreement. Otteson noted that the County could come back with requested changes. Knier stressed the importance that expectations are clear for all parties.

Council Member Halverson asked if this will affect the City's Hwy 10/25 intersection improvement loan. Deb Wegeleben explained that the bond is pledged to our MN State Aid funds so we should be fine. Halverson also asked for further clarification on the projected 2030 resurfacing improvements. Otteson responded that if there is a jurisdictional swap, the State may take that money and tell the County they won't be funding the project. The City does not know what negotiations will take place between the State and the County, and the City just wants to be sure the County knows that this resurfacing improvement was planned for 2030 and regardless of who has it in 2030, the planned improvement should still take place. If the County takes it over, they should be beholden to fund and complete the planned improvements. Halverson questioned the language in the agreement, asking if we should be looking for a guarantee that the improvements are completed. Clay Wilfahrt clarified that if the exchange does get approved, there would be a name change between the two roads. Halverson also asked what happens if one of the entities doesn't fulfill their commitment. Otteson responded that we have a good relationship with the County and we want this to continue.

Council Member Noding suggested that we add additional language to the resolution to clarify the future road name changes. Wilfahrt reviewed that this can be specified in the agreement to make it explicitly clear, noting that the binding document will be the agreement, not the resolution.

Council directed Staff to move forward with option 3 and to bring a Resolution of Support with amendments as discussed to the March 9, 2022 Council Meeting for consideration.

4C. New Ideas Discussion – None brought forward.

5. OTHER

Clay Wilfahrt announced that he has accepted a new position with Wright County and his last day of employment with the City will be April 8, 2022. Wilfahrt discussed the option of appointing Hanna Klimmek as the Interim City Administrator at the next Council Meeting, and asked for direction from Council on moving forward with staff and the Personnel Committee finalizing the transition so he can start sharing information with Klimmek in anticipation of the April 8 deadline. Council unanimously directed Wilfahrt to begin the process of sharing information with future Interim City Administrator Hanna Klimmek.

Mayor Knier reviewed that he put together a State of the City Address that he posted on his personal Facebook page. He would like to put it on the City Facebook page and asked for Council support on this. Knier clarified that it is not campaign material, but is just informational and states accomplishments of the City. Deb Wegeleben suggested that if Council authorizes the State of the City Address be publicized on City platforms, that should also include the City Website as this would be helpful information. Council Member Halverson questioned what the perception would be with candidates running against him in the future, and whether this would look like we are supporting a particular candidate for a City office. Halverson clarified that he doesn't have a huge problem with it being on the City's media platforms, but doesn't want the City to advertise for a Mayor. Council Member Noding noted that the same protocol should be in place for any City candidate. Halverson also questioned if we allow the Mayor to post a video like this, would we also have to allow other Council Members to do the same. Clay Wilfahrt explained that the delineation would be if campaigning material is in the video we wouldn't be able to publicize it. If it's information that pertains to City business, legally it would be permitted. Wilfahrt explained that the concern brought up was the reason why Staff recommended the Mayor bring this up at a public meeting as he didn't want it to look like staff was supporting a sitting official's campaign, which is why the City Council is rightfully the group that should make that decision. The general consensus of the Council was to allow the Mayor to ask staff to post a State of City Address on the City's media platforms as long as the presentation provides City information without including campaign materials or information.

6. ADJOURN

Council Member Seefeld motioned to adjourn at 5:41 p.m. Seconded by Council Member Hanson, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

3/23/2022
Date Approved By Council