

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES**

APRIL 12, 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, Sam Hanson, Paul Knier, Kim Noding, 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 Captain Guy Chaffee, Liquor Store Manager Greg Zurbey, Streets/Parks/Fleet Superintendent Norm Michels, and Water/Wastewater Superintendent Dan Childs.

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. Liquor Store Staffing Discussion

Greg Zurbey reviewed staffing levels at the municipal owned liquor store. Zurbey discussed the benefits of adding a full-time Liquor Clerk position that included 1) increased supervision, 2) schedule/time-off/reliability, 3) reduced turn-over, 4) improve the chain of command/staff structure, 5) increase staff focus on their job description, and improve the line of succession. Zurbey also reviewed ways to achieve the added position, noting that the position is in the current 2023 budget. Zurbey also discussed the recent vacant Assistant Manager Position that will need to be filled as soon as possible. Zurbey reviewed that Lake Liquor has operated with limited staff since he was hired, and believes that the City needs to invest in full-time staff and fill the vacant Assistant Manager position. This will help us gain more experienced staff, fill upward roles, provide better coverage in opening and closing the store, provide more consistency in scheduling, help reduce the cost of turnover, focus on staff training, have staff that is invested in the long-term success of Lake Liquors, provide staff the opportunity to focus on their roles and job descriptions, create opportunities for full-time staff to use time-off, reduce staff stress/increase moral, and provide more leadership on the sales floor.

Council Member Halverson asked for a guarantee, from staff, that a full-time employee will be on staff at all times if we have four full-time positions. Zurbey reviewed the planned schedule going forward, noting

it does not account for any sick/vacation time. Zurbey reviewed that the plan is to have staff do five days in a row and two days off. There is a way to make it work for a full-time person to be at the store for opening and closing other than on Monday nights which is the store's slowest night of the week. We could make Monday nights work, but if we do we will no longer have the ability to have staff work five days on, two days off. Halverson stated that he feels the Manager position should also be on the schedule in identified time slots. Zurbey responded that as the Manager he is not on the schedule so he can do his managerial duties, or can back fill as needed. Zurbey discussed he would do his best to have a full-time position opening and closing the store each day, and his intent is to have a full-time position on staff at all times, but cannot give a guarantee to Council. Mayor Knier asked Halverson why it is so important to have a full-time employee on staff at all times. Halverson responded full-time employees tend to stay employed longer. Zurbey discussed with the new handbook that just went out, part-time staff will be trained and expected to open and close the store as needed. One of the biggest issues is with opening the store due to the accounting that needs to be done. Zurbey explained his intent is to always have a full-time staff person at every shift opening and closing. Hanna Klimmek reviewed discussion at the Personnel Committee relating to staffing at the Liquor Store, and that they had discussed hiring a fourth full-time employee will be a good first step at accomplishing a full-time staff member be at the store at all times. Council Member Hanson agreed this is the first building block to get to that point. Zurbey discussed that the City of Monticello municipal liquor store had seven full-time employees and recently hired two more so they are up to nine full-time employees and they are open less operational hours than the Big Lake municipal liquor store is, noting his is the model a lot of liquor stores are going to.

Halverson asked how part-time employees are compensated for after-hour work calls. Wegeleben responded that by law they have to be paid overtime for these types of hours worked. Halverson suggested we do something like public works does where they automatically get 15 minutes pay for after-hour calls. Wegeleben responded that the public works pay is per their union contract, but we could amend our personnel policy to include language like this if Council so wishes to.

Mayor Knier asked how many part-time positions could be eliminated by adding a full-time position. Zurbey responded that the schedule he has created eliminates 40 hours of part-time staff, being filled with 40+ hours of full-time positions per week. Knier asked if other liquor stores are able to hire in this environment. Zurbey responded that there are open postings for the next couple of weeks. Knier also asked what the all-in cost would be to hire a full-time employee. Wegeleben responded the position is budgeted in the 2023 budget at approximately \$60,000. Knier noted there is a cost to on-board part-time employees, which seem to turnover more frequently than full-time employees. Zurbey responded that he feels there will be a cost savings by lowering the turnover rate. Zurbey also discussed the work study showed that the liquor store is short staffed. When other departments come to Council asking for more staff, it wasn't expected to be revenue neutral. He wants to do the best he can for the citizens of Big Lake, but he isn't sure we can keep pace with where we are at. Halverson discussed that other departments would be considered revenue neutral because they don't take in money and Zurbey responded that this is even more of a reason to invest back in the store.

Council Member Hanson reviewed that he feels it will be beneficial to get this new position filled.

Council Member Seefeld reviewed he is in favor of moving forward with option 3.

Council Member Noding discussed filling the vacant Assistant Manager position and Zurbey stated his intent is to post for the Assistant Manager position and the new full-time Clerk position. If we don't get a qualified candidate to fill the Assistant Manager position, we could consider hiring two full-time clerk positions, and leave the Assistant Manager position vacant until one of the current staff or someone from the outside comes in and fills that role. His biggest key to posting the Assistant Manager position is there are so many comparable positions open right now that if we just post for clerks, he feels our pool of candidates is going to be very small and limited.

Council directed Staff to move forward with the item on the Consent Agenda to authorize advertising to fill both the vacant full-time Assistant Manager position as well as the new full-time Liquor Clerk position.

4B. Liquor License Expansion of Premises Discussion

Hanna Klimmek reviewed the request from Lupulin Brewing to be allowed to continue to host outdoor events where alcohol products can be legally served and consumed. Per the request from Lupulin Brewing staff asked for information from the City Attorney's Office on the extension of Premises Permit for establishments to host events within their outdoor space, and to define their licensed premises to include parking lots and green space. Gina Wolbeck reviewed information provided by the City Attorney pertaining to state and local liquor regulations that included the compact and contiguous requirement for outdoor areas. The City Attorney language also advised if the city wishes to allow events in parking lots, any expanded perimeter should not be accessible to vehicles while beverages are being served. The City Attorney also provided draft ordinance language on granting of an application for expansion of a licensed premises, which would also require the licensee hold an outdoor dining Administrative Permit or a Temporary Outdoor On-Sale Events Permit. Wolbeck reviewed if Council wishes to amend its ordinances to allow Big Lake liquor establishments to lawfully host outdoor events, it is recommended Council direct staff to work with the City Attorney to draft ordinance amendment language, Expansion of Premises and Temporary Outdoor On-Sale Event Permit application documents, and establish a reasonable fee for future Council consideration.

Mayor Knier asked if an establishment would be out of compliance if they held an outdoor event today. Wolbeck explained that currently, event permits and temporary use permits are authorized with the contingency that the liquor license holder is responsible to control the sale and consumption of alcohol at their establishment. Violations of State liquor laws would be determined by the MN Department of Public Safety.

Council Member Halverson asked how long events can last. Wolbeck explained that event dates are determined by the license holder and can range from one day to multiple days.

Council Member Hanson asked for a projected timeline for a code amendment to come back to Council for approval. Klimmek responded that a code amendment would most likely come back to Council for consideration in May.

Council Member Noding discussed potential parking lot issues with Lupulin, and asked if the whole parking lot would need to be blocked off. Wolbeck responded that Lupulin generally only blocks off part of their parking lot, which would need to be reviewed by the zoning administrator to make sure they will still meet parking requirements. Halverson noted this would be tough for a car show event. Wolbeck discussed that this could be a problem with the McPete's car show event as they generally use the entire parking lot for these events, which will need to be addressed as the licensee is responsible to control the sale and consumption of liquor at all times. Noding asked if we can add our own verbiage to City Code to allow for various events, and Wolbeck clarified that the City can't be less restrictive than State law, but can be more restrictive.

Council directed Staff to work with the City Attorney to draft ordinance amendment language as discussed, draft Expansion of Premises and Temporary Outdoor On-Sale Event Permit application documents, and establish a reasonable fee for future Council consideration.

4C. Floaters Recreation LLC Lease Agreement Discussion

Hanna Klimmek reviewed the draft lease agreement for Floaters Recreational Rentals LLC. Klimmek noted that as directed by the City Council at the March 22nd workshop, Staff looked into the business model of Wheel of Fun Rentals located in Minneapolis, Richfield, Duluth and other various sized communities. The comparisons were found not to be apples to apples as their rentals operate out of permanent structures on City property. The Floaters proposal is for a 10 x 24 semi-permanent structure which would be owned by the Mohs. Klimmek reviewed that the draft lease agreement for 2023 is tentatively set at \$350 per year for a three-year term.

Council Member Hanson discussed that he is fine with moving forward as proposed, with the possibility of allowing the Mohs to leave the structure in the designated spot year round due to the high cost to move the structure. Norm Michels reviewed usage in the winter months, noting that the structure could be plowed around as long as the agreement includes adequate liability waivers to protect the City. Deb Wegeleben discussed that she has reviewed this with the League of MN Cities Trust and they have suggested that the owner insure their structure as well.

Mayor Knier discussed that the vendor would be bringing in additional people that will pay for parking which should offset the lost revenue for the parking space the structure will take up. Council Member Halverson stated that he is not against the concept, but noted his concern that we could be opening up the door to other vendors. Knier discussed he would rather go with a one-year lease through the winter month, and if things go well, he would possibly entertain a longer lease. Halverson suggested a two-year lease. Council Member Seefeld noted that he is fine with a three-year lease.

Council directed Staff to move forward with a two-year lease agreement with Floaters Recreational Rentals LLC for placement of a semi-permanent structure in one vehicle/trailer parking stall at Lakeside Park for the full time the lease is in place.

Council Member Seefeld motioned to recess the April 12, 2023 Council Workshop at 5:53 p.m. until immediately after adjournment of the April 12, 2023 Regular Council meeting. Seconded by Council Member Noding, unanimous ayes, motion carried.

Council Member Hanson motioned to reconvene the April 12, 2023 Council Workshop at 6:40 p.m. Seconded by Council Member Noding, unanimous ayes, motion carried.

4D. County Road 43 Project Update

Layne Otteson provided a project update on the Sherburne County Road 43 project. The project is currently going through final stages of review by MNDOT and their tentative schedule to begin construction is late June 2023 with a likely completion date in 2024. The County provided their most recent cost estimate which is at \$4.53 million. The City is responsible for street/storm sewer costs in the amount of \$186,000, watermain costs in the amount of \$498,000, and sanitary sewer costs in the amount of \$348,000. Otteson noted that the Federal grant will reduce the project cost for street and storm sewer eligible items by 57%, but does not reduce the water and sanitary costs for the City. Otteson also noted that in order to stop cut-through traffic on Park Avenue, the City intends to close access in this area and only allow emergency vehicles through.

Mayor Knier asked how the City will pay the projected \$1.32 million cost of the City's portion of the project. Deb Wegeleben responded that all of the City's portion is already allocated to CIP funds. Council Member Seefeld asked if this covers improvements by the Fire Hall. Otteson discussed the City was approved for a grant for 80% of this project, noting we really need to construct the apron correctly so that the Fire Department property is only disturbed once. The sidewalk areas will be pulled out of the project due to the award of the grant, and Hanna Klimmek noted that the successful grant item will be brought back to a future workshop for further update.

Council Member Halverson discussed that we are extending services along this project, and asked if the Fire Hall will be hooking up to City services. Otteson responded that when the Fire Department wishes to hook up, that will be their decision. Otteson also noted the details haven't been worked out yet, but we are stubbing out water and sewer to the building for possible future connection.

Knier discussed that it is great to hear that we have a million-dollar expense that we can handle without bonding, noting the benefits of planning ahead.

4E. Pavement Management Plan Discussion

Layne Otteson reviewed the Pavement Management Plan for years 2021 through 2027. Otteson discussed that with the advanced street projects done in 2022, it will result in completion of our current Plan. The Council direction was to take a reprieve from large projects for a few years, but still perform small resurfacing projects as needed, and to possibly resume the City's sealcoat program. Otteson reviewed that staff is seeing accelerated deterioration of pavement in isolated areas on collector streets that are 19 to 23 years old, that curbing on Lakeshore Drive and Hiawatha Avenue has significant deterioration at many of the joints, and indicated that no sealcoating has been performed since 2016,

noting that staff consensus recognizes that sealcoat provides benefit by preserving pavement and extending the pavement life. Funding the Pavement Management Plan requires strategy to utilize State Aid funding, general fund, bonding, and possible grants to minimize the budget impact. Otteson reviewed staff recommends moving forward with investing in 2023 pavement preservation (sealcoating) and targeted street patching that would provide for about 7 miles of sealcoating. This would be a project bid out and completed this summer that would utilize about \$250,000 of the \$300,000 budgeted this year. Staff requested Council provide direction regarding moving forward with a 2023 sealcoat project and if directed, staff would bring back a project for approval at an upcoming meeting, as well as feedback on a 2024 – 2029 Pavement Management Plan and long term planning through 2033.

Discussion was held on significant street condition changes in various developments this past winter season and the need to do some kind of preservation work. Discussion was also held on benefits of temporary fixes including sealcoating and patching.

Mayor Knier asked where funding comes from for these types of projects. Deb Wegeleben responded that there are funds in the street maintenance CIP fund. If we continue long-term planning as debt drops, the yearly debt payments would be allocated to the fund to replenish it. Discussion was held that if the stars line up correctly and everything happens as expected, we could do these projects bond free. Otteson discussed staff can start putting numbers together with finance and look at it closer. Knier discussed that with this maintenance plan, we are trying to avoid complete reconstructs and replacement of curbing. Norm Michels reiterated that the last couple of winters have had a huge impact on the condition of our roads, noting we do the best we can to predict street maintenance needs, but we will still have shortened road life spans with bad winter weather.

Council Member Seefeld asked if staff has any concerns with unforeseen expenses with moving forward with a sealcoat project. Otteson responded that the full needs of a sealcoat project won't be known until spring street sweeping is done. It was also discussed that if we want to invest in our streets, we need to look at long-term.

Council directed staff to move forward with a sealcoat project as discussed.

4F. AIS Lake Treatment and Watercraft Inspection Discussion

Layne Otteson reviewed past efforts of the City to invest in protecting Big Lake and Lake Mitchell from aquatic invasive species (AIS), which included cooperative efforts with the Sherburne County Sheriff's Office Water Patrol, the Big Lake Community Lakes Association (BLCLA), the Sherburne Soil and Water Conservation District (SSWCD), and the MN Department of Natural Resources (DNR). Efforts included lake treatments, access monitoring, and watercraft inspections. In 2022, herbicide treatment for milfoil cost approximately \$12,500, and the launch monitoring was performed by SSWCD and the DNR. The BLCLA supports working together and contributing to lake treatment and watercraft inspections led by the City. Otteson also discussed the I-LIDS equipment that was acquired by the City in 2016, which were utilized through year 2021, noting the equipment provides verbal reminders to users to check boats for weeds, but the weed violations were not enforceable per the Sherburne County Sheriff's Department. Otteson reviewed options including Option 1 - continue the 3 prong approach as long as feasible. Option

2 – move forward with scaled back activity per Council direction, and Option 3 – do nothing. Otteson noted that Staff recommends Option 1.

Council Member Hanson discussed that the Big Lake Community Lakes Association (BLCLA) is on bard with participating in lake treatments and are currently working on getting quotes for service. It is anticipated that it will cost approximately \$18,000 each year for three years of treatment to eradicate milfoil in our lakes.

Council Member Noding discussed that the BLCLA has been awarded grant dollars for AIS treatments.

Council directed Staff to move forward with Option 1.

5. OTHER

Mayor Knier reviewed the plan that when the City pays future bonds off, we will continue to levy the same amount to put funds away for future projects.

6. ADJOURN

Council Member Seefeld motioned to adjourn at 7:37 p.m. Seconded by Council Member Hanson unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

04.26.23
Date Approved by Council