

**BIG LAKE CITY COUNCIL  
WORKSHOP MINUTES**

**SEPTEMBER 14, 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 Hanna Klimmek, City Clerk Gina Wolbeck, Finance Director Deb Wegeleben, City Engineer Layne Otteson, Chief of Police John Kaczmarek, Police Sergeant Sam Olson, Liquor Store Manager Greg Zurbey, 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 Hanson, unanimous ayes, Agenda adopted.

**4. BUSINESS**

**4A. Discuss Bond Call Options**

Deb Wegeleben reviewed that when the City issues debt, the bonds each have a call date which allows the City to call the bonds prior to their maturity date. This is called a Cash Call, and in the event the City has sufficient cash to do so, can result in interest savings. Currently the City has two debt issuances that are now callable. Wegeleben reviewed that the first one is for the 2012 General Obligation Refunding Bonds, Series 2012A. These bonds were issued to refund original debt that was used for the Fire Hall and street projects including utilities. If the City chooses to Cash Call the 2012A bonds, there would be a savings of \$33,638.89 in interest. The Debt Service fund would pay in-cash \$45,287.31, and noted that there is enough funds to pay this portion. The Water Fund would pay in-cash \$467,505.13, which would have to come out of operating cash. The Sewer Fund would pay in-cash \$262,953.68, which would have to come out of operating cash. The second one is for the 2014A General Obligation Tax Abatement Bonds, Series 2014A. These bonds were issued to refund the original 2005A EDA Public Project Revenue Bonds that were used for the Liquor Store facility. If the City chooses to Cash Call the 2014A bonds, there would be a savings of \$10,263.89 in interest, plus the total levy for 2023 would decrease by \$27,250 for the 2023 debt payment or about .50%. The Debt Service fund would pay in-cash \$96,461.25. This fund does not have enough cash to cover the payment, so a transfer would need to be done from the Liquor Store or General Fund for approximately \$72,000. The Liquor Fund would pay in-cash

\$256,524.86, which would have to come out of operating cash. Wegeleben reviewed that the financial impact would be a savings to the levy as well as interest savings to the Enterprise funds, which has an impact on rates; however, there could be a need for transfers at year-end if the Water or Sewer funds need additional cash for operations. Those transfers could come from the CIP funds or General Fund. Wegeleben discussed that if Council directs staff to move forward with the Cash Call, staff will bring back a resolution for approval at the September 28, 2022 meeting and then the bonds would be called on November 3, 2022.

Council Member Halverson asked how long the original term of the bonds are. Wegeleben explained that it is determined at the time the bonds are sold, and how the agreement is written.

Council directed Staff to move forward with Cash Calling the 2012A and 2014A General Obligation Bonds.

#### **4B. Discuss Liquor Store Part-time Hourly Pay Plan Adjustment**

Deb Wegeleben reviewed that at the August 25, 2022 Budget Workshop, Council directed staff to review the possibility of increasing the City's Pay Plan for grades 2-4, which represents the part-time hourly Liquor Store employees. With the increase to the City's Pay Plan for these grades, the part-time liquor store staff would be more in line with the retail service industry. Wegeleben reviewed the recommended increases to the City's Pay Plan that included: 1) Stock Clerk; grade 2 - \$15.00 to \$19.00 per hour, 2) Store Clerk; grade 3 - \$15.90 to \$20.14 per hour, and 3) Part-time Lead Clerk; grade 4 - \$16.85 to \$21.35 per hour. Wegeleben discussed that Staff is recommending implementing this change effective upon the beginning of a pay period after Council approval. For the remainder of 2022, this would be an additional increase to the 2022 budget of approximately \$15,000. With the change to the 2022 budget, and the proposed market rate adjustment to the entire Pay Plan there would be an additional increase to the 2023 budget of \$35,000.

Mayor Knier discussed potential incentives we could consider to offer new liquor store employees, with a focus on bringing in young adults to work in the store, and asked if the City could possibly offer scholarships. Wegeleben responded that while we are not allowed to use tax dollars to fund a private scholarship, we could work with an accredited college/technical school to provide on the job credits. Greg Zurbey discussed age requirements for liquor store employees and stressed the need to hire 21+ for working the registers and working the retail business, noting that the stock clerk position could possibly work for a person aged 18+. Hanna Klimmek discussed the Youth Apprenticeship Program at Big Lake High School that targets young adults.

Council Member Halverson discussed the need to have flexibility in starting wage offers for liquor store staff.

Council directed Staff to bring forward a Pay Plan adjustment for Part-time Liquor Store positions effective upon the beginning of a pay period after Council approval. Council also directed staff to reach out to school officials to see if the stock person position would fit into their Youth Apprenticeship Program or with their Internship Program.

#### **4C. Lakeside Park Flag Display Update**

Norm Michels discussed that Staff was contacted by the Big Lake American Legion Post 147 about the possibility of installing a flag display at Lakeside Park. Council Member Seefeld brought this up at the July 13, 2022 Council Workshop, and Council directed Staff to move forward with obtaining pricing on both a single and a triple flag display. Michels reviewed that Staff reached out to Coil's Flags, Flagpoles and Embroidery of St Cloud for an estimate, noting that this company is the vendor that the City purchases replacement flags from that are flown at the Veteran's Memorial. Coil's Flags submitted an estimate in the amount of \$10,195. Michels also reviewed that Staff, with assistance from Coil's Flags and the American Legion, decided that the best place for a flag display would be at the center island entering the park, and that a trio flag display using a 30-foot pole flying the American flag in the center with two 25-foot poles on each side flying the State flag and the POW flag would look the best. Staff has also discussed this idea with the City Planner and the Park Advisory Committee, and has received support from both. Michels reviewed that the Public Works Department would install the flag pole bases with support from Coil's Flags, and Coil's Flags would install the poles. Staff would work with a licensed electrician to install the lights to light up the flags during nighttime hours. During the Workshop, the City Council was agreeable to pay the upfront costs of the purchase and installation of the flag display, with the understanding that the Big Lake American Legion would donate to the City, the total cost of the project over a period of time. The American Legion has already donated \$5,000 towards the project, and all donations toward this project will be brought to Council at a later date. The upfront costs for the project will be funded from the Parks Equipment CIP Fund.

Council Member Noding asked when the project would commence. Michels discussed that the bases could be installed this fall yet if supplies are available.

Mayor Knier asked if it will be the City's responsibility to maintain and replace the flags. Michels reviewed flag rules and the City's involvement.

Council directed Staff to move forward with the proposed three flag design plan for the installation of the flag display at Lakeside Park.

#### **5. OTHER**

Council Member Hanson suggested that the Council ask the Parks Advisory Committee to discuss options for installing archery equipment in the River Oaks Park. The Council was unanimously in favor of the Parks Advisory Committee reviewing this type of equipment. Hanna Klimmek reviewed the need to involve the Parks Advisory Committee, the Police Department, and our insurance provider in these discussions.

Deb Wegeleben reviewed that we currently have \$600,000 allocated in CIP Fund 198 (infrastructure) for future development. Staff requested these funds be transferred to BLEDA Fund 275 in a one-time transfer, versus transferring smaller amounts each year. Mayor Knier reviewed that this is cash we have already set aside for redevelopment purposes. Council Member Halverson reviewed past discussion on transferring these funds annually, which started at a \$100,000 annual transfer, was changed to a \$250,000 annual transfer and now we are jumping to the full \$600,000. Wegeleben discussed that staff believes the BLEDA

will ask for regular transfers so staff feels the best option would be to transfer all the funds at one time instead of in increments. Hanna Klimmek discussed the role of the BLEDA and their Strategic Plan and purpose. Over the past five years, we have been working towards making the BLEDA prepared to have the ability to help promote increasing the tax base as well as facilitating redevelopment opportunities. The first phase of the strategic plan involved re-writing the BLEDA bylaws, clarifying term schedules, creation of the I-4 zoning district, and streamlining the sale of property in the Big Lake Industrial Park, which is now the easiest place to develop in the City. These were big picture projects that didn't really take any investment from the City other than staff time. We have now evolved into phase II of the strategic plan which entails investment. Now we are looking at marketing outside of the City and State, and looking at possible opportunities to increase our tax base as well as redevelopment. Rather than the BLEDA having to jump through hoops to seek City Council approval on funds that have already been set aside for the purpose of the BLEDA, they would really like to have the opportunity to act upon opportunities in a very efficient manner. Halverson reviewed past discussions, and noted that now we are discussing giving them \$600,000 in taxpayer money to spend without any Council input. Halverson recognized that while BLEDA members are more than competent, inevitably if something happens, taxpayers will come to council, stating that he feels there has to be some oversight in spending taxpayer money, and stressed that no other City committee has that level of authority. Klimmek responded that the EDA is set up differently than other Boards. Mayor Knier discussed that as a member of the BLEDA, he feels we have highly capable people on the Board, noting that we can always take the funds back if it is needed, and discussed that there are two City Council liaisons on the BLEDA Board. Knier discussed that he feels it would be smart to have the BLEDA funds available to the BLEDA so they can do what they are supposed to do with redevelopment and marketing for the City, noting that their hands have been tied for a long time due to a lack of funds. Klimmek stated that we have cleaned up our house and now we are ready to move forward. Halverson clarified that he totally agrees with the \$600,000, but he wants oversight on the funds. Mayor Knier stated that he feels the two Council Member BLEDA liaisons will provide that oversight. Council Member Noding discussed the redevelopment funds that have already been set aside which aligns with the purpose of the BLEDA, asking if it makes more sense for us to piece-meal and nickel and dime it rather than making one grand transfer. Noding also noted that the City Council has two voting members on the BLEDA so there is oversight in choosing opportunities, expressing that there will be opportunities that will arise where the BLEDA would benefit from having the funds available. Council Member Hanson stated that he feels we should move forward with transferring the full \$600,00, and suggested that Council Members not on the BLEDA Board meet with staff to better understand how the BLEDA operates. The general consensus of the City Council was to transfer the full \$600,000 to BLEDA Fund 275 at year-end.

## **6. ADJOURN**

Council Member Seefeld motioned to adjourn at 5:30 p.m. Seconded by Council Member Hanson unanimous ayes, motion carried.

Gina Wolbeck

City Clerk

09/28/2022

Date Approved By Council