

**City of Bigfork**  
**Regular City Council Meeting**  
**December 10, 2020**  
**5:30 p.m.**

**Members Present:** Mayor Bryan Boone, David Mann, Ben Maxa and Drew Francisco

**Members Absent:** Paul Gustafson

**Also Present:** Travis Lovdahl, Dan Heinecke, Lynn Marthaler and Sally Sedgwick

Mayor Boone called the meeting to order at 5:30 p.m.

The Pledge of Allegiance was recited and the Public Forum was opened. Boone explained that anyone present to discuss the 2021 tax levy would be given the opportunity to speak during that agenda item. As no one wished to address the Council, the public forum was closed.

Boone moved Resolution 2020-21 to the top of the agenda and the Fire Department to just after the street project update. ***Motion by Mann to approve the agenda as amended, seconded by Francisco motion carried unanimously (MCU).***

***Consent Agenda: Motion by Mann, seconded by Maxa and carried unanimously to approve the consent agenda including:***

- 1. minutes of the November 12, 2020 regular City Council meeting,***
- 2. City Clerk's office report for November 2020,***
- 3. financial report for November 2020,***
- 4. Public Works Department report for November 2020,***
- 5. payroll and timecards for November 13 and 27 regular payrolls in the amount of \$7,008.93***
- 6. claims paid in the amount of \$5,595.53 and claims for payment in the amount of \$21,982.08***
- 7. approval of liquor license renewal applications for Bigfork Wilderness Bar and Kocian's IGA for 2021***
- 8. not waiving the statutory limits on municipal tort liability insurance established by MN Statute 466.04 for the 2020-2021 insurance renewal***

**Resolution 2020-21 Final Budget & Levy:** Boone explained why the Budget Committee had set the 2021 levy at a significant increase from the 2020 levy. The Committee's goal was to put away \$35,000-\$40,000 in savings for future projects. Because several parcels of property were removed from the Scenic Estates TIF District in 2020 and would be returning to the general tax roll in 2021, the Committee believed that the large increase would not significantly impact individual taxpayers' bills. But because of State of Minnesota adjustments to property values, the City's Taxable Market Value and Net Tax Capacity for 2021 did not increase as much as originally

thought. The Budget Committee met again to reconsider the levy amount and felt strongly that the need to put away funds for future projects was important enough to warrant the levy increase. Boone specifically laid out the need for repairs and reconditioning of the water tower in the next four years. This project has an estimated cost of \$400,000. Assuming the City could get some grant funding for this, the Council plans on needing about \$200,000 for the project. For comparison, the City took out a \$196,000 bond at the beginning of 2020 that cost \$9,720 in issuance costs and will cost \$51,000 over the next 15 years in interest. The Council hopes to avoid having to issue debt again by having funds saved up for projects and emergencies.

Boone opened the floor for comments or questions. Resident Lynn Marthaler asked the Council if they thought it was the best year to start building up this fund with people struggling due to COVID. She questioned if every customer has a water meter and commented on employee wages and benefits.

Resident Dan Heinecke asked the Council what their long-term plan after being aggressive with the tax increase this year. Boone stated that because the City's general fund expenditures are around \$300,000 annually, he would like to aggressively work toward getting \$150,000 in an undesignated investment fund and then less aggressively increase it to \$300,000. He feels this is an adequate balance to support projects and cover emergencies. When money is used from the fund, the Council would have to determine how quickly they wanted to build it back up again. Boone noted that the City is already putting away money annually for specific needs such as future maintenance on the City Hall building and RiverWalk Trail, replacement of public works vehicles, potentially re-starting a police department, and a 2023 MnDOT Main Street reconstruction project. He pointed out that the \$10,000 being put away annually right now for the MnDOT project can be reallocated to this undesignated fund once that project is complete. Boone sees the undesignated fund as vital to ensuring the City stays in a good financial position and a way to insure against large tax and rate increases in the future.

Councilman Mann added that the City is currently carrying over \$800,000 in debt from prior projects and pays over \$15,000 annually in interest on that debt. He would like to see the City get to the financial position where it can avoid debt rather than adding bond upon bond.

Councilman Francisco stated that as a taxpayer, he hates to see his own bill go up, but as a resident who would like to live here his whole life, he doesn't want the City to be in debt and constantly be reacting to situations either.

Councilman Maxa agreed that no one likes to see a large increase and alluded to Marthaler's comment about this not being the best year, but it is hard not to conclude that this is the best option long-term for the City.

All agreed that with the large increase this year, the intent would be to remain close to that level in future years, pending any major occurrences.

***Motion by Francisco to set the 2021 general fund levy at \$197,000, seconded by Mann, MCU.***

Mann requested that the Clerk research how the money in this fund can be safeguarded against being spent down and not replenished in the future.

Boone reiterated that the Council understands this has been a difficult year and it is not their intention to emphasize that but to set the City up to have good years for a long time into the future.

## UNFINISHED BUSINESS

**Ash Street/Rajala Mill Rd Project Update:** Widseth Engineering provided a memo with cost estimate and funding information as well as a timeline showing advertisement for bids in January with the bid being awarded in late January or early February. Itasca County will handle the bidding process.

**Fire Department – Officer Pay Increase and Meeting Pay:** Fire Chief Travis Lovdahl reviewed the list of new officers for the Department for 2021. He requested that annual stipends for Fire Department officers be increased to \$700 for the Chief and \$600 for every other officer. Lovdahl also requested that the Department begin paying all members \$25 per meeting attended during the year. This would be paid annually to any member who remained in good standing during the year. Heinecke reminded the Council that the Fire Department has been budgeting \$25,000 for wages for many years but has never taken any pay for its members, rather that money is kept in the Fire Fund for equipment and other purchases. Maxa asked if beginning to utilize this budget line item for pay would leave the Department short for its equipment needs. Neither Lovdahl nor Heinecke felt this would be an issue as the Department puts away money annually toward equipment and building needs. Paying for meeting attendance will hopefully help with both recruiting and retention. ***Motion by Maxa, seconded by Mann to approve the proposed officer pay increase and per-meeting pay for all members, MCU.*** Lovdahl was thanked for his years of service as Fire Chief.

**Comprehensive Plan Status Update:** Rural Community Coordinator Tim Johnson provided a memo with the timeline for completing the Comprehensive Plan update. A public input meeting will be held in January and a draft update prepared based on that meeting and the earlier survey results. Council will review the initial draft and present it to the public for a 30-day review period. The final edits and adoption of the plan will be completed by March 2021.

**Hwy 38 Property Bids:** The minimum bid price on this 6-acre property was dropped to \$20,000 for the past month. No bids were received. Consensus was to lower the minimum bid to \$15,000 and advertise for another month.

**Movie Night Guidelines/Policy:** Boone requested that the Council begin thinking about guidelines to put in place for the showing of movies at City Hall once events can be held.

## NEW BUSINESS

**Water Meter Project:** Boone reviewed that the Public Works Department has been looking at a city-wide conversion to remote read water meters. An IRRRB grant has been applied for to cover about half the \$70,000 cost. The remainder would be paid for from the water and sewer fund balances. This project would decrease staff time spent reading meters and entering readings. It will also increase revenue by recapturing unaccounted for water. ***Motion to approve the project pending a grant award by Mann, seconded by Francisco, MCU.***

**OTHER/ANNOUNCEMENTS**

***Motion by Mann, seconded by Maxa to approve a vacation request from Storlie for December 22-24 and 29-31, MCU.***

***Motion to adjourn by Francisco at 6:54 p.m., seconded by Mann, MCU.***

Angela L. Storlie  
*City Clerk/Treasurer*