

**City of Bigfork**  
**Regular City Council Meeting**  
**March 21, 2023**  
**5:30 p.m.**

Members Present: Bryan Boone, Paul Gustafson, Jerry Denny, Sarah Scheff, Ben Maxa

Members Absent:

Also Present: Gary Erickson, Caleb Strandlie, Doug Host, Sally Sedgwick, Tim Johnson,  
Tamara Lowney, Eric Storlie, Nichole Arbour, Rob Sjostrand

Mayor Boone called the meeting to order at 5:40 p.m.

Reverend Boone opened with a prayer.

The pledge of Allegiance was recited.

The Public Forum was opened.

Gary Erickson addressed the City Council to say thank you to the Public Works department for their efforts in the snow removal. He also wanted to let the Council know what a fantastic job Melissa has been doing in her position, every time he has called with questions about a project, she has been on top of it. He also addressed the members from IEDC that were present with his concerns that he presented a few months back to the City and asked that the City look into his concerns with housing in the area. He also asked them to engage with him on the issues to find solutions. He did provide them with a copy of his paper regarding the issues he found in our community.

As no one else wished to address the Council, the public forum was closed.

**Add School Project to the Agenda under Unfinished Business. Motion by Maxa to approve the agenda as amended, seconded by Gustafson, motion carried unanimously (MCU).**

**Consent Agenda: Motion by Gustafson, seconded by Denny, and MCU to approve the consent agenda including:**

1. Minutes of the February 21, 2023, Regular City Council meeting
2. City Clerk's office report for February 2023,
3. Financial report for February 2023,
4. Public Works Department Report for February 2023,
5. Payroll and timecards for March 3, 2023, and March 17, 2023, regular payrolls, in the amount of \$6,757.44
6. Claims paid from Feb 22- March 20, 2023, in the amount of \$5,323.49 and claims for payment in the amount of \$93,287.23.

**Microsoft Teams Call from Douglas Host of CLA 2022 Financial Audit Presentation: Microsoft Teams is not working. Summarize presentation.** Douglas Host of CLA called in via Teams to present the 2022 Financial Audit.

Internal Controls: Material Weaknesses—deficiencies in internal control such that there is a reasonable possibility that a material misstatement would not be prevented or detected and corrected on a timely basis: Segregation of duties, Doug did state that this is unavoidable in a city of our size due to there only being one individual to monitor the accounts on a day to day basis. Audit adjustment, and controls over financial reporting, CLA will be submitting the financial report. Doug also stated that there were no significant deficiencies found in 2022.

Minnesota Legal Compliance: Auditors performed testing with applicable state statutes and completed multiple checklists to verify that the City complied with all applicable Minnesota Statutes. 2022 Findings: Collateral Coverage of Investments, was not high enough for the amount of money in the account, Melissa did address the bank to get this raised immediately after it was made aware. Firefighter Supplemental State Aid is to be transmitted to the applicable volunteer relief association within 30 days of receipt by the city clerk, the Fire department failed to deposit this within the 30 days.

Financial Results: Days of disbursements in General Fund Balance, typically it is a goal to have 150 days of reserve in the account, the city has 555 days of reserve. Significant increase in 2021 remained consistent to 2022 mainly due to COVID Funds, above target for 2022.

General Fund Revenues, Disbursements, and Fund Balance: Fund balance was positive at the end of 2022. \$248K increase in revenues (due mostly to grants), \$174K increase in expenditures (much of this was the Fire truck purchase by the Fire Department), Fund balance increased \$251K.

General Fund Revenues: Revenues increased approximately 52% from 2022, Approximately a \$122K increase in Intergovernmental revenues in 2022.

General Fund Disbursements: Disbursements increased approximately 51% from 2021, Approximately \$100K of this increase was in General Government, \$60K in Streets and Highway (due to Ash Street and Rajala Mill Rd Project), \$32K increase was in Airport expenditures (maintenance at the airport).

Water Fund Operations: Less than 1 month of expenses in Unrestricted Net Position: unrestricted Net Position \$541, Operating expenses less Depreciation \$104,921. Overall reduction in Net Position of approximately \$8K in 2022 after transfers.

Sewer Fund Operations: Approximately 7.8 months of expenses in Unrestricted Net Position: Unrestricted Net Position \$90,082, operating expenses less depreciation \$100,931. Overall reduction in Net Position of approximately \$6.6K in 2022 after transfers.

City Indebtedness: Net Pension Liability of \$86,820 in Enterprise Funds.

Key Issues/Summary: Financial Stability:

- General Fund had an increase in Fund Balance of approximately \$251K due primarily to an increase in grants.
- Water fund showed net loss after transfers of approximately \$8K down from \$62K in 2021.
- Sewer Fund showed net loss after transfers of approximately \$6.6K down from \$60K in 2021.
- Water and Sewer Fund have a healthy net position overall.
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**Motion by Maxa to accept the 2022 Financial Audit Disclosures as presented by CLA, seconded by Denny, and MCU.**

**Microsoft Teams Call from Caleb Strandlie of Widseth for Golf Course Lane Sewer Lift Station Project & Update on Water Tower Project:** Caleb called in to discuss the Sewer Lift Station on Golf Course Rd. Everything for the project is in order and at this time he needs approval to send the plans to the contractors to obtain quotes. Since the project is under \$175,000 the city is allowed to put out for quotes rather than open it up for bids.

**Motion to approve Widseth to obtain quotes for the Sewer Lift Station Project on Golf Course Lane by Gustafson, seconded by Maxa, and MCU.**

Caleb also wanted to give an update on the Trestle Bridge, the engineer did conduct his inspection on March 30, he will send his report to the City within the next few weeks.

Caleb also gave an update on the Water Tower Project, and they are planning a site visit to look at every aspect of the city's water and sewer infrastructure to determine its needs. They are planning the inspection once the snow has melted.

**School Project:**

**UNFINISHED BUSINESS**

**Tamara Lowney from IEDC Henkel Building Update:** Tamara addressed the Council to update them on IEDC's plans and ideas for the Henkel Building. The structural damage \$75,000-\$150,000 from the broken pipe last winter. The IEDC is hoping that Itasca County will be able to purchase the building and look at leasing it out long term after the necessary repairs are made. They did make another offer to EI2Ps board about three weeks ago and they are waiting to hear back from them. Right now, they are struggling to find interested parties due to the damage to the building. Tamara also gave a presentation that summarized the work the IEDC does in conjunction with SBDC. SBDC is a program that assists small businesses with any needs they may have, they shared that over the last few years they have continued to grow and are now currently assisting 180 different businesses in Itasca County.

**School Project Update:** Bryan Boone stated that the City is partnering with ISD 318 and community organizations on the Bigfork Community & School Enhancement Project. The City agreed to be a fiscal agent for various grants and funds and agreed to be a partner and applicant for potential Bonding. ISD 318 has been leading the bonding effort on behalf of themselves and the City and they were told by the State of Minnesota that in order for them to accept the Bonding, the City of Bigfork would need to own the Fitness/ Wellness Center for 20 years.

As summarized: ISD 318 would then lease the additions from the City of Bigfork, and they would be responsible for operations and maintenance as spelled out in a lease and MOU. ISD 318 would then take back ownership in 20 years. ISD 318 would bear the costs for legal agreements, surveys, etc.

A meeting is scheduled for Friday March 24<sup>th</sup>, between Bryan Boone, Ben Maxa, the School Board and ISD 318 to discuss this matter.

Bryan asked the councilors if they would be willing to entertain a lease with the school district. Maxa stated that he would be open to the lease. However, after we meet with the district, we would have to make sure the lawyer makes sure the lease agreement is iron clad. Maxa suggested that we hold a special meeting next week after they have met with the district representatives to come to a decision once the lawyer has had a chance to review the potential agreement.

**Special Meeting Scheduled for March 30, 2023, at 5:30 PM at the Bigfork City Hall.**

#### **NEW BUSINESS**

**Resolution 2023-06: Temporary Easement for Itasca County Project SAP 031-607-033: Motion by Gustafson to grant Approval for Resolution 2023-06: Temporary Easement for Itasca County Project SAP 031-607-033, seconded by Scheff, MCU.**

**PTA Sign Permission:** The Bigfork PTA is looking for permission to post two signs at the North and South entrances into town off of Highway 38 that state Welcome to Bigfork, Home of the Huskies. The Council members said that the signs would need to be far enough from the road way for the plow trucks to not hit them. The Council members agreed to grant permission with the overview of the Public Works employees regarding placement.

**Donation Request from Bigfork PTA: Motion by Scheff to donate \$750 to the Bigfork PTA from the Gambling Tax Fund for the Spring Carnival, seconded by Denny, MCU.**

**Memorial Day Parade Permission Request from Bigfork Elementary 5<sup>th</sup> Grade Class: Motion to grant permission to the 5<sup>th</sup> Grade Class to hold their Memorial Day Parade by Maxa, seconded by Gustafson, MCU.**

#### **OTHER/ ANNOUNCEMENTS:**

**Next City Council Meeting is April 11, 2023, at 5:30PM.**

May 9<sup>th</sup> City Council Meeting is to be held at the Bigfork City Hall at 5:30 PM.

Motion to adjourn at 7:25 p.m. by Gustafson, seconded by Scheff, and MCU.

Melissa J. Grover

*City Clerk/Treasurer*

Approved at the regular meeting held on  
April 11, 2023

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Mayor