

City of Bigfork
Special City Council Meeting
March 30, 2023
5:30 p.m.

Members Present: Bryan Boone, Paul Gustafson, Sarah Scheff
Members Absent: Ben Maxa, Jerry Denny,
Also Present: Gary Erickson, Chad Lovdahl, Pamela Francisco, Matt Grose, Ken Decoster,
Stuart Ostendorf

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

Reverend Boone opened with a prayer.

The pledge of Allegiance was recited.

School Project: Bryan spoke with the city's attorney John Dimich regarding entering into an agreement with ISD 318, Dimich did say that it is a pretty standard ordeal to have an agreement between a city and a school district. Many cities have had such an agreement such as Nashwauk, grand rapids, and more. Bryan stated that the insurance quote the city obtained from the League of Minnesota Cities for the addition would be approximately \$2,863 annually. With those things in mind, he said that he would be okay moving forward with the agreement. Bryan did open the meeting up to the school board, School district 318 Superintendent and principal that were present, and to the public for input.

Matt Grose the superintendent for ISD 318, stated that the community engagement in this project has been huge in making sure this project gets completed, there are already building permits in place and contractors being hired. The Bonding of \$1.5 million would help with the building costs for this project, however in order to receive the bonding the State of Minnesota has stated that the City of Bigfork needs to be listed as the owner of the addition for 20 years. The city would then lease the building to ISD 318. The Bonding Bill cannot pass the senate unless the city is listed as owner. Matt is optimistic that the Bonding Bill will be passed in the School District's favor to complete this project. Matt also said that if the bonding goes through it will ensure that any additions and bid alternate options the Bigfork School has selected will be included in the project. The project cost in total is approximately \$2.9 million. The Community has raised around \$1 million for the project.

Pam Francisco asked if there was a way for the city to not have to have the insurance on the building if the city is leasing it to ISD 318.

Stuart Ostendorf asked if there was a way for the school district to pay rent to the city to cover the insurance costs so that the city would not have to.

Matt Grose said that he would be willing to look into that option. He mentioned the possibility of taking a portion of the membership fees for the fitness center and sending that to the City for the insurance costs. Matt also mentioned that the school district would be responsible for all the maintenance of the building including cleaning, stocking bathroom essentials, snow removal, heating, water, and sewer costs. Matt also stated that the City could not use any of the funds from the Bond to pay for insurance costs, the bonding is specifically for construction and material cost.

Ben Maxa texted Bryan Boone and stated that he was not comfortable taking on the burden of \$3,000 yearly for the insurance premium as it would amount to \$60,000.00 approximately over the 20-year lease period. Paul asked Bryan where the city would find the \$3,000.00 for the insurance premium every year. It was mentioned that the City could look into being able to pull money from the Gambling Tax Fund to pay for this as it is a building that is specifically for student athletes and the community.

Pam asked if there were any grants that the city could apply for to help offset the costs of the insurance premium. Ken Decoster did mention that maybe Get Fit Itasca would have some opportunities. Bryan asked Melissa to look into any options and see if Tim Johnson would know of anything available.

Matt Grose said that he is confident that between the School District and the City we can figure out a way to offset the insurance premium. He didn't want the opportunity to be discarded due to a \$3,000-insurance premium.

Paul asked Matt what would happen if the city approved an agreement for supporting and applying for the bonding. Matt said there are a few different ways it could be approached, the City could have their attorney draw up a lease, or the district could draw it up and have their attorneys communicate the lease to the city's lawyer for overview. Matt also stated that ISD 318 would pay any and all attorney fees.

As there were no other comments regarding the project Bryan Boone made a motion.

Motion by Bryan Boone to move forward with the understanding that the City would be willing to take on ownership of the Bigfork Community and School Project, with the understanding that the City would expect ISD 318 to prioritize the bid alternates and come to an agreement regarding offsetting the insurance premium costs to the City, seconded by Gustafson, and MCU.

Motion to adjourn at 6:04 p.m. by Scheff, seconded by Gustafson and MCU.

Melissa J. Grover

City Clerk/Treasurer

Approved at the regular meeting held on
April 11, 2023

Mayor