

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL OF BIG FALLS, COUNTY OF KOOCHICHING, STATE OF MINNESOTA, INCLUDING ALL ACCOUNTS SUBMITTED BY SAID COUNCIL.

April 14, 2014

The regular meeting of the Big Falls City Council was called to order at 7 p.m. by Mayor Marta Lindemanis. Members present were Shawn Pritchard, Les Lepisto, Ken Warner and Donna Dauphinais.

Additions. Shawn Pritchard added the Neuenfeldt pit lease to the agenda.

Littlefork Medical Center/Taxing District. Staff from LMC, Koochiching County board members and staff, as well as members of the public were present. Teresa Briggs, Koochiching County Administrative Director, spoke to the council concerning the Littlefork Medical Center (LMC) Plan of Action and Timeline. She spoke of the facility's urgent need for capital improvements including a new roof, new boiler system and technology upgrades. Without these improvements, the facility, which would include the clinic, nursing home and assisted living center, would be forced to close. LMC has been working with the county to develop a plan of action to avoid the closure and the devastating effects to the economy. A plan has been developed in which Koochiching County would offer an interest free loan in the amount of \$1 million dollars, to be paid back by a proposed subordinate taxing district that would include all taxpayers in ISD #362. The loan would be paid back over 10 years by a property tax levy. Bob Peterson, Koochiching County Auditor, explained the tax effect of this proposed levy. The tax would be based on the property's real estate tax valuation. A residential homestead property valued at \$50,000 would pay an extra \$24 per year, \$100,000 would be \$57 per year. A commercial property valued at \$50,000 would be \$59 per year, \$100,000 would be \$119 per year. A recreational property valued at \$50,000 would be \$40 per year, and \$100,000 would be \$79 per year. Residents wishing to find out exactly how this would affect their property should contact the auditor/treasurer's office. Commissioner Wade Pavleck also addressed the council. He expressed his support for this project and noted how recent administrative changes at LMC have made a turnaround in the last year's profits. He also expressed his concern for the economic distress that the closing would have on the entire county. He also noted that LMC provides needed health services to the County, in which there is a shortage of beds. It also provides for the only inpatient drug and alcohol treatment center which saves the County and its taxpayers cost with court orders that require the County to place person in treatment. Without this facility, the person would have to be transported and housed out of county at a much higher expense. Mike Forte, Mayor of Littlefork, also spoke in support of the project and talked about other options explored, with no other funding able to be found. Mike Anderson, LMC Administrator spoke concerning recent efforts to turn the profit around, and commented on the quality and support of current staff. A public hearing will be held in Littlefork on May 6<sup>th</sup>. After the hearing there will be a 30 day waiting period. If 5% of the registered voters of the district file a petition for referendum, the question will be placed on the ballot at the next election. If it goes to referendum, it could jeopardize the project, as it would delay the funding past the time when capital improvements are needed. There was a five minute recess, while members of the public left.

Commissioner Wayne Skoe. The council discussed the gasification project. The peat project was also discussed. Berger Peat is looking to merge with another peat company.

Consent Agenda. The consent agenda was presented with the following items.

- March Regular Meeting Minutes
- March Financials

*There was a motion to approve the consent agenda by Shawn Pritchard. Second by Ken Warner. Motion carried.*

Disbursements. The disbursements were reviewed. *There was a motion by Shawn Pritchard to approve disbursements in the amount of \$42,186.41, check numbers 13930 to 13986. Second by Ken Warner. Motion carried.*

Water Project. Mark Hallan with WSN was present to give an update of the Water Project. Bids have been advertised. The public bid opening will be held on May 7<sup>th</sup> at 11 a.m. in the council chambers. The council will reviewed the bids recommendations at the May 12<sup>th</sup> council meeting. A pre-bid construction meeting will be held on April 28<sup>th</sup> for contractors interested in bidding on the project. A full set of project plans are available at the city office for review.

Liquor Report. Kari Lehman was present for a report. She presented figures for 3.2 Sunday sales since it started. There has been an estimated profit for the time period of about \$800.00. She presented a letter from the city attorney stating his opinion on the information presented last month concerning municipal Sunday sales of intoxicating liquor, and whether or not a city needs to have an election on this issue. His opinion stated that "The law does not specifically address the question of whether or not a ballot measure is required before a City can sell intoxication liquors on Sunday at its municipal establishment. In my opinion, since there is no law requiring an election, then an election is not required. Elections are only required for licensed establishments. The municipal liquor store is not a licensed establishment....It should be noted that MN State Legislature has granted cities broad discretion on how to operate and/or manage their municipal liquor store. Based on this broad authority and based on finding no contrary prohibition, I see no impediment to the Council approving the sale of intoxication liquor at its municipal liquor store on Sundays...." The council discussed this issue at length. Kari Lehman stated that she felt the profits would improve dramatically on Sundays if more than 3.2 could be sold. It was discussed that an increase in profit could be very beneficial to the city. The recent city revenue losses due to the bank and dentist closing, and the Fox tower lease cancelation were noted by the clerk. She also stated that the liquor fund does contribute a large amount to the city general fund every year, which helps to avoid a levy increase being passed on to the taxpayers. Donna Dauphinais stated that she felt it would be wrong for the council to approve it, since it had failed at the election in 2010. Council members Pritchard, Lepisto and Warner felt that it should be open for full liquor on Sundays, or not open at all. Kari Lehman also mentioned that being open on Sundays provides more shifts and income for the bartenders. *There was a motion by Shawn Pritchard to approve the sale of intoxicating liquor at the Big Falls Municipal Store on Sundays, subject to all applicable MN Statues regarding the conditions and days and hours of sales, for a six month trial period to evaluate profits.* There was a second to the motion by Ken Warner, with Les Lepisto voting aye, and Donna Dauphinais voting nay. *There was a motion by Donna Dauphinais to bring the issue to the voters at the next general election.* The motion failed due to the lack of a second. The council further discussed whether or not to consider an election again. A decision to have a ballot question would need to be reached before August 22<sup>nd</sup>, as this is the last day to notify the county auditor of ballot questions. The item will be reviewed again at the August council meeting. The council reviewed and approved the lead bartender job description. The jukebox revenues and fees were discussed. The liquor commissioners will meet for the manager's six month performance review. *There was a motion by Les Lepisto to approve the liquor report.* Second by Ken Warner. Motion carried.

Fire/EMS. Brent Arnold reported on the fire chief training session that he attended. 1<sup>st</sup> Responders will be renewing their licenses this spring, as well as new members taking the initial training. *There was a motion by Shawn Pritchard to approve the Fire/EMS report.* Second by Les Lepisto. Motion carried.

Maintenance Report. The council reviewed an estimate for the liquor store doors. *There was a motion by Donna Dauphinais to approve a contract with Robert Davis Construction in the amount of \$8400 to replace the liquor store doors.* Second to the motion by Ken Warner. Motion carried. The council asked the clerk to have Terry Baird look into estimates for upgrading electrical services at the campground, and to check into streets needing gravel this summer, that will not be affected by the water project.

Clerk's Report. The MOA brochure program has been successful. The first box of 800 is gone already. The council approved to send another box. The FOX TV lease cancelation is due to new technology that does not require tower space. The channel will still be broadcast in Big Falls. *There was a motion to approve the clerk's report by Shawn Pritchard.* Second by Donna Dauphinais. Motion carried.

Mural. The council reviewed a revised design idea for the council room wall mural from Sandy Frye. Changes and ideas were noted. Hi-res photos are needed for the final product. The historical museum may have photos available. Donna Dauphinais asked about the cost of having the river photo in color instead of black & white.

5K Mosquito Run. Marta Lindemanis asked the CERC to take over this event. The CERC agreed to organize the event, if the council would agree to cover any financial losses to the program, including any coordinator wages above the budgeted 25 hours/month that are attributable to the event planning. *There was a motion by Shawn Pritchard to fund*

*any extra expenses over the program Revenue out of the Economic Development Fund. Second by Ken Warner. Motion carried.*

Pit Lease. Shawn Pritchard asked if the council would have any objections to Greg Neuenfeldt sponsoring mud runs on the land he leases from the city. The council approves, pending the clerk checking with the insurance company to make sure the city would not have liability issues.

Playground. The committee is planning to have an equipment company representative come to take a look at the current playground when the snow is gone.

The next meeting is set for May 12, 2014 at 7 p.m.

*There was a motion to adjourn by Les Lepisto. Second by Shawn Pritchard. Motion carried.*

Adjourned.

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Marta Lindemanis, Mayor

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Joan Nelson, City Clerk