

**WALKER CITY COUNCIL
REGULAR MEETING MINUTES
WALKER FIRE HALL MEETING ROOM
MONDAY, APRIL 1, 2019**

CALL TO ORDER –Mayor Shaw

- Mayor Jed Shaw called the regular scheduled meeting to order at 6:00 p.m.
- Pledge of Allegiance
 - Council members present: Hansen, Moore, Senenfelder, Shaw and Wilkening
 - Council members absent:
 - Others present during portions of the meeting included:

Terri Bjorklund, City Administrator	Pamela Smith, City Employee
Dean Morrill, Pilot Independent	John Valen, City Attorney
Wayne Tennis, Chief of Police	Paul Nye, Walker Bay Live
Chris Clasen, Justin Clasen & Company LTD	
Fred Rogers, Walker Bay Live	Kristin Holly, Walker Bay Live
Mark Vondenkamp, Portage Brewing	Charles Adams, Moondance
Seth Liefer, Self	

CONSENT AGENDA-Mayor Shaw

M/S Moore/Hansen to approve the Consent Agenda Items 1 thru 14 as follows waving the reading.

1. Approve Walker City Council regular meeting minutes of March 4, 2019.
2. Review and file draft of Walker Planning Commission/Board of Adjustments regular meeting minutes of March 25th, 2019.
3. Review and file February 2019 Zoning Administrator report.
4. Review and file draft of Walker Park Advisory Board meeting minutes of March 26th, 2019.
5. Review Walker Library Board meeting minutes of March 20th, 2019.
6. Review and file Walker Police Department Monthly Report.
7. Review and file Public Works Committee meeting minutes of March 27st, 2019.
8. Review and file Safety Committee meeting minutes of March 8th, 2019.
9. Review and file Walker Area Joint Fire Department Minutes of March 14th, 2019.
10. Approve Cash Balance Report as of February 28, 2019.
11. Approve payment of invoice 364205 in the amount of \$12,450.00 to SEH for Walker Municipal Airport Master Plan with Airport Layout Plan.
12. Approve payment of invoice 82210 from Ulteig in the amount of \$86,390.81 for Professional Services for work performed through February 28, 2019 for Walker - 2019 Street & Utility Improvements-Northside Project UEI Project No. R17.00155
13. Approve to pay the Statement dated 3/26/2019 for renewal premium in the amount of \$75,931.00 to the League of MN Cities Insurance Trust.
14. Approve to pay Invoice 79720 in the amount of \$4,750.00 to Ehlers for TIF 16 establishment. (to be paid from TIF proceeds)
Motion passed (5-0)

**WALKER CITY COUNCIL
PUBLIC HEARING MEETING MINUTES
WALKER FIRE HALL MEETING ROOM
MONDAY, APRIL 4, 2019**

PUBLIC HEARING –MAYOR SHAW

➤ Mayor Jed Shaw called the public hearing meeting to order at 6:01 p.m.

- Council members present: Hansen, Moore, Senenfelder, Shaw and Wilkening
- Council members absent:
- Others present during portions of the meeting included:

Terri Bjorklund, City Administrator	Pamela Smith, City Employee
Dean Morrill, Pilot Independent	John Valen, City Attorney
Wayne Tennis, Chief of Police	Paul Nye, Walker Bay Live
Chris Clasen, Justin Clasen & Company LTD	
Fred Rogers, Walker Bay Live	Kristin Holly, Walker Bay Live
Mark Vondenkamp, Portage Brewing	Charles Adams, Moondance
Seth Liefer, Self	

To hear public comment on the proposed adoption of a Modification to the Development Program for Development District No. 2, the proposed establishment of Tax Increment Financing District No. 2-16, (a redevelopment district), and the proposed adoption of a Tax Increment Financing Plan therefor, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 to 469.134 , and Sections 469.174 to 469.1794, inclusive, as amended in an effort to encourage the development and redevelopment of certain designated areas within the City.

Bjorklund reads the following:

City Council is considering establishing redevelopment TIF District 2-16 (Portage) to facilitate the construction of a 4,500 sq/ft brew pub for Portage Brewing.

This redevelopment TIF district has a maximum term of 26 years. The District met the required blight standard (parcel contained a substandard building) and the City Council approved the required substandard building resolution on February 4, 2019, so the developer could demolish what remained of the building after the fire prior to the public hearing this evening.

The district is comprised of 1 parcel of land located at 107 5th street (current site owned where the existing brew pub burnt down). Bjorklund holds up a map to show the public and council where the land is located as well as a picture of the blight of the building.

The estimated TIF (plus interest earnings) generated over the 26-year term is approximately \$440,000 and is a maximum amount for TIF plan budget purposes only.

Bjorklund stresses that this is just a plan budget. It is a modification of what the City currently has as a TIF plan. We will later on establish an agreement between Portage Brewery and the City of Walker if the Council moves forward with this tonight.

Currently the City anticipates that any assistance provided to the developer will be on a pay-as-you-go basis (as they pay their taxes in May or October, they will get their TIF

reimbursement in Aug and Feb). And that is standard all TIF agreements are paid in that fashion to the City of Walker. So this plan would be at no risk to the City.

The actual amount and term of assistance that will be provided to the developer will be approved through a TIF contract at a future meeting. The TIF contract will detail what they have to construct, when they need to construct it by, the principal amount of the TIF note, the interest rate, required City approvals (planning) and events of default.

Approval of the TIF district does not bind you in any way to provide assistance if after your review and review by consultants it is determined assistance is no longer warranted.

Staff is happy to answer any questions.

No public or Council comments or questions were heard.

Public hearing closed at 6:05 p.m.

SCHEDULED CITIZENS PRESENTATION –Mayor Shaw

None.

CITY STAFF COMMENTS – Mayor Shaw

None.

AUDITOR’S PRESENTATIONS – Mayor Shaw

➤ Christopher Clasen presentation of the 2018 Audit Report

Christopher reads from page one of the Audit communications letter. We found the City’s records to be in good order (organized, available, complete, etc.) We appreciate the time that staff took to work with us to complete the engagement. The Audit opinion of the financial statements is fairly stated. We issue two opinions; one opinion is the adverse opinion, which is an opinion that we are not doing a certain type of accounting. Every City over the population of 2,500 has to be on the full accrual basis of accounting.

Walker is under 2,500 for population so you are on the Regulatory Basis of Accounting.

We gave you an adverse opinion and we give you an unmodified opinion based on the regulatory basis. An unmodified opinion is the cleanest highest level of opinion that we can give. Hat’s off to Walker; it is a very good thing. We noted no compliance issues. We found no material weaknesses in internal controls. For 2018 the General Fund decreased by \$112,393 ending at \$2,127,297. The fund balance in the general fund represents 133.3% of next year’s expenditures, which means that the City is in good financial health. Your budget to actual numbers: You received \$163,317 higher than what you budgeted for or roughly 12.1%. On the opposite end of that you spend \$259,492 or 19.4% more than what you budgeted for. There are good reasons for this. You received a grant from the economic development for your plow truck; your old plow truck which you scrapped and the City did not budget for. Walker has always taken the stance that you do not budget for the local government aid that may come in because of the fluctuation. If you take those out Walker was within a 5% variance. On the opposite end you had 3 major purchases that were not part of the budget; snow plow, mower and tower avenue engineering fees. If the City wants to be closer with budget to actual numbers you can always amend your budget throughout the year.

On page 2 of the communications letter, of the government funds the total cash balance of the end of year was about \$6.6 million. Of that amount \$461,974 was undesignated; to use at the City's discretion. The remaining \$6.1 million was restricted, committed, assigned or designated by the City for future items or projects. The City has collected \$2.694 million and has spent \$2.2 million in disbursements. It gives you a positive change with transfers of \$522,301. The reason for the huge increase is the sales tax revenue coming in that you didn't have in the past. That was \$613,000 of that. That is available for future projects. For your proprietary funds which are the water, sewer, storm water, liquor and deputy registrar. You had a positive change in that cash position. A lot of cities have difficulties with their enterprise funds making money or breaking even. You guys are on top of things. Every single fund had a positive change in that cash net position. The liquor store transferred \$74,131 to offset the City levy of 2018. Clasen points out page 3 and 4 pie graphs and briefly reviews the graphs. We have to give an assessment on internal controls. They are items that may cause a material weakness. There could be that there is a high likelihood that your financial statements would be misdated. We did not find any material weaknesses in your internal control. You are the only one out of 50 municipalities that doesn't have any weaknesses that we found during the course of the audit. That is a hat's off to the City. We did not have to make any material journal entries, we had no disagreements with management and the audit process went really well. For the City of Walker 2018 was a pretty moderate year.

PERSONNEL, BUDGET & ADMINISTRATION – Councilmember Senenfelder

1. **M/S Senenfelder/Moore** to approve of Claim #56309 to Claim #56425 including Voided Check Numbers 56376, 56387 and 56403 and bank drafts in the amount of \$198,104.36.
Motion passed (5-0)
2. **M/S Senenfelder/Wilkening** to approve of Resolution 19-2019, a resolution adopting a modification to the Development Program for Development District No. 2; and establishing tax increment financing District No. 2-16 therein and adopting a tax increment financing plan therefor.
Ayes: Hansen, Moore, Senenfelder, Shaw, Wilkening Nays: None
Motion passed (5-0)
3. **M/S Senenfelder/Wilkening** to approve of Resolution 20-2019, a resolution authorizing an interfund loan for advance of certain costs in connection with tax increment financing District No. 2-16.
Ayes: Hansen, Moore, Senenfelder, Shaw, Wilkening Nays: None
Motion passed (5-0)
4. **M/S Senenfelder/Moore** to approve to accept the 2018 Audit as presented.
Motion passed (5-0)
5. **M/S Senenfelder/Moore** to approve to pay Justin Clasen & Company LTD for the preparation of the 2018 audit in the amount of \$12,700.
Motion passed (5-0)
6. **M/S Senenfelder/Hansen** to approve to pay League of Minnesota Cities Insurance Trust \$18,665.00 for worker's compensation deposit premium.
Motion passed (5-0)

7. **M/S Senenfelder/Moore** to approve of the request from the accounting department to transfer \$9,100.00 from Street Capital Projects fund 500 to the General Fund 101 for the cost of the fishing pier/lift dock.
Wilkening questioned if they were just getting ready so when he comes he can get paid? Bjorklund stated rather than two requests for transfers; right now that account is in the red, we need to transfer the money we earmarked for that. Instead of doing two transfers; one now and one later, we lumped it all into one. The second check will not be cut until at which time it is up and functioning.
Motion passed (5-0)
8. **M/S Senenfelder/Moore** to approve to pay Invoice 2019-03-14 from Walker Water Works for Walker Area Community Center outside skating rink for the 2018-2019 season in the amount of \$151.50.
Motion passed (5-0)
9. **M/S Senenfelder/Wilkening** to approve to send Mary Beth Hansen to the League of Minnesota Cities 2019 Annual Conference in Duluth, MN from June 26th – 28th, 2019 at a cost of \$150.00 plus meals, lodging and mileage.
Bjorklund stated that anyone is able to attend if anyone else is interested in going please let her know.
Motion passed (5-0)
10. **M/S Senenfelder/Moore** to approve of Resolution 18-2019, a resolution accepting donations made to the city of walker thru fiscal year 2019.
Ayes: Hansen, Moore, Senenfelder, Shaw, Wilkening Nays: None
Motion passed (5-0)
11. **M/S Senenfelder/Wilkening** to approve to donate \$2,000 to the lighting project at the Walker Area Community Center Outdoor Skating Rink. (\$1000 from donated funds and the City of Walker donating \$1,000)
Motion passed (5-0)
12. **M/S Senenfelder/Moore** to approve of the liquor license applications from Village Square properties located at 411 Minnesota Avenue West for 3.2 ONSS on-sale License application and MWNONSB Wine on-sale License application for the sale of strong wine and beer as well as Sunday sales. Contingent upon receiving Certificate of Liability Insurance for Liquor Liability and meeting all other Ordinance requirements.
Motion passed (5-0)

**ECONOMIC DEVELOPMENT/LIQUOR STORE/AIRPORT/LIBRARY –
Councilmember Hansen**

1. **M/S Hansen/Wilkening** to approve of Walker Planning Commission/Board of Adjustments Meeting Minutes of February 25th, 2019.
Motion passed (5-0)
2. **M/S Hansen/Moore** to approve to enter into an Architect/Engineer agreement for the Airport Access Road and Parking Lot Reconstruction project. Funding to be in conjunction with federal and state grants along with a local share.
Motion passed (5-0)

3. **M/S Hansen/Senenfelder** to approve of Resolution 15-2019, a resolution authorizing the number of Library Board members and dissolving the Library Building Committee.

Hansen stated that at the Library Board meeting it was initially decided to leave it at seven because they thought they had a multitude of applications, but we only had three; so five makes sense.

Senenfelder added that they have struggled with that board for a long time to get enough people and so they hold a meeting with a quorum. I think it is time to get things moving there again and this is one way to do it.

Wilkening adds that they did the same thing with planning and zoning and it has worked out well.

Ayes: Hansen, Moore, Senenfelder, Shaw, Wilkening Nays: None
Motion passed (5-0)

4. **M/S Hansen/Moore** to approve to appoint Library Board Members Theresa Bilben, City of Walker and Fred Rogers, Shingobee Township.

Hansen stated that they received three applications for the open seat; Peggy Trimble, Shingobee Township, Theresa Bilben, City of Walker and Fred Rogers, Shingobee Township.

Moore stated that she thinks because they have one board member on there that is a snow bird that at this point they go with Theresa Bilben and Fred Rogers and talk to Pat and ask her if it would be okay for her to step down because she is not making the quorums.

Hansen stated that they are going to take a moment to redo the bylaws. She questioned Fred Rogers if he ever found any. He stated that he has found an old set from 10 years ago. We are in the process of updating and modifying to fit our needs. Maybe we can address snowbirds at that time.

Motion passed (5-0)

PARKS/AMBULANCE BOARD–Councilmember Moore

1. **M/S Moore /Hansen** to approve of Walker Park Advisory Boards Minutes of February 26th, 2019.
Motion passed (5-0)
2. **M/S Moore/Wilkening** to approve the recommendation of the Walker Park Advisory Board for the application for Walker Bay Live-MN Folklore Theater Inc.; Upper City Park; Thursday June 13th; set-up from 2:30 – 5:00, actual event 5:00-9:00, clean up completed by 10:00 p.m., approximate number of people expected is 75-200. Contingent upon them providing an updated certificate of insurance and renting 2 portable satellites.
Motion passed (5-0)
3. **M/S Moore/Hansen** to approve the recommendation of the Walker Park Advisory Board for the application for Walker Bay Live-MN Folklore Theater Inc.; Upper City Park; Thursday July 25th; set-up from 2:30 – 5:00, actual event 5:00-9:00, clean up completed by 10:00 p.m., approximate number of people expected is 75-200. Contingent upon them providing an updated certificate of insurance and renting 2 portable satellites.
Motion passed (5-0)

4. **M/S Moore/Hansen** to approve the recommendation of the Walker Park Advisory Board for the application for Walker Bay Live-MN Folklore Theater Inc.; Lower City Park; Thursday August 1st; set-up from 2:30 – 5:00, actual event 5:00-9:00, clean up completed by 10:00 p.m., approximate number of people expected is 75-200.
Contingent upon them providing an updated certificate of insurance and renting 2 portable satellites. (working with the Leech Lake Chamber to coordinate with the day before Walker Bay Days starts)
Wilkening questioned why they wouldn't do it on Walker Bay days?
Kristin Holly stated that she has contacted the committee and they may still do that. The committee was reluctant because of dueling pianos on Friday. I think we are going to try and cross-promote each other.
Motion passed (5-0)
5. **M/S Moore/Hansen** to approve the recommendation of the Walker Park Advisory Board for the application for Walker Bay Live-MN Folklore Theater Inc.; Rock Garden; Thursday June 20th; set-up from 2:30 – 5:00, actual event 5:00-9:00, clean up completed by 10:00 p.m., approximate number of people expected is 75-200.
Contingent upon them providing an updated certificate of insurance and renting 1 to 2 portable satellites.
Motion passed (5-0)
6. **M/S Moore/Senenfelder** to approve the recommendation of the Walker Park Advisory Board to approve the proposed Pickle Ball Courts.
The Board questions if the placement may be too close to the volleyball courts.
Bjorklund stated that they have a meeting with Anderson Brothers in the morning and that is part of the conversation they will be having.
The Board agrees that the City will coordinate the project and communicate with Dave Cochran in regards to the project.
Motion passed (5-0)

PUBLIC WORKS, SAFETY & CEMETERY – Councilmember Wilkening

1. **M/S Wilkening/Senenfelder** to approve of the recommendation of the Safety Committee to approve Resolution 16-2019, a resolution authorizing a new regional safety group.
Ayes: Hansen, Moore, Senenfelder, Shaw, Wilkening Nays: None
Motion passed (5-0)
2. **M/S Wilkening/Senenfelder** to approve of the recommendation of the Safety Committee to approve to enter the agreement establishing a regional safety group.
Motion passed (5-0)
3. **M/S Wilkening/Moore** to approve of the recommendation of the Public Works Committee to participate in Cass County's Chloride Placement Program for dust control at a cost of \$3445.00.
Motion passed (5-0)

4. **M/S Wilkening/Hansen** to approve of the recommendation of the Public Works Committee to Street Closure requests for Walker Bay Live events on July 11 & 18, 2019 2:30 thru 9pm .
 Wilkening stated that they don't typically close streets over Moondance.
 The Board questions how it would impact the Chase parking. Kristin Holly stated that they Chase would like every Walker Bay Live at the City dock.
 Motion passed (5-0)
5. **M/S Wilkening/Moore** to approve of the recommendation of the Public Works Committee to purchase a new Fire alarm System for City Hall in the amount of \$8,985.00.
 Motion passed (5-0)
6. **M/S Wilkening/Hansen** to approve of Resolution 17-2019, a resolution authorization of application to the Minnesota Public Facilities Authority
 Ayes: Hansen, Moore, Senenfelder, Shaw, Wilkening Nays: None
 Motion passed (5-0)
7. **M/S Wilkening/Moore** to approve of the quote from Turf Tech for the spraying of Ah-Gwah-Ching, New Industrial Park Road, Walker Bay Blvd, Highland Avenue holding ponds and the 130x60 area of City property abutting 2nd street in the amount totaling \$3,100.00
 Motion passed (5-0)
8. **M/S Wilkening/Moore** to approve of the quote from Turf Tech for the fertilizing and herbicide applications for the City Park, City Hall and Public Library properties in the amount of \$2,785.50
 Motion passed (5-0)
9. **M/S Wilkening/senenfelder** to approve of the quotes totaling \$19,150 from Turf Tech for the 2019 season for Cemetery maintenance, Herbicide applications and irrigation maintenance.
 Motion passed (5-0)

OTHER BUSINESS –Mayor Shaw

- City officials are invited to attend Minnesota Emergency Management Training Preliminary Damage Assessment & Survey at the Walker Area Community Center on Wednesday April 10th, 2019 from 10:00 am to 3:00 pm. Lunch will be served. (Please notify Terri Bjorklund if you plan on attending.)

ADJOURNMENT-Mayor Shaw

Mayor Shaw adjourns the meeting at 6:44pm.

 Jed Shaw, Mayor

Attest: _____
 Terri Bjorklund, Administrator