

**CITY OF BAYPORT
CITY COUNCIL SPECIAL MEETING / WORKSHOP MINUTES
COUNCIL CHAMBERS
AUGUST 22, 2022
4:00 P.M.**

CALL TO ORDER

Pursuant to due call and notice, Mayor St. Ores called the regular City Council meeting to order at 4:05 p.m.

ROLL CALL

Members present: Mayor Susan St. Ores and Councilmembers Michele Hanson, Ethan Gilmore, and Connie Carlson

Members absent: Councilmember John Dahl

Staff present: City Administrator Adam Bell, Assistant Administrator/Planner Sara Taylor, and Public Works Director Matt Kline. Police Chief Laura Eastman arrived at 4:25 p.m.

NEW BUSINESS

1. Consider acceptance of the 2021 city audit: City Administrator Bell noted that the audit findings were presented at the August 1 regular City Council meeting and since that time, they have issued the formal audited financial statement report for acceptance.

It was moved by Councilmember Carlson and seconded by Councilmember Hanson to accept the 2021 city audit. Motion carried 4-0.

2. Consider pay application #1 to Pioneer Power for the 2021 Booster Station Improvement Project: Public Works Director Kline reviewed the records of work completed and noted staff is recommending payment in the amount of \$67,193.50, which accounts for approximately 19% of the total contract amount of \$352,900.00.

It was moved by Councilmember Hanson and seconded by Councilmember Gilmore to approve the pay application, as presented, and upon roll call being taken thereon, the following vote via voice:

Susan St. Ores - aye	Connie Carlson- aye
Michele Hanson -aye	Ethan Gilmore - aye

3. Consider a lease proposal with St. Croix Preparatory Academy for use of the Nature Center: Administrator Bell reviewed the current challenges with renting the Nature Center for special events, including limitations on occupancy capacity and parking. He reviewed a recent inquiry from St. Croix Preparatory Academy (SCPA) about the potential of leasing the building for a term of 11 months, as they are temporarily in need of additional workspace for executive staff and storage of some equipment. It was noted that on average, the city's building rental income is \$1,200 per year, and ongoing expenditures for utilities (electric, HVAC, waste/recycling service), cleaning, and snowplowing are approximately \$2,400 per year. As proposed, SCPA is offering \$1,200 per month in rent for the building and will also assume all costs for utilities, cleaning, snowplowing, and lawn/landscaping maintenance. Despite the loss of having the building available for other rentals, given the lack of use and rental demand, lack of success in increasing rentals, and limitations with the physical space and parking area, staff believes this proposal would benefit the city from a financial standpoint at this time. If approved by the City Council, staff will work with the City Attorney to define the specific terms and execute a lease agreement, as outlined and subject to review and approval by the Minnesota Land Trust.

It was moved by Councilmember Carlson and seconded by Councilmember Gilmore to authorize staff to work with the City Attorney to execute a lease agreement, as presented, and upon roll call being taken thereon, the following vote via voice:

Susan St. Ores - aye	Connie Carlson- aye
Michele Hanson -aye	Ethan Gilmore - aye

DISCUSSION ITEMS

1. Preliminary city budget for 2023: City Administrator Bell reviewed the preliminary General Fund department budgets for 2023 and the relevant factors that contributed to the proposal. In general, the budget accounts for a 3% cost of living adjustment for all union and non-union employees, a decrease of 0.6% in health insurance rates, and reduced Metropolitan Council sewer rates. Increased costs are anticipated for property/liability and worker's compensation insurance rates, city membership dues, contractual fees, supplies and equipment, and fuel and utilities. He highlighted significant increases and/or decreases in expenditures by department, including elections, general government, recycling, administration, building/zoning, municipal buildings, police, fire, streets, parks, and the cemetery. A slight increase in capital outlay funding for police equipment is proposed, but office, fire, and public works equipment, street reconstruction, parks/recreation, and cemetery maintenance have been maintained or reduced to reflect scheduled expenditures. The proposed preliminary budget also includes a \$9,500 levy increase for the library. Discussion followed on allocating funds for a centennial project and the current fund balance for parks and recreational capital equipment improvements. The next workshop to discuss the preliminary 2023 budget will be held on September 12.

ADJOURNMENT

It was moved by Councilmember Gilmore and seconded by Councilmember Hanson to adjourn the meeting at 6:00 p.m. Motion carried 3-0 (Councilmember Carlson departed at 5:15 p.m.).

City Administrator/Clerk