

CITY COUNCIL MEETING

A work session was held beginning at 3:30 p.m. and the regular meeting of the Coleraine City Council was held at 4:00 p.m., **Monday, September 25, 2023**, in the Council Chambers of Coleraine City Hall.

WORK SESSION

3:30 p.m.

The work session consisted of a review of preliminary 2024 budget numbers and what assumptions were made in its preparation. A reminder was given that the preliminary levy would need to be set tonight and the final levy would be set on December 11th after the 'Truth In Taxation' meeting. The final levy can be less than the preliminary levy but it cannot be more. Item is on the agenda for further discussion.

REGULAR MEETING

4:00 p.m.

The regular meeting was called to order by Mayor Nielsen at 4:00 p.m. followed by the Pledge of Allegiance. A roll call was done by Clerk Anderson. **Members present: Councilpersons Dreher, Sobtzak, Troumbly, Sertich, and Mayor Nielsen.**

Moved by Mayor Nielsen, supported by Councilperson Dreher, **to approve the consent agenda which included minutes of 9.11.23, 9.14.23 special work session minutes, special joint council meeting minutes of 9.18.23, correspondence, PU claims sent of \$21,513.66, and claims of \$24,568.73 which included \$10,000 to Itasca Ski & Outing Club which was budgeted for.** Roll Call: Ayes: Mayor Nielsen, Councilpersons Dreher, Sobtzak, T. Troumbly, and Sertich. Nays: none. Motion carried.

Moved by Mayor Nielsen, seconded by Councilperson Sobtzak, **to approve the meeting agenda with the addition of the PW Supervisor agreement between Coleraine and Bovey.** Ayes: All. Nays: None. Motion carried.

PUBLIC COMMENTS:

None.

DEPARTMENT HEADS

Library

Board minutes and financials were not available.

Clerk's Report

Clerk Anderson went over her written report which included a reminder that the next council meeting would be Tuesday, October 10th (not Monday), additional review of the proposed 2024 budget numbers with assumptions made, and stated a notice had been received from AFSCME represented employees that they wanted to start negotiations and council will need to provide some available dates for the business agent to get something scheduled.

**Committee/Commission/Other
Public Utilities Commission & CBT**

CBT meeting minutes were included in council packets.

Trout Lake Fire Department

Board meeting minutes were included in council packets. It was reported that a letter had been received from the state requesting termination of their lease at the Emergency Services Building. The board is sending a letter in reply respectfully asking for a 60% buy-out of the remaining lease due to the impact on each of the city's budgets, which will cost each city an additional \$7,000 per year. Fire Chief Decoster will also be recommending a \$3,000 increase in the building fund portion of the budget for 2024. Assuming there will be no buy-out, this would increase the city's contribution by \$10,000.

Attorney Dimich arrived at 4:13 p.m.

Eagle Ridge Golf Course

Minutes from the last board meeting and financials were not yet available. Gary Gustason reported that they will be aerating the greens in the next couple weeks, that there is a ladies' event next weekend, one more tournament the following weekend and then the season and golfing will be done.

Zoning & Planning Commission

Minutes had been included in the last council meeting packet. Zoning Officer Anderson reported that his work is slowing down.

Greenway Joint Recreation Board

Minutes from the last meeting were included in council packets. Delich reported that ice will be going in within another month.

Cotton Beach/Mt. Itasca Ski Hill

It was reported that there will be a meeting on playground equipment and Cotton Beach on October 16th. It was requested that Public Works Supervisor Rogich be included. Brought up was the verbiage on the City's website regarding lifeguards; signs indicating 'no lifeguards' are at the beach but the website still references that the beach is staffed. Nothing to report on the Ski Hill.

Police Merger Committee

No meeting; nothing to report.

Infrastructure Committee

Due to absences, the meeting was rescheduled to Tuesday, September 26th.

CEDA

It was reported that there will be a \$20,000 gap in funding for the Cotton Park Playground project; they are still looking for additional funding to help the city. They are also looking into outsourcing for the newsletter and creating a budget for the 2024 Picnic in the Park event which will be taken over by a volunteer group yet to be put together.

NEW BUSINESS:

Public Works joint Supervisor agreement -- Public Works Supervisor Rogich reported that the City of Bovey wishes to move forward with a Joint PW Supervisor on a six month trial period which will take us into April—

Odden's official retirement date. For now, this will be on an 'as needed' basis and any time will be billed to Bovey using a loaded wage. There was some discussion on how this would work. Councilperson Sertich, with support from Sobtzak, motioned that Attorney Dimich come up with an agreement for review and approval. Ayes: all. Nays: none. Motion carried.

Set preliminary levy – After some discussion and options for work session meetings to go through the budget, **Motion** by Councilperson Sobtzak supported by **Sertich to set the preliminary levy at \$1,074,214 – an increase of 15% over last year.** Roll Call: Ayes: Councilperson Sobtzak, Sertich, T. Troumbly, Dreher, and Mayor Nielsen. Nays: none. Motion carried.

Rather than scheduling separate work sessions for budget review, an option to start the work sessions a half hour earlier was suggested. Council believed that this would work.

Rural Benefit Ratio for property taxes – **Motion** by Mayor Nielsen, with support of Councilperson Sobtzak, **to stall the final scheduled 10% increase to the rural benefit ratio and remain at a 65% rural benefit ratio for the 2024 levy.** Roll Call: Ayes: Mayor Nielsen, Councilpersons Sobtzak, Dreher, T. Troumbly, and Sertich. Nays: none. Motion carried.

Itasca Ski & Outing Club—Addendum to Extend Agreement – **Motion** by Councilperson T. Troumbly supported by Dreher **to approve the addendum and extend the lease of the Ski Hill to October 1, 2043.** Roll Call: Ayes: Councilpersons T. Troumbly, Dreher, Sobtzak, Sertich, and Mayor Nielsen. Nays: none. Motion carried.

Police Service Agreement with Bovey – **Motion** by Mayor Nielsen, with the support of Councilperson Sertich, **to approve the temporary Police Service Agreement.** Roll Call: Ayes: Mayor Nielsen, Councilpersons Sertich, T. Troumbly, Sobtzak, and Dreher. Nays: none. Motion carried.

Attorney Dimich provided a synopsis of the process of merging two cities. He spoke to the state MN Boundary people and was told that the process is very lengthy and very expensive. He was referred to the City of Carlton who merged with the City of Thomson. They started in 2013 and completed process in 2015. He got a template from them of the process. The two cities would first need to discuss a plan covering 9 points. This required monthly joint meetings with a mediator/facilitator—they used someone from ARDC. It is suggested that the respective County Commissioners, John Johnson for Coleraine, and Casey Venema for Bovey do the reaching out to ARDC. In the process and discussions there is a thorough review and evaluation of each city's finances, bonding, debt among other things. Dimich stated that it is key to talk about financing. Through the 9 point process, the plusses and minuses of a merger are spelled out.

He further stated that in that discussion one would start with Administration and go over all the functions of the combined city and what you envision it to look like. At some point you would determine how you move to one council and not have two governing boards. You look at buildings, equipment, assets, and all of the above especially finances before it goes to any kind of vote. Combining to one city would require a referendum on the ballot. Having a question at the general election is recommended as a special election would minimally cost each city \$14,000, plus paying election judges. The voters could vote 'no' and the question could be asked at one more election. Should the voters decide 'no' again, everything is dropped.

UNFINISHED BUSINESS:

Eagle Ridge Golf Course – Approve 2024 Budget – Councilperson Sobtzak explained the two increases in the budget that were in question. **Motion** by Councilperson Sobtzak, supported by T. Troumbly, **to approve the Eagle Ridge Golf Course 2024 budget.** Ayes: all. Nays: none. Motion carried.

Interim Ordinance 2023-1 prohibiting sale . . . cannabis products until framework established in City Code – Attorney Dimich reported that there is a lot of discussion and rules and that will be coming down from the state and they will probably change prior to the 2025 legal sell date. It is advised to do nothing at this time. This will be removed from the agenda.

Council concerns/comments

Dreher: None
Sertich: None
Sobtzak: None
T. Troumbly: Had seen communication on a social media site from an anonymous source that the city hadn't done something right when it sold the old fire hall. After review and discussion with Dimich, it was deemed unfounded.
Nielsen: None

Mayor Nielsen **motioned to adjourn the meeting at 5:26 p.m.** Motion supported by Councilperson Sertich. Ayes: all. Nays: none. Meeting adjourned.



Thomas Nielsen, Mayor



Briana Anderson, Clerk-Treasurer