

**CLEARWATER CITY COUNCIL MEETING MINUTES
CITY COUNCIL WORKSHOP MEETING #2
FEBRUARY 24, 2025**

1. Call to Order: 7:00 p.m. at City Hall

- Mayor Lawrence called the Clearwater City Council to order Monday, February 24, 2025, at 7:00 p.m. in the Council Chambers. Members present were Mayor Lawrence, Council Members Crandall, Senn, and Everett. Member Schwinghammer was absent. Also present was City Administrator Smythe and guest Tom Plaggerman.

2. General Goals and Plans

- Administrator Smythe asked Members to outline their top items that they feel would make Clearwater a better place. Staff are trying to gauge where new Members stand on various past proposals and if there are any new goals/plans to consider.
 - Mayor Lawrence – pedestrian crossing over I94; native plantings; pavilion/rental space at El Dorado Park.
 - Member Everett – indoor play area for children of all ages; native plantings.
 - Member Crandall – senior living or assisted living facility; another family-style restaurant; training/education center with classroom space and technology for city use or outside rentals.
 - Member Senn – addition to Lions playground with equipment for younger or disabled children; better signage for traffic control around town.
 - Business Owner Plaggerman - a local school district for Clearwater; a theater space/playroom for local theater groups.

3. Facility Plans

- Mayor Lawrence explained that a previous council member had worked with a committee to study and detail the city's facility space needs, which included additional space for city hall, additional space for fire hall, cold storage space for public works, and additional space for the library. In addition, the city council had expressed a desire to move the library out of leased space.
- Smythe noted that a Community Center plan had been proposed and tabled due to cost. In addition, a proposal to expand the city hall/fire hall building was turned down in favor of a plan to build a new fire hall and remodel the current city hall building to address city hall and public works space needs.
- Members also discussed the need to retain and add public rental space and considered the fact that the food shelf will be vacating the Lions Park building at some point. Member Senn stated that it was likely that the Lions Club will continue to need space at Lions Park.
- Members reviewed the rugby team pavilion proposal, the last version of the Community Center, and maps of land the city currently owns. Smythe noted that in the last version of the Community Center, the city hall space was to be replaced with rental hall space, as it was determined that city hall was not a compatible use with the other facilities and more rental space was needed.
- Members considered possible uses of the property on Elm Street – brew pub, canoe park, event center, picnic tables/shelter, etc.
- Members considered possible uses of the property on Huber Ave – fire hall, community center, library, childcare center, senior center, senior living.
- There was discussion about the city's current outstanding debt and ability to finance additional projects.

- Members directed staff to continue working on a potential fire hall construction project, as it addresses many of the city's facility needs. Staff should also continue researching options for funding other facilities.
- Members reiterated the importance of retaining rental space and do not want to re-purpose the Lions building without either retaining or replacing the rental hall.
- Member Senn asked if the Local Option Sales Tax would be continued. Smythe explained the expiration date and that a new referendum would be required to extend. Staff are unsure of the level of resident support. Mayor Lawrence noted that the last version of the rules at the state required approval and sharing of proceeds with other area governments. Staff will research options further for 2026 when it would need to be on the ballot.

4. S&P Ratings

- As a reminder, Smythe explained that Standard & Poor's (S&P Global) is one of the ratings agencies who rate bond issuers and assign a rating based on the agency's opinion of ability to repay the bonds. The city was recently downgraded by S&P as part of a change to their ratings methodology due to a lack of general fund reserves exceeding the \$2 million threshold set by S&P.
- Smythe explained the city's reserve policy, which is related to the city's operating budget. The city retains general fund reserves in an amount equal to roughly 50% of the expenditure budget for the following year. In general, the state auditor frowns on cities "parking" reserves that are not needed for operations, as this is considered over-taxation.
- Given that additional reserves could now help with bond ratings, Smythe wondered if the City Council wanted to revisit this policy. In addition, S&P had suggested that written debt policies and financial management policies are preferred. The city's financial advisor, Jessica Green from Northland Securities, told staff that she could assist with these, if the City Council so desired.
- Members directed staff to bring back a draft reserve policy and price quotes for the other policy updates.

5. Adjournment


- **MOTION** to adjourn by Member Crandall, seconded by Lawrence, all voted aye. **MOTION CARRIED 4-0.**
- Meeting adjourned at 7:59 p.m.

ATTEST



Annita M. Smythe, City Administrator

APPROVED



Andrea Lawrence Wheeler, Mayor