



## **AGENDA ITEM #3.1**

# **REPORT TO CITY COUNCIL**

**Report Prepared by: Nancy Malecha**

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**Date: January 5, 2016**

**Subject: City Council Minutes**

**Report: The City Council minutes for the Council meetings held in December are attached for your review.**

**Council Action Requested: Council motion approving the City Council meeting minutes for the two meetings on December 1, 2015.**

**SPECIAL MEETING OF THE PEQUOT LAKES CITY COUNCIL  
TUESDAY, DECEMBER 1, 2015  
PEQUOT LAKES CITY HALL**

Members Present: Mayor Sjoblad, Council Members Akerson, Karr, Loukota,  
and Pederson

Staff Present: Nancy Malecha, City Administrator/Clerk; Chad Turcotte,  
Police Sergeant; Eric Klang, Police Chief; and Dan Vogt,  
DJV Consulting

Mayor Sjoblad called the special meeting of the Pequot Lakes City Council to  
order at 5:30 p.m. and closed the special meeting to discuss labor negotiation  
strategy pursuant to Minnesota Statute 13D.03.

Council discussion took place on the 2016 labor negotiations.

Mayor Sjoblad opened the meeting.

**COUNCIL MEMBER AKERSON MOVED TO ADJOURN. COUNCIL MEMBER  
LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

The special meeting of the City Council adjourned at 6:15 p.m.

Respectfully submitted,

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Nancy Malecha  
City Administrator/Clerk

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David Sjoblad  
Mayor

**MEETING OF THE PEQUOT LAKES CITY COUNCIL  
TUESDAY, DECEMBER 1, 2015  
PEQUOT LAKES CITY HALL**

Members Present: Mayor Sjoblad, Council Members Akerson, Karr, Loukota, and Pederson

Staff Present: Nancy Malecha, City Administrator/Clerk; Deb Marty, Deputy City Clerk; Dawn Bittner, Zoning Specialist; Eric Klang, Police Chief; Chad Turcotte, Police Sergeant; and Tim Houle, City Engineer

1. Call Meeting to Order

Mayor Sjoblad called the meeting of the Pequot Lakes City Council to order at 6:30 p.m.

1.1 Pledge of Allegiance

Mayor Sjoblad led with the Pledge of Allegiance.

2. Consider Agenda

Nancy Malecha requested to add item 11.1 - Board & Commission Openings to the Agenda.

**MAYOR SJOBLAD MOVED TO APPROVE THE AGENDA AS AMENDED WITH THE ADDITION OF ITEM 11.1 – BOARD & COMMISSION OPENINGS. COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 5-0.**

3. Consent Agenda

**COUNCIL MEMBER KARR MOVED TO APPROVE THE CONSENT AGENDA AS FOLLOWS:**

- 3.1. **NOVEMBER 3, 2015 SPECIAL CITY COUNCIL MINUTES AND NOVEMBER 3, 2015 CITY COUNCIL MINUTES.**
- 3.2. **PAYMENT OF BILLS FROM NOVEMBER 4, 2015 THROUGH DECEMBER 1, 2015.**
- 3.3. **FINANCIAL REPORT ENDING OCTOBER 31, 2015.**
- 3.4. **LIBRARY REPORT FOR NOVEMBER 1 - 23, 2015.**
- 3.5. **RESOLUTION 15-31 ACCEPTING CONTRIBUTIONS FROM OCTOBER 23, 2015 THROUGH NOVEMBER 18, 2015.**

**3.6. SPECIAL EVENT PERMITS FOR SANTA'S BOBBIN INTO TOWN  
AND THE ANTIQUE SNOWMOBILE SHOW & RALLY**

**COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION  
CARRIED 5-0.**

**4. Open Forum**

No one appeared for open forum.

**5. Presentations**

**5.1. Budget/Levy – Public Hearing**

**A. Budget and Levy Presentations**

Mayor Sjoblad announced that Nancy Malecha will present the 2016 Budget/Levy. Nancy Malecha gave a brief presentation on the following information and explained how property taxes are calculated.

- Two scenarios of the general revenue tax levy - \$1,535,825 as scenario 1 and \$1,564,595 as scenario 2;
- Tax abatement levy of \$17,527;
- Two scenarios of the total levy - \$1,553,352 as scenario 1 and \$1,582,122 as scenario 2; and the
- HRA levy of \$38,250.

**B. Public Hearing on Budgets and Levies**

Mayor Sjoblad opened the public hearing.

Sandy Fowler, 26471 Cullen Cove Road – Ms. Fowler noted that she would like to protest the tax increase. She feels that everything has increased other than her home value. She stated she can't afford an increase and would like taxes re-assessed to 2015 rates. She was informed by the Council to contact the County Assessor regarding her home value and she said the County told her to contact the City. Dawn Bittner asked Ms. Fowler to contact her to look at zoning possibilities.

Michael Czech, 3816 Wildlife Trail – Mr. Czech stated that he appreciates the work that the panel has put into the Highway 371 project. He voiced his concern about the levy being so high for a City with a population of 2,234 people. He addressed the high cost of running the police department and gave examples of daily costs. He

stated his concerns about the City being over-staffed. He would like to see waste eliminated and the sharing of services with other cities.

Council Member Pederson clarified the police budget has approximately \$100,000 in contract revenue with other communities.

Jason Baca, 32514 County Road 112 – Mr. Baca stated his concern about the budget and gave comparisons of other rural cities in other states.

Mayor Sjoblad closed the public hearing.

C. Adoption of 2016 City Budgets

**COUNCIL MEMBER AKERSON MOVED TO APPROVE SCENARIO 1 OF THE BUDGET AS FOLLOWS.**

- **2016 HRA BUDGET OF \$38,250.**
- **2016 TAX LEVY BUDGETS OF \$1,850,872 IN REVENUE AND \$1,959,472 IN EXPENDITURES.**
- **2016 SPECIAL REVENUE & ENTERPRISE BUDGETS OF \$1,980,940 IN REVENUE AND \$2,453,790 IN EXPENDITURES.**

**COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 3-2. MAYOR SJOBLAD AND COUNCIL MEMBER KARR OPPOSED.**

**COUNCIL MEMBER AKERSON MOVED TO ADOPT RESOLUTION 15-32 SETTING THE 2016 GENERAL REVENUE TAX LEVY AT \$1,535,825 AND THE TAX ABATEMENT LEVY AT \$17,527. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

**COUNCIL MEMBER AKERSON MOVED TO ADOPT RESOLUTION 15-33 SETTING THE 2016 HRA LEVY AT \$38,250. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

5.2 Consider Resolution Adopting Fee Schedule for 2016

Nancy Malecha requested that the Council add the refuse hauler license fee of \$100 to the 2016 fee schedule presented as this was not included.

**COUNCIL MEMBER AKERSON MOVED TO ADOPT RESOLUTION 15-34 AMENDING THE 2016 FEE SCHEDULE AS ADOPTED BY CITY**

**ORDINANCE. COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 5-0.**

5.3 Delinquent Bill – Certification to Taxes

Mayor Sjoblad asked if anyone would like to contest the assessment regarding the public nuisance abatement. Virgil Dahl addressed the Council stating that he didn't realize it would cost so much for lawyer fees. Mr. Dahl asked for a reduction and would like to pay everything other than the lawyer fees. Dawn Bittner stated that Mr. Dahl has been repeatedly notified that he would have to reimburse the City for the costs involved in the process. Council Member Pederson stated that the taxpayers would pay for the costs of cleaning up his property if he doesn't. Mr. Dahl asked if anything could be reduced. Mayor Sjoblad informed him nothing could be done because the City has paid that money.

**MAYOR SJOBLAD MOVED TO ADOPT RESOLUTION 15-35 CERTIFYING THE ASSESSMENT FOR UNPAID COSTS RELATING TO THE PUBLIC NUISANCE ABATEMENT. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

5.4 Pequot Lakes Chamber – Lakes Proud Resolution

Jenna Crawford presented the Lakes Proud campaign on behalf of the Chamber. Lakes Proud is a marketing campaign to promote local businesses. Their mission is for locally owned businesses to prosper and offer great customer service.

**COUNCIL MEMBER AKERSON MOVED TO ADOPT RESOLUTION 15-36 SUPPORTING THE LAKES PROUD CAMPAIGN. COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 5-0.**

6. Planning and Zoning

6.1. Planning Commission Report

The November 23, 2015 Planning Commission Report and the November 19, 2015 Planning Commission/Board of Adjustment draft minutes were received by Council.

7. Fire

7.1 Air Packs

Mayor Sjoblad explained the need of new air packs for the Fire Department and how this grant would save the City money for this purchase.

**COUNCIL MEMBER AKERSON MOVED TO APPROVE JOINING OTHER CROW WING COUNTY FIRE DEPARTMENTS IN FY 2015 ASSISTANCE TO FIREFIGHTER GRANT FOR THE PURCHASE OF SCBAS (AIR PACKS). COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

8. Police

8.1 Teamsters General Local 346 Labor Agreement

**COUNCIL MEMBER AKERSON MOVED TO ADOPT RESOLUTION 15-37 APPROVING THE LABOR AGREEMENT BETWEEN THE CITY OF PEQUOT LAKES AND THE TEAMSTERS GENERAL LOCAL 346 COVERING THE POLICE DEPARTMENT UNIT FROM JANUARY 1, 2016 TO DECEMBER 31, 2018. COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 5-0.**

8.2 Rectify Police Officer's Pay

Chief Klang explained how Police Officer Matt Jorgens' successful six-month probationary period pay increase was inadvertently overlooked and requested that the City make it right by retroactively paying Officer Jorgens from January 2015. Council Member Akerson stated his concern of this management error.

**COUNCIL MEMBER PEDERSON MOVED TO APPROVE THE PAY INCREASE TO STEP 2 OF THE CITY'S PAY STRUCTURE FOR POLICE OFFICER MATT JORGENS RETROACTIVELY EFFECTIVE ON JANUARY 1, 2015. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

9. Public Works

9.1. MnDOT Cooperative Construction Agreement - Amendment 1

Tim Houle discussed the Cooperative Agreement Amendment regarding the new bridge and lighting. He explained that Amendment 1 provides for the additional aesthetic costs for the bridge and that the original amount increased by \$13,414 due to changes made by the City.

**MAYOR SJOBLAD MOVED TO APPROVE AMENDMENT 1 OF THE STATE OF MINNESOTA DEPARTMENT OF TRANSPORTATION COOPERATIVE CONSTRUCTION AGREEMENT 1000645. COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 5-0.**

9.2. Highway 371 Update

Tim Houle gave a brief update on the Hwy 371 project and noted that Mathiowetz Construction was officially awarded the project by MnDOT. Brad Ommodt from Mathiowetz Construction presented the CSAH 11 traffic detour proposal using Tree Farm Road and Morehouse Drive with a time frame of one construction season to re-open CSAH 11. He noted that a meeting with the business community and residents impacted would be beneficial to receive feedback.

Mayor Sjoblad asked for questions or comments on this proposal.

Brad & Brenda Myers, 4778 Tree Farm Road – Mr. and Mrs. Myers expressed their concerns with safety along Tree Farm Road during the proposed detour. Representatives from Mathiowetz Construction made an appointment to meet with the Myers to discuss their concerns and the Mayor and Council Members were invited to join.

Mathiowetz Construction plans to start clearing and grubbing the middle of January 2016.

10. Administration

The November 4, 2015 draft Safety Committee minutes, the November 12, 2015 draft Park Commission minutes, the November 17, 2015 HRA minutes and the November 17, 2015 draft EDC minutes were received by Council.

10.1. Statutory Limit Waiver

**COUNCIL MEMBER PEDERSON MOVED NOT TO WAIVE THE STATUTORY TORT LIMITS. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

10.2. Health Insurance Rates

Nancy Malecha informed the Council that the premiums for the HealthPartners Three for Free Plan and the \$2,600 HSA Plan will increase by 5% in 2016.

10.3. 2016 Employee Wages

**COUNCIL MEMBER LOUKOTA MOVED TO APPROVE A 1/2 STEP INCREASE (1.25%) BASED ON SUCCESSFUL PERFORMANCE REVIEWS, PLUS A 1.25% COLA INCREASE FOR NON-UNION EMPLOYEES IN 2016. COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 5-0.**

10.4. 2016 BLAEDC Agreement

Sheila Haverkamp presented the 2016 Agreement for Professional Services from BLAEDC. Council Member Karr noted the importance of getting more businesses to Pequot Lakes to help relieve residential property taxes.

**COUNCIL MEMBER AKERSON MOVED TO ACCEPT THE 2016 AGREEMENT FOR PROFESSIONAL SERVICES WITH BLAEDC IN THE AMOUNT OF \$7,450. COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 5-0.**

11. Other Business

11.1. Board & Commission Openings

Nancy Malecha informed the Council of current City board and commission openings with an application deadline of December 18<sup>th</sup>

Council Member Akerson stated that Nancy Malecha is doing a very good job as City Administrator/Clerk. Dan Vogt from DJV Consulting thanked the City for the opportunity to assist us during this transitional period.

Mayor Sjoblad noted that at the January City Council meeting the role of Council Liaisons will be discussed.

12. Adjournment

There being no further business, **MAYOR SJOBLAD MOVED TO ADJOURN. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

The meeting of the City Council adjourned at 8:38 p.m.

Respectfully submitted,

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Deb Marty  
Deputy City Clerk

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David Sjoblad  
Mayor