



**AGENDA ITEM #3.1**

# REPORT TO CITY COUNCIL

**Report Prepared by: Nancy Malecha**

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**Date: October 4, 2016**

**Subject: City Council Minutes**

**Report: The minutes for the September 6, 2016 City Council Meeting are attached for your review.**

**Council Action Requested: Council motion approving the minutes for the September 6, 2016 City Council Meeting.**

**MEETING OF THE PEQUOT LAKES CITY COUNCIL  
TUESDAY, SEPTEMBER 6, 2016  
PEQUOT LAKES CITY HALL**

Members Present: Mayor Sjoblad, Council Members Akerson, Karr, Pederson, and Loukota (arrived at 6:31 p.m.)

Staff Present: Nancy Malecha, City Administrator/Clerk; Dawn Bittner, Zoning Specialist; Bob Peterson, Fire Secretary; Jen Anderson, PD Office Manager; Mike Loven, Public Works Supervisor; 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

**COUNCIL MEMBER PEDERSON MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

3. Consent Agenda

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

- 3.1. **AUGUST 2, 2016 AND AUGUST 23, 2016 CITY COUNCIL MEETING MINUTES.**
- 3.2. **PAYMENT OF BILLS FROM AUGUST 3, 2016 THROUGH SEPTEMBER 6, 2016.**
- 3.3. **FINANCIAL REPORT ENDING JULY 31, 2016.**
- 3.4. **LIBRARY REPORT FOR AUGUST 2016.**
- 3.5. **RESOLUTION 16-18 ACCEPTING CONTRIBUTIONS FROM JULY 22, 2016 THROUGH AUGUST 25, 2016.**

**COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 4-0.**

(Council Member Loukota arrived at the meeting.)

4. Open Forum

No one appeared at open forum.

5. Presentations

5.1. Highway 371 Expansion Project Update

Randy Shoen and Dave Domm from Mathiowetz Construction updated the Council on the Highway 371 Expansion Project. They noted the Project is on schedule. The CSAH 11 bridge beams are being set and they are working on the bridge decking. They hope to have County Road 11 open by early November and the County Road 107 bridge open by early October. They further noted that the north end of the Project will be done and paved this year.

Mayor Sjoblad informed Mathiowetz Construction that he has talked to various community members who are very pleased with their work.

Mr. Shoen stated that an open house is being planned at the end of October or early November to provide an update to the public on the overall Highway 371 Expansion Project and the outlook for 2017.

5.2. 2017 Preliminary Levy

Nancy Malecha informed the Council on the 2017 preliminary budgets and levies. The General Revenue Tax Levy equates to \$1,581,823 which is a 3% increase from 2016. The Tax Abatement Levy equates to \$15,407 which is a 12.10% decrease from 2016. The HRA Special Levy equates to \$38,250 which is a zero change from 2016. Ms. Malecha noted that per the Council consensus from the August 23<sup>rd</sup> Special City Council Meeting, the General Revenue Tax Levy percentage was increased to 3% with additional funds of \$6,000 added to the General Fund Park Budget under capital outlay carryover.

**COUNCIL MEMBER LOUKOTA MOVED TO ADOPT RESOLUTION 16-20 SETTING THE CITY OF PEQUOT LAKES PRELIMINARY 2017 TAX LEVIES AS FOLLOWS.**

- **GENERAL REVENUE PROPERTY TAX LEVY - \$1,581,823**
- **TAX ABATEMENT LEVY - \$15,407**
- **HRA SPECIAL LEVY - \$38,250**

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

5.3. Final Levy Meeting Date Set

**COUNCIL MEMBER LOUKOTA MOVED TO DISCUSS THE 2017 BUDGET AND PROPOSED FINAL LEVY AT THE DECEMBER 6, 2016 COUNCIL MEETING AT 6:30 P.M. AND TO ALLOW PUBLIC INPUT ON THIS ITEM. COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 5-0.**

6. Planning and Zoning

6.1. Planning Commission Report

The August 29, 2016 Planning Commission Report and August 18, 2016 draft Planning Commission minutes were received by Council.

6.2. Comprehensive Plan Implementation – Event Parking

Dawn Bittner updated the Council on the parking plan the Chamber of Commerce utilizes for City events. She noted that vendors park on the west side of the Chamber building and Andy's Small Engine Repair is agreeable in allowing overflow parking in their back parking lot.

**COUNCIL MEMBER LOUKOTA MOVED TO ACKNOWLEDGE RECEIPT OF THE AUGUST 10, 2016 MEMORANDUM FROM THE PLANNING COMMISSION REGARDING EVENT PARKING AT TRAILSIDE PARK. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

6.3. Temporary Family Health Care Dwellings

Dawn Bittner informed the Council of the Planning Commission's recommendation to not opt out of the temporary health care dwellings law that went into effect on September 1<sup>st</sup>. Ms. Bittner explained that even though several neighboring communities have opted out, the Planning Commission felt that this law could be a benefit to certain residents and the lengthy list of conditions included in the law would deter the number of potential dwellings that may exist.

Council Member Pederson questioned if the City is being forced to allow these dwellings. Ms. Bittner noted the opt out deadline was September 1<sup>st</sup> but the City can opt out in the future through a public hearing process.

7. Fire

The July 2016 Fire Department Operations Report and the July 27, 2016 Fire Board Meeting minutes was received by Council.

7.1. Fire Relief Benefit Level Increase

**MAYOR SJOBLAD MOVED TO INCREASE THE FIRE RELIEF ASSOCIATION'S BENEFIT LEVEL FROM \$3,700 TO \$3,900. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

7.2. Volunteer Fire Assistance Grant

**COUNCIL MEMBER PEDERSON MOVED TO ACCEPT THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES MATCHING GRANT IN THE AMOUNT OF \$1,800 FOR THE PURCHASE OF AN ATV SKID UNIT FOR THE FIRE DEPARTMENT. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

8. Police

8.1. City of Jenkins Law Enforcement Contract

Nancy Malecha informed the Council that the 2017 Law Enforcement Contract with the City of Jenkins is similar to last year's agreement with the only change being a one-time payment of \$900 for the purchase of an AED.

**MAYOR SJOBLAD MOVED TO APPROVE THE 2017 LAW ENFORCEMENT CONTRACT AND JOINT POWERS AGREEMENT WITH THE CITY OF JENKINS IN THE AMOUNT OF \$41,200 PLUS A ONE-TIME PAYMENT OF \$900 FOR THE PURCHASE OF AN AED. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

8.2. Completion of Office Manager's Probationary Period

Nancy Malecha informed the Council that Jen Anderson will successfully complete her six-month probationary period as Office Manager for the Police Department on September 14<sup>th</sup>. Ms. Malecha noted that Jen does a great job in the Police Department.

**COUNCIL MEMBER LOUKOTA MOVED TO AUTHORIZE A PAY INCREASE FOR JEN ANDERSON EFFECTIVE SEPTEMBER 14, 2016,**

**MOVING FROM STEP 3 TO STEP 4 OF THE CITY'S PAY STRUCTURE. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

8.3. Request to Hire Police Officer

Nancy Malecha informed the Council that the Police Department received 19 applications for the full-time police officer position with 11 interviews conducted. The interview process consisted of two interview panels, an essay, and a one-on-one interview with the Police Chief. Ryan Franz was selected as the top candidate and was offered conditional employment contingent on the completion of necessary pre-employment screenings.

**MAYOR SJOBLAD MOVED TO HIRE RYAN FRANZ AS A FULL-TIME POLICE OFFICER UPON THE REQUIRED NOTICE TO HIS CURRENT EMPLOYER, TO BEGIN AT THE STARTING STEP OF THE POLICE OFFICER PAY STRUCTURE, AND MOVING TO STEP 1 CONTINGENT ON A SUCCESSFUL SIX MONTH PROBATION. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

9. Public Works

9.1. WWTF Row Irrigation Change Order No. 2

Tim Houle updated the Council on the Wastewater Treatment Facility (WWTF) Row Irrigation Project change order. Mr. Houle noted that on August 8<sup>th</sup> the row irrigation system was activated and ran for approximately three weeks with issues being worked out. The City is now transferring substance between the two ponds, waiting on the proper retention time, and will be testing in the near future so irrigation can occur until the end of this year's season.

**COUNCIL MEMBER AKERSON MOVED TO APPROVE CHANGE ORDER NO. 2 FOR THE WASTEWATER TREATMENT FACILITY IMPROVEMENT PROJECT TO REFLECT THE SUBSTANTIAL COMPLETION DATE OF AUGUST 8, 2016 AND READY FOR FINAL PAYMENT DATE OF OCTOBER 3, 2016. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

9.2. WWTF Row Irrigation Partial Payment Estimate No. 5

**COUNCIL MEMBER PEDERSON MOVED TO APPROVE PARTIAL PAYMENT ESTIMATE NO. 5 FROM BORDEN EXCAVATING IN THE**

**AMOUNT OF \$28,500. MAYOR SJOBLAD SECONDED THE MOTION. MOTION CARRIED 5-0.**

9.3. Pequot Boulevard Partial Payment Estimate No. 2

**COUNCIL MEMBER LOUKOTA MOVED TO APPROVE PARTIAL PAYMENT ESTIMATE NO. 2 FROM ANDERSON BROTHERS CONSTRUCTION COMPANY IN THE AMOUNT OF \$71,170.90. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

9.4. Public Restroom Update

Mayor Sjoblad informed the Council on the latest developments regarding retrofitting an existing restroom at the Library building. Mayor Sjoblad noted that representatives from the Library are in discussions with the Library Board on the possibility of the Library extending its operating hours to allow for greater public use of their restrooms and alleviate the cost associated with retrofitting the restroom facilities.

The consensus of the Council agreed to place this item on the next Council agenda to discuss further.

9.5. Facility Addition Feasibility Study

Nancy Malecha informed the Council that she has contacted three prefab building companies for cost estimates on a wood frame, steel building structure consisting of 9,000 square feet. She noted that no cost estimates have been received at this time. Ms. Malecha reminded the Council that we may be getting ahead of ourselves in seeking cost estimates as this is normally done during the next stage of design and specification development. At this point, Staff is requesting that we continue to discuss and determine the key points the Council would like to include in the final version of the Maintenance Department Facility Addition Feasibility Study.

Mayor Sjoblad noted that more information needs to be given to Staff to complete the study.

Council Member Pederson noted that the City may need to step back and start with a blank page approach to analyze what specifications are needed.

Council Member Loukota questioned if it would make sense to put up a wall partition and update only a portion of the existing building. Tim Houle noted that this may not minimize structural code updates and may cause duplication of other mechanical issues.

Nancy Malecha asked if the Council would like the Building Committee to bring forth recommendations to complete the Feasibility Study.

The consensus of the Council agreed to charge the Building Committee with the task of determining the specifics for the Maintenance Department Facility Addition Feasibility Study and bring forth recommendations to the City Council.

10. Administration

The following items were received by Council.

- August 11, 2016 draft Park Commission minutes
- August 16, 2016 draft EDC minutes
- August 16, 2016 HRA minutes

10.1. EDC Appointment

Nancy Malecha informed the Council of the current vacancy on the Economic Development Commission (EDC) due to the recent resignation of Cindy Roggenkamp. The EDC is recommending the appointment of Sheila Holley to fill this vacancy.

**COUNCIL MEMBER AKERSON MOVED TO RECOMMEND THE APPOINTMENT OF SHEILA HOLLEY TO THE ECONOMIC DEVELOPMENT COMMISSION FOR A PARTIAL TERM EXPIRING ON DECEMBER 31, 2017. MAYOR SJOBLAD SECONDED THE MOTION. MOTION CARRIED 5-0.**

10.2. Election Emergency Plan

Nancy Malecha informed the Council that new legislation was passed in 2016 requiring counties and municipalities to adopt an election emergency plan by September 1<sup>st</sup>. Ms. Malecha noted that Crow Wing County has adopted a comprehensive election emergency plan and recommended the City adopt the County's plan as well.

**COUNCIL MEMBER AKERSON MOVED TO ADOPT THE CROW WING COUNTY ELECTION EMERGENCY PLAN. COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 5-0.**

10.3. Heartland Cable Commission Franchise Fee Distribution

Nancy Malecha noted that the City received a check in the amount of \$5,309 from the Heartland Cable Commission as a franchise fee distribution and she recommended the City commit this money for future Trailside Park projects.

Council Member Akerson stated that the City should commit this money to park projects in general and not specify Trailside Park.

**COUNCIL MEMBER AKERSON MOVED TO COMMIT THE HEARTLAND CABLE COMMISSION FRANCHISE FEE DISTRIBUTION IN THE AMOUNT OF \$5,309 FOR FUTURE PARK PROJECTS. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

10.4. City Administrator/Clerk Annual Performance Review

Nancy Malecha informed the Council that her one year anniversary as City Administrator/Clerk will occur on September 28<sup>th</sup>. Ms. Malecha noted that at the January 5<sup>th</sup> City Council Meeting, the consensus of the Council agreed to proceed with her annual review as suggested by Gary Weier's. To remain objective on this issue, Ms. Malecha noted that the Council should discuss how it wants to proceed with her performance review process.

Mayor Sjoblad explained that he will prepare an instrument for the Council to utilize for Ms. Malecha's performance review and he will set a deadline date for Council Members to return information to him.

The consensus of the Council agreed with Mayor Sjoblad's process and the annual performance review for Nancy Malecha, City Administrator/Clerk, will be placed on the October 4<sup>th</sup> City Council Meeting agenda as a closed session in accordance with Minnesota Statute 13D.05, Subd. 3(a).

11. Other Business

There was no other business.

12. Adjournment

There being no further business, the meeting adjourned.

The meeting of the City Council adjourned at 7:34 p.m.

Respectfully submitted,

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Nancy Malecha  
City Administrator/Clerk

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David Sjoblad  
Mayor