

**MEETING OF THE PEQUOT LAKES CITY COUNCIL  
TUESDAY, NOVEMBER 1, 2016  
PEQUOT LAKES CITY HALL**

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

Staff Present: Nancy Malecha, City Administrator/Clerk; Tom Nelson, Fire Chief; Eric Klang, Police Chief; 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 AKERSON MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

3. Consent Agenda

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

- 3.1. **OCTOBER 4, 2016 CITY COUNCIL MEETING MINUTES.**
- 3.2. **PAYMENT OF BILLS FROM OCTOBER 5, 2016 THROUGH NOVEMBER 1, 2016.**
- 3.3. **FINANCIAL REPORT ENDING SEPTEMBER 30, 2016.**
- 3.4. **LIBRARY BOARD OF DIRECTORS MEETING MINUTES FOR SEPTEMBER 27, 2016 AND REPORT FOR OCTOBER 2016.**
- 3.5. **RESOLUTION 16-25 ACCEPTING CONTRIBUTIONS FROM SEPTEMBER 23, 2016 THROUGH OCTOBER 21, 2016.**
- 3.6. **EMERGENCY OPERATIONS PLAN**
- 3.7. **SPECIAL EVENT PERMIT FOR SANTA'S BOBBIN INTO TOWN EVENTS ON DECEMBER 10<sup>TH</sup>.**

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

4. Open Forum

Tara Bundy from Leslie's Clothing, 31024 County Road 112, Pequot Lakes, addressed the Council. Ms. Bundy noted that she has owned Leslie's for six years and business was down this summer. She was recently informed that billboards are not allowed along the new highway alignment by the CSAH 11 interchange according to the City's zoning ordinances relating to off-site signs. Ms. Bundy noted that she wanted to bring this up before the Council as she is interested in placing a billboard at this location.

Council Member Akerson stated that billboards are not allowed because the City could not control what is placed on the billboards as it could not be limited to Pequot Lakes and Breezy Point businesses.

Council Member Pederson noted that signage directing people into Pequot Lakes will be something the City will be examining but those parameters are unknown at this time. Council Member Pederson further noted that the City recognizes the need to having some type of community identifier along the new highway alignment.

Mayor Sjoblad informed Ms. Bundy that she may want to contact MnDOT to find out what signage is allowable in their right of way.

Council Member Loukota informed Ms. Bundy that only certain amenities are allowed to be listed on a general service sign and this is something the City is looking into.

Jason Baca, 32514 County Road 112, Pequot Lakes, addressed the Council. Mr. Baca noted he is upset by the excessive police coverage he sees in the community as he views this as police harassment and he further asked the Council to deny any future TZD state welfare programs. Mr. Baca noted that he would like to see the police budget decreased to a per capita income of \$175 per person which would reduce the police budget to \$392,000 plus contracts and the savings generated could be used for commercial tax reduction, incentives for future business growth, to fix old roads, and to plant some more shade trees in the City park. Mr. Baca further noted the City should look at subcontracting for City services as he can charge less per hour than what City workers are being paid. Mr. Baca noted that he is being screwed by the City with the amount of taxes he pays and would like to be annexed out of the City.

Council Member Pederson questioned why Mr. Baca wants to be annexed out of the City to any other local entity but yet he is willing to run for City

Council. Council Member Pederson further noted that the numbers Mr. Baca presented are wrong and he does not take into consideration information on business and seasonal taxpayers.

5. Presentations

5.1. Highway 371 Expansion Project Update

Randy Shoen from Mathiowetz Construction updated the Council on the Highway 371 Expansion Project. Mr. Shoen noted that tarring should finish up this week. County Road 11 is now open and street lights on this bridge will be placed next week. The north leg of County Road 107 will open up this week along with the north end of the project. Mr. Shoen further noted that May 15, 2017 is the expected date for the new alignment to be opened up.

Jim Park questioned the Council on the reasons why they did not file for the office of mayor in the upcoming election as this race is unopposed. Mayor Sjoblad noted that when things are running smoothly there is not much interest. Council Member Pederson stated that his past experience with Nancy Adams as mayor was a positive one and he chose to file for council member instead. Council Member Loukota explained that he is in the middle of his first term and it is still a learning opportunity for him. Council Member Akerson noted the time commitment involved with being mayor is not something he can commit to. Council Member Karr noted that some of the mayoral duties have now been shifted to the City Administrator position and that word of this has not gotten out to those who may be interested.

5.2. Delinquent Bills – Certification to Taxes

Nancy Malecha presented the Council with a resolution adopting assessments for unpaid service charges. She informed the Council that there is currently \$801.73 in unpaid service charges for water and sewer and snow removal services as noted on the certification list.

Mayor Sjoblad asked if there was anyone present who would like to appear before the Council to contest their assessment. No one appeared before the Council.

**COUNCIL MEMBER KARR MOVED TO ADOPT RESOLUTION 16-26 ADOPTING ASSESSMENTS FOR UNPAID SERVICE CHARGES. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

6. Planning and Zoning

6.1. Planning Commission Report

The October 25, 2016 Planning Commission Report and October 20, 2016 draft Planning Commission minutes were received by Council.

7. Fire

The September 2016 Fire Department Operations Report was received by Council.

7.1. Request for Bids – Air Packs

Tom Nelson informed the Council that the Fire Department would like to begin the bid process for the purchase of air packs and would like to utilize HGACBuy for the competitive bidding process as this organization was utilized for the previous purchase of a fire truck.

Nancy Malecha explained the Fire Department is seeking authorization to move forward with the bid process with HGACBuy at this time and will be coming before the City Council at a future meeting to award the bid and determine financing options.

**COUNCIL MEMBER AKERSON MOVED TO AUTHORIZE STAFF TO MOVE FORWARD WITH THE COMPETITIVE BID PROCESS WITH HGACBUY FOR THE PURCHASE OF AIR PACKS FOR THE FIRE DEPARTMENT TO INCLUDE 20 HARNESES, 40 CYLINDERS, AND 30 FACE PIECES. COUNCIL MEMBER KARR SECONDED THE MOTION. MOTION CARRIED 5-0.**

7.2. Firefighter Resignation

Tom Nelson informed the Council that Dave Ackerman submitted his resignation from the Pequot Lakes Fire Department after eight years of service.

The Council acknowledged Dave Ackerman's resignation from the Fire Department and thanked him for his years of service.

7.3. Request to Begin Hiring Process

Tom Nelson noted the Fire Department currently has 27 firefighters with another pending resignation coming and would like to begin the hiring process to increase this number to 30 to reach their optimal service level.

**MAYOR SJOBLAD MOVED TO AUTHORIZE THE FIRE DEPARTMENT TO BEGIN THE HIRING PROCESS TO REACH THE OPTIMAL LEVEL OF 30 FIREFIGHTERS. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

8. Police

9. Public Works

9.1. WWTF Partial Release of Retainage

Tim Houle informed the Council that the bulk of the work on the WWTF Improvement Project is done and they are continuing to work out some troubleshooting issues. Mr. Houle further noted that a retainage amount of \$5,000 remains on the bid at this time.

Council Member Akerson praised Borden Excavating for the class install they accomplished on this Project.

**COUNCIL MEMBER LOUKOTA MOVED TO APPROVE THE PARTIAL RELEASE OF RETAINAGE FROM BORDEN EXCAVATING IN THE AMOUNT OF \$38,435.20. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

10. Administration

The following items were received by Council.

- October 5, 2016 draft Safety Committee minutes
- October 13, 2016 draft Park Commission minutes
- October 18, 2016 draft EDC minutes
- October 18, 2016 HRA minutes

10.1. 2017 Preliminary Budget & Tax Rate Review

Nancy Malecha informed the Council of the following changes to the 2017 preliminary budget as updated information has been received warranting these changes.

- Decrease the Employer Share – Health Insurance expenditures by \$8,340 as the City has been notified of a 0% increase in health insurance premiums for 2017.
- Increase the State Aid – Police revenue by \$2,960 due to an increase in this revenue received in 2016.
- Increase the Library Office Supplies expenditure by \$1,000 for additional computer purchases.
- Add the General Fund Savings of \$9,580 to the Highway 371 Fund for future maintenance and improvements.

Ms. Malecha noted that with the changes, the City's preliminary general revenue tax levy will remain at \$1,581,823 which equates to a 3% increase. This will decrease the City's tax rate from 57.118% to 56.473%.

**COUNCIL MEMBER LOUKOTA MOVED TO ACCEPT THE PROPOSED CHANGES TO THE 2017 PRELIMINARY BUDGET AND DIRECTS STAFF TO PRESENT THIS UPDATED INFORMATION AT THE DECEMBER 6<sup>TH</sup> TRUTH IN TAXATION COUNCIL MEETING. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

10.2. Request to Hire Administrative Assistant

Nancy Malecha informed the Council that Jenny Peterson has been the Administrative Assistant in the Administration Office since September 6<sup>th</sup> through the temp to hire program with Employment Resource Center. Ms. Malecha noted that Jenny has been doing a great job in this position and would like to hire her as a full-time employee with a tentative effective date of November 23<sup>rd</sup> contingent on completion of the necessary pre-employment screenings.

**MAYOR SJOBLAD MOVED TO HIRE JENNIFER PETERSON AS A FULL-TIME ADMINISTRATIVE ASSISTANT UPON COMPLETION OF THE 400 WORK HOURS WITH EMPLOYMENT RESOURCE CENTER, TO BEGIN AT STEP 1 OF THE PAY STRUCTURE AND MOVING TO STEP 2 CONTINGENT ON A SUCCESSFUL SIX MONTH PROBATIONARY PERIOD, CONTINGENT ON COMPLETION OF THE NECESSARY PRE-EMPLOYMENT SCREENINGS, AND TO UTILIZE THE 400 WORK HOURS ALREADY ACCOMPLISHED AS PART OF HER SIX MONTH PROBATIONARY PERIOD. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

10.3.A. Group Dental Insurance

Nancy Malecha informed the Council that Staff has requested a group dental insurance plan for employees and dependents. Ms. Malecha further noted that the Insurance Committee and Personnel Committee both met in October and are recommending the City implement the voluntary dental insurance plan from Pathfinder/Delta Dental with a \$1,000 calendar year annual coverage maximum and the Personnel Committee further recommends there be no employer contribution provided to employees who utilize this voluntary benefit.

**COUNCIL MEMBER LOUKOTA MOVED TO IMPLEMENT THE PATHFINDER/DELTA VOLUNTARY DENTAL INSURANCE PLAN WITH A \$1,000 CALENDAR YEAR ANNUAL COVERAGE MAXIMUM FOR ELIGIBLE EMPLOYEES AND DEPENDENTS BEGINNING ON 1-1-17 WITH NO EMPLOYER CONTRIBUTION. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

#### 10.3.B. Revised Job Descriptions

Nancy Malecha noted that the Personnel Committee met on October 24<sup>th</sup> and recommends approval of the following revised job descriptions.

- Public Works Supervisor
- Police Chief
- Police Sergeant
- Police Officer – full-time
- Police Officer – part-time
- Office Manager

The Personnel Committee is also recommending the job points for the Office Manager position be increased from 195 to 203 due to added grant writing duties. The increased job points equate to 100% of the Office & Admin Specialist Principal job class in the State Job Match Job Evaluation System and a pay increase of approximately 30¢ per hour to become effective on 1-1-17.

**MAYOR SJOBLAD MOVED TO APPROVE THE JOB DESCRIPTION REVISIONS FOR PUBLIC WORKS SUPERVISOR, POLICE CHIEF, POLICE SERGEANT, POLICE OFFICERS, AND OFFICE MANAGER WITH AN INCREASE IN JOB POINTS TO 203 FOR THE OFFICE MANAGER POSITION EFFECTIVE 1-1-17. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

#### 11. Other Business

Nancy Malecha informed the Council that a special event permit application has been received from Warm Springs Productions to film the downtown Pequot Lakes area and East Twin Lake area. This will take place on November 4<sup>th</sup> and November 8<sup>th</sup> and the footage may be used for an HGTV show titled Log Cabin Living which will air in the Spring.

12. Adjournment

There being no further business, the Council adjourned.

The meeting of the City Council adjourned at 7:14 p.m.

Respectfully submitted,

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Nancy Malecha  
City Administrator/Clerk

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David Sjoblad  
Mayor