

**MEETING OF THE PEQUOT LAKES CITY COUNCIL  
TUESDAY, JANUARY 7, 2020  
PEQUOT LAKES CITY HALL**

Members Present: Mayor Tayloe, Council Members Clement, Pederson, and Seils

Members Absent: Council Member Swanson

Staff Present: Nancy Malecha, City Administrator; Angie Duus, City Clerk/Treasurer; Jason Gorr, Public Works Director; Tim Houle, City Engineer

1. Call Meeting to Order

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

1.1. Pledge of Allegiance

Mayor Tayloe led with the Pledge of Allegiance.

2. Consider Agenda

Nancy Malecha requested to add agenda item 9.5 Request to Purchase Loader.

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

3. Consent Agenda

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

- 3.1. DECEMBER 3, 2019 REGULAR CITY COUNCIL MEETING MINUTES.
- 3.2. CHECK REGISTER FROM DECEMBER 4, 2019 TO JANUARY 7, 2020.
- 3.3. FINANCIAL REPORT ENDING NOVEMBER 30, 2019.
- 3.4.A LIBRARY REPORT FOR END OF 2019.
- 3.4.B KITCHIGAMI REGIONAL LIBRARY CONTRACT,
- 3.5. RESOLUTION 20-01 ACCEPTING CONTRIBUTIONS FROM NOVEMBER 23, 2019 THROUGH DECEMBER 26, 2019.
- 3.6. QUARTERLY UTILITY BILLING ADJUSTMENT REPORT.
- 3.7. REFUSE HAULER LICENSES
- 3.8. AWAIR PROGRAM
- 3.9. SPECIAL EVENT PERMIT

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

4. Open Forum

No one appeared under open forum.

5. Presentations

5.1. Community Enhancement Project Update

Kent Koerbitz from ICS Consulting presented to the Council the second update from the Heart of the Good Life Steering Committee. He pointed out the five main topics and issues the Committee is addressing what can they do within the financial abilities of the City, what does it take to bring people to town, how do we provide a place for all age groups and for participation from all age groups, make sure you do it right the first time, and that this is an investment in the Community.

Mr. Koerbitz stated that the Committee has met three times and the developed a Scope of Work and Priority List for a City only project. He stated that they have capital cost estimates based on the Scope and that three different groups are taking a look at it to make sure that they are good estimates. He also stated that the group has been gathering information on operational costs which include development costs and costs of bringing services in.

Mr. Koerbitz stated the committee has been dedicated to trying to do this as cost effectively and as efficiently as possible. He also stated that they have had excellent support from the City Engineer Tim Houle and City staff. He said there are some preliminary recommendations for the Council that Ryan Buell will address later and that they would more than likely be in the final report.

Mr. Koerbitz stated the Committee has decided to pause because from what they understand is the School Board would like to have a discussion amongst themselves to see whether or not they would wish to participate in something going forward. He said the Scope could change significantly if they wish to join the conversation and informed the Council as soon as they hear from the School Board the Committee would either do their final meeting and wrap up the report or look at things from a broader perspective.

Ryan Buell the Chair of the Community Enhancement Project Steering Committee confirmed that if there were any additional meetings ICS had said there would not be any additional costs. He discussed the preliminary recommendations that the Committee came up with. The first one being to look at the Heart of the Good Life in general. He stated that the southernmost forty acres should be reserved for outdoor activities and complimentary projects at this point. Mr. Buell talked about access to that portion of the land can either come in from Derksen Road or come across from Patriot Avenue. He stated the Committee feels there would be large cost savings for the City to come in with a graveled driveway from Patriot Avenue but the only caveat with that is working with the DNR to cross the trail. He also said they estimate it would take six to twelve months to get a permit from the DNR to do that which puts the project out a little further out than they had originally hoped for.

Mr. Buell stated that electrical services could be provided from Patriot Avenue to minimize the costs. He also stated that instead of running City water and sewer, which was about 3,100 feet from Derksen Road and would be very expensive, the Committee feels that a well and septic approach would be a better option.

Mr. Buell noted that if land has to be reserved for a motel or hotel, typically two and a half to three acres is needed for a small hotel and three and a half to five acres for a moderate hotel and/or restaurant. He stated that a brewery concept has been discussed previously and could potentially be a part of that forty acres.

Mr. Buell informed the Council that Andrea Nelson, Youth Sports Coordinator, gave the Committee an estimate of the number of households that would be impacted by the project and if facilities were available how many tournaments could be held with the resulting impact to the community. He said roughly about a thousand households participate in youth sports across the City and that adequate facilities in town do not exist. He said what is currently here is owned by the school at this point. He stated since there are no quality City fields or City facilities a lot of existing teams play games at neutral sites. Mr. Buell stated that one example is if Pequot Lakes plays Staples for a baseball game they may play in Nisswa which results in Pequot losing out on potential food revenue, gas purchases, and shopping revenue. He stated the last point the Committee would like to make is City resident and business impacts have been used to prioritize the facility options.

Kent Koerbitz talked about how this project would be an investment in the community and that they want to try to put as good of numbers together as possible and try not to inflate them. He stated that it is a little difficult to determine since summer is significantly different than winter. He also said since there are no motels they cannot look at occupancy rates and how they change during different times of the year. He talked about how Pequot lakes gets crowded during the summertime and that is great for business. Mr. Koerbitz asked how do you do to make yourself attractive to the 20-30 year olds and young families in which he stated that it really comes down to good schools and amenities. He said that Pequot Lakes has a wonderful school but this project is really getting down to the amenities. Discussion ensued about potential costs and tax implications.

6. Planning and Zoning

6.1. Planning Commission Report

The Planning Commission did not meet in December.

6.2. Planning Commission Meeting Liaisons

Nancy Malecha informed the Council of the 2020 Council Liaison Schedule for attendance at Planning Commission meetings and asked them to inform the City if there are any conflicts.

6.3. Planning Department Year End Report

Nancy Malecha presented the Year-End Report for the Planning and Zoning Department.

7. Fire

The November 2019 Fire Department Operations Report was received by Council.

8. Police

The November 2019 Police Department Monthly Report was received by Council.

9. Public Works Report

The December 2019 Public Works Report was received by Council.

9.1. Engineering Services for 2020

**COUNCIL MEMBER PEDERSON MOVED TO APPOINT WIDSETH SMITH NOLTING AS THE CITY'S ENGINEER FOR 2020. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

Ms. Malecha asked the Council if they would like her to get proposals in the fall and it was agreed by the Council that she would not obtain proposals unless she received direction from the Council to do so.

9.2. Rasmussen Road & South Washington Avenue Projects

A. Update

Tim Houle updated the Council on the Rasmussen Road and South Washington Avenue Improvement Project. He stated the City is in the advertising period and WSN has a set of plans which is 87 sheets long right now. He said they have a couple things to finalize and they are going to talk to Jason Gorr later this week or next week. Mr. Houle stated the bids are scheduled to be open Tuesday, January 28<sup>th</sup>.

He stated after some more research from their surveyors only 8-11 easements and right of ways along Rasmussen will need to be done. Mr. Houle did inform the Council that their contract included writing up descriptions for additional right of ways but did not include assisting the city with acquiring the right of way. He did state that two main tasks that they help cities with are showing property owners where the right of ways or easement will be and assisting City staff with talking to property owners to

obtain their permission to acquire the right of way. He said that some property owners donate the right of way but some do ask for some kind of compensation. He reminded the Council that these services are not included in the current contract but if they were to add them it would be about \$5,500 which would need to be approved with an amendment to the contract.

Mr. Houle stated that there were concerns on fitting both 90 degree parking on the east and parallel parking (at least in the northern half next to the Legion) on the west of South Washington Street. He said they have eliminated the proposed parallel parking on the west and have laid out 90 degree parking stalls on the east. He stated that they are requesting Council consensus on this. Nancy Malecha stated that the Legion was contacted and did not express any concerns with this.

Mr. Houle stated that adding Butler Street is for the best interests over the long haul but it would increase WSN's design costs by a couple thousand and the construction costs could increase an estimated \$65,000. He did state that he hopes to offset that a little bit and will talk about that later. Discussion ensued about curb and gutter, storm drainage and parking.

He stated that they really looked hard at trying to put out a schedule and to have the contractor get done by July 4<sup>th</sup> but they don't think it's plausible after talking to a couple of contractors. He said they are going to set up the contract to give them through the summer but once they get started then there will be some requirements. He stated one requirement would be that the contractor has to complete a phase before they can move on to the next. He also stated that there will be requirements for providing contractors some level of access to homes and businesses. Mr. Houle stated that they are going to have the contractor install the swing-away type mailboxes.

Mr. Houle informed the Council that they were looking at using a North basin and a South basin for the storm water with the North basin located down the hill from the water treatment plant since there is already a low area there. He stated that when they started to get into that detailed design they had talked to a couple of property owners that have land to the East of Rasmussen along the power line easement and they pointed out that there is a pretty hefty natural hole in that power line easement. He said after they looked at the design again they believe they can take all of the storm drainage to that basin and not have to modify the low area by the water treatment plant. Mr. Houle stated that this could save about \$50,000 on the project and that is why he said earlier on with the Butler Street there could be some cost savings.

Discussion ensued on storm sewer drainage and trying to minimize damage to pavement by making improvements to Butler Street now. Discussion also ensued about the swing post mailboxes.

Mr. Houle explained that everything north of Main Street was originally intended to go north into this basin behind the water treatment plant but after they got into the detail of the job they determined that they do not need to go north but bring it south. That way they will not have to excavate a new north basin and add piping to get past the City's water main which is why they believe they can save some money. He clarified that the pipes will still be going to be under the street but it is just going to be tilted to the south for those two blocks instead of having to go north to a newly constructed basin.

**COUNCIL MEMBER PEDERSON MOVED TO ADD THE DESIGN AND CONSTRUCTION OF BUTLER STREET TO THE RASMUSSEN ROAD & SOUTH WASHINGTON AVENUE IMPROVEMENT PROJECT AT AN ESTIMATED COST OF \$67,000, TO INSTALL STANDARD SWING MAILBOX POSTS WITHIN THE PROJECT AREA, AND TO SEND ALL STORM DRAINAGE WITHIN THE PROJECT AREA TO THE SOUTH BASIN AT AN ESTIMATED SAVINGS OF \$50,000. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 4-0.**

9.3. North Sluetter Road Feasibility Report & Preliminary Special Assessment Hearing Update

Tim Houle updated the Council of the process of special assessments. He stated that there is a series of public hearings with a minimum of two which is a state statute type process and the main reason is to gather public input. He stated they also do a study which they present at the first of two special assessment hearings. He said then the Council takes the input and decides whether to actually do a design and proceed with a project. Mr. Houle stated the City Policy is set up in a way that before the City get bids from contractors and before a construction project is awarded the City will have the second of the two public hearings to gather that final input from the citizens. He reminded the Council that the City is at the step prior to the first hearing and the draft feasibility report is prepared. He stated that the City Policy says that the draft report will need to be reviewed with a City Assessment Committee. He said the Committee consists of City staff members, Public Works Administration and there is room on that City Assessment Committee for one Council Member. He stated after they review the draft report they would then ideally present that draft report to the Council at the February meeting.

Council Member Pedersen stated the only motion that the Council approved was done in September following a study on what it would cost. He stated that David Drown gave the Council what he believed was two estimates for Rustic Road to a Rural Road estimate and how those numbers would it impact the bond. Mr. Pedersen stated that what the Council approved the motion that was to go ahead and pave based on all that information. He stated that special assessments were not a discussion at that point and the motion back in September did not include and special assessments. He believes the Council needs to continue in that direction.

Nancy Malecha stated that at the last Council meeting, December 3<sup>rd</sup>, there was a Resolution adopted on the Preparation of Report on North Sluetter Road and there was also a motion to accept the engineering services proposal from Widseth Smith Nolting for North Sluetter Road. Discussion ensued about the Resolution and prior motions made. Ms. Malecha stated that the Council can change their minds and then have further discussions to make decisions in a different direction.

Mr. Houle stated at the last meeting the Council did approve the design contract and because of the size of the project the City will have to publicly bid it. He also stated that part of that design contract had a line item in it that if the Council wanted to consider special assessments they could and that was also part of the resolution that was approved. Mr. Houle said that he will present that feasibility report in the February Council meeting at that point the Council can decide on decision points in a special assessment project and that one of the decision points is not to specially assess. He reminded the Council that they still have those meetings up ahead of them and they do not have to decide anything at this meeting.

Council Member Pederson discussed the motion made in September and stated in the future it would be good to start the assessment process and discussions before doing any motions. Mr. Houle explained that the feasibility report isn't 100% dealing with special assessments and it will be laid out in a study format, not a final design format, of what the anticipated level of improvements are on those different segments. He stated that whether the City goes forward with special assessments or not it will also help everyone understand what would be designed, bid on, and constructed.

Maury Graham, 5988 North Sluetter Road, Pequot Lakes addressed the Council and stated that the residents of North Sluetter have spent four years battling this North Sluetter Road Paving Project. He said it was unanimous among the residents petition that there were to be no special assessments. He reminded the Council that they did vote on the paving of the Road.

Nancy Malecha reminded the Council that they do need a volunteer from the City Council to serve on the Assessment Committee but if no one wants to volunteer then City staff will just take the lead and bring forth our recommendations to the Council. Council Member Pete Clement volunteered to be on the Committee.

#### 9.4. Public Works Services Joint Powers Agreements

Jason Gorr stated that they have been diligently working on updating the City's Public Works Services Joint Powers Agreements on the shared roads that expired in 2019. He stated that the road agreements consist of the City of Pequot Lakes, City of Jenkins, City of Nisswa, Ideal Township, Jenkins Township, and Loon Lake Township. Mr. Gorr stated that the plan should help with clear up previous problems they had with contractors by clarifying

maintenance responsibilities. He stated that he has not heard of any conflicts and to his knowledge everyone include in the agreement approve.

**COUNCIL MEMBER SEILS MOVED TO APPROVE THE 2020-2024 PUBLIC WORKS SERVICES JOINT POWERS AGREEMENTS WITH THE CITY OF JENKINS, CITY OF NISSWA, IDEAL TOWNSHIP, JENKINS TOWNSHIP, AND LOON LAKE TOWNSHIP. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 4-0.**

9.5. Request to Purchase Loader

Jason Gorr presented Loader bids to the Council and requested approval to purchase the John Deere 544L Wheel Loader with Snow Pusher and Grapple Bucket from McCoy Construction Forestry through the Sourcewell contract bid for \$203,903.85. He also requested that the City's 1996 John Deere 310D Backhoe be traded in to McCoy Construction Forestry for a bill of sale of \$20,500 which will decrease the net sale amount of the Loader to \$183,403.85. Mr. Gorr requested that the Loader be paid from the 2020 Highway 371 Fund budget.

He informed the Council that the Public Works Department did receive a demonstration for the requested purchase item and felt that it was more functional and useful for their needs than the MCAT that they also had a demonstration on. He discussed the lack of snow storage around businesses in the City and that the Loader would help them solve that issue. He stated that his department did a lot of research and compared prices nationwide therefore he feels that this is a competitive price. Mr. Gorr also noted that it is under the price budgeted for this piece of equipment. Discussion ensued about a warranty and the amount of time the Loader would save them on snow removal.

Council Member Pederson expressed his concerns about the money for the purchase being taken out of the highway fund. Mr. Gorr discussed the highway drives the need for the purchase of a larger item such as the Loader. He also talked about similar sized communities using this type of equipment.

**COUNCIL MEMBER SEILS MOVED TO APPROVE THE PURCHASE OF THE JOHN DEERE 544L WHEEL LOADER WITH SNOW PUSHER AND GRAPPLE BUCKET FROM MCCOY CONSTRUCTION FORESTRY AND ALSO TRADE IN THE CITY'S 1996 JOHN DEERE 310D BACKHOE FOR A NET SALE AMOUNT OF \$183,403.85 TO BE PAID FROM THE 2020 HIGHWAY 371 FUND BUDGET. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 3-1. COUNCIL MEMBER PEDERSON OPPOSED.**

10. Administration

The following items were received by Council.

- December 17, 2019 draft EDC minutes
- December 17, 2019 HRA minutes

10.1. Annual Appointments

**COUNCIL MEMBER SEILS MOVED TO AUTHORIZE THE 2020 ANNUAL APPOINTMENTS AS RECOMMENDED. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.2. Board and Commission Appointments

10.2.A. Economic Development Commission Appointments

**COUNCIL MEMBER CLEMENT MOVED TO APPOINT BRADLEY BECKLIN AND CINDY RIECK TO THE ECONOMIC DEVELOPMENT COMMISSION FOR THREE-YEAR TERMS EXPIRING ON DECEMBER 31, 2022. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.2.B. Housing & Redevelopment Authority Appointment

**COUNCIL MEMBER SEILS MOVED TO APPOINT ROBERT PETERSON FOR A FIVE-YEAR TERM EXPIRING ON DECEMBER 31, 2024 AND EDITH WATSON FOR A THREE-YEAR TERM EXPIRING ON DECEMBER 31, 2022 TO THE HOUSING & REDEVELOPMENT AUTHORITY. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.2.C. Library Board Appointments

**MAYOR TAYLOE MOVED TO APPOINT MELISSA BIRCH AND TERRI GRIMES FOR THREE-YEAR TERMS EXPIRING ON DECEMBER 31, 2022 AND COURTNEY GRAN FOR A ONE YEAR TERM EXPIRING ON DECEMBER 31, 2020 TO THE LIBRARY BOARD. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.2.D. Park Commission Appointments

**COUNCIL MEMBER SEILS MOVED TO APPOINT STEVEN MELBY AND BONITA SCHWEINLER FOR THREE-YEAR TERMS EXPIRING DECEMBER 31, 2022 AND JEFF BOUCHER FOR A TWO YEAR TERM EXPIRING DECEMBER 31, 2021 TO THE PARK COMMISSION. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.2.E. Planning Commission Appointments

**MAYOR TAYLOE MOVED TO APPOINT LAURA LARSON AND WESLEY WILSON TO THE PLANNING COMMISSION FOR THREE-YEAR TERMS EXPIRING ON DECEMBER 31, 2022. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.3. Designation of Official Depositories

**MAYOR TAYLOE MOVED TO ADOPT RESOLUTION 20-02 DESIGNATING FIRST NATIONAL BANK AND WELLS FARGO BANK AS OFFICIAL DEPOSITORIES FOR 2020. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.4. Designation of Official Newspapers

**COUNCIL MEMBER SEILS MOVED TO ADOPT RESOLUTION 20-03 DESIGNATING THE ECHO JOURNAL AS THE MAIN OFFICIAL NEWSPAPER AND THE BRAINERD DISPATCH AS THE SECONDARY OFFICIAL NEWSPAPER FOR THE CITY FOR 2020. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.5. Consider Proposal for Insurance Agent of Record

**MAYOR TAYLOE MOVED TO REAPPOINT FIRST NATIONAL BANK INSURANCE SERVICES AS THE INSURANCE AGENT OF RECORD FOR 2020. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.6. 2020 Council Priorities

Nancy Malecha noted that the City Council will want to begin considering their priorities for 2020 for inclusion in the City's 2020 Work Plan which will be defined at the January 21<sup>st</sup> Special Meeting City Council. She stated City Departments, Boards and Commissions are submitting their project priorities to her and she will supply an updated work plan at the January 21<sup>st</sup> Meeting.

10.7. Resolution Appointing Election Judges

**COUNCIL MEMBER SEILS MOVED TO ADOPT RESOLUTION 20-04 APPOINTING ELECTION JUDGES FOR THE 2020 PRESIDENTIAL NOMINATION PRIMARY ELECTION, STATE PRIMARY AND STATE GENERAL ELECTIONS. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 4-0**

11. Other Business

There was no other business.

12. Adjournment

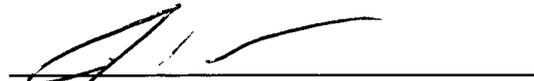
There being no further business, **COUNCIL MEMBER CLEMENT MOVED TO ADJOURN. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

The meeting of the City Council adjourned at 7:43 p.m.

Respectfully submitted,



Angie Duus  
City Clerk/Treasurer



James Tayloe  
Mayor