

**MEETING OF THE PEQUOT LAKES CITY COUNCIL  
TUESDAY, FEBRUARY 5, 2019  
PEQUOT LAKES CITY HALL**

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

Members Absent: Council Member Akerson

Staff Present: Nancy Malecha, City Administrator; Jenny Peterson, Administrative Assistant; Dawn Bittner, Zoning Specialist; Chad Turcotte, Police Sergeant; Jason Gorr, Public Works Director; and Tim Houle, City Engineer

1. Call Meeting to Order

Mayor Tayloe called the meeting of the Pequot Lakes City Council to order at 6:33 p.m.

1.1. Pledge of Allegiance

Mayor Tayloe led with the Pledge of Allegiance.

2. Consider Agenda

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

3. Consent Agenda

Council Member Swanson requested to remove item 3.2 Payment of Bills from the consent agenda.

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

- 3.1. **JANUARY 8, 2019 AND JANUARY 22, 2019 CITY COUNCIL MEETING MINUTES.**
- 3.3. **FINANCIAL REPORT ENDING DECEMBER 31, 2018.**
- 3.4. **NO LIBRARY REPORT THIS MONTH.**
- 3.5. **RESOLUTION 19-05 ACCEPTING CONTRIBUTIONS FROM DECEMBER 28, 2018 THROUGH JANUARY 27, 2019.**
- 3.6. **SPECIAL EVENT PERMIT FOR THE 25<sup>TH</sup> ANNUAL ANTIQUE SNOWMOBILE RENDEZVOUS.**

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

3.2. Payment of Bills

Council Member Swanson requested clarification on the repair bill from Little Falls Machine in the amount of \$4,567.03 for the 2019 Mack Truck.

Jason Gorr explained this was due to damage repair on the wing support due to curb impact on a bump out.

Council Member Swanson questioned if this could be turned in to insurance as a claim.

Nancy Malecha stated she will look into this.

**COUNCIL MEMBER PEDERSON MOVED TO APPROVE THE CHECK REGISTER FROM JANUARY 9, 2019 TO FEBRUARY 5, 2019. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

4. Open Forum

No one appeared under open forum.

5. Presentations

5.1. Highway 371/County Road 29 Intersection Update

Nancy Malecha explained at the November 14, 2018 City Council Meeting, the Council heard from concerned citizens regarding safety concerns at the Highway 371/County Road 29 intersection. The Council requested that MnDOT look into this issue further and report back.

Ken Hansen and Darren Nelson from MnDOT addressed the Council to review and discuss the updated Intersection Evaluation Report. Mr. Hansen noted the following.

- There is not a lot of crash history at this intersection due to the recent improvement project.
- There is a total of seven crashes at this intersection from January 2017 to September 2018 but only two could be directly attributed to

the intersection as five crashes included run off the road crashes more related to the curve and deer-vehicle incidents.

- The total crash rate at this intersection is 0.27 crashes per million entering vehicles which is consistent with the statewide average of 0.26.
- Risk factors at this intersection include on/near curve, distance from previous stop, and volume cross product.
- The minimum required stopping sight distance for a 65 mph roadway is 645 feet. Northbound Highway 371 measured at 800 feet and southbound Highway 371 measured at 1,500 feet.
- The Paul Bunyan pedestrian bridge does create a blind spot for both northbound Highway 371 drivers and westbound Wilderness Road drivers in two locations.

Council Member Swanson questioned if the railing on the pedestrian bridge can be lowered and would this help with the blind spot issues.

Mr. Hansen noted the bridge does block the northbound Highway 371 cars in spots but their policies protocol on how they design these types of projects is based on mathematical analysis.

Council Member Pederson noted that nothing identifies pedestrians crossing and this intersection was built as unusable for pedestrians as it is not safe. He further noted this is only intersection of its kind from Brainerd to Jenkins.

Mr. Hansen explained the lakes, roadway curve, Paul Bunyan Trail, and the pedestrian bridge created a design challenge.

Council Member Pederson questioned if MnDOT is looking at alternative options.

Mr. Hansen stated that MnDOT does not want to see anyone get hurt. Any intersection on a four-lane highway will be dangerous to cross and pedestrians may feel exposed even with reasonable buffer and turn lane spacing.

Darren Nelson explained that high speed expressways are not designed as pedestrian friendly. He noted that a local initiated trail to a more favorable crossing area may need to be considered.

Council Member Pederson questioned if flashing lights noting pedestrians crossing could be installed.

Mr. Hansen noted that you need enough sight distance to allow motorists time to stop once the lights flash and it would be difficult to do as timing would be an issue. These types of devices are usually installed in downtown and lower traffic areas.

Council Member Pederson questioned if a pedestrian crossing sign could be installed.

Council Member Swanson questioned if a blind intersection sign could be installed.

Mr. Hansen stated that MnDOT will discuss possible signage at this intersection while keeping in mind not to create a false sense of security.

Mr. Nelson stated they will go back and talk with the state experts on static signage at this intersection and will report back.

6. Planning and Zoning

6.1. Planning Commission Report

The January 31, 2019 Planning Commission Report and January 17, 2019 draft Planning Commission minutes were received by Council.

6.2. Public Nuisance Update

Dawn Bittner informed the Council of the open enforcement action for the property located at 31116 Ash Street owned by John and Barbara Derksen. Ms. Bitter explained that the outstanding violation is the number and location of snowmobiles stored outside. The City Code allows three recreational vehicles to be stored outside in the rear yard. Mr. Derksen currently has seven snowmobiles strewn about his yard and a fifth-wheel trailer which he did move meeting the setback. City staff sent two letters requesting the moving of two snowmobiles along West Sibley Street and Ash Street to the rear yard to reduce the total number of recreational vehicles to three which would remedy the remaining code violations. Mr. Derksen responded to this request on December 18, 2018 noting the snowmobiles along Ash Street were part of a holiday light display and would be disassembled a couple of weeks after the first of the year, weather permitting. Mr. Derksen also noted the snowmobile along Ash Street is a piece of art being turned into a flower planter and would remain indefinitely. Ms. Bittner further noted on January 31, 2019 Mr. Derksen still had snowmobiles along Ash Street and West Sibley Street.

Mayor Tayloe explained that Mr. Derksen's snowmobile planter is decorative and the holiday display is great.

John Derksen, 31116 Ash Street, Pequot Lakes, addressed the Council. Mr. Derksen explained that the first complaint letter he received from the City was because two snowmobiles were brought home from storage for a Halloween display and to be worked on. The second complaint letter from the City was for his Christmas display on the west side of his property. He noted he has three sleds and a sleigh and receives numerous compliments on his holiday display. Mr. Derksen further noted a few snowmobiles are stored in the back yard among the vegetation growth and covered with good covers. He stated that if the City is going to enforce the new code we better hire more staff as this would impact over 50% of the people.

Nancy Malecha requested clarification from Mr. Derksen on the number of snowmobiles and trailers in his yard.

Mr. Derksen stated he has three snowmobiles, a planter, and two snowmobiles buried in the vegetation.

Council Member Pederson questioned if Mr. Derksen will be constructing a fence to screen these items.

Mr. Derksen stated there is no money for a fence.

Council Member Pederson explained the violation process is complaint driven so if the City receives a complaint, we respond accordingly. He further explained to Mr. Derksen that he has the right to bring forth complaints on other properties.

Ms. Bittner clarified that Mr. Derksen has complied with the other violations on his property and the remaining items are the number of recreational vehicles stored outside.

A consensus of the Council agreed to give Mr. Derksen until Memorial Day 2019 to become compliant with the City Code.

### 6.3. Land Use Incentive Program

Dawn Bittner explained this Program offered through the League of Minnesota Cities rewards property and casualty insurance program member cities that successfully complete online training about land use. Ms. Bittner noted that one more Council Member needs to take this online

course and she suggested that Mayor Tayloe volunteer as this would be an educational opportunity for him.

Mayor Tayloe volunteered to participate in the Land Use Incentive Program.

8. Police

8.1. Annual Report

Sergeant Turcotte presented the 2018 Pequot Lakes Police Department Annual Report to the Council.

9. Public Works Report

The January 2019 Public Works Report and December 2018 Water/Wastewater Report were received by Council.

9.1. Public Works Facility Update

Jason Gorr explained that Boser Construction is addressing the remaining major punch list items on the Public Works Facility.

Tim Houle noted that Boser Construction and the City have yet to come to an agreement on some contractual items and correspondence is currently being reviewed.

9.2. Traffic Study

Tim Houle explained that WSN is preparing a traffic study proposal but narrowing down the intersections to be counted is a challenge. Mr. Houle explained the following two traffic study approaches for Council consideration.

- One approach is to concentrate on six downtown main intersections for the video traffic counting and analysis. This would include the gathering of data, analysis, traffic layouts, and meetings with the final result of a traffic study report. The cost for this approach would be approximately \$15,000.
- The second approach is to concentrate on six downtown main intersections and six additional intersections which would consist of County Road 17, North Patriot Avenue, South Patriot Avenue, and the Interchange roundabouts. The cost for this approach would be approximately \$25,000. This would also be a video counting study

which could potentially provide marketing information to the City and Chamber.

Council Member Swanson questioned why the traffic study would be done in May and is it better to do this study during the summer time.

Tim Houle explained a 48 to 72 hour timeframe is utilized for the study, peak traffic times are during the school year, and there are certain factors applied regardless of when the study is done. He further explained that if the study is done in the summer the school traffic data will not be available and there will be a counting of summer traffic.

Council Member Pederson questioned how goals will be defined as a part of the study.

Tim Houle noted their proposal will have three goals of the physical traffic study. It will not be a computer output and it will not be perfect and clear cut. There will be follow up decisions needed based on the analysis provided.

Council Member Pederson questioned if the study will give a count on how many people are coming into town from Patriot Avenue.

Tim Houle stated yes. He noted the video will show all turning movements at the intersections defined, cameras will differentiate the intersections, and a traffic model will be built utilizing this data.

Jason Gorr explained it would be good to see the actual use and where motorists are going once they come in on the main arteries as this can provide data to project pavement conditions and useful life numbers.

A consensus of the Council agreed to direct WSN to bring forth a proposal on the second traffic study approach utilizing the intersections of South Patriot Avenue, the Interchange roundabouts, North Patriot Avenue, County Road 17, Front Street, Main Street, Woodman Street, West Lake Street, and Rasmussen Road.

### 9.3. Rasmussen Road Project

Tim Houle explained that storm drainage along Rasmussen Road is an important component of this Project. He noted storm drainage could potentially drain toward the City's property just east of the Water Treatment Plant. Based on this, he suggested the Council consider improvements on Rasmussen Road consisting of two blocks north and

south of Main Street instead of the one block north and two blocks south as was originally specified by Council.

A consensus of the Council agreed to proceed with a proposal from WSN for improvements to Rasmussen Road consisting of two blocks north and south of Main Street.

9.4. Request to Carryover Funds

Jason Gorr informed the Council that in 2018, the Roads and Streets Department budgeted for a paint sprayer at an approximate cost of \$5,000. This was originally earmarked as a need for accommodating the new turn backs along with existing road marking needs. Upon further discussion with Crow Wing County staff it has been determined it is a much better use of funds and staff time to simply continue contracting for this work since the City's project workload does not justify the dedicated equipment in this case. Mr. Gorr noted that he is requesting to carryover these budgeted funds in the amount of \$5,000 from 2018 to 2019 to be utilized for the purchase of a wash bay curtain in the new Public Works Facility as there is a definite need.

**COUNCIL MEMBER PEDERSON MOVED TO AUTHORIZE THE CARRYOVER OF FUNDS IN THE AMOUNT OF \$5,000 TO 2019 TO BE UTILIZED FOR THE PURCHASE OF A WASH BAY CURTAIN FOR THE PUBLIC WORKS FACILITY. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

9.5. MN Department of Health Grant

Nancy Malecha explained the Water Department was awarded a grant in the amount of \$5,150 from the Minnesota Department of Health to replace air release and check valves on wells 3 and 4 at the City's Water Treatment Facility.

**MAYOR TAYLOE MOVED TO ACCEPT THE MINNESOTA DEPARTMENT OF HEALTH GRANT AGREEMENT IN THE AMOUNT OF \$5,150 TO REPLACE AIR RELEASE AND CHECK VALVES ON WELLS 3 AND 4 AT THE CITY'S WATER TREATMENT FACILITY. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

10. Administration

The following items were received by Council.

- January 10, 2019 draft Park Commission minutes
- January 15, 2019 draft EDC minutes
- January 15, 2019 HRA minutes

#### 10.1.A-B. Job Classification & Compensation Study

Nancy Malecha informed the Council that in 2018 the City embarked on a job classification and compensation study of all full-time job positions. The City hired the consultation services of David Drown Associates to facilitate this study. As a part of this process, proposed pay grades and current job descriptions were disseminated to all employees whose positions were included in this study. This allowed employees the opportunity to review this information and bring forth appeals for the consultant and the Personnel Committee to consider. The Personnel Committee is recommending the Council approve the job description revisions for the Office Manager, Police Officer, and Police Sergeant positions.

Ms. Malecha further noted that the Personnel Committee is recommending the adoption of the resolution establishing the Job Evaluation Tool System as the new pay plan for the City effective 1-1-19 which includes the job classifications, pay structure, and placement of current employees.

**COUNCIL MEMBER SEILS MOVED TO APPROVE THE REVISED JOB DESCRIPTIONS FOR THE OFFICE MANAGER, POLICE OFFICER, AND POLICE SERGEANT POSITIONS AS PRESENTED. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

**COUNCIL MEMBER PEDERSON MOVED TO ADOPT RESOLUTION 19-06 ESTABLISHING THE JOB EVALUATION TOOL AS THE NEW PAY PLAN FOR THE CITY OF PEQUOT LAKES EFFECTIVE JANUARY 1, 2019. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

#### 10.1.C. Teamsters General Local 346 Agreement

Nancy Malecha requested the Council consider the Labor Agreement with the Teamsters General Local 346 covering the Police Department Unit discussed at the closed meeting.

**COUNCIL MEMBER SEILS MOVED TO ADOPT RESOLUTION 19-07 APPROVING THE LABOR AGREEMENT BETWEEN THE CITY OF PEQUOT LAKES AND THE TEAMSTERS GENERAL LOCAL 346**

**COVERING THE POLICE DEPARTMENT UNIT FROM JANUARY 1, 2019 TO DECEMBER 31, 2021. MAYOR TAYLOE SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.2. Request to Hire City Clerk/Treasurer

Nancy Malecha explained that twelve applications were received for the City Clerk/Treasurer position. She, Chief Klang, and Council Member Pederson interviewed three applicants earlier today and are recommending the City hire Toni Papillon as a full-time City Clerk/Treasurer in the Administration Department, not to exceed step 2 of the City's new pay plan, and contingent upon successful background and pre-employment screenings. If this candidate declines this offer, Ms. Malecha requested that the City offer the position to Angie Duus.

**MAYOR TAYLOE MOVED TO APPROVE THE HIRING OF TONI PAPIILLON AS A FULL-TIME CITY CLERK/TREASURER IN THE ADMINISTRATION DEPARTMENT NOT TO EXCEED STEP 2 OF THE CITY'S NEW PAY PLAN, WITH BENEFITS AND CONTINGENT UPON SUCCESSFUL BACKGROUND AND PRE-EMPLOYMENT SCREENINGS; FURTHERMORE, IF THIS CANDIDATE DECLINES, THE CITY ADMINISTRATOR MAY THEN OFFER THE POSITION TO ANGIE DUUS. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.3. Post-Employment Benefit Valuation Report

Nancy Malecha informed the Council the City is required to have an actuarial valuation of its Other Post-Employment Benefits (OPEB) every two years. This valuation determines the City's obligation regarding post-employment benefits also referred to as retiree benefits for medical, dental, and other health-related benefits for City retirees to be included in the City's financial audit.

**COUNCIL MEMBER PEDERSON MOVED TO ACCEPT THE POST-EMPLOYMENT BENEFIT VALUATION REPORT FOR THE VALUATION YEAR BEGINNING JANUARY 1, 2018 AND THE RECOMMENDATION TO FUND THE CITY'S OPEB OBLIGATION USING THE PAY-AS-YOU-GO (PAYGO) METHOD. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.4. Gas Franchise Ordinances

Nancy Malecha explained the City currently has a gas franchise ordinance with Northern States Power/Xcel Energy that expires in April of 2019. This ordinance grants Xcel Energy permission to erect a gas distribution system in the City. Ms. Malecha noted that the City was contacted by Xcel Energy approximately two years ago to begin the process of renewing this ordinance. At the April 4, 2017 City Council Meeting, a consensus of the Council agreed to consider including a \$1-\$2 per month flat franchise fee. The draft ordinances presented tonight reflect a monthly flat franchise fee of \$2 to customers within the City's jurisdiction which would generate approximately \$22,344 in revenue per year. The draft ordinances have been reviewed by Xcel Energy, the City Attorney, and Ms. Malecha. Ms. Malecha further noted that if the City implements a franchise fee on Xcel Energy, the draft gas franchise ordinance states that the City agrees to impose an equivalent franchise fee upon all other energy providers operating in the City and we have until April 30, 2021 to do so. Ms. Malecha requested a consensus from the Council to proceed with the draft ordinances as presented or provide direction on changes.

A consensus of the Council directed Ms. Malecha to seek information from Xcel Energy as to a listing of neighboring cities who have implemented franchise fees and report back on this at the March meeting.

#### 10.5. City Facility & Department Tours

Nancy Malecha noted that the recent tour of the new Public Works Facility has prompted staff to consider providing the Council with tours of other City facilities and departments. Some suggestions for Council consideration include a water plant tour, police and fire department tours, Cole Memorial Building tour, Chamber Building and Library Building tours, and a spring road review tour. Ms. Malecha requested direction from the Council on potential tours they would like to see this year.

A consensus of the Council agreed they would like tours of the Water Plant, Police and Fire Departments, and a Spring Road Review.

#### 10.6. 2019 Project Priorities

Nancy Malecha explained that since she was absent from the January 22<sup>nd</sup> Special City Council Meeting, she included the following 2019 project priorities for the Administration Department for the Council to consider.

- Fill City Clerk/Treasurer position and perform required training.
- I.T. upgrades – backup system and/or exchange mail server.
- City website improvements.

- Work with the Public Works Director on Road Improvement Plan.
- Work with the Public Works Director on Buildings Improvement Plan.
- Research on creating a community smart room at City Hall for public use.
- Work with the HRA on housing redevelopment plan and grant.
- Update City's drug and alcohol policy.
- Complete Giant Worldwide Leadership Academy through Sourcewell.
- Create vision and mission statements for the City.
- Create and update franchise ordinances for utility companies.
- Initiate marketing outreach for the Heart of the Good Life Development.
- Research the MN GreenStep Cities Program for potential participation.

Council Member Swanson requested clarification on a community smart room.

Ms. Malecha explained that this could potentially be a room at City Hall for the public to use to connect to WiFi and process their work or personal business.

A consensus of the Council agreed with the 2019 project priorities for the Administration Department as presented.

#### 10.7. Park Commission Appointment

Nancy Malecha informed the Council that there is currently one vacancy on the Park Commission. Donna Walden has submitted an application for appointment. Ms. Walden currently works at Hopkins Health & Wellness in Pequot Lakes and is a vendor to two shops in Pequot Lakes. She resides in Loon Lake Township in Cass County.

Donna Walden, 5622 Daffodil Lane, Pequot Lakes addressed the Council. Ms. Walden explained she is interested in the Park Commission as the seat has been open for two months, she is passionate about the park situation, and she has no other way to participate. She noted the City Code does not qualify her to serve as she is not a resident or landowner of the City.

Council Member Pederson stated a change in the ordinance can be done by the Council if they so choose and there are other ways for people to be involved.

Council Member Swanson questioned if Ms. Walden could make decisions about spending taxpayer money without living in the City.

Ms. Walden stated that she absolutely could.

Council Member Swanson questioned Ms. Walden about her opinion on the proposed improvements to Trailside Park.

Ms. Walden noted she is in favor of improvements to Trailside Park, bathrooms are needed, and the current Park is beautiful.

**MAYOR TAYLOE MOVED TO APPOINT DONNA WALDEN TO THE PARK COMMISSION. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION FAILED 2-2. COUNCIL MEMBERS PEDERSON AND SWANSON OPPOSED.**

11. Other Business

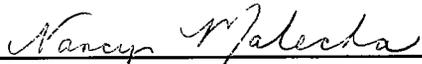
There was no other business.

12. Adjournment

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

The meeting of the City Council adjourned at 8:37 p.m.

Respectfully submitted,

  
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Nancy Malecha  
City Administrator

  
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James Tayloe  
Mayor