



AGENDA ITEM #3.1

REPORT TO CITY COUNCIL

Report Prepared by: Nancy Malecha

Date: May 7, 2019

Subject: City Council Minutes

Report: The minutes for the April 2, 2019 City Council Meeting are attached for your review.

Council Action Requested: Council motion approving the minutes for the April 2, 2019 City Council Meeting.

**MEETING OF THE PEQUOT LAKES CITY COUNCIL
TUESDAY, APRIL 2, 2019
PEQUOT LAKES CITY HALL**

Members Present: Mayor Tayloe, Council Members Pederson and Swanson

Members Absent: Council Members Akerson and Seils

Staff Present: Nancy Malecha, City Administrator; Jenny Peterson, Administrative Assistant; Eric Klang, Police Chief; 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 6:30 p.m.

1.1. Pledge of Allegiance

Mayor Tayloe led with the Pledge of Allegiance.

2. Consider Agenda

COUNCIL MEMBER PEDERSON MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 3-0.

3. Consent Agenda

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

- 3.1. **MARCH 5, 2019 CITY COUNCIL MEETING MINUTES.**
- 3.2. **CHECK REGISTER FROM MARCH 6, 2019 TO APRIL 2, 2019.**
- 3.3. **FINANCIAL REPORT ENDING FEBRUARY 28, 2019.**
- 3.4. **NO LIBRARY REPORT.**
- 3.5. **RESOLUTION 19-09 ACCEPTING CONTRIBUTIONS FROM FEBRUARY 21, 2019 THROUGH MARCH 19, 2019.**
- 3.6. **QUARTERLY UTILITY BILLING ADJUSTMENT REPORT FOR JANUARY THROUGH MARCH 2019.**
- 3.7. **2019 FIRE PROTECTION AGREEMENT WITH THE CITY OF NISSWA.**
- 3.8. **SPECIAL EVENT PERMITS FOR THE CHERRY CAR SHOW AND RUN FOR DRU EVENTS.**
- 3.9. **UTILITY CREDIT REQUEST FOR 31364 FRONT STREET.**

COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 3-0.

4. Open Forum

Maury Graham, 5988 North Sluetter Road, Pequot Lakes, addressed the Council. Mr. Graham stated he would like the Council to legitimately consider paving North Sluetter Road as there are so many pluses to doing so from a tax standpoint with unsold lots to be sold and new homes to be built.

5. Presentations

There were no presentations.

6. Planning and Zoning

6.1. Planning Commission Report

The March 27, 2019 Planning Commission Report and March 21, 2019 draft Planning Commission minutes were received by Council.

7. Fire

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

8. Police

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

9. Public Works Report

The February 2019 Public Works Report was received by Council.

9.1. Public Works Facility Update

Jason Gorr and Tim Houle updated the Council on the Public Works Facility Project. They noted that Boser Construction is working on some interior items on the punch list and it will be awhile before the grading and seeding can be completed.

Mayor Tayloe questioned if the interior punch list items are done.

Mr. Gorr explained that an interior venting issue is yet to be resolved.

Council Member Swanson questioned clarification on the heavy tow strap. Mr. Gorr noted that it is designed to pull out fully loaded dump trucks and it is much safer than using a chain. He further noted that the tow strap was used three times in one day on the last heavy snowfall event.

Council Member Pederson questioned the timeframe for the wash bay curtain purchase and installation. Mr. Gorr explained he received another bid back today and it will be installed this spring.

9.2. Comprehensive Road and Transit Funding Resolution

Nancy Malecha noted that in a recent League of Minnesota Cities bulletin it was noted that the League is supporting an omnibus transportation funding bill which would increase dedicated state funding for city streets, including funding that can be used for non-municipal state aid city street maintenance, construction, and reconstruction.

Council Member Swanson questioned if this is the bill currently being discussed at the State level which proposes raising the gas tax and license tab fees. Tim Houle stated that periodically the State has provided monies for non-municipal state aid cities but it is not consistent which this is trying to accomplish. He further explained that cities over 5,000 in population receive state aid funding but at a different formula.

COUNCIL MEMBER SWANSON MOVED TO ADOPT RESOLUTION 19-10 REQUESTING COMPREHENSIVE ROAD AND TRANSIT FUNDING. MAYOR TAYLOE SECONDED THE MOTION. MOTION CARRIED 3-0.

10. Administration

The following items were received by Council.

- March 14, 2019 draft Park Commission minutes
- March 19, 2019 draft EDC minutes

10.1. Jerry Akerson's Absence

Nancy Malecha explained that for the past several months, Jerry Akerson has been absent at City Council meetings due to personal reasons. She spoke with Mr. Akerson on March 26th and he hopes to be back beginning with the June 2019 City Council meeting. Ms. Malecha noted that per Minnesota Statute 412.02, Subd. 2b, the City Council has the following option regarding Mr. Akerson's absence.

- Do nothing and wait for Jerry Akerson's return, which is anticipated in June.
- Because of Jerry Akerson's ongoing illness and resulting absence, declare a vacancy and appoint a temporary office holder until Jerry is able to resume duties and attend council meetings. The appointment process could entail a public notice to citizens informing them of this vacancy and request resumes or letters of interest, or such other process as the Council determines.
- In the event of a vacancy due to written resignation, declare a vacancy and appoint an officeholder until the November 2020 Special Election is held. The appointment process could entail a public notice to citizens informing them of this vacancy and request resumes or letters of interest, or such other process as the Council determines.

Mayor Tayloe and Council Member Swanson noted they would like to wait until June to see if Jerry Akerson returns to the Council as the timeframe between now and then is so short.

Council Member Pederson noted his concern that there is no guarantee as to when Mr. Akerson will return.

Council Member Swanson questioned if Jerry Akerson does not come back in June does he have to resign. Nancy Malecha stated the Council could declare a vacancy and appoint a temporary office holder to fill Mr. Akerson's seat until he returns unless he resigns.

COUNCIL MEMBER PEDERSON MOVED TO TABLE THIS ITEM UNTIL THE MAY CITY COUNCIL MEETING. MAYOR TAYLOE SECONDED THE MOTION. MOTION CARRIED 3-0.

10.2. Gas Franchise Ordinances

Nancy Malecha noted that at the March 5th City Council Meeting, the consensus of the Council agreed to proceed with the gas franchise and franchise fee ordinances with a \$1 per month per customer franchise fee and further designated the first year of franchise fee revenue to the Parks Department. She further noted that presented tonight are these ordinances for Council approval.

Council Member Pederson questioned how much revenue this will generate for the City per year. Ms. Malecha stated it will be approximately \$11,000 per year and the revenue designation can be changed every year.

COUNCIL MEMBER PEDERSON MOVED TO ADOPT ORDINANCE 19-04 GRANTING NORTHERN STATES POWER COMPANY PERMISSION TO ERECT A GAS DISTRIBUTION SYSTEM IN THE CITY OF PEQUOT LAKES. MAYOR TAYLOE SECONDED THE MOTION. MOTION CARRIED 3-0.

MAYOR TAYLOE MOVED TO ADOPT ORDINANCE 19-05 IMPLEMENTING A GAS SERVICE FRANCHISE FEE ON NORTHERN STATES POWER COMPANY FOR PROVIDING GAS SERVICE WITHIN THE CITY OF PEQUOT LAKES. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 3-0.

Nancy Malecha explained a summary publication cannot be acted on as it requires a 4/5th vote of the Council and there are only three Council Members in attendance.

10.3. Region 5 Children's Museum Site Selection Request for Proposal

Nancy Malecha informed the Council that about a month ago she was contacted by two representatives from the Region 5 Children's Museum Board of Directors to discuss potential sites for a Children's Museum somewhere within Region 5

along the Highway 371 and 210 corridors. The Mayor, Economic Development Commission Chair, and Ms. Malecha met with the representatives and highlighted three properties for their consideration. These properties consisted of the Heart of the Good Life Development which is City owned, the Fire Tower property which is County owned, and property on the east end Sibley Lake at the corner of North Oak Street and Patriot Avenue which is privately owned and abuts the DNR boat access landing.

About two weeks ago, the formal request for proposal was received. A Brainstorming Committee consisting of Mayor Tayloe, County Commissioner Brekken, EDC Chair Lindholm, Mark Jurchen, Dawn Bittner, and Nancy Malecha met to determine an action plan on how to proceed with a proposal. The Committee agreed to proceed with pitching all three properties as noted above and Mark Jurchen has graciously offered to take the lead in compiling information and the narrative for the proposal with input from the Committee and various other community collaborators.

Ms. Malecha requested a consensus from the Council to proceed with the proposal process as outlined above for submission to the Region 5 Children's Museum Board of Directors by May 3, 2019.

A consensus of the Council agreed to proceed with the proposal and submission processes for the Region 5 Children's Museum to include the Heart of the Good Life Development, Fire Tower property, and Sibley Lake property as presented.

10.4. 2020 Preliminary Budget Discussion

Nancy Malecha explained the 2020 Preliminary Budget discussions will begin in May and she is requesting Council direction for compiling budgets. Ms. Malecha noted that the direction from the Council for the past two years has been to keep the City's tax rate stable. She further explained the timeline of setting the preliminary and final tax levies.

Council discussion ensued and a consensus of the Council agreed to direct Staff to aim for no increase in the City's tax rate.

Ms. Malecha clarified that her intent will be to keep the operating expenses stable and list any larger projects separate for Council consideration.

11. Other Business

There was no other business.

12. Adjournment

There being no further business, **COUNCIL MEMBER SWANSON MOVED TO ADJOURN. MAYOR TAYLOE SECONDED THE MOTION. MOTION CARRIED 3-0.**

The meeting of the City Council adjourned at 7:00 p.m.

Respectfully submitted,

Nancy Malecha
City Administrator

James Tayloe
Mayor

