



**AGENDA ITEM #3.1**

**REPORT TO CITY COUNCIL**

**Report Prepared by: Angie Duus**

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**Date:** December 3, 2019

**Subject:** City Council Minutes

**Report:** The minutes for the November 5, 2019 City Council Meeting are attached for your review.

**Council Action Requested:** Council motion approving the minutes for the November 5, 2019 City Council Meeting.

**MEETING OF THE PEQUOT LAKES CITY COUNCIL  
TUESDAY, NOVEMBER 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; Angie Duus, City Clerk/Treasurer; Jason Gorr, Public Works Director; Tim Houle, City Engineer; Eric Klang, Police Chief; Tom Nelson, Fire Chief; Lance Ray, Maintenance Worker; Dalton Engholm, Maintenance Worker; and Randy Brickweg, Maintenance Worker

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 10.5 Assignment and Assumption Agreement which relates to the sale of the City lot in the Industrial Park and 10.6 Jerry Akerson's Absence.

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

3. Consent Agenda

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

- 3.1. **OCTOBER 1, 2019 REGULAR CITY COUNCIL MEETING MINUTES & OCTOBER 1, 2019 CLOSED CITY COUNCIL MEETING MINUTES.**
- 3.2. **CHECK REGISTER FROM OCTOBER 2, 2019 TO NOVEMBER 5, 2019.**
- 3.3. **FINANCIAL REPORT ENDING OCTOBER 31, 2019.**
- 3.4. **LIBRARY REPORTS FOR AUGUST 2019 AND SEPTEMBER 2019.**
- 3.5. **RESOLUTION 19-28 ACCEPTING CONTRIBUTIONS FROM SEPTEMBER 24, 2019 THROUGH OCTOBER 29, 2019.**

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

4. Open Forum

No one appeared under open forum.

5. Presentations

5.1. Respect MN Pledge

Erin Lang and Joe Kramer presented to the Council the Respect Minnesota Pledge. Ms. Lang explained that the pledge is five lines which goes over how to be civil to one another. She stated that it derived from the negative rhetoric happening with major construction projects such as the Line 3 Replacement Project in Northern Minnesota. Ms. Lang stated that they wanted to create a pledge that made sure everyone was brought to the table in a safe environment and could talk through the differences even if they don't agree with one another.

Mr. Kramer added that the Pledge is meant to help find common ground and to create a safer work environment while they are on construction and infrastructure projects. He stated that the Respect Minnesota Pledge started about a year ago where they brought the information to union membership meetings. He said they started in Bagley and worked their way across the State all the way down to Rochester. Mr. Kramer stated that it started with the unions from four trades; the Laborers, Teamsters, Operators, and Welders and they since then have presented the pledge to cities, chambers and branched out from there to other communities. He stated that this Pledge is not just for the construction projects but it can be used for industries and others that have cultural differences.

Ms. Lang stated they have already received 2,500 individual signers for the pledge and that people have been really passionate about it, especially the union members.

Mr. Kramer asked the Council to consider a resolution to become a part of the Respect Minnesota Pledge.

Council discussion ensued about various cities, chambers, and other types of organizations that have joined the Respect Minnesota Pledge.

**COUNCIL MEMBER SWANSON MOVED TO ADOPT THE RESOLUTION SUPPORTING THE RESPECT MINNESOTA PLEDGE. COUNCIL MEMBER SEILS SECONDED THE MOTION.**

Council Member Pederson stated that since this is all new information he would need time to digest it but he is not against it. Mr. Kramer stated that most communities usually take a month before they adopt the resolution.

Council discussion ensued about tabling the information and to contact Ms. Malecha to request more information needed.

**COUNCIL MEMBER SWANSON MOVED TO RESCIND THE PREVIOUS MOTION SUPPORTING THE RESPECT MINNESOTA PLEDGE. COUNCIL MEMBER SEILS CONCURRED.**

**COUNCIL MEMBER PEDERSON MOVED TO TABLE THIS AGENDA ITEM UNTIL THE DECEMBER 3, 2019 CITY COUNCIL MEETING. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

5.2. ICS Consulting Presentation

Glenn Chiodo presented the Community Enhancement Project listening sessions process and the results to the Council. Mr. Chiodo said in most of the meetings the attendance was in the teens up to as high as 22 and that roughly 120 people in total showed up and participated in the process. He explained that they used a post-it note process to ask open ended questions and the vast majority of the groups had the exact same questions in the exact same order. He stated that they asked every group to prioritize the responses they submitted.

Mr. Chiodo said they asked the following question to only the City Council and School board; what are your expectations of this process? The answers were: show us what we can do within our financial abilities and what people are willing to support, long term – bring people to town, provide a place for all age groups to use for multiple activities, expand our school facilities, and have champions to promote and follow up.

Mr. Chiodo presented the following questions and the most popular answers with a count tally from all groups:

1. What are the great things that the City and School District have to offer?
  - Great School System (40)
  - First Class Athletic Facilities (20)
  - Level of involvement (19)
  - Small Town Feel (18)
  - Arts and Music (5)
  
2. What are the challenges facing the City and the School District?
  - No Room/Fields/Lights (42)
  - Money/Funding/Taxes (26)
  - Growth/Economic Development (20)
  - Lack of Parking (Students) (13)
  - Facilities for Seniors & Youth (5)
  
3. What Community Enhancements Ideas do you have for the decision makers regarding this initiative?
  - Softball/Baseball Fields (92)
  - Soccer/Lax Fields (68)
  - Multi Sports indoor/outdoor Complex (59)

- Ice Rink/Arena (49)
- Community Center (45)
- Swimming pool (37)
- Tennis courts (26)
- Hotel/Motel (25)
- Business/Office/Industrial (25)
- Pickleball (6)

4. What advice do you have for the decision makers regarding this initiative?

- Activities for whole community (27)
- Do it right the first time (22)
- This is an investment, not a cost for the community (10)
- Be transparent and keep us informed especially on costs (9)
- Hire local contractors/vendors (2)

5. What is the best method for the City and School District to communicate the findings back to the community?

- Newspaper
- Facebook/Social Media
- Emails
- Meetings
- Mail

Mr. Chiodo also discussed the following questions that were asked to the students:

1. What would you want for a younger sibling that you didn't have in school?
  - More extracurricular activities, Soccer, Swimming, Archery, better fields (7)
  - Better Buses and Vans (3)
  - Better School food Pizza/Dessert bar (3)
  - Turf fields (2)
  - More Tennis Courts (2)
  - Tutoring Center (2)

What does a diploma mean to you?

- Hard work pays off, go to college (5)
- You succeeded, graduated (4)
- Done with High School (2)
- Hard work and dedication (2)

Who are you competing against?

- Myself
- teammates
- other teams and schools

Mr. Chiodo said at each meeting they asked for volunteers to be on the Steering Committee. He stated that Kent Koerbitz will run and oversee the Steering Committee.

Kent Koerbitz informed the Council that the first Steering Committee meeting is Thursday, November 7th. He said they will be going through the listening session results and that 23 people volunteered their time to come to these meetings. Mr. Koerbitz said they will have about a half dozen sessions to discuss things like what costs will be involved, raising revenue, and what type of project should they be looking at. He asked if they could get some guidance from the City Council on what information will be useful to them, if they have any specific questions they want answered, and requested representation from the City Council. Mr. Koerbitz stated that questions and feedback can be sent to Nancy Malecha then she can forward that information to him.

Mr. Koerbitz did not anticipate the Steering Committee would be done gathering information by the next City Council meeting but he could come back to obtain more clarification from the Council on their discussion and get feedback on what else needs to be done at the Steering Committee meetings. Mr. Koerbitz said they should be ready to present information to the Council by the January 7, 2020 City Council meeting. He said they asked the School Board to have a couple members present at the Steering Committee meetings as well.

Council discussion ensued about funding options and cost development.

5.3. Certification to Taxes

Nancy Malecha presented the updated list of preliminary certifications to taxes for utility accounts that are past due. She stated that State Statute allows municipalities to certify past due amounts to the County Auditor as a lien against the property. She stated that a letter was sent to each property owner informing them of the delinquency and the opportunity to appear before the Council.

Ms. Malecha stated there is also a resolution for Council consideration but before considering that resolution, the Council will want to ask if there is anyone present who would like the chance to contest that assessment.

Mayor Tayloe asked if there is anyone present who would like to contest that assessment. No contestations occurred.

**COUNCIL MEMBER PEDERSON MOVED TO APPROVE RESOLUTION 19-30 ADOPTING ASSESSMENTS FOR UNPAID SERVICE CHARGES. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

6. Planning and Zoning

6.1. Planning Commission Report

The October 23, 2019 Planning Commission Report and October 17, 2019 draft Planning Commission minutes were received by Council.

6.2. Rezone Request

Dawn Bittner stated the Planning Commission had their regular meeting in October and they are forwarding the Council a recommendation to rezone a 1.9 acre tract of land from public to light industrial. She stated that the subject property is vacant and is accessed via Morehouse Drive and Derksen Road. She stated that the subject property is owned by the City of Pequot Lakes and was part of a citywide rezone in 2017 where all City-owned property was rezoned to the Public zoning classification. Ms. Bittner stated that the subject property is being sold to a private individual and is part of the Pequot Lakes Industrial Park. She stated the Planning Commission unanimously recommends the City Council approve this rezone request.

**COUNCIL MEMBER SWANSON MOVED TO APPROVE ZONING ORDINANCE 19-09 REZONING PARCEL 291130020010009 FROM PUBLIC TO LIGHT INDUSTRIAL. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

6.3. Sourcewell Planning & Zoning Services Agreement

Dawn Bittner presented the addendum to Sourcewell's Planning and Zoning Services Agreement. She stated that the addendum outlines concerns the MPCA raised regarding Sourcewell's legal authority to provide services related to subsurface sewer treatment systems. The issue can be resolved by designating joint employees to satisfy the program administration requirements of the MPCA. The terms of the agreement executed in July of 2018 will remain the same.

**COUNCIL MEMBER PEDERSON MOVED TO AUTHORIZE THE CITY ADMINISTRATOR TO EXECUTE ADDENDUM #1 - JOINT POWERS AGREEMENT FOR THE PLANNING AND ZONING SERVICES AGREEMENT WITH SOURCEWELL. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

7. Fire

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

8. Police

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

8.1. City of Jenkins Law Enforcement Contract

Eric Klang explained that there are no changes to the proposed Law Enforcement Contract with the City of Jenkins and that he has gone over the contract with the City Administrator. Chief Klang is requesting that the Council approve the contract.

**COUNCIL MEMBER SWANSON MOVED TO APPROVE THE 2020 LAW ENFORCEMENT CONTRACT AND JOINT POWERS AGREEMENT WITH THE CITY OF JENKINS IN THE AMOUNT OF \$41,200. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

8.2. Tobacco 21 Campaign

Eric Klang and Karen Johnson from Crow Wing Energized presented information regarding the Tobacco 21 Campaign to the Council. Chief Klang informed the Council that they are requesting to proceed with the process of moving the legal age to purchase tobacco in the City of Pequot Lakes from 18 to 21. He stated that he has had a chance to meet with most of the convenience stores if not all and the vape store in City and in Baxter to get feedback on this initiative. Chief Klang said they are very supportive and they went so far to say that they would come to present to the City Council as well. He stated there is a lot of support for the age change. He stated the only negative comments received were the government should not be telling people at what age to smoke and if people serve in the military at 18 they should be able to buy a pack of cigarettes at 18 as well. Chief Klang stated that the number one cost to our VA hospitals is directly related to smoking, therefore the military supports this move.

Ms. Johnson stated that this is the first time in 17 years that they have actually seen an increase in smoking in our youth and they are attributing it to the vaping epidemic. She discussed the student survey through the Minnesota Department of Health and everyone's access to it. She discussed the nicotine in vaping and the development of kids brains until age 25. Ms. Johnson talked about where kids are getting the vaping products from and the most common response was from a friend. She said it is assumed that they are getting it from a friend who can legally purchase it at age 18 and this prompted the discussion that if they moved up the age to 21 less kids would be able to get tobacco and vaping products.

Chief Klang stated they are working on a change in the ordinance.

Discussion ensued about the sudden increase and the ages of teens and middle schoolers that are smoking or vaping.

A consensus of the Council agreed to proceed with the implementation of a City Ordinance changing the age from 18 to 21 to purchase tobacco products.

8.3. Leave of Absence Request

Nancy Malecha informed the Council that Sergeant Chad Turcotte is requesting a leave of absence effective October 31, 2019 beginning at 9:00 p.m. to

approximately February 1, 2020 with continuation of the City's contribution towards health and life insurance for up to 90 days. He would like to use this time to increase the wellness of his back and explore other possibilities. Ms. Malecha stated that she included some excerpts from the personnel policy regarding regular leave without pay.

Chief Klang stated that Sergeant Turcotte has been an excellent employee and he wants to support him 100%.

Council discussion ensued about replacing Sergeant Turcotte while he is gone and Chief Klang and Ms. Malecha will keep the Council informed of any changes.

**COUNCIL MEMBER SEILS MOVED TO APPROVE CHAD TURCOTTE'S LEAVE OF ABSENCE REQUEST FROM OCTOBER 31, 2019 AT 9:00 P.M. TO APPROXIMATELY FEBRAURY 1, 2020 WITH CONTINUATION OF THE CITY'S CONTRIBUTION TOWARD HEALTH AND LIFE INSURANCE FOR UP TO 90 DAYS. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

9. Public Works Report

The October 2019 Public Works Report was received by Council.

9.1. Our Savior's Church Handicap Parking Request

Jason Gorr stated Our Savior's Lutheran Church on Front Street requested some modifications to the on-street parking spots. He stated that it was requested the northernmost handicap parking spot be modified into a drop-off only designation to allow for unobstructed drop offs in front of the access door.

Rolly Meinke from Our Saviors Lutheran Church stated that this would generate a drop off area twice the size of what they currently have. He stated that right now it is for one vehicle only and people are parking out in the street to let people out causing it to be a safety concern.

Mr. Gorr said it is also requested to have an additional handicap parking spot immediately south of the existing parking.

Mr. Gorr also requested the City do the following modifications along Front Street:

- No parking along the roadway curve by TDS Telecom
- A white fog line on the roadway curve by TDS Telecom
- No parking from Second Street to Patriot Avenue on the south side by Dollar Tree

Mr. Gorr expressed safety concerns with the parking spots from Second Street to Patriot Avenue. He stated that eliminating this parking area was included in the traffic study.

Council discussion ensued about improving the parking lot for the bank and Post Office but that it was private property and the City is not responsible for those repairs.

Ms. Malecha stated that if the no parking area is approved the City will do some type of communication outreach to the Post Office and Wells Fargo Bank.

Mr. Gorr stated that this would not happen until the next year so there would be time to get the message out.

**COUNCIL MEMBER SEILS MOVED APPROVE THE MODIFICATIONS OF ON-STREET PARKING WHICH INCLUDES MODIFICATION OF THE NORTHERNMOST HANDICAP PARKING SPOT INTO A DROP-OFF ONLY ZONE AND AN ADDITIONAL HANDICAP PARKING SPOT IMMEDIATELY SOUTH OF THE EXISTING PARKING. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

Council discussion ensued about talking to businesses before making the decision on eliminating parking from Second Street to Patriot Avenue but since there are no businesses with entrances on that side of the street it was decided to continue with the decision and the project timeline.

**COUNCIL MEMBER SEILS MOVED TO APPROVE THE MODIFICATIONS ALONG FRONT STREET WHICH INCLUDE NO PARKING ALONG THE ROADWAY CURVE BY TDS TELECOM WHICH WILL INCLUDE A WHITE FOG LINE AND NO PARKING FROM SECOND STREET TO PATRIOT AVENUE ON THE SOUTH SIDE. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 3-1. COUNCIL MEMBER SWANSON OPPOSED.**

9.2. Nickel Road Speed Limit Sign

Jason Gorr stated there was a conversation with the City of Breezy Point about a speed limit sign on Nickel Road. He informed the Council that Nickel Road is behind Eagle View Elementary School by Rice Lake and it is a shared road with Breezy Point. He stated the City of Breezy Point posted a 30 miles per hour speed limit sign and he is recommending that a similar speed limit sign be posted on Nickel Road in the City's jurisdiction.

**COUNCIL MEMBER SWANSON MOVED TO AUTHORIZE THE PLACEMENT OF A 30 MPH SPEED LIMIT SIGN ON THE WEST END OF NICKEL ROAD IN THE CITY'S JURISDICTION. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

Council Member Pederson stated that Akerson Road is not marked and that was brought to his attention by a homeowner that lives on that Road and has children. He talked about it being a safety concern and that a speed limit needs to be

posted. He also stated that when you get to the City of Breezy Point's portion the road is posted at 40 mph.

Mr. Gorr discussed that they have placed signage for no trucks on Akerson Road since it has been used as a shortcut by trucks leaving the gravel pits. He said they did have a discussion with the pit operator and are hoping that clears up the truck traffic.

Council discussion ensued about the speed limit default on Akerson Road of 55 mph if it is not posted at 40 mph.

Mr. Gorr recommend the City come up with a future procedure in determining speed limits. He noted the City should seek advice from the City Engineer on speed limits since the League of Minnesota Cities recommends that cities utilize a City Engineer, safety standards, traffic counts, and accident history when determining speed limits for roadways.

Council discussion ensued that Nelson Road and Wild Acres Road are marked 40 mph.

**COUNCIL MEMBER PEDERSON MOVED TO AUTHORIZE THE PLACEMENT OF A 40 MPH SPEED LIMIT SIGN ON THE WEST AND EAST END OF AKERSON ROAD IN THE CITY'S JURISDICTION. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

9.3. Placement of Stop Signs

Jason Gorr informed the Council that the Public Works Department installed stop signs in three locations in the City. He said his Department considered them urgent and wanted to get them up before freezing. He explained the locations are at the intersections of East Sibley Street and Government Drive, East Grove Street and Rasmussen Road, and Gravidahl Drive and Rasmussen Road.

Council discussion ensued about where signs are purchased and safety concerns on the road and entrance by the Public Works Facility.

**COUNCIL MEMBER SWANSON MOVED TO APPROVE THE PLACEMENT OF THREE STOP SIGNS AT THE INTERSECTIONS OF EAST GROVE STREET AND RASMUSSEN ROAD, EAST SIBLEY STREET AND GOVERNMENT DRIVE, AND GRAVDAHL DRIVE AND RASMUSSEN ROAD. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

9.4. Assessment Procedures and Policy

Jason Gorr stated that he, Council Member Swanson, Tim Houle, Dawn Bittner and Nancy Malecha were part of the revision process for the City's Assessment Procedures & Policy.

Mr. Houle explained that they had three meetings to go through the City's current Assessment Procedures & Policy and he stated that this policy can be amended at any time. Mr. Houle reviewed the changes made to the policy.

Council discussion ensued on whether the City Council or property owners are able to initiate a special assessment and how the assessment process works.

Council Member Pederson requested the resolution be changed to indicate it is a revised policy. Ms. Malecha stated that language can be inserted about the revision to the special assessment procedures and policy and she can make those changes. She stated that she will change that second paragraph where it says that Pequot Lakes City Council has determined that there is a need for an amended special assessment procedure and policy to serve as a guide for a consistent assessment process.

**COUNCIL MEMBER SEILS MOVED TO ADOPT RESOLUTION 19-29 FOR THE AMENDED ASSESSMENT PROCEDURES & POLICY FOR THE CITY. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 3-1. COUNCIL MEMBER PEDERSON OPPOSED.**

Mr. Houle expressed his thanks to the Assessment Committee for their work and insight throughout this process.

9.5. Rasmussen Road & South Washington Avenue Projects

Tim Houle provided an update to the Council on the Rasmussen Road and South Washington Avenue projects and supplied an updated map for the wall display. Mr. Houle noted open house dates for the projects will be as follows.

- South Washington Avenue open house will be November 14th from 6:00 - 7:00 p.m. Property owners along South Washington Avenue will be invited to come and review the project map.
- Rasmussen Road open houses will be November 18th and November 20th from 6:00 - 8:00 p.m. Property owners along Rasmussen Road will be invited to come and review the project map.

Mr. Houle noted that a couple of the things, especially on Rasmussen Road, they will review is how the project impacts the property owners by removing or adjusting some of the trees, mailboxes, and some landscaping issues that are in the right of way. He stated that a lot of people don't realize that these items are in the City's right-of-way. Mr. Houle further noted there would be a City cost to formalize right of ways. Mr. Houle informed the Council that he is planning to ask them to authorize advertising for public bids at the December City Council meeting.

Representatives from the Pequot Lakes Legion addressed the Council and asked for clarification what will happen around the Legion parking lot just in case they would need to budget for private improvements.

Mr. Houle stated that the small curb on the west side of South Washington Avenue, east side of the Legion parking lot will stay there. He stated there is going to be parallel parking on South Washington Avenue just like there is now and on the East side there is going to be a parking up against the building just like it is now. He stated that there is probably going to be another parallel parking stall or maybe two into the grass area. Mr. Houle stated that the drive that comes out of the Legion's parking lot to South Washington Avenue will stay there and he said the trees will likely be removed. He added that on the street side they will have storm sewer and there will be a slight elevation change.

Council discussion ensued about closing off the Legion's parking lot entrance on Main Street and trying to put it on South Washington Avenue but the Legion would lose too much parking on both the private side and public side.

9.6. North Sluetter Road Project

Jason Gorr stated that on September 25th he, Nancy Malecha, Tim Houle, and an Anderson Brothers representative met and discussed items and concerns regarding the paving of North Sluetter Road with a rustic road definition. Mr. Gorr stated that the width of the southern portion of North Sluetter Road is adequate and there is a fairly adequate drainage slope in that section. He stated as you go north towards the middle section for the road there is a need for clearing, grubbing, and ditch work to help prevent any premature degradation. He stated that in that section there is no place for the water to go and they do not want to create erosion issues so that portion of the road is a concern. Mr. Gorr stated that the northerly portion, smaller section towards the top, is already paved. He explained that this portion was constructed by the developer and paving was required by the City prior to accepting maintenance responsibilities.

Council discussion ensued about special assessments for this project and is the rustic road classification appropriate for drainage to get water off the pavement to protect the investment.

Mr. Gorr stated they did identify what they thought were a couple of wetlands and said those cannot be ditched into. He discussed having a smaller catch basin and that there is some engineering to that.

Council Member Pederson discussed having the City Planner that is well versed on planning to look at this project as he may have some new insight. He also stated that the City would need engineering costs.

Mr. Houle stated they wanted to have this discussion with Council before preparing a proposal to make sure the Council is aware of the issues and to prepare for long term when paving the road.

Mr. Gorr asked for Council direction and clarification on how they would like City Staff to proceed.

The consensus of the Council agreed to have WSN prepare a proposal to present at the next Council meeting

10. Administration

The following items were received by Council.

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

10.1. City Clerk/Treasurer's Probationary Period

Nancy Malecha informed the Council that Angie Duus was hired as the City Clerk/Treasurer on April 29, 2019 and her performance review was processed on October 29<sup>th</sup>. Ms. Malecha stated that she has successfully completed her probationary period and is meeting the performance expectations of this position.

**COUNCIL MEMBER SEILS ACKNOWLEDGED ANGIE DUUS' SUCCESSFUL COMPLETION OF HER SIX-MONTH PROBATIONARY PERIOD AS CITY CLERK/TREASURER. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.2. SCORE (Recycling) Funding Update

Nancy Malecha stated that at the October 1st City Council Meeting, the Council directed her to send a letter to the Crow Wing County Board of Commissioners requesting to reinstate the City's 2020 SCORE funding allocation in the amount of \$13,250. She stated that they are not going to fund the City's curbside recycling for 2020 and she informed the Council that they are also eliminating five drop-off sites within the County.

Tyler Gardner, owner of Pequot Lakes Sanitation, addressed the Council and stated they will have to raise rates quite substantially to customers because of the cost of doing business.

Council discussion ensued about eliminating recycling, rising costs for recycling, and recycling ending up in the landfills. Mr. Gardner state because of the City's ordinance he would not be able to haul garbage without offering recycling. He also stated that from his business standpoint he cannot eliminate recycling because he would go out of business.

10.3. Fiber Optic Infrastructure Needs Correspondence Request

Nancy Malecha informed the Council that at the October Economic Development Commission meeting they approved the issuance of a letter to TDS Telecom expressing the urgency for expanded fiber optic infrastructure within the Pequot Lakes Grow Zone Overlay District. Ms. Malecha stated that the EDC is further

recommending the City Council send a similar letter and they have also reached out to the Chamber to ask them to submit a letter.

The consensus of the Council agreed to send a letter to TDS Telecom expressing the urgency for expansion of fiber optic infrastructure within the Pequot Lakes Grow Zone Overlay District.

#### 10.4. 2020 Preliminary Budget

Nancy Malecha presented the 2020 Preliminary Budget and noted the only change is an increase in State Aid-Police revenue. Ms. Malecha informed the Council the City did receive the proposed tax rate information from Crow Wing County and utilizing the budget presented the City's tax rate would decrease from 57.385% in 2019 to approximately 56.023% in 2020, which is a decrease of 1.362%. She stated the City's net tax capacity increased from \$2,961,059 in 2019 to approximately \$3,232,114 in 2020, which is the \$271,000 increase. Ms. Malecha stated the Council will need to approve the budget in December before we actually get final numbers from the County as to our tax capacity and those numbers should be available in March of 2020. She requested Council direction to as if the budget should be presented as is for the December Truth and Taxation meeting.

Council Member Pederson asked if the cost of the Public Works loader is included in this budget in the Highway 371 Fund and Ms. Malecha confirmed that it is. He inquired if it would be taken out as a loan and Ms. Malecha said it would not be paid back since equipment upgrades were included in the road turnback money in the Highway 371 Fund.

Council discussion ensued about the anticipated use of the new loader, costs compared to contract services for snow removal, and the useful life of the current tractor being utilized.

Council Member Swanson asked if they would trade in the current tractor and Mr. Gorr said he would like to get some money for it and there is an estimated value of \$10,000 to \$12,000 remaining.

Council Member Pederson expressed his concerns with the high cost of the new loader and about the money not being paid back to the Highway 371 Fund.

The Council consensus was to proceed with the 2020 Preliminary Budget as presented for the December Truth and Taxation Meeting.

#### 10.5. Assignment and Assumption Agreement

Nancy Malecha presented the Assignment and Assumption of Vacant Land Purchase Agreement. She stated that this is for the industrial park lot that the City currently owns. Ms. Malecha said it originally was to be purchased from Dotty Holdings LLP, which is Joe and Susan Dotty but they have requested a

change to have their son purchase it from the City. The updated corporation name will be Dotty Enterprises LLC and the Agreement reflects this change.

**COUNCIL MEMBER SEILS MOVED TO APPROVE THE ASSIGNMENT AND ASSUMPTION OF VACANT LAND PURCHASE AGREEMENT FOR THE OWNERSHIP NAME CHANGE FROM DOTTY HOLDINGS LLP TO DOTTY ENTERPRISES LLC. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.6. Jerry Akerson's Absence

Nancy Malecha informed the Council that she spoke with Council Member Akerson today. He is requesting a leave of absence until the April 2020 City Council Meeting and to appoint an interim officeholder. She summarized the following Council options for their consideration.

- The Council can do nothing and wait for Council Member Akerson's return in April.
- The Council can declare a vacancy and appoint a temporary officeholder until Council Member Akerson is able to resume duties and attend Council meetings. The process to appoint a temporary officeholder entails a public notice to citizens informing them of this vacancy and to request resumes or letters of interest.
- If Council Member Akerson resigns, then the Council could declare a vacancy and appoint an officeholder until the November 2020 election.

Council discussion ensued about choosing option two and the process to find interested individuals to fill the position. Ms. Malecha stated the goal would be to appoint the person at the December City Council Meeting.

**COUNCIL MEMBER SWANSON MOVED TO ADOPT RESOLUTION 19-32 DECLARING A CITY COUNCIL VACANCY AND SHALL FILL THIS VACANCY BY APPOINTMENT AT AN UPCOMING CITY COUNCIL MEETING UPON RECEIVING LETTERS OF INTEREST. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.**

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 8:48 p.m.

Respectfully submitted,

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Angie Duus  
City Clerk/Treasurer

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James Tayloe  
Mayor