



AGENDA ITEM #3.1

REPORT TO CITY COUNCIL

Report Prepared by: Nancy Malecha

Date: January 8, 2019

Subject: City Council Minutes

Report: The minutes for the December 4, 2018 City Council meeting are attached for your review.

Council Action Requested: Council motion approving the minutes for the December 4, 2018 City Council meeting.

**MEETING OF THE PEQUOT LAKES CITY COUNCIL
TUESDAY, DECEMBER 4, 2018
PEQUOT LAKES CITY HALL**

Members Present: Mayor Adams, Council Members Akerson, Loukota, Pederson, and Swanson

Staff Present: Nancy Malecha, City Administrator; Deb Marty, City Clerk/Treasurer; Dawn Bittner, Zoning Specialist; Jason Gorr, Public Works Director; and Tim Houle, City Engineer

1. Call Meeting to Order

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

1.1. Pledge of Allegiance

Mayor Adams led with the Pledge of Allegiance.

2. Consider Agenda

Council Member Pederson requested the addition of agenda item 6.5 - Current Billboard.

COUNCIL MEMBER LOUKOTA MOVED TO APPROVE THE AGENDA WITH THE ADDITION OF ITEM 6.5 – CURRENT BILLBOARD. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

3. Consent Agenda

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

- 3.1. NOVEMBER 14, 2018 SPECIAL CITY COUNCIL MEETING,
NOVEMBER 14, 2018 REGULAR CITY COUNCIL MEETING**
- 3.2. PAYMENT OF BILLS**
- 3.3. FINANCIAL REPORT ENDING OCTOBER 31, 2018**
- 3.4.A LIBRARY BOARD MINUTES FOR NOVEMBER 26, 2018**
- 3.4.B LIBRARY CD REDEMPTION**
- 3.5. RESOLUTION 18-34 ACCEPTING CONTRIBUTIONS FROM
NOVEMBER 5, 2018 THROUGH NOVEMBER 26, 2018.**

COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

4. Open Forum

No one appeared under open forum.

5. Presentations

5.1. Budget/Levy – Public Hearing

A. Budget and Levy Presentations

Nancy Malecha gave a presentation on the following information and explained how property taxes are calculated.

- The general revenue tax levy of \$1,690,265
- Tax abatement levy of \$20,920
- The total levy amount of \$1,711,185
- The HRA levy of \$38,250

B. Public Hearing on Budgets and Levies

Mayor Adams opened the public hearing.

There being no comments on the budgets and levies, Mayor Adams closed the public hearing.

C. Adoption of 2019 City Budgets

D. Consider Tax Levy Resolutions

COUNCIL MEMBER AKERSON MOVED TO APPROVE THE 2019 HRA BUDGET OF \$38,250. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

COUNCIL MEMBER SWANSON MOVED TO APPROVE THE 2019 TAX LEVY AT \$1,711,185. MAYOR ADAMS SECONDED THE MOTION.

Council discussion ensued regarding the addition of \$12,000 for the handicap accessible doors at City Hall and Cole Memorial Building. Nancy Malecha explained if the Council wanted to keep the tax rate the same as in 2018 the \$12,000 would have to be cut from the 2019 Budget.

MAYOR ADAMS MOVED TO AMEND THE ORIGINAL MOTION AND REMOVE THE \$12,000 FOR HANDICAP DOORS FROM THE 2019 BUDGET AND ADD IT TO THE 2020 BUDGET. COUNCIL MEMBER

**SWANSON SECONDED THE MOTION. MOTION CARRIED 4-1.
COUNCIL MEMBER AKERSON OPPOSED.**

**ORIGINAL MOTION AS AMENDED CARRIED 4-1. COUNCIL MEMBER
AKERSON OPPOSED.**

**COUNCIL MEMBER SWANSON MOVED TO APPROVE THE 2019
SPECIAL REVENUE & ENTERPRISE BUDGETS OF \$6,310,580
REVENUE AND \$6,272,085 IN EXPENDITURES. COUNCIL MEMBER
LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

**COUNCIL MEMBER AKERSON MOVED TO ADOPT RESOLUTION 18-
35 SETTING THE 2019 HRA LEVY AT \$38,250. COUNCIL MEMBER
LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.**

**COUNCIL MEMBER LOUKOTA MOVED TO ADOPT RESOLUTION 18-
36 SETTING THE 2019 GENERAL REVENUE TAX LEVY AT \$1,678,265
AND THE TAX ABATEMENT LEVY AT \$20,920. COUNCIL MEMBER
SWANSON SECONDED THE MOTION. MOTION CARRIED 4-1.
COUNCIL MEMBER AKERSON OPPOSED.**

5.2. 2019 Fee Schedule Resolution

Nancy Malecha presented the proposed fee schedule for 2019 and explained the changes that were made.

**MAYOR ADAMS MOVED TO ADOPT RESOLUTION 18-37 AMENDING
THE 2019 FEE SCHEDULE AS ADOPTED BY CITY ORDINANCE.
COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION
CARRIED 4-1. COUNCIL MEMBER AKERSON OPPOSED.**

5.3. 2019 BLAEDC Agreement

Sheila Haverkamp addressed the Council and thanked the City for being a significant partner in the area's economic development program.

**COUNCIL MEMBER LOUKOTA MOVED TO ACCEPT THE 2019
AGREEMENT FOR PROFESSIONAL SERVICES WITH BLAEDC IN
THE AMOUNT OF \$8,500. COUNCIL MEMBER SWANSON
SECONDED THE MOTION.**

Council Member Akerson questioned if the \$2.8 million dollars is available in loan form. Ms. Haverkamp explained they have assembled smaller pools of money throughout Crow Wing County and put them together to

create a Unified Fund to help companies tap into that money. Ms. Haverkamp gave a brief history of how these funds originated and how the funds are awarded adding they are very excited about their 10th Unified Fund application.

MOTION CARRIED 5-0.

6. Planning and Zoning

6.1. Planning Commission Report

The November 21, 2018 Planning Commission Report and the November 15, 2018 Planning Commission Meeting minutes were received by Council.

6.2. Ordinance Amendment-Offsite Sign Overlay District

Dawn Bittner explained the Planning Commission unanimously recommends the Council expand the Offsite Sign Overlay District as requested by Robert Rickard to include an 11.27 acre parcel he owns.

COUNCIL MEMBER AKERSON MOVED TO ADOPT ORDINANCE 18-14 AMENDING CHAPTER 17 SECTION 6.9 OFFSITE SIGN OVERLAY DISTRICT. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION.

Council Member Akerson inquired if this process will have to be repeated every time there is a sign request made by a landowner. Ms. Bittner stated it would need to be addressed as long as the parcel is not included in the Offsite Sign Overlay District.

MOTION CARRIED 4-1. COUNCIL MEMBER SWANSON OPPOSED.

COUNCIL MEMBER LOUKOTA MOVED TO AUTHORIZE THE SUMMARY PUBLICATION OF ORDINANCE 18-14. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 4-1. COUNCIL MEMBER SWANSON OPPOSED.

6.3. Ordinance Amendment-Short-Term Rental

Dawn Bittner explained the Short-Term Rental Ordinance that the Planning Commission is unanimously recommending the adoption of. Ms. Bittner added the City Attorney has reviewed the proposed ordinance.

COUNCIL MEMBER SWANSON MOVED TO ADOPT ORDINANCE 18-15 AMENDING CHAPTER 9 CREATING A SHORT-TERM RENTAL ORDINANCE. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION.

Council discussion included the cost of the permit, how many complaints have been received, whether the City should regulate how often property is rented out and how it will be enforced.

MOTION CARRIED 4-1. COUNCIL MEMBER AKERSON OPPOSED.

COUNCIL MEMBER LOUKOTA MOVED TO AUTHORIZE THE SUMMARY PUBLICATION OF ORDINANCE 18-15. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

COUNCIL MEMBER SWANSON MOVED TO ESTABLISH AN ANNUAL PERMIT FEE OF \$75. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 3-2. COUNCIL MEMBERS PEDERSON AND AKERSON OPPOSED.

6.4. 2018 City Work Plan

Dawn Bittner presented the projects from the City Work Plan that the Planning Commission has accomplished in 2018.

6.5. Current Billboard

Council Member Pederson pointed out there is now a recognition for using BlazeAir's photo that is posted on the billboard sign.

7. Fire Report

No report submitted.

8. Police Report

The October 2018 Police Department Monthly Report was received by Council.

8.1. Mallie Law Office Prosecution Agreement

COUNCIL MEMBER AKERSON MOVED TO APPROVE THE 2019 PROSECUTION AGREEMENT WITH MALLIE LAW OFFICE IN THE

AMOUNT OF \$875 PER MONTH. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.

9. Public Works Report

The November 2018 Water/Wastewater Report was received by Council.

9.1. Maintenance Facility Update

Tim Houle stated that he and Jason Gorr have walked through the facility and went through their punch list. Jason Gorr noted some plumbing issues and possible drainage issues that they will keep an eye on this spring. Mr. Gorr added they are working on getting everything organized.

9.2. Rasmussen Road Project Update

Tim Houle shared information from the Rasmussen Road Open House that was held on November 27, 2018 and presented some emails that were received with comments. Concerns included enforcement on the road, widening of the road, large truck traffic and the cost of the improvements.

10. Administration

The following items were received by Council.

- November 8, 2018 draft Park Commission minutes
- November 20, 2018 draft EDC minutes
- November 20, 2018 HRA minutes

10.1. City Clerk/Treasurer Resignation

Council acknowledged the resignation of Deb Marty as City Clerk/Treasurer.

COUNCIL MEMBER AKERSON MOVED TO BEGIN THE HIRING PROCESS FOR CITY CLERK/TREASURER. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

10.2. Statutory Limit Waiver

COUNCIL MEMBER AKERSON MOVED NOT TO WAIVE THE STATUTORY TORT LIMITS. COUNCIL MEMBER LOUKOTA SECONDED THE MOTION. MOTION CARRIED 5-0.

10.3. Legal Services Rate Changes

Nancy Malecha informed the Council that the City received a notice of hourly rate changes from Flaherty & Hood, P.A. for the following professional services.

- General Municipal Matters – Hourly rate will be increasing from \$135 to \$140.
- Real Estate Matters – Hourly rate will be increasing from \$140 to \$145.
- Labor and Employment Matters – Hourly rate will be increasing from \$150 to \$155.

Ms. Malecha further requested that the City not become a member of the Coalition for Greater Minnesota Cities (CGMC), as referenced in the letter from Flaherty & Hood, P.A., as the dues are quite expensive and the City utilizes the League of Minnesota Cities as lobbyists at the State level.

MAYOR ADAMS MOVED TO ACKNOWLEDGE THE HOURLY RATE CHANGES FROM FLAHERTY & HOOD, P.A. COUNCIL MEMBER SWANSON SECONDED THE MOTION.

Council Member Akerson stated the City should go out for bids for legal services.

MOTION CARRIED 4-1. COUNCIL MEMBER AKERSON OPPOSED.

10.4. City Council Meeting Dates

COUNCIL MEMBER LOUKOTA MOVED TO CHANGE THE JANUARY CITY COUNCIL MEETING TO JANUARY 8, 2019 AT 6:30 P.M. DUE TO THE NEW YEAR'S DAY HOLIDAY. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

COUNCIL MEMBER LOUKOTA MOVED TO CALL A SPECIAL CITY COUNCIL MEETING FOR JANUARY 22, 2019 AT 6:30 P.M. FOR THE PURPOSE OF DEFINING THE CITY'S 2019 WORK PLAN. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 5-0.

10.5. Resolution Establishing Polling Place

COUNCIL MEMBER AKERSON MOVED TO ADOPT RESOLUTION 18-38 ESTABLISHING THE POLLING PLACE FOR THE CITY OF PEQUOT

LAKES TO BE THE COLE MEMORIAL BUILDING. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0

10.6. 2018 Health Insurance Premiums

Nancy Malecha informed the Council that the premiums for the HealthPartners HSA Plan will increase by 15.66% in 2019 and provided a breakdown of the rates.

11. Other Business

Council Member Pederson presented Council Member Loukota a plaque to thank him for his outstanding service on the City Council.

12. Adjournment

There being no further business, **COUNCIL MEMBER LOUKOTA MOVED TO ADJOURN. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

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

Respectfully submitted,

Nancy Malecha
Administrator

Nancy A. Adams
Mayor