



AGENDA ITEM #4.1

REPORT TO CITY COUNCIL

Report Prepared by: Angie Duus

Date: April 7, 2020

Subject: City Council Minutes

Report: The minutes for the March 5, 2020 and March 17, 2020 City Council meetings are attached for your review.

Council Action Requested: Council motion approving the minutes for the March 5, 2020 and March 17, 2020 City Council meetings.

**MEETING OF THE PEQUOT LAKES CITY COUNCIL
THURSDAY, MARCH 5, 2020
PEQUOT LAKES CITY HALL**

Members Present: Mayor Tayloe, Council Members Clement and Seils

Members Absent: Council Members Pederson and Swanson

Staff Present: Nancy Malecha, City Administrator; Angie Duus, City Clerk/Treasurer; Dawn Bittner, Zoning Specialist; Eric Klang, Police Chief; Tom Nelson, Fire Chief; Tim Houle, City Engineer; Jason Gorr, Public Works Director; Nick Roy, 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

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

3. Consent Agenda

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

- 3.1. **FEBRUARY 4, 2020 CITY COUNCIL MEETING MINUTES.**
- 3.2. **CHECK REGISTER FROM FEBRUARY 5, 2020 TO MARCH 5, 2020.**
- 3.3. **FINANCIAL REPORT ENDING JANUARY 31, 2020.**
- 3.4. **LIBRARY REPORTS FOR NOVEMBER 2019 THROUGH JANUARY 2020.**
- 3.5. **RESOLUTION 20-09 ACCEPTING CONTRIBUTIONS FROM JANUARY 29, 2020 THROUGH FEBRUARY 24, 2020.**
- 3.6. **SPECIAL EVENT PERMITS.**

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

4. Open Forum

No one appeared under open forum.

5. Presentations

There were no presentations.

6. Planning and Zoning

6.1. Planning Commission Report

The February 26, 2020 Planning Commission Report and February 20, 2020 draft Planning Commission minutes were received by Council.

6.2. Ordinance Amendment - Definitions and Solar Energy Systems

Dawn Bittner informed the Council that the City received a request to amend the City Code to permit ground-mounted solar. She stated the Planning Commission unanimously recommends the City Council amend the ordinance regarding definitions and solar energy systems. She explained the red text in the Ordinance Amendment is the proposed language to be added.

COUNCIL MEMBER CLEMENT MOVED TO ADOPT ORDINANCE 20-02 AMENDING CHAPTER 17 OF THE CITY CODE REGARDING DEFINITIONS AND SOLAR ENERGY SYSTEMS. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 3-0.

Ms. Bittner explained there will be no Council motion for a summary publication since a four-fifths vote is needed.

Curt Johnson thanked the Council on behalf of himself, Jerry Ackerson, and everybody involved with the amendment to the solar ordinance. He also spoke for John Vaughn, Executive Director of RealSolar, who could not be at the Council meeting. He said that Mr. Vaughn would like to express his gratitude to the City for the things that they are doing in relationship to amending the ordinance. Mr. Johnson said the ordinance opens up a lot of opportunity, economically and otherwise, for the City and local contractors.

6.3. Ordinance Amendment – Lighting in Public Zone

Ms. Bittner stated the City found that a downward directional solar light did not adequately light the American Flag in the new flag display. She said hardwiring a light at the top of the flight pole was more expensive than up-lighting the Flag. She explained the red text in the Ordinance Amendment is the proposed language to be added. Ms. Bittner stated the Planning Commission recommends five to one the City Council amend the City Code as proposed.

COUNCIL MEMBER CLEMENT MOVED TO ADOPT ORDINANCE 20-03 AMENDING CHAPTER 17 OF THE CITY CODE REGARDING LIGHTING IN THE PUBLIC ZONE. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 3-0.

6.4. Request to Waive Conditional Use Permit Fees

Dawn Bittner stated Sharon Thorson, owner of It's a Wing Ding Thing on Government Drive, has applied for a Conditional Use Permit to operate a seasonal outdoor farmers market, offering locally farmed, grown, harvested and produced goods for the community. Ms. Bittner stated Ms. Thorson plans to hold this market one day a week from late May to early October. She said Ms. Thorson has provided the attached written request to waive the application and recording fees.

Council Member Clement asked if conditional use permits or fees have been waived in the past and Mayor Tayloe stated none that he can recall. Ms. Bittner did state the City recently waived a fee but that was to remove a condition that they found the City should not have placed on that particular conditional use permit. Ms. Bittner did contact Pine River and they have waived fees in the past. She also contacted Nisswa and was told they had not waived fees.

Council Member Clement asked if it is an annual or a one-time fee and Ms. Bittner stated it would be a one-time fee.

MAYOR TAYLOE MOVED TO WAIVE THE \$450 CONDITIONAL USE PERMIT APPLICATION FEE AND \$46 RECORDING FEE FOR SHARON THORSON, IT'S A WING DING THING, TO OPERATE SEASONAL FARMERS MARKET FROM MAY TO OCTOBER 2020. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 3-0.

7. Fire

The January 29, 2020 Fire Board Meeting minutes was received by Council.

7.1 Fee Schedule Amendment

Nancy Malecha stated the Pequot Lakes Fire Department would like to amend the current fee schedule to change the first hour fire call to just a fire suppression call totaling \$500 instead of having the \$350 charge for additional hours. She stated they would also like to reduce the foam cost from \$50 per gallon to \$20 per gallon because after some research it was discovered the City is paying less for the foam.

COUNCIL MEMBER SEILS MOVED TO AMEND THE FEE SCHEDULE FOR FIRE CALLS. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 3-0.

7.2 Keep the Wreath Red Program Update

Nancy Malecha updated the Council on the Keep the Wreath Red Program that the Fire Department participated in this year. She noted in the packet is the listing of the calls the Fire Department had from the end of November to the end of January. She said they had responded to 19 calls during that time frame;

therefore, they had 19 white lights on the wreath at the fire bell area in front of City Hall.

8. Police

The January 2020 Police Department Monthly Report was received by Council.

8.1. Tobacco Ordinance Amendment

Chief Klang and Jessica Williams, Community Health Educator with Crow Wing Energized, informed the Council they are looking to amend the tobacco ordinance for the City. Chief Klang explained that it is 21 years old at the federal level and they want to amend the City ordinance changing the age from 18 to 21 to purchase tobacco products which will give the City local control over it. He used a mailbox being damaged as an example and stated even though it is a federal offense you never see it being investigated on a federal level therefore on a local level they would charge someone with damage to property.

Discussion ensued about the tobacco age of 21 being a federal law and that the Pequot Lakes Police Department would like to have local control over it since it will not be enforced in the City as a federal offense.

Chief Klang explained that all licensed tobacco retailers in the City of Pequot Lakes were mailed a letter notifying them of this proposed ordinance amendment and asked for their comments. He stated that he went out and talked to local retailers and none of them seemed to have issues with it. He explained that retailers in Pequot's jurisdiction do their own compliance checks.

Discussion ensued about various compliance checks that are done throughout the year. Chief Klang stated the ordinance does state that the City Police will conduct inspections.

COUNCIL MEMBER SEILS MOVE TO AMEND CHAPTER 9, ARTICLE 5 OF THE CITY CODE REGARDING LICENSE AND BUSINESS REGULATIONS FOR TOBACCO REGULATIONS. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 3-0.

8.2. Police Sergeant Resignation

Chief Klang stated that he received Sergeant Chad Turcotte's letter of resignation and his last day was January 29, 2020. Chief Klang stated that Mr. Turcotte was a great employee and is going to be sorely missed.

Chief Klang requested authorization to start the hiring process immediately for the replacement of the Sergeant's position and if that position is filled from within the Police Department then he is requesting to begin hiring for that newly vacant position.

COUNCIL MEMBER SEILS ACKNOWLEDGED SERGEANT TURCOTTE'S RESIGNATION AND MOVED TO BEGIN THE HIRING PROCESS FOR THE POLICE SERGEANT POSITION AND IF THE CANDIDATE SELECTED IS FROM WITHIN THE PEQUOT LAKES POLICE DEPARTMENT AUTHORIZATION IS GIVEN TO BEGIN THE HIRING PROCESS FOR THE NEWLY VACATED POSITION. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 3-0.

9. Public Works Report

The February 2020 Public Works Report was received by Council.

9.1. Acceptance of Armed Services Flag Display Donation

Nancy Malecha presented to Council a letter the City received from the Fargo Moorhead Area Foundation stating that one of their fund-holders would like to grant the City a donation for a U.S. Armed Services flag display around the Veteran's Memorial in Trailside Park. She explained it is the same anonymous donor that gave the generous donation of \$250,000 for the flag display and the splash pad. Ms. Malecha stated that there have been some very preliminary discussions with Jack Schmidt from the Pequot Legion who seems to be on board with it.

Ms. Malecha stated the Park Commission reviewed the letter at their February 13th meeting and they unanimously support the acceptance of the donation. She stated that there is no dollar amount tied to the donation and it will be dependent on what the project costs. She explained that it would be a total of six flags for each armed services branch and the details of the design will need to be worked out. She said this is something the Park Commission would work on if the Council accepts this donation.

COUNCIL MEMBER SEILS MOVED TO ADOPT RESOLUTION 20-10 ACCEPTING THE TRAILSIDE PARK DONATION. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 3-0.

9.2. Rasmussen Road & South Washington Avenue Improvement Project

9.2.A. Set Sale Date of General Obligation Bond Issuance

Jason Murray, City's Financial Consultant from David Drown Associates, presented the Recommendation Letter, Cash Flow Report and the Resolution for the general obligation utility revenue and disposal system bonds for the Rasmussen Road & South Washington Avenue Improvement Project.

He explained this week there has been a lot of market changes and if the Council proceeds with the sale resolution tonight he will be back in a month to lock in the interest rates. He stated they will be borrowing a total of about \$2,115,000, with the Highway 371 turnback funds and some budget allocations totaling \$943,000

the total project cost is just over \$3 million. He stated that they will be issuing it as a sanitary sewer debt and a utility debt.

Mr. Murray reminded the Council that a year ago part of the Capital Financial Plan's goal for this project was to fund it with 50% tax levies, 25% from water, and 25% from sewer. He explained that is what they have done and it is a little bit blended but they are going to proceed by issuing under these authorities and no additional public hearings will be required. He stated in April they will be asking the Council to approve the sale.

COUNCIL MEMBER CLEMENT MOVED TO ADOPT RESOLUTION 20-11 PROVIDING FOR THE COMPETITIVE NEGOTIATED SALE OF \$2,115,000 IN GENERAL OBLIGATION UTILITY REVENUE AND DISPOSAL SYSTEM BONDS FOR THE RASMUSSEN ROAD & SOUTH WASHINGTON AVENUE IMPROVEMENT PROJECT. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 3-0.

9.2.B Permanent Easements Update

Tim Houle informed the Council that the City has been talking to seven property owners along Rasmussen Road about improvements mainly in the block North and the two blocks South of Main Street. He said there is some wider street sections proposed to provide some on street parking and sidewalks. He said with that kind of a layout they are exceeding the present right-of-way widths. He stated the City is seeking a permanent easement with these property owners.

Mr. Houle said they are in stages with all seven of them and trying to come to agreements. He said obviously the City would prefer that the land be donated if at all possible. He stated that some property owners asked if a six foot sidewalk can be done instead of an eight foot sidewalk and more things like that. He said they hope to present agreements at the April Council meeting for approval.

Mayor Tayloe questioned the length of the sections of land they are negotiating. Mr. Houle explained they are roughly 10 foot wide strips.

Discussion ensued about what residents are trying to negotiate which includes services or the City clearing their sidewalks. Mr. Houle stated that Nancy Malecha has provided the property owners the City's Sidewalk Policy and it will be their responsibility to clear the new sidewalks.

Mr. Houle informed the Council that a pre-construction meeting has been set with the contractor for Friday, March 20th at 10:00 AM at City Hall. He stated one more Council Member can attend but it would become an open meeting if three or more Council Members attend. He said they have not received a schedule from the contractor yet but once they do they will be talking to them about some possible adjustments to that schedule.

He stated when they start to get into construction they will have weekly construction progress meetings. He believes they will have time for public input at the beginning of these weekly progress meetings and said they can work on a communication strategy to let people know when those meetings will be. He said the progress meetings are not set yet but they should be every Tuesday at 8:00 a.m. or something similar to that. He requested one of the Council Members become a liaison and attend those progress meetings. Mr. Houle said it is sometimes helpful to have a Council Member's perspective and have them provide a summary to the other Council Members. He asked the Council to think about a liaison for progress meetings.

Discussion ensued about Council concerns from the last meeting and Mr. Houle suggested they wait to see what the contractor is proposing since they may have some ideas to minimize some of the issues or some of them may be resolved once they receive the schedule. He said the ideal would be to give the Council a proposal or a fairly good update at the April Council meeting.

9.3. Request to Carryover 2019 Funds

Jason Gorr informed the Council the Roads and Streets Department of the General Fund has a capital outlay budget variance of \$62,063 for 2019 and he would like to request Council authorization to carry these funds over to 2020 for future large equipment purchases and/or capital improvement projects.

Council Member Clement asked what happens to the funds if they are not carried over and Ms. Malecha stated that they go back into the cash balance.

COUNCIL MEMBER SEILS MOVED TO DESIGNATE \$62,063 FROM 2019 GENERAL FUND – ROADS AND STREETS AS 2020 CAPITAL OUTLAY CARRYOVER FUNDS FOR THE ROADS AND STREETS DEPARTMENT FOR FUTURE LARGE EQUIPMENT PURCHASES AND/OR CAPITAL IMPROVEMENT PROJECTS. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 3-0.

9.4. Maintenance Worker's Probationary Period

Jason Gorr informed the Council that Randy Brickweg was hired as a City Maintenance Worker on September 9, 2019, his six month performance review was completed on February 21, 2020, and Mr. Brickweg has successfully completed his six-month probationary period.

COUNCIL MEMBER CLEMENT ACKNOWLEDGED RANDY BRICKWEG'S SUCCESSFUL COMPLETION OF HIS SIX-MONTH PROBATIONARY PERIOD AS CITY MAINTENANCE WORKER AND MOVED TO AUTHORIZE A PAY INCREASE EFFECTIVE MARCH 10, 2020, MOVING FROM STEP 2 TO STEP 3 OF THE CITY'S PAY STRUCTURE. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 3-0.

9.5. Request to Purchase Skid Steer Attachment

Jason Gorr informed the Council the Public Works Department's purchase of the new pay loader and subsequent trade in of the John Deere tractor backhoe will be completed in March. He stated in order to keep all the same functionality and capabilities they would like to purchase 2 attachments for the Skid Steer; a 72" Grapple Bucket and 48" Pallet Forks. He said the need for grapple buckets would be for smaller situations where they cannot get into, for example moving trees if there is a storm. He stated they had pallet forks on old John Deere which were used to remove shipments off of trucks.

He stated he received the following three quotes for equipment:

- McCoy Construction Forestry - \$4,611.35
- Skid Pro Attachments - \$3,669.00
- Ziegler CAT - \$4,640.00

Mr. Gorr stated the purchase would be paid from funds remaining in GO Equipment Certificate 2014A Fund.

Ms. Malecha explained that the GO Equipment Certificate 2014A Fund was a debt service fund where the City issued a debt for one of the big snowplow trucks that was purchased. She stated that when the City issued that debt, it had to be issued at 105% of the levy capacity just in case there were delinquent taxes. She explained that it is kind of a buffer to make sure the City gets the full amount needed to pay for the piece of equipment. Ms. Malecha stated that the City has made all of the payments and there is money left over in this Fund which can only be utilized for the Roads and Streets Department. She informed the Council that there is about \$9,000 left in the Fund.

COUNCIL MEMBER SEILS MOVED TO AUTHORIZE THE PURCHASE OF A GRAPPLE BUCKET AND PALLET FORKS FOR THE PUBLIC WORKS DEPARTMENT'S SKID STEER FROM SKID PRO ATTACHEMENTS AT A COST OF \$3,669 TO BE PAID FROM THE GO EQUIPMENT CERTIFICATE 2014A FUND. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 3-0.

10. Administration

The following items were received by Council.

- February 13, 2020 draft Park Commission minutes
- February 18, 2020 draft EDC minutes
- February 18, 2020 HRA minutes

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 3-0.**

The meeting of the City Council adjourned at 7:06 p.m.

Respectfully submitted,

Angie Duus
City Clerk/Treasurer

James Tayloe
Mayor

**SPECIAL MEETING OF THE PEQUOT LAKES CITY COUNCIL
TUESDAY, MARCH 17, 2020
PEQUOT LAKES CITY HALL**

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

Staff Present: Nancy Malecha, City Administrator; Chelsea Bodin, City Attorney (via teleconference)

1. Call Meeting to Order

Mayor Tayloe called the special 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 SEILS MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCIL MEMBER CLEMENT SECONDED THE MOTION. MOTION CARRIED 5-0.

3. Threatened Litigation from City of Pequot Lakes Employee Related to Employment with the City Pursuant to Minnesota Statute 13D.05, Subd. 3(b)

Mayor Tayloe stated that the City's need for absolute confidentiality outweighs the purposes served by the open meeting law in this case based on the following.

- The City Council and legal counsel, participating by teleconference, need to have a candid and open discussion to determine the available legal options to handle threatened litigation from a former City of Pequot Lakes employee related to employment with the City based on actions the City has already taken, including response strategy and possible areas of reconciliation.
- The purpose of the closed meeting is not to make a decision behind closed-doors, but instead the purpose of the meeting is to determine the legal options for handling the threatened litigation.
- The only business to be discussed is the threatened litigation.
- An open session would be detrimental because it may take place in the presence of individuals involved in the threatened litigation.
- A closed session would benefit the public because the ultimate outcome of the threatened litigation may impact the finances, operations, and reputation of the City.

COUNCIL MEMBER CLEMENT MOVED TO CLOSE THIS PORTION OF THE MEETING. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 5-0.

The Council went into closed session at 6:31 p.m.

Present at the closed session were: Council Member Pete Clement, Council Member Mimi Swanson, Mayor James Tayloe, Council Member Cheri Seils, Council Member Scott Pederson, City Administrator Nancy Malecha, and City Attorney Chelsea Bodin (via teleconference).

The Council discussed the agenda item.

The Council went into open session at 7:16 p.m.

4. Adjourn

COUNCIL MEMBER SEILS MOVED TO ADJOURN THE SPECIAL MEETING OF THE PEQUOT LAKES CITY COUNCIL. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

The special meeting of the City Council adjourned at 7:16 p.m.

Respectfully submitted,

Nancy Malecha
City Administrator

James Tayloe
Mayor