MEETING OF THE PEQUOT LAKES CITY COUNCIL
TUESDAY, MAY 5, 2020
PEQUOT LAKES CITY HALL

Members Present: Mayor Tayloe and Council Member Seils attended in person. Council Members Akerson, Pederson, and Swanson attended virtually via Zoom.

Staff Present: Nancy Malecha, City Administrator and Angie Duus, City Clerk/Treasurer attending in person. Dawn Bittner, Zoning Specialist (virtually via Zoom); Eric Klang, Police Chief (virtually via Zoom); Tim Houle, City Engineer (virtually via Zoom); Jason Gorr, Public Works Director (virtually via Zoom); and Katie Wassermann, Pequot Chamber of Commerce (virtually via Zoom)

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 SWANSON MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 5-0.

3. Consent Agenda

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

3.1. APRIL 7, 2020 SPECIAL CITY COUNCIL, REGULAR CITY COUNCIL AND CLOSED CITY COUNCIL MEETING MINUTES.
3.2. CHECK REGISTER FROM APRIL 8, 2020 TO MAY 5, 2020.
3.3. FINANCIAL REPORT ENDING MARCH 31, 2020.
3.4. NO LIBRARY REPORT.
3.5. RESOLUTION 20-19 ACCEPTING CONTRIBUTIONS FROM MARCH 27, 2020 THROUGH APRIL 27, 2020.
3.6. REQUEST FOR UTILITY CREDIT.

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

4. Open Forum

No one appeared under open forum.

---

5. Presentations

5.1. Summer Events

5.1.A. Stars & Stripes Days

Katie Wassermann stated that they are trying to figure out ways they can still hold events but do it in a safe way where people can make the choice on if they want to be a part of these events. She stated that some of the ideas were to take away the more personal contact activities and to do the fireworks but encourage people to keep their distance or staying in their cars. She also suggested switching the parade to be more community focused where businesses are in it and also inviting community members to decorate their vehicles.

Ms. Wassermann stated that she would like to get the City Council's input and thoughts. She stated that they receive a permit from the City but they also take out a 2 million dollar insurance policy for events. She stated that her biggest fear is 3,000 people show up at an event and then 1,000 people get sick with COVID-19. She said she is looking into the insurance policy to see if it would cover if that would happen. She asked the Council if they could get a grace period if the Council decided last minute to pull the permit.

Council Member Akerson stated that there is so many people in town for the 4th of July fireworks and he does not think the crowd can be controlled therefore it would be very dangerous and reckless. Council Member Pederson stated that the 4th is 2 months away but the recommended social distancing and facemasks are there to keep people safe but if you don't feel safe do not come. He believes the City needs to do something for the 4th and plan for it. He likes Ms. Wassermann's ideas to stay in your cars or boats for the fireworks and is willing to look at suggestions. He also stated that they have time to look at the events and would like to talk about it again when it gets closer.

Council Member Swanson agreed with Council Member Pederson that they have time to make their final decision and they should keep working on the projects so they are ready for when the City is able to have events again. Council Member Seils agrees with preceding and make the final decision on June 15th. She stated that if people are afraid to come to the event they should stay home and they will maybe have to require masks.

Mayor Tayloe asked Ms. Wassermann when they would have to have fireworks ordered by. Ms. Wasserman stated that she has been in contact with George Burton who is the Chamber's fireworks person and she though he ordered a big shipment from China to prepare for a lot of shows. She stated that Mr. Burton stated that almost no one has canceled their fireworks show even the organizations that have canceled their music piece of their festival. Ms. Wassermann believes the biggest issue will be their sponsorship and the monetary piece of it because the Chamber worked very hard last year to make the fireworks show bigger and better and spent and raised around $10,000. She

believes if they simplify some of the other parts of the event that is in the park, for example signs and marketing, she believes they can still have a good show.

Chief Klang agreed that they should plan the event like it is going to happen.

Discussion ensued about how to space vendors in the Park and using both sides of the Park with the possibility of closing streets.

Mayor Tayloe asked what if the Chamber decides not to do the 4th of July event. Ms. Wassermann stated that the Chamber feels very strongly about keeping the faith and hope alive. She stated that with the Reopen Brainerd Campaign to keep businesses or trying to get them to open in a safe way it would be hard for her to imagine that Chamber would be against it unless there were any sort of legal ramifications or an insurance issue.

Mayor Tayloe asked if the Chamber did not do the event if the City could still put something on. Nancy Malecha stated that she was not sure and that the City cannot fundraise like the Chamber can. She stated that the City cannot go out and seek monetary donations like the Chamber can. She stated that she honestly does not know the full answer to that and those are the two things that come to mind that might be an issue for the City.

Ms. Wassermann stated that she would work with the City on that because they have their separate funds for things like fireworks. She stated that she sold the boober bracelets last year and all of those funds are part of a separate account that all went to fireworks. She said the Sibley Lake association gives them a donation and they hold that every year to use it for the fireworks that year and the following year. Ms. Wassermann stated that if something happens where the Chamber would have to cancel and the City would still want to do fireworks the Chamber could possibly give the City the money.

Council Member Swanson asked if it is the Chamber that makes the ultimate decision to continue with these events. Ms. Wassermann stated that she had that same question and technically it is sponsored by them but they requested a permit approved from the City therefore she asked Ms. Malecha to assist in answering that question.

Nancy Malecha stated that they are Chamber sponsored events therefore she believes ultimately the Chamber is the decision making authority with these events. She stated that the Chamber does get a special event permit from the City but the City is just looking to make sure they do not have any issues with the roads that are going to be blocked off and where the events are going to be taking place. She stated the Council does not formally approve those special event permits and it just goes through City Staff. She stated

the staff reviews them, it goes to the Police Chief and the Public Works Director to see if they have any concerns. Ms. Malecha said the staff makes sure that the insurance meets City standards and that there is an indemnification agreement that is signed off on. She said this is a formality that the City requires for all special events therefore in her opinion the decision making authority rests with the Chamber.

5.1.B. Beanhole Days

5.1.C. Bands in the Park Program

Nancy Malecha confirmed that the Council was of with proceeding with the Bands in the Park Program. A consensus of the Council was to continue with the Bands in the Park Program per the schedule. Council Member Pederson stated that they need to keep announcing that people need to social distance and wear masks. Council Member Swanson stated that the Council should keep the spirit alive and people need something to be happy about. The Council also agreed that if people are scared to come out that they should not come out.

6. Planning and Zoning

6.1. Planning Commission Report

The April 27, 2020 Planning Commission Report was received by Council.

6.2. SolSmart Designation

Dawn Bittner stated that the Planning Commission held their March and April meetings and they are sending the City Council one recommendation for the SolSmart designation. She stated the City recently adopted ordinance language to allow solar energy systems. She said the Planning Commission learned there is a program available to municipalities that reduces unnecessary "soft costs" for residents, businesses, and local governments that are interested in installing solar and to provide recognition to communities that have done so. Ms. Bittner stated the Planning Commission is recommending the city of the SolSmart designation and would be tasked with the implementation of solar development into the City's comprehensive plan, ordinances, and permitting. She said the City Administrator is planning to include the City and the Minnesota GreenStep Cities Program, which would coordinate with the SolSmart program as well.

Ms. Bittner stated that one of the questions they anticipated the Council may have questions about would be regarding as a reduction in soft costs and what those costs would be. She stated for individuals or businesses that are looking to install solar systems on their property that are the non-hardware costs of installing the solar such as permitting, financing, installation, labor and customer acquisition. She said other communities noted these costs actually make up a significant portion of solar installation, reducing the return on their investment. Ms. Bittner stated that some soft costs can be reduced through the use of best

practices and that is what the SolSmart does is gives the City this tool kit to work with such as ordinance templates and a plethora of information that can be used and can passed on to the residents and businesses.

Ms. Malecha stated that she did review the toolkit briefly today and it is just integrating solar energy or solar systems into the City's Comp Plan, how it can infiltrate that into our comp plan, zoning ordinances, downtown plans, and how it can be integrated into the City's different planning and zoning mechanisms. Council Member Swanson asked if it costs the City anything and Ms. Bittner confirmed that it does not.

COUNCIL MEMBER SWANSON MOVED TO AUTHORIZE THE CITY ADMMINISTRATOR TO APPLY FOR THE SOLSMART DESIGNATION. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0. COUNCIL MEMBER AKERSON ABSTAINED.

7. Fire

The March 2020 Fire Department Operations Report was received by Council.

8. Police

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

9. Public Works Report

The April 2020 Public Works Report was received by Council.

Jason Gorr stated that he did highlight anything related to the COVID-19 pandemic in yellow for the Council's review.

Council Member Akerson asked where the trees at Public Works came from. Mr. Gorr explained that it was voted on in April at the Council meeting and that came from the Turnback funds. Nancy Malecha confirmed that the City did an Interfund loan from the Highway 371 Fund to pay for that landscaping project. She stated that they will be paying back the Highway 371 Fund in a series of nine years.

Council Member Swanson asked about watering the trees. Mr. Gorr reminded the Council that they have access to a 1000 gallon tank of water from the company that did the Landscaping. He stated their plan is to hit them weekly with adequate water. Discussion ensued about the Public Works Department maintaining the landscaping at the maintenance facility with City Staff.

9.1. Rasmussen Road & South Washington Avenue Improvement Project

9.1.A. Update

Tim Houle gave the Council a verbal update of the road construction project. He stated the contractor RL Larson did start construction since the April 7th City Council meeting. He stated they have started on the South end of Rasmussen and are working their way North. He said the main reason for doing that is to start on the downstream end of piping and work your way upstream. He stated that they do have multiple crews on site right now and not only are they working on Rasmussen but they did start working on sanitary sewer and water main coming up South Washington heading towards Main Street and then they will be also taking care of Butler between Rasmussen and South Washington. He stated that something out ahead of RL Larson are the independent power or electrical, natural gas, and telecommunications utilities relocating their facilities ahead of our RL Larson. He stated that it is a combination of a lot of different people working.

Mr. Houle that RL Larson is the city contractor and the City does not have direct control over the power, natural gas and telecommunications but RL Larson is trying to work ahead as they stated at this morning's progress meeting. He stated that RL Larson did say they are having to jump around a little bit right now to give those utilities room and time to get out of their way so that might have an impact on schedule. Mr. Houle did said they did have some adjustments on valves, some services, and some minor piping in additions and deletions.

Mr. Houle stated at the meeting this morning RL Larson said that tomorrow they are going to start on pavement removal on Rasmussen north of Main Street and they are also going to do a water main tie in at Sibley. He said they are keeping Main Street open. He explained the east/west thoroughfare in Pequot Lakes from Patriot over to the four lane Highway 371 is open for business and it will remain open. He stated RL Larson is looking at cutting across Rasmussen at Main Street after normal business hours therefore Main Street will be open during normal business hours.

Mr. Houle said a big thank you to those along the construction areas because they know all of the construction activity means interruptions, disturbances, and change. He stated they do try to get the word out and he thinks they had a few a utility interruptions where they were trying to notify people. Mr. Houle stated in regards to communicating they are putting out weekly newsletters and the first couple of weeks they handed them out and now they have been emailing a lot of them. He said they also have hard copies at the temporary mail boxes and he reminded everyone that they can go City website for announcements and the most recent newsletter. He stated that they is also a little map of the project and in that newsletter there is names and phone numbers.

Nancy Malecha stated that she had nothing to add but WSN has done a great job as well as RL Larson Excavating. She also wanted to shout to Andy Schwartz and his crew at the Pine River Area Sanitary District and to Jason Gorr and his crew as well. She stated that they have all been phenomenal through this project and things are changing it seems like on a regular basis but everyone is doing it phenomenally. She stated she wanted to make the Council aware of that and

that they have a great crew all around working on this project. Mayor Tayloe agreed with what Ms. Malecha had to say and that they all have been really good to work with.

Council Member Pederson asked if scheduling was on track or where they were at with that. Mr. Houle said this morning they indicated that they felt like they were maybe a week behind where they want it to be because the utilities got started about a week late. He did say that the crews are jumping around and hopefully the will make up that time.

Council Member Swanson said that the newsletter is great thing that they have done for the people that live on the streets on the construction routes. Mr. Houle stated that they always like people to call in with questions versus letting something that might be very easily solvable grow into a bigger issue. He said please do not hesitate to call them.

9.1.B. Change Orders

Tim Houle stated that if they change the conditions of the contract they want to document that in a change order. He stated the project is a unit price project and so that means the contractors bid so many dollars per ton of the bituminous and then they measure the tonnage of the bituminous and that's what they get paid for. He said they can adjust some of that but if they change the condition of the contract they should do a change order. He informed the Council that he has three change orders tonight.

1. Mr. Houle said that change order one addresses contract time and the original phasing. He stated they had originally had the project broken into phases so that not everything was ripped up and not all accesses was blocked off at the same time. He stated that with everything that was happening and after talking to the contractor about wanting to get the project done as quickly as possible they did change the phasing and adjusted the contract time. He said it is a no cost change order but instead of substantial completion being an October 16th it will now be July 2nd. He also stated that instead of final completion being November 27th, it is now set for August 14th. Mr. Houle stated that substantial will be everything except for the final course of the bituminous.

   COUNCIL MEMBER PEDERSON MOVED TO APPROVE CHANGE ORDER NO. 1 REVISING THE CONTRACT TIME ALONG WITH OTHER REVISIONS TO THE CONTRACT REQUIREMENTS AT NO ADDITIONAL COST. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.

2. Mr. Houle stated that change order number two deals with a change in water service line materials. He stated the copper is a pretty common water service line material but the City Staff and the contractor asked that they switch over

to polyethylene which is becoming a much more a used water service pipe material. He stated that it does come with a slight cost decrease of $2,319.

Council Member Akerson asked that plastic cost is about half of copper and confirmed that. Mr. Houle also stated that the price that they are talking about in the bid which not only includes the physical material but it also includes the installation, trenching, and the backfill. He stated that there is an incremental change in the physical material price.

COUNCIL MEMBER SWANSON MOVED TO APPROVE CHANGE ORDER NO. 2 REVISING THE WATER SERVICE TUBING MATERIAL AT A COST DEDUCTION OF $2,318. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.

3. Mr. Houle informed the Council that due to the final stormwater infiltration basin easement discussions and negotiations they were able to relocate it and resize it to fit on one property. He stated that it did change the shape and of course the location. He said it did also change some of the quantities involved but they ended up basically coming back price-wise to the same price that was in the original bid.

   Council Member Swanson asked if there were any easements involved. Mr. Houle stated originally they were thinking they needed to involve two property owners in the easement necessary for the basin with this change but they were able to just have one property owner involved instead.

   COUNCIL MEMBER SWANSON MOVED TO APPROVE CHANGE ORDER NO. 3. REVISING THE LOCATION, QUANTITIES, AND UNIT PRICE FOR THE STORMWATER INFILTRATION BASIN AT NO ADDITIONAL COST. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.

9.1.C. Partial Payment Estimate

Mr. Houle stated that the construction contract calls for periodic monthly payments to the contractor. He stated that they have checked their quantities for work performed that they submitted with the process that is involved and they are well past quantity-wise. He stated that they go through all the different line items on the bid and add up the quantities and unit prices. He said the City does per the contract hold back 5% of the requested amount until substantial completion and then they released that before final completion. Mr. Houle stated that for this first partial pay they are requesting a partial payment of $468,238.07 to RL Larson.

Council Member Swanson asked to be reminded of where the money is coming from and asked to clarify that the City sold bonds for the project. Nancy Malecha confirmed bonds were sold and that the City has received the proceeds. She

reminded the Council the bond amount was just over $2 million and the City is using some Highway 371 turned back funds also.

COUNCIL MEMBER AKERSON MOVED TO APPROVE PARTIAL PAYMENT ESTIMATE NUMBER 1 TO RL LARSON EXCAVATING INC IN THE AMOUNT OF $468,238.07. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 5-0.

9.1.D. Construction Materials Testing Services Proposal

Tim Houle explained to the Council that the contractor is required to compact the trench backfill, provide gradation that needs class five, provide a concrete for the curb and gutter in the sidewalk that has certain error in treatment, concrete slump and air entrainment and compressive strength, gradation of aggregate materials, and meeting specifications for the bituminous pavement mixture. He stated that most cities will hire an independent tester and he presented to the Council a proposal from Braun Intertec in the estimated amount of $25,177. Mr. Houle stated that they have used them before and they provide good prices and good service. He stated their proposal is estimated based on the number of tests that they do which they will work with them on. He stated they tried to be very judicious in deciding the number of tests. He stated sometimes the contractors will kind of check their numbers against the independent tester's numbers. Mr. Houle reminded the Council that they do have money budgeted for this construction materials testing.

COUNCIL MEMBER AKERSON MOVED APPROVE THE CONSTRUCTION MATERIALS TESTING SERVICES PROPOSAL FROM BRAUN INTERTEC AT AN ESTIMATED COST OF $25,177 TO BE PAID FROM THE RASMUSSEN RPAD & SOUTH WASHINGTON AVENUE IMPROVEMENT PROJECT FUNDS. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

9.2. Cemetery

9.2. A. Ordinance Amendment

Jason Gorr stated that staff have identified the need to update the ordinance to better accommodate maintenance and allow for the best appearance possible. He stated that proper clear rules are key for compliance. He stated the patrons visiting their cemetery deserve to have a well maintained beautiful property. Council Akerson asked if the rules are pretty standard and Mr. Gorr confirmed it is comparable to other local communities.

COUNCIL MEMBER SEILS MOVED TO AMEND CHAPTER 5, ARTICLE 2 OF THE CITY CODE REGARDING REGULATIONS FOR OPERATION OF THE PEQUOT CEMETERY. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

COUNCIL MEMBER SEILS MOVED TO AUTHORIZE SUMMARY PUBLICATION OF CHAPTER 5, ARTICLE 2 OF THE CITY CODE. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.

9.2. B. Sign

Jason Gorr stated that not everybody looks at the website for City information and he wants to be sure that the Cemetery rules are placed onsite to allow for proper communication and compliance. He stated the design goals were to be very aesthetically appealing and to build it with long lasting construction. He stated the plan was reviewed by the Planning & Zoning Department to ensure compliance with their existing ordinance. He stated that he received the following quotes:

- Jessie Jane's Signs – ¼" thick poly-metal sign board with vinyl lettering. This combination is rated as an 8-10 year product with no maintenance. Cost is $400 for a 4' x 8' sign
- Dallman Signs – A 4' x 6' sign would cost $396.

He explained to the Council the proposed dimensions, structure, and location for the sign and recommended the Council accept the sign quote from Jessie Jane's Signs at a cost of $400 and suppli7es at a cost of $165 to be paid from the Cemetery Fund.

Council Member Akerson asked if it would be better to put it out on the road. Mr. Gorr stated that where they will place them it will be visible to visitors and they will not be in the way of any existing headstones.

Council Member Pederson asked why the City is installing new signs. Mr. Gorr explained they are seeing a lot of non-compliance with the expected rules and he does not believe the rules are readily available and people will probably not check for the rules. He also stated that these locations will be easier for maintenance and they would like a more uniform look to the Cemetery.

COUNCIL MEMBER AKERSON MOVED TO APPROVE THE CEMETERY SIGN PROJECT FOR A TOTAL COST OF $565 WHICH INCLUDES THE ACCEPTANCE OF THE SIGN QUOTE FROM JESSIE JANE'S SIGNS AT A COST OF $400 AND SUPPLIES AT A COST OF $165 TO BE PAID FROM THE CEMETERY FUND. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

10. Administration

The following items were received by Council.

- April 21, 2020 draft EDC minutes

10.1. COVID-19 Pandemic Relief Considerations

10.1.A. Utility Billing Fees

Nancy Malecha reminded the Council that at the last meeting there was discussion on what the City do for our community during the pandemic and the staff and the administration departments started the discussion on what type of fees that could possibly be prorated for Council to consider. She said one that staff came up with was the late fees for utility billing fees. She is suggesting the Council to consider waiving the late fees for utility billing customers for the months of March through June of this year. She stated the total late fee amount for the month of March was just over $317 therefore for the four month period the estimated relief amount would be $1,270. Ms. Malecha said it is just for the Council's consideration.

Council Member Akerson stated that he does not know how this fits into the budget but he likes it. Council Member Pederson stated that it is a start to try to help but there is more to be done. He stated over the last couple of weeks he has listened to the needs of some of the business owners and some of our businesses probably will not even survive this. He said he would love to do this but looking at the big picture that they should maybe form a task force of the Council and Administrator, EDC, Chamber business owners and work solely with the idea of how can we help our businesses.

Council Member Seils stated that this is a step in the right direction and getting rid of late fees is a good thing for the Council to do. Council Member Swanson stated that it doesn't do a lot because they have to still pay their utility bill.

COUNCIL MEMBER SWANSON MOVED TO WAIVE THE LATE FEES FOR UTILITY BILLING CUSTOMERS FOR THE MONTHS OF MARCH, APRIL, MAY, JUNE OF 2020 IN THE ESTIMATED AMOUNT OF $1,270 DUE TO THE COVID-19 PANDEMIC. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 5-0.

10.1.B. Liquor License Fees

Nancy Malecha is suggesting the council consider providing a four month reduction in the renewal liquor license fees to establishment for the remaining current license period, which expires on June 30th. She stated the governor's executive order required all bars and restaurants to close to customers on March 17th and this reduction would be for establishments who currently hold an on Sale/Sunday license and On Sale 3.2% Malt Liquor/Wine/Strong Beer license. She presented a breakdown of the establishments that would be affected by this reduction and that ranges from $667 to $75 reduction. Ms. Malecha stated surrounding communities have done similar reductions in fees for four month period.

Council Member Akerson was concerned about the City budget. Ms. Malecha stated that it will be a revenue shortfall for this year of $3,485.

Council Member Pederson stated that these businesses are not in business right now and there is no indication that they are coming back anytime soon and when the do open it will be at 25% or 50% capacity. He stated that his recommendation would be to eliminate the fees for the rest of the year and that it is something that will help them directly. Ms. Malecha asked for clarification as to if he means for the rest of 2020 because the liquor licenses run from July 1st through June 30th.

Discussion ensued about the license periods, the length of time to reduce the fees and if the license will be legal if the fees are reduced. Ms. Malecha clarified that there will be a license but the City will just not receive revenue for that license. She stated the City will still go through the approval process with the council approving them and that some licenses have to go to the State for approval. Discussion ensued to approve the current four month reduction and to discuss the license fees again in June to determine if the Council will reduce them more.

COUNCIL MEMBER SEILS MOVED APPROVE A FOUR MONTH REDUCTION IN THE RENEWAL LIQUOR LICENSE FEES FOR ON SALE/SUNDAY LICENSE HOLDERS AND ON SALE 3.2% MALT LIQUOR/WINE/STRONG BEER LICENSE HOLDERS AS PRESENTED FOR A TOTAL REDUCTION IN FEES OF $3,485 DUE TO THE COVID-19 PANDEMIC. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 5-0.

10.1.C. Request to Defer Rent for Pequot Lakes Chamber

Nancy Malecha stated that they received a request from the Brainerd Lakes Chamber of Commerce to forgive for five months of lease payments to the City for the Pequot Lake's Welcome Center for a total amount of $3,875.

Ms. Wassermann informed the Council that they are a Non-profit and their organization's mission is to give back to the members that they serve. She stated that unfortunately the ones that they serve are the ones who are being hit right now and the Chamber took a 65% revenue hit too. She stated that Chamber is facing the same challenges as businesses yet Chambers have not been prioritized to receive any sort of financial help. She also stated that they are going to be on the front lines and they are now for their businesses and communities. Ms. Wassermann said that this will really help them get through the next couple of months. She said they had to lay off their welcome and summer staff. She also said they cut their hours by 20%, to try and take advantage of some of the federal programs that are available. She stated that they have really done everything they can and this was just another item on the list that they had to see if they could make this humble request.

Council Member Swanson asked if they were able to get any funds. Ms. Wassermann stated they have a job share program so they did not have to lay

off full-time staff but they did have to cut their hours. She stated that they do not qualify for almost any federal funding and there is no state funding that Chambers qualify for.

COUNCIL MEMBER SWANSON MOVED TO FORGIVE FIVE MONTHS OF LEASE PAYMENTS FROM THE BRAINERD LAKES CHAMBER OF COMMERCE IN THE TOTAL AMOUNT OF $3,875 FOR THE PEQUOT LAKES WELCOME CENTER. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 5-0.

Council Member asked Katie Wassermann if she agreed that the Pequot Lakes businesses are hurting. She stated that some sectors are being hit harder than others. She stated grocery stores are doing ok but are faced with the challenges of having to stay staffed and having to restock the grocery stores. She said businesses that really depend on that person to person contact are trying hard to get funding and she believes that there are a lot of people that are silently struggling and don't want to share how bad it is. She said the Chamber has been actively pushing the governor and that office to start opening more businesses.

She stated that Chamber started the Re-open Brainerd Campaign and they received 2,400 signatures. She said the letter was delivered to the governor's office on April 24th. She stated that they were strongly encouraging the government to open up in a way that is safe for everyone and to give businesses a fighting chance.

Discussion ensued about various things that the City of Pequot Lakes could do to open the businesses as of May 18th following the CDC guidelines. Ms. Wassermann discussed a new campaign that they are discussing with Crow Wing County and a website that will be available to list all of the different ways that our businesses or small businesses are going to accommodate and follow protocols that are required by the government.

Discussion ensued about Pequot Lake's small business and what they sell compared to the large stores that are open. The Council discussed a resolution that was passed by the City Council of Lakefield, Minnesota and if that would be something that they could so also. Ms. Malecha stated that she thinks the wise thing to do would be if you did want to do with a similar resolution, that she can reach out to the City of Lakefield but she would want to get an opinion from the City Attorney. She stated that she needs to do her due diligence. She also stated that the City Attorney will advise the Council but it is the Council's decision on what they do from there.

Council Member Pederson asked Chief Klang if he had input on the fine situation. Chief Klang stated that they are not sure who would be issuing fines and filing complaints. He stated that he has not heard of anybody being cited or ticketed or anything at this point.

A Council consensus was made to contact Lakefield to get the resolution, draft it to Pequot Lake's resolution standards, contact the City Attorney and get his advisement and then call a Special City Council meeting for your consideration.

10.2. Resolution Supporting Sustainable Funding Source for COVID-19 Coverage for Public Safety and Health Care Workers

Nancy Malecha informed the Council that there recently was coverage put in place for COVID-19 for public safety and health care workers. She stated the legislation that was put in place was to utilize the workers compensation program to fund coverage for these essential workers. She said the League of Minnesota Cities has noted that that there is a lack of sustainable funding for coverage and the impact that would have on municipalities across Minnesota. Ms. Malecha is requesting the Council consider adopting a resolution supporting the establishment of a sustainable fund outside of the workers' compensation program to pay for COVID-19 coverage for public safety and health care workers. She stated that she does believe coverage for these individuals is important but the League of Minnesota cities and herself are concerned that the workers' compensation program is not a good funding source.

Council Member Ackerson asked why we don't just add more money to the workman's comp program. Ms. Malecha stated the only way to add more money would be to increase premiums and if you increase premiums that is going to affect all the City's budgets as well. She stated that it is an option but then there are going to be economic ramifications to all the Cities across Minnesota. Council Member Akerson stated that those people obviously should be compensated he does not understand why they cannot be covered under another program.

Council Member Pederson asked for clarification that there is $2.5 billion dollars and that would have to be spread out to local governments. Ms. Malecha stated that they are estimating the worker's compensation costs for public safety employees would range from a hundred million to more than 500 million dollars and as it stands now local governments will have no choice but to pass along these costs to property taxpayers at a time when they can least afford it. Council Member Pederson asked if this resolution that supports a sustainable funding source would help eliminate that possibility. Ms. Malecha stated that yes it is to find a funding source outside of the worker's compensation program.

COUNCIL MEMBER SWANSON MOVED TO ADOPT RESOLUTION 20-20 SUPPORTING THE ESTABLISHMENT OF A SUSTAINABLE FUNDING SOURCE OUTSIDE OF THE WORKERS' COMPENSATION PROGRAMS TO PAY FOR COVID-19 COVERAGE FOR PUBLIC SAFETY AND HEALTH CARE WORKERS. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 5-0.

10.3. 2021 Preliminary Budget Discussion

Ms. Malecha stated the 2021 Preliminary Budget discussion is something that was tabled at the April 7th City Council meeting. Ms. Malecha reiterated what was presented at the April meeting and stated every year she requests direction from the Council before compiling the budget as to what the Council wants the City Staff to strive for. She stated that she listed in the memo some of the capital improvement plan items that will be considered during the 2021 budget process. Ms. Malecha stated that as in the past she is asking the Council to continue to focus their directive on the City's tax rate versus the levy as history is showing continual increases in the City's net tax capacity while maintaining a stable tax rate. She stated before discussion can occur at the Council level she needs a motion removing the agenda item from the table.

COUNCIL MEMBER SWANSON MOVED TO REMOVE THE 2021 PRELIMINAY BUDGET DISCUSSION FROM THE TABLE. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 5-0.

Council Member Pederson s budget this year is going to be an unbelievable hard task because everybody that pays taxes in our town is hurting and we do not know what is going to happen. He stated that he does not really know how to approach looking at a 2021 budget other than looking at what the business news people are saying and he would like to see the City's budget target reducing 12 to 15% of what it was last year which would maybe be a 4 to 5% reduction in our tax rate, which would give tax relief for businesses and homeowners.

He said that it is going to take a lot doing in order to get that done as far as tightening the belt everywhere, cutting expenses, eliminate things like capital expenses because we do not know what the future is. He stated that if we plan like it is going to be just like last year and that everything is going to be fine and it isn't the City is going to be hurting. He said he would rather plan for a recovery type budget to be sitting in a better position.

Nancy Malecha put some cost numbers to the percentages that Council Member Pederson talked about. She stated that if they wanted to target a 12% to 15% reduction for the 2021 budget, they would have to reduce a range from $214,000 to $268,000 and if they wanted to reduce the tax rate for 4% to 5% that would be dollars in the range of about $99,000 to $129,000. She stated that she just wanted them to be aware what kind of dollar amounts being talked about with those percentages.

Council Member Pederson stated that he is looking at a $100,000-250,000 reduction in the budget. He recommends that staff goes through the budget first and reduce wherever you can. He said it is like operating a business that you just lost a third of your business and you cut expenses. He believes this is a healthy way to look at what the City is up against because we do not know what is coming down the road and purchasing stuff right now makes no sense at all to him. Council Member Akerson agreed and stated that it is hard to know what to determine without knowing all the variables. He said it does not make sense to spend money.

Council Member Seils said if you look at some of that stuff she is sure there is some of that that can go but it is hard to tell at point because we do not know what's going to happen in the future. She stated that she would hate to be into all the projects that are listed under 2021 and not have the money for them. She believes it is a bad time to make these decisions.

Ms. Malecha reminded the Council that there is a budget work session in August and a preliminary budget will be presented to the Council and that is when we thoroughly go through all of the budgets. She stated that is where decisions are made as far as what the Council is comfortable with to set that preliminary budget in September. She said there is a lot of work that will go into it and she is unsure on how specific the Council wants to be at this point. Ms. Malecha asked what kind of directive they want to give her to relate to staff and reminded them that a lot of those deep diving specific conversations will be had in the coming months. She stated that this is just kind of a broad overview of what kind of direction the Council wants and asked if they want City Staff to maintain a tax rate that stays the same with the idea that we need to possibly reduce our tax rate and to come prepared with ideas of how we can do that.

Council Member Swanson agrees with Ms. Malecha with the fact that it is too early and we do not know what is coming and when we open up how quickly will we get back to normal. She said she thinks they should put this on a burner and just think about it until the August meeting.

Council Member Seils thinks they should really have to start thinking about ways they can maintain and have the staff really look at the budgets carefully at this point and look at this list that we have here and how important the stuff is or is it something that they can put off for a year until we know what the future holds. Council Member Pederson said he agrees with Council Member Seils a hundred percent and staff should look at that list and say do I absolutely need it and can't work without it or can we put it out for a year. He said the same with the budget he would make a directive to look at it at a 4-5% tax rate reduction and show us what that looks like.

Ms. Malecha stated that each department is compiling their numbers and their numbers are due by the end of June and then Angie Duus and Jenny Peterson will start putting that into the software. She stated that they can set the preliminary budget in September but they can still whittle it down or decrease it before December when the Council has to set that final levy.

The Council directive is to carefully review budgets and save wherever we can. They discussed that they do not believe that there needs to be a set number to reduce the budget by yet and to review the budget line item by line item with the Council. Council Member Pederson discussed looking at the 2020 budget to see if anything can be cut from there and asked if all non-essential expenditure be frozen. Discussion ensued about looking at the budget and how if you cut expenses now that it can cause problems in the future. The Council also directed

staff to review the remaining 2020 budget to see if there is anything that can be cut from that also.

10.4. HRA Commissioner Resignation

Nancy Malecha stated that Edith Watson has resigned from the HRA Commission. She stated that her term would have expired on December 31, 2024 and that the City is grateful for Ms. Watson's service on the HRA Commission.

Council acknowledgement of Edith Watson's resignation from the HRA Commission.

10.5. Heartland Cable Commission Franchise Fee Distribution

Ms. Malecha stated the City received a check in the amount of $4,830 from the Heartland Cable Commission as a franchise fee distribution. She stated in the past, the City has committed this money for future Trailside Park projects. She stated that the current microphone system, camera and recording system is very outdated. Ms. Malecha recommended the City commit the money to upgrades to audio and visual technology equipment in the Council Chambers.

COUNCIL MEMBER AKERSON MOVED TO COMMIT THE HEARLAND CABLE COMMISSION FRANCHISE FEE DISTRIBUTION IN THE AMOUNT OF $4,830 FOR UPGRADES TO AUDIO AND VISUAL TECHNOLOGY EQUIPMENT IN THE COUNCIL CHAMBERS. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-1. COUNCIL MEMBER PEDERSON OPPOSED.

Council Member Swanson asked if it was received last year and Ms. Malecha stated the City receives it about every other year and that it was dedicated to the Parks the last time they received it.

Council Member Pederson thought maybe it could be used for fireworks. Ms. Malecha reminded the Council that they put about $3,000 in the 2020 budget to help support the fireworks program as they do every year. She stated the City increased that by $500 from the previous year and she already notified Ms. Wassermann of that contribution from the City. Ms. Malecha informed the Council that she did also mention to Ms. Wasserman that if they find that they are at a shortfall to contact her and she would come before the Council to see if the City could assist with more funds.

11. Other Business

There was no other business.

---

12. Closed meeting pursuant to Minn. Stat. § 13D.05, subd. 3(c) to develop or consider offers or counteroffers for the purchase of real property permanent easements

Mayor Tayloe announced that this agenda item is to develop or consider offers or counteroffers for the purchase of real property permanent easements, pursuant to Minnesota Statutes, Section 13D.05, Subdivision 3(c). This portion of the meeting will be closed because the City Council develop or consider offers or counteroffers for the purchase of real property permanent easements located at 31124 Rasmussen Road, 31094 Rasmussen Road, 31064 Rasmussen Road, 31018 Rasmussen Road, 31011 Rasmussen Road & Parcel ID 29102005001W009, 30950 & 30918 Rasmussen Road, 30744 Rasmussen Road, and Parcel ID 290142300GA0009

Mayor Tayloe further noted that only the officials and consultants of the City who reasonably require access to this data may be in attendance at any portion of the closed meeting for this agenda item.

COUNCIL MEMBER SEILS MOVED TO CLOSE THE MEETING PURSUANT TO MINNESOTA STATUTES, SECTION 13D.05, SUBDIVISION 3(c). COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

The Council went into closed session at 8:49 p.m.

The Council re-convened the open session at 9:10 p.m. Mayor Tayloe and the Council provided a summary and motions to accept the offers or counteroffers for the purchase of real property permanent easements from the May 5th closed meeting.

COUNCIL MEMBER SWANSON MOVED TO ACCEPT THE EASEMENT WITH BRIAN AND ALISON EVENSON AT 31124 RASMUSSEN ROAD AS PRESENTED. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 5-0.

COUNCIL MEMBER PEDERSON MOVED TO ACCEPT THE EASEMENT WITH REAL ESTATE GIVING LLC. AT 31094 RASMUSSEN ROAD AS PRESENTED. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 5-0.

COUNCIL MEMBER SEILS MOVED TO ACCEPT THE EASEMENT WITH DALE AND BONITA LINDQUIST AT 31064 RASMUSSEN ROAD AS PRESENTED. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

COUNCIL MEMBER SWANSON MOVED TO ACCEPT THE EASEMENT WITH SCANDIA NORTH CONDOMINIUMS AT 31018 RASMUSSEN ROAD AS

PRESENTED. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 5-0.

COUNCIL MEMBER PEDERSON MOVED TO ACCEPT THE EASEMENT WITH WJS PROPERTIES LLC. AT 31011 RASMUSSEN ROAD AS PRESENTED. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 5-0.

COUNCIL MEMBER SEILS MOVED TO ACCEPT THE EASEMENT WITH OUR LADY OF THE LAKES CHURCH AND OFFICE AT 30950 & 30918 RASMUSSEN ROAD AS PRESENTED. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.

COUNCIL MEMBER SWANSON MOVED TO ACCEPT THE EASEMENT WITH DELORES MONICAL AT 30744 RASMUSSEN ROAD AS PRESENTED. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 5-0.

13. Adjournment

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

The meeting of the City Council adjourned at 9:16 p.m.

Respectfully submitted,

Angie Duus
City Clerk/Treasurer

James Tayloe
Mayor